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

FORM 8-K

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

Date of Report (Date of earliest event reported): February 9, 2023

AVALON GLOBOCARE CORP.
(Exact name of registrant as specified in its charter)

Delaware	001-38728	47-1685128
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

4400 Route 9 South, Suite 3100
Freehold, NJ 07728
(Address of principal executive offices)

Registrant's telephone number, including area code: (732) 780-4400

N/A
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

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

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

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

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

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, $0.0001 par value per share	**ALBT**	**The Nasdaq Capital Market**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

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. ☐

Item 1.01 Entry into a Material Definitive Agreement.

Amended and Restated Membership Interest Purchase Agreement

On February 9, 2023 (the "Closing Date"), Avalon GloboCare Corp. (the "Company") entered into and closed an Amended and Restated Membership Interest Purchase Agreement (the "Amended MIPA"), by and among Avalon Laboratory Services, Inc., a wholly-owned subsidiary of the Company (the "Buyer"), SCBC Holdings LLC (the "Seller"), the Zoe Family Trust, Bryan Cox and Sarah Cox as individuals (each an "Owner" and collectively, the "Owners"), and Laboratory Services MSO, LLC ("Laboratory Services MSO"). The Amended MIPA amends and restates, in its entirety, that certain Membership Interest Purchase Agreement, dated November 7, 2023 (the "Original MIPA"), which was previously filed as Exhibit 2.1 to the Current Report on Form 8-K with the Securities and Exchange Commission (the SEC") on November 8, 2022 (the "Form 8-K").

Pursuant to the terms and conditions set forth in the Amended MIPA, Buyer acquired from the Seller, forty percent (40%) of all the issued and outstanding equity interests of Laboratory Services MSO (the "Purchased Interests"), free and clear of all liens (the "Transaction"). The consideration paid by Buyer to Seller for the Purchased Interests consisted of $21,000,000, which comprised of (i) $9,000,000 in cash, (ii) $11,000,000 pursuant to the issuance of 11,000 shares of the Company's newly designated Series B Convertible Preferred Stock (the "Series B Preferred Stock"), stated value $1,000 (the "Series B Stated Value"), and (iii) a $1,000,000 cash payment on February 9, 2024 (the "Anniversary Payment"). The Series B Preferred Stock will be convertible into shares of the Company's common stock at a conversion price per share equal to $3.78 or an aggregate of 2,910,053 shares of the Company's common stock and are subject to the Lock Up Period, as defined below, and the restrictions on sale set forth under Item 5.03 Amendments to Articles of Incorporation or Bylaws: Change in Fiscal Year - *Series B Preferred Stock – Conversion.* The Seller is also eligible, under the terms set forth in the Amended MIPA, to receive certain earnout payments upon achievement of certain operating results, which may be comprised of up to $10,000,000 of which (x) up to $5,000,000 will be paid in cash and (y) up to $5,000,000 will be paid pursuant to the issuance of the number of shares of Company common stock valued at $5,000,000, calculated using the closing price of the Company's common stock on December 31, 2023, rounded down to the nearest whole share (collectively, the "Earnout Payments").

The Amended MIPA contains customary representations and warranties and covenants. The Anniversary Payment and the Earnout Payments will be available to compensate the Buyer for certain losses it may incur pursuant the indemnification provisions set forth in the Amended MIPA.

In addition, at any time during the period beginning on the Closing Date and ending on the date nine (9) months after the Closing Date, the Buyer, or its designated affiliates under the Amended MIPA, may purchase from the Seller twenty percent (20%) of the total issued and outstanding equity interests of Laboratory Services MSO for the purchase price of (i) $6,000,000 in cash and (ii) the issuance of an additional 4,000 shares of Series B Preferred Stock valued at $4,000,000, in accordance with the terms and conditions set forth in the Amended MIPA.

Following the closing of the Transaction (the "Closing"), Sarah Cox shall be retained as a consultant to support the Company's strategic growth initiatives and operations. Further, Meng Li shall continue to serve in her current capacity as the Company's Chief Operating Officer and in her current role as a member of the Company's board of directors.

The foregoing description of the Amended MIPA does not purport to be complete and is qualified by reference to the full text of the Amended MIPA that is attached hereto as Exhibit 2.1, which is incorporated herein by reference.

Second Amended and Restated Limited Liability Company Agreement

In connection with the Closing of the Transaction, Laboratory Services MSO entered into a Second Amended and Restated Limited Liability Company Agreement, dated February 9, 2023 (the "Amended Operating Agreement"), by and among the Seller, the Zoe Family Trust, the Owners, and the members named therein. The terms of the Amended Operating Agreement, include, but are not limited to: (i) establishing Laboratory Services MSO as a multi-member entity as of the Closing Date of the Transaction; (ii) reaffirming the Buyer's right to purchase an additional twenty percent (20%) of the issued and outstanding units of Laboratory Services MSO, as described above; (iii) allocating the profits and losses of Laboratory Services MSO among the parties to the agreement; and (iv) providing for the management rights of the members.

The foregoing description of the Amended Operating Agreement does not purport to be complete and is qualified by reference to the full text of the Amended Operating Agreement that is attached hereto as Exhibit 10.1, which is incorporated herein by reference.

Private Placement

As previously disclosed on the Form 8-K, the Company conducted a private placement offering in connection with the Transaction for shares of its newly designated Series A Convertible Preferred Stock (the "Series A Preferred Stock"), at a purchase price of $1,000 per share (the 'Private Placement"). As previously disclosed, the Company entered into its form of securities purchase agreement (the "Securities Purchase Agreement"), with certain accredited investors named therein, including Wenzhao Lu, the Company's Chairman of the board of directors, pursuant to which the Company sold an aggregate of 9,000 shares of its Series A Preferred Stock for the gross proceeds of $9,000,000, which funds were used to pay the cash purchase price described above for the Purchased Interests.

The foregoing description of the Securities Purchase Agreement does not purport to be complete and is qualified by reference to the full text of the Form of Securities Purchase Agreement that was filed as Exhibit 10.1 to the Form 8-K, which is incorporated herein by reference.

Item 2.01 Completion of Acquisition or Disposition of Assets.

The information set forth in Item 1.01 of this Current Report on Form 8-K with respect to the Closing of the Transaction is incorporated by reference into this Item 2.01.

Item 3.02 Unregistered Sales of Equity Securities.

The information set forth in Item 1.01 and Item 2.01 of this Current Report on Form 8-K with respect to the issuances of the Company's shares of Series A Preferred Stock and Series B Preferred Stock, respectively, is incorporated by reference into this Item 3.02.

The issuance of both the Series A Preferred Stock and the Series B Preferred Stock, respectively, as described in this Current Report on Form 8-K, were each exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), pursuant to Section 4(a)(2) of the Securities Act.

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

The information set forth in Item 1.01and Item 2.01 of this Current Report on Form 8-K is incorporated by reference into this Item 5.03.

Series A Preferred Stock

In conjunction with the Transaction, on November 3, 2022 the Company filed a Certificate of Designation of Preferences, Rights and Limitations of the Series A Preferred Stock (the "Series A Certificate of Designation"), which became effective immediately with the Secretary of State of the State of Delaware, attached hereto as Exhibit 3.1. Pursuant to the Series A Certificate of Designation, the Company designated up to 15,000 shares of the Company's previously undesignated preferred stock as Series A Preferred Stock. The Series A Preferred Stock is not subject to increase without the written consent of the holders of a majority of the then outstanding shares of the Series A Preferred Stock voting as a separate class (each, a "Series A Holder" and collectively, the "Series A Holders"). Each share of Series A Preferred Stock shall have a par value of $0.0001 per share and a stated value equal to $1,000 (the "Series A Stated Value"). The shares of Series A Preferred Stock issued and to be issued in the Private Placement shall have identical terms and include the terms as set forth below.

Dividends. The Series A Holders are entitled to receive, and the Company shall pay, dividends on shares of Series A Preferred Stock equal (on an as-if-converted-to-common-stock basis, disregarding for such purpose any conversion limitations set forth in the Series A Certificate of Designations) to and in the same form as dividends actually paid on shares of the Company's common stock when, as and if such dividends are paid on shares of the common stock. No other dividends shall be paid on shares of Series A Preferred Stock. The Company will not pay any dividends on its common stock unless the Company simultaneously complies with the terms set forth in the Series A Certificate of Designation.

Liquidation. Upon any dissolution, liquidation or winding-up of the Company, whether voluntary or involuntary (a "Liquidation"), the Series A Holders will be entitled to receive out of the assets available for distribution to the stockholders, (i) after and subject to the payment in full of all amounts required to be distributed to the holders of another class or series of stock of the Company ranking on liquidation prior and in preference to the Series A Preferred Stock, (ii) ratably with any class or series of stock ranking on liquidation on parity with the Series A Preferred Stock and (iii) in preference and priority to the holders of the shares of the Company's common stock, an amount equal to 100% of the Series A Stated Value, and no more, in proportion to the full and preferential amount that all shares of the Series A Preferred Stock are entitled to receive. The Company shall mail written notice of any Liquidation not less than twenty (20) days prior to the payment date stated therein, to each Series A Holder.

Conversion. Each share of Series A Preferred Stock shall be convertible, at any time and from time to time from and after the later of (i) the date of the stockholder approval as described above, in accordance with the Nasdaq Stock Market Listing Rules, and (ii) the nine (9) month anniversary of the Closing (the "Initial Conversion Date"), at the option of the Series A Holder, into that number of shares of common stock (subject to the limitations set forth in Series A Certificate of Designations, determined by dividing the Stated Value of such share of Series A Preferred Stock by the Conversion Price (as defined below)). The Series A Holders may effect conversions by providing the Company with the form of conversion notice attached as Annex A to the Series A Certificate of Designation. The Series A Holders may convert such shares into shares of the Company's common stock at a conversion price per share equal to the greater of (i) one dollar ($1.00) and (ii) ninety percent (90%) of the closing price of the Company's common stock on Nasdaq on the day prior to receipt of a conversion notice (collectively, the "Conversion Price"), subject to adjustment for stock splits and similar matters. In addition, following the Initial Conversion Date, each Series A Holder agrees that it shall not be entitled to in any calendar month, sell a number of Series A Conversion Shares into the open market in an amount exceeding more than ten percent (10%) of the number of Series A Conversion Shares issuable upon conversion of the Series A Preferred Stock then held by such Series A Holder.

Conversion Price Adjustment:

Stock Dividends and Stock Splits. If the Company, at any time while the Series A Preferred Stock is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions payable in shares of common stock on shares of common stock or any other common stock equivalents (which, for avoidance of doubt, shall not include any shares of common stock issued by the Company upon conversion of, or payment of a dividend on, the Series A Preferred Stock), (ii) subdivides outstanding shares of common stock into a larger number of shares, (iii) combines (including by way of a reverse stock split) outstanding shares of common stock into a smaller number of shares, or (iv) issues, in the event of a reclassification of shares of the common stock, any shares of capital stock of the Company, then the conversion price of the Series A Preferred Stock shall be multiplied by a fraction of which the numerator shall be the number of shares of common stock (excluding any treasury shares of the Company) outstanding immediately before such event, and of which the denominator shall be the number of shares of common stock outstanding immediately after such event. Any of the foregoing adjustments shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

Fundamental Transaction. If, at any time while the Series A Preferred Stock is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind (a "Person"), (ii) the Company (and all of its subsidiaries, taken as a whole), directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of the Company's common stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of fifty percent (50%) or more of the outstanding common stock, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the common stock or any compulsory share exchange pursuant to which the common stock is effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another Person whereby such other Person acquires more than fifty percent (50%) of the outstanding shares of common stock (not including any shares of common stock held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination) (each a "Fundamental Transaction"), then, the Series A Holder shall have the right to receive, for each conversion share that would have been issuable upon such conversion immediately prior to the occurrence of such Fundamental Transaction (without regard to any limitation set forth in the Series A Certificate of Designation on the conversion of the Series A Preferred Stock), the number of shares of common stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and/or any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of shares of common stock for which the Series A Preferred Stock is convertible immediately prior to such Fundamental Transaction (without regard to the limitations set forth in the Series A Certificate of Designation on the conversion of the Series A Preferred Stock). For purposes of any such conversion, the determination of the Conversion Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of common stock in such Fundamental Transaction, and the Company shall apportion the Conversion Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of common stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Series A Holder shall be given the same choice as to the Alternate Consideration it receives upon such Fundamental Transaction.

Voting Rights. The Series A Holders will have no voting rights, except as otherwise required by the Delaware General Corporation Law. Notwithstanding the foregoing, as long as any shares of Series A Preferred Stock are outstanding, the Company shall not, without the affirmative vote of the holders of a majority of the then outstanding shares of Series A Preferred Stock, voting as a separate class, (a) alter or change adversely the powers, preferences or rights given to the Series A Preferred Stock in the Series A Certificate of Designation, (b) increase the number of authorized shares of Series A Preferred Stock, (c) authorize or issue an additional class or series of capital stock that ranks senior to the Series A Preferred Stock with respect to the distribution of assets on liquidation or (d) enter into any agreement with respect to any of the foregoing.

Fractional Shares. No fractional shares or scrip representing fractional shares shall be issued upon the conversion of the Series A Preferred Stock. As to any fraction of a share of Company common stock which a Series A Holder would otherwise be entitled to upon such conversion, the Company will, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Conversion Price or round up to the next whole share. Notwithstanding the foregoing, nothing shall prevent any Series A Holder from converting fractional shares of Series A Preferred Stock.

The foregoing description of the Series A Certificate of Designation does not purport to be complete and is qualified by reference to the full text of the Series A Certificate of Designation that was filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on December 14, 2022, which is incorporated herein by reference.

Series B Preferred Stock

In conjunction with the Transaction, on February 9, 2023, the Company filed a Certificate of Designation of Preferences, Rights and Limitations of the Series B Preferred Stock (the "Series B Certificate of Designation"), which became effective immediately with the Secretary of State of the State of Delaware, attached hereto as Exhibit 3.2. In connection with the Transaction, as described above in Item 1.01, the Company issued the Series B Preferred Stock to the Seller, the terms of which are set forth below. The Company designated up to 15,000 shares of the Company's previously undesignated preferred stock as Series B Preferred Stock, which shall not be subject to increase without the written consent of the holders of a majority of the then outstanding shares of the Series B Preferred Stock voting as a separate class (each, a "Series B Holder" and collectively, the "Series B Holders"). Each share of Series B Preferred Stock shall have a par value of $0.0001 per share and a stated value equal to $1,000 (as defined above, the "Series B Stated Value").

Dividends. The Series B Holders shall be entitled to receive, and the Company shall pay, dividends on shares of Series B Preferred Stock equal (on an as-if-converted-to-common-stock basis, disregarding for such purpose any conversion limitations set forth in the Series B Certificate of Designations) to and in the same form as dividends actually paid on shares of the Company's common stock when, as and if such dividends are paid on shares of the common stock. No other dividends shall be paid on shares of Series B Preferred Stock. The Company will not pay any dividends on its common stock unless the Company simultaneously complies with the terms set forth in the Series B Certificate of Designation.

Rank. The Series B Preferred Stock will rank subordinate to the shares of the Company's Series A Preferred Stock.

Liquidation. Upon any Liquidation, the Series B Holders will be entitled to receive out of the assets available for distribution to stockholders, (i) after and subject to the payment in full of all amounts required to be distributed to the holders of another class or series of stock of the Company ranking on liquidation prior and in preference to the Series B Preferred Stock, including the Series A Preferred Stock, (ii) ratably with any class or series of stock ranking on liquidation on parity with the Series B Preferred Stock and (iii) in preference and priority to the holders of the shares of common stock, an amount equal to one hundred percent (100%) of the Series B Stated Value and no more, in proportion to the full and preferential amount that all shares of the Series B Preferred Stock are entitled to receive. The Company shall mail written notice of any such Liquidation not less than twenty (20) days prior to the payment date stated therein, to each Series B Holder.

Conversion. Each share of Series B Preferred Stock shall be convertible, at any time and from time to time from and after the later of (i) the date of the stockholder approval and (ii) the one year anniversary of the Closing Date (the "Lock Up Period"), at the option of the Series B Holder thereof, into that number of shares of common stock (subject to the limitations set forth in Series B Certificate of Designation determined by dividing the Series B Stated Value of such share of Series B Preferred Stock by the conversion price of the Series B Preferred Stock). Series B Holders may effect conversions by providing the Company with the form of conversion notice attached as Annex A to the Series B Certificate of Designation. The Series B Preferred Stock will be convertible into shares of the Company's common stock at a conversion price per share equal to $3.78, subject to the adjustments set forth in the Series B Certificate of Designation. Notwithstanding the foregoing or the transactions contemplated by the Amended MIPA, until the consummation of the Lock Up Period, the Series B Holders shall not, directly or indirectly, sell, transfer or otherwise dispose of any Series B Preferred Stock issued upon conversion of the Series B Conversion Shares or pursuant to the Equity Earnout Payment (the "Restricted Securities") without Company's prior written consent; provided, however, the Series B Holders may sell, transfer or otherwise dispose of Restricted Securities to an Affiliate, as defined in the Amended MIPA, of a Series B Holder without Company's prior written consent; provided, further, that such Series B Holder provide prompt written notice to Company of such transfer, including the name and contact information of the Affiliate transferee, and such Affiliate transferee agrees in writing to be bound by the terms of the transaction documents contemplated by the Amended MIPA to which the Series B Holder is a party (which agreement shall also be provided to Company with such notice). After the expiration of the Lock Up Period, the Series B Holder agrees that it and any of its Affiliate transferees shall not be entitled to in any calendar month, sell a number of shares of Company common stock into the open market in an amount exceeding more than ten percent (10%) of the total number of shares of Company common stock issuable upon conversion of the Company common stock then held by the Seller and its Affiliates.

Conversion Price Adjustment:

Stock Dividends and Stock Splits. If the Company, at any time while the Series B Preferred Stock is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions payable in shares of common stock on shares of common stock or any other common stock equivalents (which, for avoidance of doubt, shall not include any shares of common stock issued by the Company upon conversion of, or payment of a dividend on, the Series B Preferred Stock), (ii) subdivides outstanding shares of common stock into a larger number of shares, (iii) combines (including by way of a reverse stock split) outstanding shares of common stock into a smaller number of shares, or (iv) issues, in the event of a reclassification of shares of the common stock, any shares of capital stock of the Company, then the conversion price of the Series B Preferred Stock shall be multiplied by a fraction of which the numerator shall be the number of shares of common stock (excluding any treasury shares of the Company) outstanding immediately before such event, and of which the denominator shall be the number of shares of common stock outstanding immediately after such event. Any of the foregoing adjustments shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

Fundamental Transaction. If, at any time while the Series B Preferred Stock is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company (and all of its subsidiaries, taken as a whole), directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of the Company's common stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of fifty percent (50%) or more of the outstanding common stock, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the common stock or any compulsory share exchange pursuant to which the common stock is effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a Fundamental Transaction, then, at the closing of such Fundamental Transaction, without any action on the part of the Series B Holder, the Series B Holder shall have the right to receive, for each conversion share that would have been issuable upon such conversion immediately prior to the occurrence of such Fundamental Transaction (without regard to any limitation in the Series B Certificate of Designation on the conversion of the Series B Preferred Stock), the number of shares of common stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and/or any Alternate Consideration receivable as a result of such Fundamental Transaction by a holder of the number of shares of common stock for which the Series B Preferred Stock is convertible immediately prior to such Fundamental Transaction (without regard to the limitations set forth in the Series B Certificate of Designation on the conversion of the Series B Preferred Stock). For purposes of any such conversion, the determination of the conversion price of the Series B Preferred Stock shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of common stock in such Fundamental Transaction, and the Company shall apportion the Conversion Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of common stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Series B Holder shall be given the same choice as to the Alternate Consideration it receives upon such Fundamental Transaction.

Voting Rights. The Series B Holders will have no voting rights, except as otherwise required by the Delaware General Corporation Law. Notwithstanding the foregoing, in addition, as long as any shares of Series B Preferred Stock are outstanding, the Company shall not, without the affirmative vote of the holders of a majority of the then outstanding shares of the Series B Preferred Stock, voting as a separate class, (a) alter or change adversely the powers, preferences or rights given to the Series B Preferred Stock in the Series B Certificate of Designation, (b) increase the number of authorized shares of Series B Preferred Stock, (c) except with respect to the Series A Preferred Stock, authorize or issue an additional class or series of capital stock that ranks senior to the Series B Preferred Stock with respect to the distribution of assets on liquidation or (d) enter into any agreement with respect to any of the foregoing.

Fractional Shares. No fractional shares or scrip representing fractional shares shall be issued upon the conversion of the Series B Preferred Stock. As to any fraction of a share which a Series B Holder would otherwise be entitled to upon such conversion, the Company shall at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Conversion Price or round up to the next whole share. Notwithstanding the foregoing, nothing shall prevent any Series B Holder from converting fractional shares of Series B Preferred Stock.

A copy of the Series B Certificate of Designation is attached hereto as Exhibit 3.2 and incorporated herein by reference. The foregoing description of the Series B Certificate of Designation is qualified in its entirety by reference to Exhibit 3.2 attached hereto.

Item 7.01. Regulation FD Disclosure.

In connection with the Transaction, the Company issued a press release on February 13, 2023.The full text of the press release issued in connection with the Closing is being furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(a) Financial statements of businesses or funds acquired:

The Company intends to file the financial statements required by this Item 9.01(a) by an amendment to this report on Form 8-K no later than seventy-one (71) calendar days after the date that this initial report on Form 8-K must be filed.

(b) Pro Forma Financial Information:

The Company intends to file the financial statements required by this Item 9.01(b) by an amendment to this report on Form 8-K no later than seventy-one (71) calendar days after the date that this initial report on Form 8-K must be filed.

(d) Exhibits:

Exhibit No.	Description of Exhibit
2.1*	Amended and Restated Membership Interest Purchase Agreement, dated February 9, 2023, by and among the Registrant, Laboratory Services MSO, LLC, SCBC Holdings LLC, Avalon Laboratory Services, Inc., the Zoe Family Trust, Bryan Cox and Sarah Cox.
3.1	Certificate of Designation of Preferences, Rights and Limitations of the Series A Convertible Preferred Stock (incorporated by reference to Exhibit 3.1 of the Registrant's Current Report on Form 8-K filed on November 8, 2022).
3.2	Certificate of Designation of Preferences, Rights and Limitations of the Series B Convertible Preferred Stock.
10.1*	Second Amended and Restated Limited Company Agreement, dated February 9, 2023, by and among Laboratory Services MSO, LLC, SCBC Holdings LLC, the Zoe Family Trust, Bryan Cox, Sarah Cox and the members named therein.
99.1	Press Release issued by the Registrant, dated February 13, 2023.
104	Cover Page Interactive Date File (embedded within the Inline XRBL document).

* The schedules and exhibits have been omitted from this filing pursuant to Item 601(a)(5) of Regulation S-K. Registrant will furnish copies of such schedules and exhibits to the Securities and Exchange Commission upon request by the Commission.

SIGNATURES

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

AVALON GLOBOCARE CORP.

Date: February 13, 2023

By: /s/ Luisa Ingargiola
Name: Luisa Ingargiola
Title: Chief Financial Officer

Exhibit 2.1

AMENDED AND RESTATED MEMBERSHIP INTEREST PURCHASE AGREEMENT

BY AND AMONG

LABORATORY SERVICES MSO, LLC
(the "Company"),

SCBC HOLDINGS LLC
(the "Seller"),

THE ZOE FAMILY TRUST, BRYAN COX and SARAH COX
(collectively, the "Owners"),

AVALON LABORATORY SERVICES, INC.
(the "Buyer"),

and, solely for purposes of Sections 2.7, 2.9, 6.9, 6.10 and 9.2,

AVALON GLOBOCARE CORP.
("Parent"),

Dated February 9, 2023

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Exhibit C	—	Parent Series B Preferred Stock Term Sheet
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AMENDED AND RESTATED MEMBERSHIP INTEREST PURCHASE AGREEMENT

THIS AMENDED AND RESTATED MEMBERSHIP INTEREST PURCHASE AGREEMENT, dated as of February 9, 2023 (this "Agreement"), is by and among Laboratory Services MSO LLC, a Delaware limited liability company (the "Company"), SCBC Holdings LLC, a Delaware limited liability company (the "Seller"), the Zoe Family Trust (the "Trust"), Bryan Cox and Sarah Cox (each an "Owner" and collectively with the Trust, the "Owners"), Avalon Laboratory Services, Inc., a Delaware corporation (the "Buyer") and, solely for purposes of Sections 2.7, 2.9,, 6.9, 6.10 and 9.2, Avalon GloboCare Corp., a Delaware corporation ("Parent").

WHEREAS, the Owners, the Seller and the Company have completed, or caused their respective Affiliates (as applicable) to complete, each of the transactions set forth on Exhibit A-1 and assigned to the Company Group each of the assets set forth on Exhibit A-2 (together, the "Pre-Closing Reorganization").

WHEREAS, the Owners own all of the issued and outstanding equity interests of the Seller;

WHEREAS, the Seller owns all of the issued and outstanding equity interests of the Company (the "Membership Interests");

WHEREAS, the Seller and the Buyer entered into a Membership Interest Purchase Agreement (the "Original Agreement"), dated November 7, 2022 (the "Original Agreement Date") and now wish to amend and restate the Original Agreement as set forth herein;

WHEREAS, the Seller desires to sell to the Buyer, and the Buyer desires to acquire from the Seller, forty percent (40%) of the issued and outstanding Membership Interests of the Company on the terms and in the manner set forth in this Agreement; and

WHEREAS, each of Key Employees (as defined below) shall execute an employment agreement (the "Employment Agreement") with the Company, which shall become effective as of the Closing;

WHEREAS, Sarah Cox shall execute an independent consulting agreement (the "Consulting Agreement") with the Company, which shall become effective as of the Closing.

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, warranties, covenants and agreements herein contained, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

ARTICLE I.
DEFINITIONS

1.1 **Certain Definitions**. For purposes of this Agreement, the following terms shall have the following meanings:

"Affiliate" means any Person that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such Person.

"Average Closing Price" means an amount equal to the volume-weighted average (rounded to the nearest 1/10,000, or if there shall not be a nearest 1/10,000, to the next highest 1/10,000) of the daily volume-weighted average trading price of a share of Parent Stock on Nasdaq Capital Markets (as reported by Bloomberg Financial Markets) for the thirty (30) consecutive trading days (which calculation shall be determined without regard to after-hours trading or any other trading outside of the regular trading session); *provided, however*, that during the period that the Average Closing Price is being determined, the Average Closing Price shall be subject to appropriate adjustment from time to time for stock splits, stock dividends and stock combinations with respect to Parent Stock.

"Business" means the business of the Company Group as currently conducted or planned to be conducted, which includes creating, developing, manufacturing, distributing, marketing or selling laboratory testing services including all types of blood testing, urine testing, genetic testing, drug screening and COVID-19 testing and the sale or distribution of products related to laboratory testing, such as testing equipment, test kits and related durable medical equipment.

"Business Day" means any day other than a Saturday, Sunday or day on which banks are permitted to close in the State of New York.

"Buyer Fundamental Representations" Section 5.1 (Organization; Good Standing; Limited Liability Company; and Qualification), Section 5.2 (Authority; Enforceability) and Section 5.6 (Brokers).

"CARES Act" means P.L. 116-136 and any guidance issued by the Internal Revenue Service thereunder.

"Cash" means all cash and cash equivalents that are immediately convertible into cash, in each case, determined in accordance with GAAP, and held in any account of the Company, (i) excluding the amount of any (A) issued but uncleared checks, wires or drafts and any cash overdrafts or other negative balances (B) any cash or cash equivalents not freely distributable due to legal, regulatory or contractual constraints or otherwise of the type commonly referred to as "restricted" or "trapped" cash, and (C) any deposits of third parties, cash held as collateral, and any sales, condemnation or insurance proceeds from the occurrence of any sale, condemnation, casualty or loss event with respect to any properties or assets of the Company, and (ii) including checks and drafts deposited for the account of the Company or on hand at the Company or available for deposit for the account of the Company.

"Cash Earnout Payment" means either (a) Five Million Dollars ($5,000,000) if the Buyer, or an Affiliate of the Buyer, completes the acquisition of an additional twenty percent (20%) of the Membership Interests in accordance with Section 6.13 of this Agreement, *or* (b) Three Million Three Hundred and Thirty Three Thousand Three Hundred and Thirty Five Dollars ($3,333,335) if the Buyer, or an Affiliate of the Buyer, does not complete the acquisition of an additional twenty percent (20%) of the Membership Interests in accordance with Section 6.13 of this Agreement, in each case, such amount subject to any offset as set forth in this Agreement.

"Cash Purchase Price" means Nine Million Dollars ($9,000,000).

"Claim" means any claim, action, cause of action, chose in action or suit (whether in contract or tort or otherwise), litigation (whether at Law or in equity, whether civil or criminal), opposition, expungement Proceeding, controversy, assessment, arbitration, examination, audit, investigation, hearing, charge, complaint, demand, notice or Proceeding to, from, by or before any Governmental Authority or arbitrator(s).

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

"Commission" means the United States Securities and Exchange Commission.

"Company Group" means, collectively, each of the Company and its direct Subsidiaries Laboratory Services, LLC, a Wyoming limited liability company and Laboratory Services DME, LLC, a Delaware limited liability company.

"Company Material Adverse Effect" means any change, effect, event, circumstances, occurrence or state of facts that, individually or in the aggregate, has had or would reasonably be expected to have, a material adverse effect on the assets, liabilities, business, financial condition or results of operations of the Company, taken as a whole; *provided*, *however*, that any adverse effect arising out of, resulting from or attributable to (i) an event or circumstance or series of events or circumstances affecting the United States or global economy generally or capital, credit or financial markets generally, including changes in interest or exchange rates and any suspension of trading in securities, (ii) the outbreak or escalation of hostilities involving the United States, the declaration by the United States of a national emergency or war or the occurrence of any other calamity or crisis, including an act of terrorism, or quarantine or so-called "stay at home" requirement, pronouncement or policy, declared by any United States Governmental Authority (including, for the avoidance of doubt, the State of California or any Governmental Authority therein); (iii) any changes that are generally applicable to the industries and geographic marketplaces in which the Company operates or in which services of the Company are used, (iv) any actual or proposed changes in applicable Law or GAAP or the enforcement or interpretation thereof, or (v) any acts of God, shall not be taken into account in determining whether a Company Material Adverse Effect has occurred or would reasonably be expected to occur; *provided*, *further*, that with respect to any matter described in the foregoingclauses (i), (ii), (iii), or (iv), such matter shall only be excluded to the extent such matter does not have a materially disproportionate effect on the Company, taken as a whole, relative to other comparable entities operating in the industries in which the Company operates.

"Confidential Information" means any and all information concerning or related to (a) the Company, including any and all Company Intellectual Property, know-how, research and development information, plans, proposals, technical data, copyright works, financial, trade secrets, marketing and business data, customer lists, pricing and cost information, information related to the Company Intellectual Property, business and marketing plans, customer and supplier lists and (b) the terms of this Agreement and the other Transaction Documents.

"Contract" means any written or oral contracts, leases, bonds, notes, mortgages, indentures agreements, subcontracts, leases, licenses, purchase orders or other legally binding agreements or commitments.

"Convertible Stock" means the newly issued Series B preferred stock of Parent, with a stated value of $1,000 per share, convertible into Parent Stock at a conversion price equal to the Average Closing Price as of the second trading day preceding the Closing Date, which shall be convertible upon receipt of stockholder approval pursuant to Section 6.10 hereof with such terms and conditions as set forth onExhibit C.

"COVID-19" means the novel coronavirus, SARS-CoV-2 or COVID-19 (and all related strains and sequences), including any intensification, resurgence or any natural evolutions or mutations thereof, and/or related epidemics, pandemics, disease outbreaks or public health emergencies.

"Data Rooms" means the online data rooms with respect to the Company and its Subsidiaries hosted by Microsoft OneDrive entitled "Lab Services MSO -- Avalon Globocare -- DD" and "Lab Services MSO -- Avalon Globocare -- 9.9 Supplemental Diligence List".

"Disclosure Schedule" means the Disclosure Schedule delivered by the Owners and Seller to Buyer in connection with the execution and delivery of this Agreement.

"EBITDA" means net income (as calculated in accordance with GAAP),*plus* interest, taxes, depreciation and amortization.

"Environment" means soil, land surface or subsurface strata, surface waters (including navigable waters, ocean waters, streams, ponds, drainage basins, and wetlands), groundwaters, drinking water supply, stream sediments, ambient air, plant and animal life, and any other environmental medium or natural resource.

"Environmental Laws" shall any federal, state, local, international, federal, provincial, or tribal Law, treaty, statute, ordinance, rule, regulation, license, Permit, authorization, approval, consent, Order, judgment, decree, injunction, code requirement, published guidance, or agreement with any Governmental Authority relating to or concerning (a) pollution (or the cleanup thereof or the filing of information with respect thereto), human health, or the Environment, (b) the protection, preservation, mitigation, or payment of damages to natural resources, or (c) exposure to, or the use, storage, recycling, treatment, generation, transportation, processing, handling, distribution, labeling, production, disposal, discharge, release, threatened release, cleanup, or remediation of Regulated Substances, hazardous wastes, or solid wastes, including the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("CERCLA"), as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 et seq.; the federal Occupational Health and Safety Act of 1970 ("OSHA"), 29 U.S.C. § 651, et seq.; the Solid Waste Disposal Act, (including the Resource Conservation and Recovery Act of 1976, as amended), 42 U.S.C.A. §6901, et seq. ("RCRA"); the Clean Water Act, 33 U.S.C.A. §1251, et seq.; the Clean Air Act, 42 U.S.C.A. §7401, et seq.; the Toxic Substances Control Act, 15 U.S.C.A. §2601, et seq.; the federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C.A. §136, et seq.; the Lead Based Paint Exposure Reduction Act, 15 U.S.C.A. §2681, et seq.; the Safe Drinking Water Act, 49 U.S.C. §1801 et. seq.; the Hazardous Waste Materials Transportation Act, 49 U.S.C. 5101, et seq.; and all federal, state, county, and local Laws and ordinances of a similar nature, in each case, as amended and as now or hereafter in effect. The term "Environmental Laws" includes any common law or equitable doctrine (including tort doctrines such as negligence, nuisance, trespass, and strict Liability) that may impose Liability, injunctive or other equitable relief, or obligations for injuries or damages, including personal injury and property damage, due to or threatened as a result of the exposure to, or Release, presence, or ingestion of, any Regulated Substance.

"Environmental Permit" means any and all Permits, letters, clearances, consents, waivers, exemptions, decisions, or other actions required or issued, granted, given, authorized, or made under any applicable Environmental Law.

"Equity Consideration" means 11,000 shares of Convertible Stock valued at Eleven Million Dollars ($11,000,000).

"Equity Earnout Payment" means (a) the number of shares of Parent Stock valued at Five Million Dollars ($5,000,000) if the Buyer, or an Affiliate of the Buyer, completes the acquisition of an additional twenty percent (20%) of the Membership Interests in accordance with Section 6.13 of this Agreement, *or* (b) the number of shares of Parent Stock valued at Three Million Three Hundred and Thirty Three Thousand Three Hundred and Thirty Five Dollars ($3,333,335) if the Buyer, or an Affiliate of the Buyer, does not complete the acquisition of an additional twenty percent (20%) of the Membership Interests in accordance with Section 6.13 of this Agreement, in each case, such amount subject to any offset as set forth in this Agreement.

"Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended.

"Extended Representations" means the representations and warranties set forth in Section 3.11 (Employee Benefit Plans), Section 3.12 (Labor Relations), Section 3.9(n) (Absence of Certain Changes) and Section 3.14 (Taxes).

"Filing" means any registration, petition, statement, application, schedule, form, declaration, notice, notification, report, submission or other filing.

"GAAP" means generally accepted accounting principles in the United States, as in effect on the date hereof.

"Governmental Approval" means any consent, approval, Order or authorization of, or registration, declaration or filing with, any Governmental Authority.

"Governmental Authority" means any (i) supernational, federal, national, regional, state, provincial, municipal, local, foreign or other government, (ii) governmental or quasi-governmental entity of any nature (including any court, branch, department, official, entity or political subdivision or agency thereof, including any administrative agency or commission), or (iii) body exercising or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power of any nature, including any public arbitral tribunal, arbitrator or mediator.

"Health Care Laws" means all health care regulatory Laws applicable to the business of the Company and services provided by the Company, including all Laws relating to: (i) the licensure, certification, qualification or authority to transact the business of the Company; (ii) the solicitation or acceptance of improper incentives involving persons operating in the health care industry; (iii) billing, coding, coding validation, reimbursement, claims submission, collections and payment related to third party payors and Payment Programs; (iv) the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended; (v) the Privacy Laws; (vi) any state insurance, health maintenance organization or managed care Laws (including Laws relating to Medicaid programs); (vii) state corporate practice of medicine and professional fee-splitting Laws; (viii) the Medicare Program Laws at Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1395hhh, including specifically, the Ethics in Patient Referrals Act (the "Stark Law"), as amended, 42 U.S.C. § 1395nn; (ix) Title XIX of the Social Security Act, 42 U.S.C. §§ 1396- 1396v (the Medicaid statute); (x) the Federal Health Care Program Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b); (xi) the False Claims Act, 31 U.S.C. §§ 3729-3733 (as amended); (xii) the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; (xiii) the Anti-Kickback Act of 1986, 41 U.S.C. §§ 51-58; (xiv) the Civil Monetary Penalties Law, 42 U.S.C. §§ 1320a-7a and 1320a-7b; (xv) the Exclusion Laws, 42 U.S.C. § 1320a-7; (xvi) the Federal Health Care Fraud Law (18 U.S.C. § 1347); (xvii) TRICARE, 10 U.S.C. § 1071; (xviii) the Patient Protection and Affordable Care Act (Pub. L. 111-148) as amended by the Health Care and Education Reconciliation Act of 2010 (Pub. L. 111-152); and (xix) all applicable regulations, rules, ordinances, judgments and orders promulgated under each of the foregoing, and any similar federal, state and local statutes, regulations, rules, ordinances, judgments and orders.

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

"Indebtedness" means, without duplication, all obligations of the Company consisting of (i) indebtedness for borrowed money and all obligations represented by bonds, notes, debentures or similar instruments, in each case, including the outstanding principal amount and accrued and unpaid interest related thereto, and any fees, expenses and other payment obligations related thereto (including any prepayment penalties, premiums, costs, breakage or other amounts payable as a result of the consummation of the transactions contemplated by this Agreement), (ii) all obligations as lessee under leases that are required, in accordance with GAAP, to be recorded as capital or finance leases, as well as any obligation for a lease classified as a capital or finance lease in the Financial Statements, (iii) obligations for the deferred purchase price of property, assets or services, including, "earnout payments", "purchase price adjustments" and "seller notes" (but excluding any trade payables or accrued expenses arising in the ordinary course of business), (iv) all reimbursement and other obligations with respect to letters of credit, bank guarantees, bankers' acceptances, performance bonds or other similar instruments, in each case, solely to the extent drawn, (v) all obligations, including any costs or fees, with respect to any interest rate, currency swap, cap, forward, or other similar arrangements designed to provide protection against fluctuations in any price or rate, (vi) all obligations under sale-and-lease back transactions, (vii) all current income or franchise Tax liabilities (which calculation shall be in accordance with GAAP applied in a manner consistent with the Financial Statements to the extent consistent with GAAP), (viii) any unpaid incentive compensation, referral payments, or similar payments payable under the Company's bonus plans, commission plans or similar plans, programs or arrangements and the employer portion of any Taxes thereon, and any unpaid matching or other discretionary contributions by the Company under the Company's qualified retirement plans, (ix) the aggregate amount of any declared but unpaid distributions or dividends to equityholders and (x) guarantees by the Company (to the extent of the amount of such guarantees) of any obligations of the type described in the foregoing clauses (i) through (ix), (xi) all obligations of the type described in the foregoing clauses (i) through (x), that are secured by any Lien on any property or asset of the Company (whether or not such obligation is assumed by such Person), the amount of such obligation being deemed to be the lesser of the value of such property or assets or the amount of the obligation so secured and (xi) any and all amounts necessary and sufficient to retire each of the foregoing items of indebtedness, including principal (including the current portion thereof) and/or scheduled payments, accrued interest or finance charges and other fees, penalties, premiums, indemnities, brokerage costs or payments (prepayment or otherwise) necessary and sufficient to retire such indebtedness at Closing.

"Indemnifying Party" means each Person providing indemnification pursuant to Article IX.

"Intellectual Property" means all intellectual property of any type or nature, however denominated, anywhere in the world, including (i) all trademarks, trade names, service marks, service names, logos, product names, corporate names, assumed names, trade dress and all other indicia of source and origin, whether registered or unregistered, and all applications for the registration thereof, together will all of the goodwill associated therewith, (ii) Internet domain names, websites and social media accounts, (iii) all works of authorship (whether or not copyrightable) and all copyrights (whether registered or unregistered) and applications for registration thereof, (iv) proprietary data, database rights, and proprietary rights in Software, (v) all classes and types of patents, including originals, reissues, divisions, renewals, extensions, provisionals, continuations and continuations-in-part, patent applications and patent disclosures, (vi) trade secrets, inventions (whether patentable or unpatentable and whether or not reduced to practice), know-how, proprietary information, ideas, methods, procedures, processes, specifications, plans, proposals, improvements, inventions, applications, tools, supplier lists, and all related information, (vii) any and all registrations, applications for registration, renewals, extensions, revisions or restorations, recordings, licenses, common-law rights, statutory rights and contractual rights relating to any of the foregoing and (viii) all claims or causes of action arising out of or related to past, present or future infringement or misappropriate of the foregoing.

"Intellectual Property Licenses" means (a) licenses or sublicenses of Intellectual Property granted by the Company to any third party and (b) licenses or sublicenses of Intellectual Property or Software granted by any third party to any member of the Company. Intellectual Property Licenses shall include all licenses, material transfer agreements, manufacturing agreements, service agreements, trial and testing agreements, research and development agreements, distribution agreements, non-disclosure agreements, contractor and consultant agreements, joint venture agreements and collaboration agreements which address, in whole or in part, the use, ownership or enforceability of Intellectual Property.

"Key Employees" means James Rudy, Michael Tran, Corinna Porras, Barbara Christensen, Walter Lukkarila and Eva Samoza.

"Knowledge" means the actual or constructive knowledge of Bryan Cox, Sarah Cox, Raffi Tchamanian and Damien Burgess, after due inquiry.

"Law" means all laws (including common law), statutes, ordinances, directives, Regulations, codes, promulgations, treaties, resolutions, decrees and similar mandates of any Governmental Authority, including all Orders having the effect of law in any jurisdiction.

"Liability" means any debt, liability or obligation of any nature or kind whatsoever (whether direct or indirect, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, known or unknown, asserted or unasserted, determined, determinable or otherwise, directly incurred or consequential, due or to become due, and whether or not required to be accrued on financial statements prepared in accordance with GAAP).

"Lien" means any lien (statutory or otherwise), charge, pledge, Claim, encumbrance, security interest, mortgage, deed of trust, hypothecation, encumbrance, community property interest, limitation on voting rights, right of first refusal or first offer, option, buy/sell agreement, servitude, or any other lien of any nature or kind whatsoever (other than, in the case of a security, any restriction on transfer of such security arising solely under federal or state securities Laws); *provided*, *however*, that the term "Lien" shall not include (i) liens for Taxes that are not yet due and payable or that are being contested in good faith through appropriate Proceedings and which are adequately reserved or accrued for in the Financial Statements in accordance with GAAP, (ii) covenants, restrictions, conditions, easements, rights of way, zoning ordinances and other similar non-monetary liens that do not materially interfere with the Company's present uses or occupancy of the Leased Real Property, (iii) purchase money or similar vendor liens and liens in favor of carriers, warehousemen, mechanics and materialmen, or other similar liens incurred in the ordinary course of business and for amounts that are not yet due and payable or that are being contested in good faith through appropriate Proceedings and which are adequately reserved or accrued for in the Financial Statements in accordance with GAAP and (iv) general restrictions on transfer of securities imposed by applicable state, federal and foreign securities Laws.

"Limited Liability Company Agreement" means that certain Amended and Restated Limited Liability Company Agreement of the Company, dated as of April 23, 2021, by and between the Company and the Seller.

"Off-the-Shelf Software" means Software, other than Open Source Software, obtained from a third Person on general commercial terms that (i) continues to be widely available on such commercial terms, (ii) is not distributed with or incorporated in any product or services of the Company and (iii) was licensed for payments of less than $25,000 in the aggregate and requires license, maintenance, support and other ongoing fees of less than $25,000 per year.

"One Year Anniversary Payment" means (a) One Million Dollars ($1,000,000) if the Buyer, or an Affiliate of the Buyer, completes the acquisition of an additional twenty percent (20%) of the Membership Interests in accordance with Section 6.13 of this Agreement, *or* (b) Six Hundred Sixty Six Thousand Six Hundred Sixty Seven Dollars ($666,667) if the Buyer, or an Affiliate of the Buyer, does not complete the acquisition of an additional twenty percent (20%) of the Membership Interests in accordance with Section 6.13 of this Agreement, in each case, such amount subject to any offset as set forth in this Agreement.

"Open Source Software" means any Software that is distributed as "free software" (as defined by the Free Software Foundation), "open source software" (meaning software distributed under any license approved by the Open Source Initiative as set forth at www.opensource.org) or under any similar licensing or distribution model.

"Option Companies" means each of Clear Analytics Laboratory LLC, a California limited liability company, SW Medical Laboratory, LLC, a Delaware limited liability company, and DE Laboratory, LLC, a Delaware limited liability company.

"Option Equity Consideration" means 4,000 shares of Convertible Stock valued at Four Million Dollars ($4,000,000).

"Order" means any binding judgment, order, writ, injunction, ruling, decree, determination or award of, or any settlement under the jurisdiction of, any Governmental Authority.

"Ordinary Course of Business" means the ordinary course of business of the Company Group consistent with past practice.

"Organizational Documents" means the legal document(s) by which any Person (other than an individual) establishes its legal existence or which govern its internal affairs.

"Parent Stock" means common stock, par value $0.0001 per share, of Parent trading on the Nasdaq Capital Market under the stock symbol (ALBT).

"Partnership Tax Audit Rules" means Sections 6221 through 6241 of the Code, together with any guidance issued thereunder or successor provisions and any similar provisions of state or local Tax Laws.

"Pass-Through Tax Return" means any income Tax Return with respect to the Company or any other member of the Company Group if (i) the Company or any other member of the Company Group is treated as a partnership, disregarded entity or other "flow-through" entity for purposes of such Tax Return and (ii) part or all of the taxable income reflected on such Tax Return is required to be reflected on an income Tax Return of the Seller.

"Payment Programs" means any United States federal, state or local health care, reimbursement or waiver programs administered by a Governmental Authority under Title XVIII of the Social Security Act, Title XIX of the Social Security Act, CHAMPUS, TRICARE, or any other health care or payment program financed in whole or in part by any domestic federal, state or local government, and any successor program to any of the above, and all other third-party health care benefit plans and programs (including, but not limited to, those offered or administered by health maintenance organizations, preferred provider organizations, health benefit plans, waiver provider organizations and health insurance plans and all related participating entities and contractors in and to such plans and programs).

"Permits" mean all franchises, authorizations, consents, approvals, licenses, registrations, certificates, Orders, permits or other rights and privileges issued by any Governmental Authority.

"Person" means an individual, Governmental Authority, corporation, partnership, association, trust, unincorporated organization, limited liability company or other entity or group (as defined in Section 13(d)(3) of the Exchange Act).

"Personal Information" means any information: (i) that can be used to identify, contact, or precisely locate a natural person, household or device; (ii) defined as 'personal data,' 'personal information,' 'personally identifiable information,' 'protected health information,' 'nonpublic personal information,' or 'individually identifiable health information' under any applicable Privacy and Data Security Requirements, and (iii) associated, directly or indirectly (by, for example, records linked via unique keys), with any of the foregoing.

"Permitted Liens" means: (i) any Liens incurred or deposit or pledge made in the ordinary course of business in connection with or to secure worker's compensation, unemployment insurance, old age pension programs mandated by applicable law, and other types of social security, or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, performance and return of money bonds and similar obligations; (ii) any statutory, carriers', warehousemen's, workers', repairers', materialmen's, mechanics' and other similar Liens incurred in the ordinary course of business or which are not yet due and payable or which are being contested in good faith; (iii) liens for Taxes not yet due and payable or which are being contested in good faith; (iv) any legal requirements, including requirements and restrictions of zoning; (v) any statutory liens of landlords, lessors or renters for amounts not yet due and payable; (vi) any liens arising under conditional sales contracts and equipment leases with third parties entered into in the ordinary course of business; (vii) as to real property, all matters of survey, easements or reservations of, or rights of others for, rights of way, highway and railroad crossings, sewers, electric lines, telegraph and telephone lines; (viii) any Liens which, in the aggregate, are not reasonably likely to impair, in any material respect, the continued use of the asset or property to which they relate; and (ix) all Encumbrances that will be discharged and satisfied in full by the Company or the Seller on or prior to the Closing Date.

"Pre-Closing Tax Period" means any taxable period ending on or before the Closing Date.

"Privacy and Data Security Requirements" means all (a) Privacy Laws, (b) Contract terms to which the Company is a party or is otherwise bound that impose obligations on the Company relating to Personal Information, privacy, information security, marketing and (c) Privacy Policies.

"Privacy Laws" means (a) all applicable Laws that relate to data privacy, data security, data use, data protection, marketing and the Processing and transfer (including, without limitation, cross-border transfer) of Personal Information, including but not limited to, HIPAA, the General Data Protection Regulation 2016/679 ("GDPR"), US state genetic privacy laws, and the California Consumer Privacy Act ("CCPA");(b) any requirements of self-regulatory frameworks or organizations which the Company is, or has been, contractually obligated to comply with or any self-certification mechanisms (such as the EU- U.S. and Swiss-U.S. Privacy Shield Frameworks) to which the Company has committed; (c) any laws that provide rights of privacy or publicity to individuals; and (d) PCI-DSS.

"Privacy Policy" means the Company's: (a) policies or notices relating to Personal Information, privacy and/or the security of the Personal Information (e.g., posted privacy policies, notices provided in connection with the Processing of Personal Information), and (b) internal privacy policies or guidelines.

"Proceeding" means any legal, administrative, arbitral or other proceeding, suit, action, governmental or regulatory investigation, mediation, audit or inquiry by or before any Governmental Authority.

"Process" means any operation or set of operations which is performed on Personal Information or on sets of Personal Information, whether or not by automatic means, such as collection, recording, organization, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction.

"Regulated Substances" means any substance, material, pollutant, contaminant, hazardous or toxic substance, compound, or related material or chemical, hazardous material, hazardous waste, flammable explosive, radon, radioactive material, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum and petroleum products (including waste petroleum and petroleum products), contaminant of emerging concern (including 1,4-dioxane and per- and polyfluorinated compounds ("PFAS")), or toxic mold, as regulated or defined under applicable Environmental Laws.

"Regulation" means any rule, regulation, policy or binding interpretation (regarding such rule, regulation or policy) of any Governmental Authority.

"Release" means any spill, discharge, leak, emission, escape, leaching, disposing, emptying, pouring, pumping, injection, dumping, or other release or threatened release of Regulated Substances into the Environment, whether or not notification or reporting to any governmental agency was or is required, including any Release which is subject to any Environmental Law.

"Restricted Business" means any business that directly or indirectly engages in the business conducted by the Company or any of its Affiliates as presently conducted or planned to be conducted as of the Original Agreement Date (including, without limitation, any business that provides, performs, offers, designs, develops, manufactures, licenses, sells, distributes or otherwise makes commercially available any products or services that are competitive with, the same as or similar to or substitutes for any of the products or services of the Company or any of its Affiliates).

"Rule 144" means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

"Second Amended and Restated Limited Liability Company Agreement" means that certain Second Amended and Restated Limited Liability Company Agreement of the Company in the form attached hereto as Exhibit B.

"Securities Act" means the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Seller Expenses" means, in each case solely to the extent not paid prior to the Closing, all out- of-pocket fees, costs and expenses incurred by or on behalf of the Owners, the Seller, the Company or any of their respective Affiliates (whether or not invoiced) as a result of the transactions contemplated by this Agreement and the other Transaction Documents, including (i) the fees and expenses payable by the Company to Winsten Law Group and any other attorneys engaged by the Owners, the Seller or the Company in connection with this Agreement and the transactions and other agreements contemplated by this Agreement, (ii) the fees and expenses payable by the Owners, the Seller or the Company to Sasa Milosevic or any other financial advisors, accountants or other advisors engaged by the Owners, the Seller or the Company and incurred in connection with this Agreement and the transactions and other agreements contemplated by this Agreement, (iii) (A) all change-in-control payments, transaction bonuses, retention payments or similar payments payable by any member of the Company Group to any Person, employee, independent contractor, officer or director arising from or incurred in connection with this Agreement or the other Transaction Documents or the transactions contemplated hereby or thereby and (B) any severance payments that are or may become due and payable as of the Closing Date from any member of the Company Group to any employee, independent contractor, officer or director of any member of the Company Group, as well as, in the case of clauses (A) and (B), the employer portion of payroll or other employment Taxes arising from any of the foregoing, (iv) the Data Rooms fees and expenses, and (v) the fees and expenses payable by the Company to any Owners or the Seller or their respective Affiliates. "Seller Fundamental Representations" means the representations and warranties set forth in Section 3.1 (Organization; Good Standing; Limited Liability Company; and Qualification), Section 3.2 (Organizational Documents), Section 3.3 (Capitalization; Subsidiaries), Section 3.4 (Authority; Enforceability), Section 3.5 (No Conflict; Required Filings and Consents), Section 3.7 (Regulatory Matters, Authority); Section 3.8(d) (No Undisclosed Liabilities); Section 3.8(e) (Cash); Section 3.19 (Brokers), Section 4.1 (Authority; Enforceability), Section 4.2 (No Conflict; Required Filings and Consents), Section 4.3 (Absence of Litigation, Claims and Orders), Section 4.4 (Accredited Investor Status), Section 4.5 (Title), Section 4.6 (Brokers).

"Software" means computer software and databases, together with object code, source code, firmware and embedded versions thereof and documentation related thereto.

"Straddle Period" means any taxable period beginning on or before and ending after the Closing Date.

"Subsidiary" with respect to any Person, means any corporation, partnership, joint venture, limited liability company or other legal entity of which such Person owns, directly or indirectly, greater than fifty percent (50%) of the capital stock or other equity interests that are generally entitled to vote for the election of the board of directors or other governing body of such corporation, partnership, joint venture, limited liability company or other legal entity or to vote as a general partner thereof.

"Systems" means the Software, hardware, firmware, networks, platforms, servers, interfaces, applications, websites and related information technology systems used by the Company or otherwise in connection with the conduct of the business of the Company.

"Tax" or "Taxes" means (a) any federal, state, local or non-U.S. income, excise, environmental, capital stock, profits, social security (or similar), disability, registration, value added, estimated, gross receipts, sales, use, ad valorem, transfer, franchise, license, escheat, withholding, payroll, employment, unemployment, excise, severance, stamp, occupation, premium, property or windfall profits taxes, alternative or add-on minimum taxes, customs duties and other similar taxes or assessments, together with all interest and penalties imposed by any taxing authority (domestic or foreign) with respect thereto, (b) any and all liability for the payment of any items described in clause (a) above as a result of being (or ceasing to be) a member of an affiliated, consolidated, combined, unitary or aggregate group (or being included (or being required to be included) in any Tax Return related to such group) and (c) any and all liability for the payment of any amounts as a result of any express or implied obligation to indemnify any other Person, or any successor or transferee liability, in respect of any items described in clauses (a) or (b) above.

"Tax Returns" means all returns, declarations, reports, elections, claims for refund and information statements and returns filed or required to be filed with a Governmental Authority, or provided to any other Person, relating to Taxes, including any schedules, attachments to or amendments of any of the foregoing.

"Territory" means the United States of America.

"Transaction Documents" means this Agreement, the Employment Agreements, the Consulting Agreement, the Second Amended and Restated Limited Liability Company Agreement, the Voting Agreements and all other instruments, documents or agreements executed and delivered in connection with the consummation of the transactions contemplated herein or therein.

"WARN Act" means the federal Worker Adjustment and Retraining Notification Act of 1988, and similar state, local and foreign laws related to plant closings, relocations, mass layoffs or employment losses.

1.2 **Table of Defined Terms**. Terms that are not defined in Section 1.1 have the meanings set forth in the following Sections:

"Accountant"	2.9	"Lock Up Period"	6.11
"Agreement"	Preamble	"Losses"	9.2
"Allocation"	8.4	"Material Contracts"	3.6(a)
"Allocation Objections Statement"	8.4	"Material Customers"	3.21(a)
"Annual Financial Statements"	3.8(a)	"Material Vendors"	3.21(a)
"Balance Sheet Date"	3.8(a)	"Membership Interests"	Recitals
"Business Partner"	6.7(c)	"Membership Interest Call Notice"	6.13(a)
"Business Plan"	2.9(c)	"Membership Interest Call Price"	6.13(a)
"Buyer"	Preamble	"Membership Interest Call Transaction"	6.13(c)
"Buyer Indemnified Persons"	9.2	"Membership Interest Option Purchase Agreement"	6.13(b)
"Call Notice"	6.12(a)	"Membership Interest Purchase Option"	6.13(a)
"Call Price"	6.12(a)	"Notice of Dispute"	9.4(a)
"Call Transaction"	6.12(c)	"Option Purchase Agreement"	6.12(b)
"Closing"	2.1	"Original Agreement"	Preamble
"Closing Date"	2.1	"Original Agreement Date"	Preamble
"Company"	Preamble	"Policies"	3.17
"Company Intellectual Property"	3.15(a)	"Pre-Closing Pass-Through Tax Return"	8.1
"Company Permits"	3.7(b)	"Proposed Allocation"	8.4
"Company Released Parties"	6.1	"Purchased Interests"	2.1
"Consulting Agreement"	Preamble	"Purchase Price"	2.2
"Covered Employees"	6.7(b)	"Reference Balance Sheets"	3.8(a)
"Covid-19 Relief Programs"	3.7(g)	"Registered Intellectual Property"	3.15(a)
"D&O Policy"	3.18(b)	"Restricted Period"	6.7(a)
"Employee Plan"	3.11(a)	"Restricted Securities"	6.11
"Employment Agreements"	Recitals	"Sale"	2.1
"ERISA"	3.11(a)	"Security Policies"	3.16
"ERISA Affiliate"	3.11(c)	"Scheduled Intellectual Property"	3.15(a)
"Financial Statements"	3.8(a)	"Seller Indemnified Persons"	9.2(b)
"FIRPTA Certificate"	2.5(c)	"Seller Released Claims"	6.1
"Indemnified Party"	9.3(a)	"Seller"	Preamble
"Indemnified Persons"	6.1	"Stark Law"	1.1
"Interim Financial Statements"	3.8(a)	"Third Party Claim"	9.3(a)
"Interim Period"	6.1	"Voting Agreements"	2.6(d)
"Labor Union"	3.12(a)		
"Lease"	3.13(b)		
"Leased Real Property"	3.13(b)		

ARTICLE II.
PURCHASE AND SALE

2.1 **Purchase and Sale**. Upon the terms and subject to the conditions set forth in this Agreement and in reliance upon the representations, warranties and covenants set forth herein, at the Closing (as defined below), the Seller shall sell, assign, convey and deliver to Buyer, and Buyer shall acquire from the Seller, Membership Interests constituting forty percent (40%) of the issued and outstanding equity of the Company (the "Purchased Interests") free and clear of all Liens (the "Sale").

2.2 **Purchase Price**. The aggregate consideration to be paid for the Purchased Interests (the "Purchase Price") shall be an amount equal to the Cash Purchase Price, *plus* the Equity Consideration, *plus* any Earnout Payments, *plus* the One Year Anniversary Payment.

2.3 **Cash Purchase Price**. As of the date hereof, Buyer has paid eight million nine hundred and ninety-nine thousand seven hundred and twenty two thousand dollars and thirteen cents ($8,999,722.13) of the Cash Purchase Price to Seller, including three million nine hundred and ninety nine thousand seven hundred and twenty two thousand and thirteen cents ($3,999,722.13) being held on behalf of Buyer in the Winsten Law Group's trust account.

2.4 **Closing**. The closing of the Sale (the "Closing") shall take place on the date that is two (2) Business Days following the satisfaction or waiver of each of the conditions set forth in Article VI (other than those conditions that by their nature can only be satisfied at the Closing, but subject to their satisfaction or waiver at such time), or on such other date as may be agreed upon in writing by the Buyer and the Seller through the delivery and exchange by electronic mail in PDF format between the Buyer, Parent, the Seller and the Owners of all documents required to close the transactions contemplated by this Agreement, but in any event, no later than thirty (30) days after the date hereof (the "Closing Date"), unless extended as set forth herein. The Closing shall be deemed to be effective at 12:01 a.m. Eastern Time on the Closing Date.

2.5 **Closing Deliveries by the Owners and the Seller**. At the Closing, the Owners and the Seller shall deliver, or cause to be delivered, to Buyer the following:

(a) a copy of the Second Amended and Restated Limited Liability Company Agreement executed by the Seller;

(b) an instrument of assignment executed by the Seller, in form and substance reasonably acceptable to the Buyer, evidencing the transfer of the Purchased Interests to the Buyer;

(c) certifications from each of the Owners and the Seller, sworn under penalties of perjury and in form and substance reasonably satisfactory to Buyer, to the effect that such Person is not a "foreign person" for purposes of Sections 1445 and 1446(f) of the Code and the Treasury Regulations thereunder (which the parties agree may be satisfied by delivery of properly completed and duly executed Internal Revenue Service Forms W-9 from each Owner and the Seller, as applicable);

(d) a certificate from the Secretary of State from the state of formation of the Seller and the Company, and each state in which the Company is required to qualify as a foreign organization, as to the good standing of the Company, as applicable, in such jurisdictions as of a recent date;

(e) written resignations of the directors, managers and officers of the Company designated by the Buyer prior to the Closing Date, effective as of the Closing, in form and substance reasonably acceptable to the Buyer;

(f) a digital copy of the contents of the Data Rooms as of the date hereof;

(g) a certificate, dated as of the date hereof, of the managing member of the Company (in form and substance reasonably satisfactory to the Buyer), dated as of the Closing Date, certifying as to (i) the incumbency of authorized signatories of the Company executing documents executed and delivered in connection with the transactions contemplated by this Agreement and the other Transaction Documents, (ii) the copies of the Certificate of Formation of the Company and the Limited Liability Company Agreement, each as in effect as of immediately prior to the Closing, with no amendments pending, and (iii) a copy of the resolutions adopted by the Company's sole manager authorizing and approving the applicable matters contemplated hereunder (including, without limitation, this Agreement and the other Transaction Documents);

(h) a certificate, dated as of the date hereof, of the managing member of the Seller (in form and substance reasonably satisfactory to Buyer), dated as of the Closing Date, certifying as to (i) the incumbency of the authorized signatories of the Seller executing documents executed and delivered in connection with the transactions contemplated by this Agreement and the other Transaction Documents, (ii) the copies of the Certificate of Formation of the Company and the Limited Liability Company Agreement, each as in effect as of immediately prior to the Closing, with no amendments pending, and (iii) a copy of the resolutions adopted by the Seller's sole manager authorizing and approving the applicable matters contemplated hereunder (including, without limitation, this Agreement and the other Transaction Documents);

(i) copies of any required consents identified on Section 2.6(k) of the Disclosure Schedule, which shall be in full force and effect and in form and substance reasonably acceptable to Buyer;

(j) the Consulting Agreement, executed by Sarah Cox; and

(k) the Employment Agreements, executed by each of the Key Employees.

2.6 **Closing Deliveries by Buyer**. At the Closing, the Buyer shall deliver, or cause to be delivered, to the Seller the following:

(a) a copy of the Second Amended and Restated Limited Liability Company Agreement executed by the Buyer;

(b) the Consulting Agreement, executed by the Company;

(c) the Employment Agreements, executed by the Company; and

(d) executed voting agreements, in the form attached hereto as Exhibit E, from the shareholders holding at least fifty percent (50%) of the issued and outstanding shares of Parent Stock (the "Voting Agreements").

2.7 **Issuance of Equity Consideration and Payments at Closing**. At the Closing,

(a) Parent shall issue the Equity Consideration to the Seller;

(b) Buyer shall authorize the Winsten Law Group to release three million nine hundred and ninety nine thousand seven hundred and twenty two thousand and thirteen cents ($3,999,722.13) to Seller; and

(c) the Buyer shall pay, or cause to be paid, by wire transfer of immediately available funds to the account designated in writing by the Seller, two hundred and seventy-seven dollars and eighty-seven cents ($277.87) to Seller.

2.8 **Withholding**. Notwithstanding anything to the contrary in this Agreement, the Buyer, Parent and any other withholding agent shall be entitled to deduct and withhold (or cause to be deducted and withheld) from any amount payable pursuant to this Agreement such amounts as are required to be deducted and withheld under applicable Tax Law. Amounts withheld pursuant to this Section 2.8 shall be treated for all purposes of this Agreement as having been paid to the Person in respect of which such deduction and withholding was made.

2.9 **Earnout Payments**. In addition to the Cash Purchase Price and Equity Consideration, the Buyer (or the Parent in the case of Section 2.9(b)) shall pay or cause to be paid to the Seller the Cash Earnout Payment and the Equity Earnout Payment (each, an "Earnout Payment") within ninety (90) days, upon the achievement by the Company of the following events:

(a) The Cash Earnout Payment, upon the Company achieving total combined EBITDA equal to or greater than Twenty Million Dollars ($20,000,000) for the two (2) fiscal years ending December 31, 2022 and 2023 as recorded on the Company's audited consolidated financial statements.

(b) The Equity Earnout Payment, upon the Company achieving total combined EBITDA equal to or greater than Twenty-Eight Million Dollars ($28,000,000) for the two (2) fiscal years ending December 31, 2022 and 2023 as recorded on the Company's audited consolidated financial statements.

(c) Subject to exercise of the Membership Interest Call Option pursuant to Section 6.13, the Seller and the Owners understand that the Buyer and its Affiliates will be free to operate the Company as they determine (including with respect to pricing, distribution, continuation or noncontinuation of services and operations) and shall have no obligation to maximize the Earnout Payments. The Seller and the Owners acknowledge and agree that any business plans developed for the Company with respect to the period following the Closing and discussed by the parties prior to the Original Agreement Date (as well as all prior versions of such business plans provided to Seller, the "Business Plans") are subject to numerous assumptions, subject to numerous contingencies and subject to change in the discretion of the Buyer and its Affiliates. The actual results for the Company following the Closing may differ materially from the results set forth in any Business Plans. The Seller and the Owners expressly acknowledge and agree that the Buyer makes no representations or warranties of any kind or nature, express or implied, at law or in equity, or otherwise, relating to any Business Plans, the future financial results of the Company or the amount of any Earnout Payment, and the Seller and the Owners have not relied on any such representations or warranties in entering into this Agreement.

(d) Any payments made pursuant to this Section 2.9 shall be treated for U.S. federal income Tax purposes as an adjustment to the Purchase Price, unless otherwise required by applicable Law.

(e) Buyer shall have the right to withhold and set off against any portion of any Earnout Payment that would otherwise have been payable to the Seller pursuant to this Section 2.9 for any amounts payable to or claimed by any Buyer Indemnified Person pursuant to Article IX. For the avoidance of doubt, the Buyer may withhold from any payment pursuant to this Section 2.9 the maximum amount of any Losses pending final resolution of any dispute pursuant to Article IX and such withheld amounts shall be retained by the Buyer until a mutual resolution between the Buyer and the Seller or upon a final, non-appealable order issued by a court of competent jurisdiction pertaining to such dispute, at which time the Buyer shall release the withheld portion of the Earnout Payment (if any), less such applicable Losses to the Seller.

(f) For the avoidance of doubt, the Seller acknowledges and agrees that the right to payment of any Earnout Payment, if any, under this Section 2.9 is a contractual right that may not be assigned (by operation of law or otherwise) to any Person other than as permitted herein without the prior written consent of the Buyer and is not a security and shall not give rise to any rights or duties (including fiduciary duties), express or implied, other than those rights expressly set forth herein. The Seller understands that any Earnout Payment under this Agreement is contingent on the performance of the Company following the Closing and there is no guaranteed minimum Earnout Payment hereunder.

2.10 **One Year Anniversary Payment**. On the one-year anniversary of the Closing Date, the Buyer agrees to pay the Seller the One Year Anniversary Payment, *provided*, *however*, that the Buyer may offset against the One Year Anniversary Payment for any amounts payable to or claimed by any Buyer Indemnified Person pursuant to Article IX. For the avoidance of doubt, the Buyer may withhold from any payment pursuant to this Section 2.10 the maximum amount of any Losses pending final resolution of any dispute pursuant to Article IX, and such withheld amounts shall be retained by the Buyer until a mutual resolution between the Buyer and the Seller or upon a final, non-appealable order issued by a court of competent jurisdiction pertaining to such dispute, at which time the Buyer shall release the withheld portion of the One Year Anniversary Payment (if any), less such applicable Losses to the Seller.

ARTICLE III.
REPRESENTATIONS AND WARRANTIES REGARDING THE COMPANY GROUP

Except as set forth in the Disclosure Schedule, the Owners and the Seller jointly and severally represent and warrant to Buyer, as of the Original Agreement Date and as of the Closing, as follows:

3.1 **Organization; Good Standing; Limited Liability Power and Qualification**. Each member of the Company Group is duly organized, validly existing and in good standing under the Laws of the state of its incorporation and or formation and has all the requisite limited liability company power and authority to own, lease and operate its properties and assets and to carry on its business as it is now being conducted. Each member of the Company Group is duly qualified to do business and is in good standing in each of the jurisdictions in which the Laws of such jurisdiction, the ownership, operation or leasing of its properties or assets, or the conduct of its business require it to be so qualified, except where the failure to be so qualified would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

3.2 **Organizational Documents**. The Company has made available to Buyer true and complete copies of the Organizational Documents of each member of the Company Group as presently in effect. No member of the Company Group is in default under or in violation of any provision of its Organizational Documents.

3.3 **Capitalization; Subsidiaries**.

(a) The entire authorized, issued, designated or outstanding equity interests of the Company consist solely of the Membership Interests, one hundred percent (100%) of which are directly owned, beneficially and of record, by the Seller as set forth on Section 3.3(a) of the Disclosure Schedule. All of the Membership Interests are validly issued, fully paid and nonassessable. The Membership Interests are not represented by physical certificates and no physical certificates have ever been issued in respect thereof.

(b) None of the Membership Interests are subject to, nor were they issued in violation of, any federal or state securities Law, purchase, profits interest, option, call option, warrant, right of first refusal, first offer, co-sale or participation, preemptive right, subscription right or any similar right. The execution and delivery of this Agreement and the other Transaction Documents and the consummation of the transactions contemplated hereby and thereby do not implicate any rights or obligations under the Limited Liability Company Agreement that have not been complied with or waived.

(c) Except as set forth inSection 3.3(c) of the Disclosure Schedule, (i) there are no outstanding securities, options, warrants, profits interests, calls, rights, convertible or exchangeable securities or obligations of any kind (contingent or otherwise) to which the Company is a party or by which it is bound obligating the Company to issue, deliver or sell any equity securities or securities convertible into or exchangeable for equity securities of the Company or obligating the Company to issue, grant, extend or enter into any such security, option, warrant, profits interest, call, right or obligation, (ii) there are no outstanding obligations of the Company to repurchase, redeem or otherwise acquire, directly or indirectly, any securities (or options or warrants to acquire any such securities) of the Company, (iii) the Company is not a party to or bound by any Contract granting any equity, warrant, option, equity appreciation, phantom equity, profit participation or similar right or any participation right in the revenue or profits of the Company and (iv) there are no Contracts with respect to the (A) voting of any equity securities of the Company (including any proxy or director nomination rights) or (B) transfer of, or transfer restrictions on, any equity securities of the Company. There are no declared or accrued but unpaid dividends with respect to any Membership Interests.

(d) Section 3.3(d) of the Disclosure Schedule sets forth (i) a complete and accurate list of all of the direct and indirect Subsidiaries of the Company and (ii) each equity or similar interest in, or any interest convertible or exchangeable or exercisable for, any equity or similar interest in, any corporation, partnership, joint venture or other business associate or entity owned directly or indirectly by the Company Group. All of the outstanding equity interests of each Subsidiary are directly owned of record by the Company or another Subsidiary of the Company, free and clear of any Liens, other than Permitted Liens. No Person other than the Company or another Subsidiary of the Company has any ownership or other rights of any kind in or with respect to or based upon any equity interests of the Company's Subsidiaries. There are no preemptive or other outstanding rights, options, warrants, phantom equity interests, conversion rights, stock appreciation rights, profit participation rights, redemption rights, repurchase rights, rights of first offer, rights of first refusal, Contracts, agreements, arrangements or commitments of any character under which any member of the Company Group is or may become obligated to issue or sell, or give any Person a right to subscribe for or acquire, or in any way dispose of, any shares of equity interests, or any securities or obligations exercisable or exchangeable for or convertible into any shares of equity interests, of any member of the Company Group, and no securities or obligations evidencing such rights are authorized, issued or outstanding.

(e) All of the outstanding equity interests of the Option Companies are directly owned of record by the Seller or Owners, free and clear of any Liens, other than Permitted Liens. No Person other than the Seller or Owners has any ownership or other rights of any kind in or with respect to or based upon any equity interests of the Subsidiaries. There are no preemptive or other outstanding rights, options, warrants, phantom equity interests, conversion rights, stock appreciation rights, profit participation rights, redemption rights, repurchase rights, rights of first offer, rights of first refusal, Contracts, agreements, arrangements or commitments of any character under which any Option Company is or may become obligated to issue or sell, or give any Person a right to subscribe for or acquire, or in any way dispose of, any shares of equity interests, or any securities or obligations exercisable or exchangeable for or convertible into any shares of equity interests, of any Option Company, and no securities or obligations evidencing such rights are authorized, issued or outstanding.

(f) At least two (2) Business Days prior to the Closing Date, the Owners, the Seller and the Company completed, or caused their respective Affiliates (as applicable) to complete, the Pre- Closing Reorganization in accordance with the steps set forth on Exhibit A-1 and validly assigned to the Company Group each of the assets set forth on Exhibit A-2.

3.4 **Authority; Enforceability**.

(a) The Company has the requisite limited liability company power and authority to execute and deliver each Transaction Document to which it is a party and each instrument required to be executed and delivered by it at the Closing thereunder and to perform its obligations thereunder and to consummate the transactions contemplated thereby. The execution and delivery of each Transaction Document to which the Company is a party and each instrument required to be executed and delivered by it at the Closing thereunder has been duly and validly executed and delivered by the Company and, assuming the due authorization, execution and delivery thereof by the other parties thereto, constitutes a legal, valid and binding obligation of the Company, enforceable against it in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar Laws relating to or affecting creditors' rights generally and general equitable principles (whether considered in a Proceeding in equity or at law). The Company has received the consent of the Seller required in connection with the transactions contemplated hereby in accordance with the Limited Liability Company Agreement.

3.5 **No Conflict; Required Filings and Consents**.

(a) Except as set forth on Section 3.5(a) of the Disclosure Schedule, the execution and delivery by the Company of this Agreement and each of the other Transaction Document to which the Company is a party or any instrument required by this Agreement to be executed and delivered by the Company at the Closing hereunder or thereunder do not, and the performance by the Company of this Agreement and each of the other Transaction Documents to which it is a party and any instrument required by this Agreement to be executed and delivered by any of them at the Closing shall not, with or without the passage of time, the giving of notice or both, (i) conflict with, require a consent or notice under or violate the Organizational Documents of the Company, (ii) conflict with, require a consent or notice under or violate any Law or Order applicable to the Company or by which any of its properties, rights or assets is bound or affected, except any such conflict or violation that would not, individually or in the aggregate, reasonably be expected to be material to the Company or (iii) result in any breach or violation of, require a consent or notice under, or constitute a default under, or impair the Company's rights or alter the rights or obligations of any party under, or give to others any rights of termination, amendment, acceleration or cancellation of, or result in the creation of a Lien on any of the properties, rights or assets of the Company pursuant to, any Material Contract to which the Company is a party or by which the Company or its properties, rights or assets is bound.

(b) Except as set forth on Section 3.5(b) of the Disclosure Schedule, no Governmental Approval of, or Filing with, any Governmental Authority or other Person is required to be obtained or made by any member of the Company Group in connection with the execution, delivery and performance of this Agreement or the other Transaction Documents or the consummation of the transactions contemplated hereby or thereby.

3.6 **Material Contracts**.

(a) Section 3.6(a) of the Disclosure Schedule sets forth a true and complete list as of the Original Agreement Date of all Contracts to which any member of the Company Group is a party or is otherwise bound (collectively, the "Material Contracts"), consisting of:

(i) any Contract providing for severance, retention, change in control or other similar payments;

(ii) any Contract for the employment of any individual on a full-time, part- time or consulting or other basis providing annual compensation in excess of $100,000;

(iii) Contracts involving (A) revenues or receipts in excess of $200,000 or (B) expenditures or payables in excess of $200,000, in the aggregate during the six (6) months ended on June 30, 2022;

(iv) Contracts relating to Indebtedness, including each agreement guaranteeing, or providing security for, Indebtedness;

(v) Contracts containing covenants limiting the freedom of the Company to (A) engage, or compete with any Person or in any line of business or in any geographic area or (B) use, develop, distribute, or exploit any Company Intellectual Property (including exclusive license grants thereof to any Person);

(vi) Contracts involving a joint venture, or partnership or similar arrangement;

(vii) leases, subleases, licenses, sublicenses or similar Contracts requiring aggregate annual payments to or from the Company Group in excess of $50,000;

(viii) all leases related to material machinery, equipment, vehicle or other tangible personal property (1) involving payments by any member of the Company Group in excess of $20,000 per annum or $500,000 in the aggregate or (2) where any member of the Company Group is a lessor or sublessor of, or makes available for use by any Person, any tangible personal property owned or leased by any member of the Company Group;

(ix) all Contracts relating to the collection, use, transmission, disclosure, transfer, protection, disposal, retention, processing, storage or hosting of Personal Information by a third party for or on behalf of any member of the Company Group;

(x) all Intellectual Property Licenses, other than licenses for Off-the-Shelf Software;

(xi) Contracts pursuant to which any member of the Company Group has agreed to settle or compromise any pending or threatened Proceeding;

(xii) Contracts granting any customer a right to "most favored nation" or any other similar preferred pricing terms;

(xiii) all Contracts that contain an exclusivity provision for the benefit of any member of the Company Group;

(xiv) Contracts with a Material Customer or Material Vendor;

(xv) Contracts pursuant to which any member of the Company Group is bound to defend, indemnify, hold harmless, advance attorneys' fees or expenses to, or exculpate, any other Person;

(xvi) any sales channel, referral, agency, dealer, distributor, sales representative, marketing or other similar Contracts involving payment by any member of the Company Group in excess of $50,000 annually;

(xvii) Contracts with any Governmental Authority (other than customary data exchange agreements or similar agreements);

(xviii) Contracts for capital expenditures or the acquisition of fixed assets in excess of $50,000;

(xix) Contracts not executed in the ordinary course of business (other than the Transaction Documents);

(xx) all Contracts that are otherwise material to any member of the Company Group taken as a whole or contemplate or involve payments in excess of $50,000 per annum or $100,000 in the aggregate; and

(xxi) Contracts to enter into any of the foregoing Contracts.

(b) Copies of all Material Contracts as of the Original Agreement Date have been made available to Buyer by the Company and such copies are true and complete in all material respects. Each Material Contract is in full force and effect, is a valid, legal and binding obligation of the applicable member of the Company Group and each other party thereto, and is enforceable in accordance with its terms against such member of the Company Group and each other party thereto, subject in each case to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar Laws relating to or affecting creditors' rights generally and general equitable principles (whether considered in a Proceeding in equity or at law). No member of the Company Group nor, to the Knowledge of the Company, any other party to any Material Contract, is in material default, breach or violation of any Material Contract, nor, to the Knowledge of the Company, has any event occurred that with the lapse of time, or the giving of notice, or both, would constitute a material default, breach or violation under any Material Contract. No member of the Company Group has given to, or received from, any other party to any Material Contract, any written (or, to the Knowledge of the Company, oral) notice regarding any default, breach or violation under any Material Contract.

3.7 **Regulatory Matters, Authority**.

(a) Each member of the Company Group is, and at all times has been, in compliance in all material respects with all applicable Laws, including the Health Care Laws. No member of the Company Group has (i) received written (or, to the Knowledge of the Company, oral) notice alleging any non-compliance with or violation of any Law, including any Health Care Law, (ii) been investigated (actual, pending or, to the Knowledge of the Company, threatened) by any Governmental Authority with regard to its compliance with or violation of any Law, including any Health Care Law. To the Knowledge of the Company, there are no facts and circumstances which would reasonably be expected to form the basis for any allegation of such non-compliance or violation.

(b) Section 3.7(b) of the Disclosure Schedule contains a list of all Permits owned or held by each member of the Company Group that are material to the business of any member of the Company Group as it is currently conducted (the "Company Permits"). The Company Permits are valid and in full force and effect. Each member of the Company Group complies in all respects with the Company Permits, except for any non-compliance that would not reasonably be expected to be, individually or in the aggregate, material to each member of the Company Group, taken as a whole. No Governmental Authority has commenced, or given written (or, to the Knowledge of the Company, oral) notice to any member of the Company Group that it intends to commence a Proceeding to revoke, cancel, terminate, suspend, restrict or modify any Company Permit, or given written (or, to the Knowledge of the Company, oral) notice that it intends not to renew any Company Permit, or to require any member of the Company Group to alter a practice.

(c) Neither the Company Group nor any of its respective officers, directors, stockholders, managers or employees, or, to the Knowledge of the Company, any of their respective contractors or agents (i) has been or is currently suspended, excluded or debarred from contracting with the federal or any state government or from participating in any federal health care program, including under 42 U.S.C. § 1320a-7 or relevant regulations in 42 C.F.R. Part 1001, (ii) has been or is threatened by or subject to an investigation or Proceeding by any Governmental Authority that could result in such suspension, exclusion, or debarment, or (iii) has been or is assessed or threatened with assessment of civil monetary penalties pursuant to 42 C.F.R. Part 1003.

(d) At all times, each member of the Company Group has maintained a compliance program that meets the requirements of applicable Health Care Laws in all material respects and that includes applicable policies, procedures and training (including on billing, HIPAA and other items and Payment Program requirements) for all employees and workforce members, provided at the time of hire and at least annually thereafter. Each member of the Company Group operates in compliance with such compliance program in all material respects.

(e) At all times, (i) all billing, calculations, determinations, reviews, reports, validation practices and services of and by each member of the Company Group, for the Company and for its customers, with respect to all Payment Programs have been conducted in all material respects in compliance with all Health Care Laws and the guidelines of all such Payment Programs and (ii) there has not been, and is not pending or, to the Knowledge of the Company, threatened, any material recoupment or repayment sought, or investigation commenced, by any Payment Program, contractor or customer from or of any member of the Company Group or its customers for work performed by the Company. For the avoidance of doubt, each member of the Company Group does not provide any services through any of its Affiliates.

(f) In the past five (5) years, the Company has complied in all material respects with all reporting requirements applicable to the business of the Company as required by Law. In the past five (5) years, the Company has not received any written notice or charge, which has not been complied with or withdrawn, by a Governmental Authority asserting any material violation of such requirements.

(g) All information, certifications, authorizations, and question responses provided by the Company, any of its directors, managers, officers, or employees in response to, or as part of, any application for COVID-19 relief, aid, benefit, funds, loans, grants, accommodations or similar assistance provided by a Governmental Authority ("COVID-19 Relief Programs") and all information, certifications, authorizations, and question responses provided in all supporting documents and forms related to such COVID-19 Relief Programs, were true and correct in all material respects when made and were made in accordance with Law; and, to the extent the Company received any aid, benefits, funds, loans, grants, accommodations or similar relief under any COVID-19 Relief Programs, the Company has complied in all material respect with all terms, requirements and conditions of such COVID-19 Relief Programs and all Laws related thereto.

3.8 **Financial Statements; Indebtedness; Cash**.

(a) Section 3.8(a) of the Disclosure Schedule contains true and complete copies of the (i) unaudited consolidated financial statements of the Company for the fiscal years ended December 31, 2020 and December 31, 2021 (the "Annual Financial Statements") and (ii) the unaudited consolidated balance sheet of the Company as of December 31, 2022 (the "Balance Sheet Date") and the related statements of income and cash flows for the twelve (12) months then ended (the "Interim Financial Statements" and, together with the Annual Financial Statements, collectively, the "Financial Statements"). The Financial Statements have been prepared in accordance with the cash method of accounting, consistently applied throughout the periods covered thereby, and present fairly, in all material respects, the assets, Liabilities and financial position of the Company as of the dates indicated and the results of operations for the periods then ended and are correct and complete in all material respects, and are consistent with the books and records of the Company (which books and records are correct and complete in all material respects), except with respect to the Interim Financial Statements for (i) normal year-end adjustments and (ii) the absence of disclosures normally made in footnotes, none of which would be, individually or in the aggregate, material to the Company Group, taken as a whole.

(b) Except as set forth on Section 3.8(b) of the Disclosure Schedule, no member of the Company Group has any material Liabilities, except for Liabilities (i) reflected or reserved for on the face of the Interim Financial Statements, (ii) that have arisen since the Balance Sheet Date in the ordinary course of the operation of business of the Company (consistent with past practice) and that do not arise from any material breach of Contract or material violation of Law or (iii) that have been incurred pursuant to the transactions contemplated by this Agreement or the other Transaction Documents.

(c) The Company maintains a standard system of accounting established and administered in accordance with the cash method of accounting (subject to the absence of footnotes and normal year-end adjustments, none of which would be, individually or in the aggregate, material to the Company Group, taken as a whole). The Company maintains a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with the cash method of accounting and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences, in each case, except for any deficiencies that, individually or in the aggregate, are not material.

(d) Section 3.8(d) of the Disclosure Schedule sets forth the Indebtedness of each member of the Company Group as of the date of this Agreement, identifying the principal amount, applicable Contracts, creditor, and collateral with respect to such Contract. Notwithstanding any amounts of Indebtedness reflected in the Financial Statements or otherwise in the Disclosure Schedule, the aggregate amount of Indebtedness of the Company Group as of the date of this Agreement is not in excess of One Million Dollars ($1,000,000).

(e) Cash.

(i) On the Closing Date, the Cash held by the Company shall be Two Hundred Thousand Dollars ($200,000).

(ii) As of the Closing Date, except as set forth on Section 3.8(e)(ii) of the Disclosure Schedule, no member of the Company Group has used any Cash to pay any Seller Expenses, made any distributions, repaid any Indebtedness or made any payments in respect of Taxes.

3.9 **Absence of Certain Changes or Events**. Except as set forth on Section 3.9 of the Disclosure Schedule, since the Balance Sheet Date, each member of the Company Group has conducted its business in the ordinary course of business (consistent with past practice) and there has not been any:

(a) change, event, effect or occurrence that, individually or in the aggregate, has had or would reasonably be expected to have, a Company Material Adverse Effect;

(b) material change in the Company's methods of accounting or accounting practices (including with respect to revenue recognition);

(c) amendment or modification to the Organizational Documents;

(d) payment of any bonuses, or material increases in salaries or other compensation or benefits, by the Company to any of its managers, officers, employees or independent contractors;

(e) sale, acquisition, assignment, transfer, conveyance or abandonment of any Company Intellectual Property, asset or properties of any member of the Company Group (other than sales of inventory, product or obsolete assets);

(f) damage to or destruction or loss of any material asset or property of any member of the Company Group, whether or not covered by insurance;

(g) incurrence of Indebtedness of any member of the Company Group;

(h) dividend, distribution, sale, redemption, repurchase, recapitalization, reclassification, issuance, split, combination, subdivision or other similar transaction involving the equity securities of the Company or securities convertible into, or options with respect to, warrants to purchase, or rights to subscribe for, equity securities of any member of the Company Group;

(i) amendment or termination of any existing employee benefit plan or arrangement (other than an amendment required by Law), or adoption of any new employee benefit plan or arrangement;

(j) material capital expenditures or commitments therefor;

(k) adoption of a plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization or merger or consolidation with any other Person or other acquisition of any business or substantial assets of any Person;

(l) failure to pay any Taxes as they became due and payable;

(m) theft, damage, destruction or casualty loss, or Claim therefor, in excess of $100,000 in the aggregate to any asset of the Company Group, whether or not covered by insurance;

(n) making of, alteration of, modification of, change of, termination of or revocation of any material election relating to Taxes, any annual accounting period or any material method of accounting for Tax purposes; agreement to any audit assessment by any Tax authority; entry into any closing agreement, settlement of any Tax claim or assessment; surrendering of any right to claim a refund of Taxes; consent to any extension or waiver of the limitation period applicable to any Tax claim or assessment, or filing of any amended Tax Return;

(o) transaction involving any member of the Company Group that was not in the ordinary course of business (other than the transactions contemplated by the Transaction Documents); and

(p) authorization or commitment to do any of the foregoing.

3.10 **Absence of Litigation, Claims and Orders**. Except as set forth on Section 3.10 of the Disclosure Schedule, there are no, and at all times there have been no, (a) Claims or Proceedings pending or, to the Knowledge of the Company, threatened against any member of the Company Group or the Company Group's properties, rights or assets, or (b) Orders outstanding to which any member of the Company Group or any of the Company Group's properties, rights or assets is or are subject. There are no Claims or Proceedings as of the Original Agreement Date pending or, to the Knowledge of the Company, threatened on behalf of or against any member of the Company Group that challenge (i) the validity of this Agreement or any other Transaction Document to which any member of the Company Group is a party or (ii) any action taken or to be taken by it pursuant to this Agreement or any other Transaction Documents to which any member of the Company Group is a party or in connection with the transactions contemplated hereby and thereby.

3.11 **Employee Benefit Plans**.

(a) Section 3.11(a) of the Disclosure Schedule sets forth a complete list of each (i) "employee benefit plan" (as that term is defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), whether or not subject to ERISA), (ii) stock option, equity compensation or other equity-based plan or arrangement, and (iii) any other compensation or benefit plan, program, policy, Contract, agreement, understanding or arrangement of any kind, whether oral or written, including any pension, tax gross-up, termination, employment agreement or offer letter, consulting, change in control, retention, performance, bonus, deferred compensation, retirement, severance, vacation or holiday pay, sick pay, sick leave, hospitalization or other medical, disability, life accident or other insurance, welfare-benefit, retiree welfare or other benefit, reimbursement, profit-sharing, incentive or fringe-benefit, in each case, that any member of the Company Group sponsors or maintains, or to which any member of the Company Group contributes or is obligated to contribute, or under which any member of the Company Group has any present or future obligations or Liability and that benefits any current or former employee, director, manager, or independent contractor of any member of the Company Group or the dependents or beneficiaries of such employee, director, or independent contractor (each of the foregoing being referred to in this Agreement as an "Employee Plan"). No member of the Company Group has made any plan or commitment, whether legally binding or not, to establish any new Employee Plan or to modify any Employee Plan. Each Employee Plan that is a welfare plan is fully insured. Each member of the Company Group has reserved all rights necessary to amend or terminate each Employee Plan that is an "employee benefit plan" within the meaning of Section 3(3) of ERISA (whether or not subject to ERISA) without the consent of any other Person or any liability (other than routine administrative expenses). For the avoidance of doubt, nothing herein is intended to limit the scope or enforceability of any other representations or warranties set forth in this Section 3.11.

(b) Each Employee Plan has been established and maintained, funded, operated and administered in all material respects in compliance with its terms, ERISA, the Code and all other applicable Laws. All contributions and premiums required to have been paid by any member of the Company Group to any Employee Plan or to any current or former employee or service provider under the terms of any Employee Plan or related trust, insurance Contract or funding arrangement, or pursuant to applicable Law have been timely paid. No prohibited transaction (as defined in Section 4975 of the Code and Section 406 of ERISA) has occurred with respect to an Employee Plan for which no exemption exists under Section 408 of ERISA and Section 4975 of the Code and which could subject any member of the Company Group or any of its employees, directors, officers or agents to a Tax or Liability. All employees that are eligible to participate in each Employee Plan under the terms of such Employee Plan and all applicable Laws have been permitted to participate in such Employee Plan.

(c) Neither the members of the Company Group nor any other Person that could be considered a single employer with a Company or is under common control with the Company pursuant to Section 414(b), (c), (m) or (o) of the Code and the rules and regulations promulgated under those sections or pursuant to Section 4001(b) of ERISA and the rules and regulations promulgated thereunder (each such Person, an "ERISA Affiliate") sponsors, maintains, contributes, is required to contribute or has any Liability with respect to or has within the past six (6) years sponsored, maintained, contributed to, or had any Liability with respect to or could reasonably be expected to have any Liability with respect to any (i) "multiemployer plan" as defined in Section 4001(a)(3) of ERISA, (ii) "single employer pension plan" as defined in Section 4001(a)(15) of ERISA, (iii) "multiple employer welfare arrangement" as defined in Section 3(40) of ERISA, (iv) "multiple employer plan" subject to Section 413(c) of the Code or (v) any voluntary employees' beneficiary association (within the meaning of Section 501(c)(9) of the Code). Neither the members of the Company Group nor any ERISA Affiliate has any current or contingent Liability or obligation with respect to any plan that is or was within the past six (6) years subject to Title IV of ERISA or Sections 412 or 430 of the Code.

(d) Each Employee Plan that is intended to be qualified under section 401(a) of the Code, and the trust forming a part thereof, has received a currently effective favorable determination letter from the Internal Revenue Service, or with respect to a prototype plan, can rely on an opinion letter from the Internal Revenue Service to the prototype plan sponsor, to the effect that such Employee Plan is so qualified and that the plan and the trust related thereto are exempt from federal income Taxes under Sections 401(a) and 501(a), respectively, of the Code, and, nothing has occurred that could result in the loss of such qualification.

(e) There is no pending or, to the Knowledge of the Company, threatened Claim relating to any Employee Plan, other than routine claims in the ordinary course of business for benefits provided for by such Employee Plan and there are no facts that could form the basis for such Claim. No Employee Plan is, or within the last six (6) years has been, the subject of an examination or audit by a Governmental Authority or the subject of an application or Filing under, or a participant in, a government-sponsored amnesty, voluntary compliance, self-correction or similar program.

(f) Except as set forth on Section 3.11(f) of the Disclosure Schedule, and as required under Section 601 *et seq.* of ERISA or similar legal requirement, no Employee Plan provides health, medical, life, disability, retiree, post-termination or other welfare benefits to any current or former employees or their beneficiaries following termination of employment. The Company and its ERISA Affiliates have complied in all material respects with the provisions of Section 601 et seq. of ERISA and Section 4980B of the Code.

(g) Each member of the Company Group has provided to Buyer or to Buyer's counsel true and complete copies of the following documents relating to the Employee Plans: (i) if the Employee Plan has been reduced to writing, a current copy of the plan documents together with all amendments thereto; (ii) if the plan has not been reduced to writing, a written summary of all material plan terms; (iii) if applicable, any trust agreements, custodial agreements, insurance policies or Contracts, administrative agreements and similar agreements, and investment management or investment advisory agreements currently in effect; (iv) any current summary plan description and any summaries of material modifications thereto, employee handbooks or similar employee communications; (v) in the case of any plan that is intended to be qualified under Code Section 401(a), the most recent determination, advisory or opinion letter from the Internal Revenue Service and any related correspondence, and any pending request for determination with respect to the plan's qualification; (vi) the three (3) most recently filed Form 5500s for each Employee Plan for which a Form 5500 is required to be filed and (vii) any notices, letters or other material correspondence from the Internal Revenue Service or the U.S. Department of Labor relating to an Employee Plan within the past three (3) years, and (viii) the nondiscrimination and top heavy tests for the past three (3) years.

(h) Each Employee Plan that is or has ever been a "nonqualified deferred compensation plan" (within the meaning of Section 409A of the Code) has been operated and administered in compliance in all respects with Section 409A of the Code and any proposed and final guidance promulgated under Section 409A of the Code.

(i) Except as set forth on Section 3.11(i) of the Disclosure Schedule, neither the execution, delivery or performance of this Agreement nor the consummation of the transactions contemplated hereby (alone or together with any other event which standing alone would not by itself trigger such entitlement or acceleration) will (i) entitle any current or former director, manager, officer, employee or other service provider of any member of the Company Group to severance pay, unemployment compensation, termination pay, or any other payment or benefit from any member of the Company Group, (ii) result in any payment or benefit becoming due to any such current or former director, manager, officer, employee or other service provider, (iii) accelerate the time of payment, funding or vesting, or increase the amount of compensation or benefit due to any such current or former director, manager, officer, employee or other service provider, (iv) result in any breach or violation of, or default under, or limit any member of the Company Group's right to amend, modify or terminate, any Employee Plan, or (v) limit or restrict the right of Buyer to merge, amend or terminate any Employee Plan on or after the Original Agreement Date.

(j) No amount, economic benefit, payment or entitlement that could be received (including in cash or property or vesting of property) as a result of the execution, delivery and performance of this Agreement or the consummation of the transactions contemplated by this Agreement (whether alone or in conjunction with any other event, including any termination of employment on or following the Original Agreement Date) by any person who could be a "disqualified individual" (as defined in Section 280G(c) of the Code) with respect to any member of the Company Group or could constitute an "excess parachute payment" within the meaning of Section 280G(b)(1) of the Code or trigger the excise tax under Section 4999 of the Code. No member of the Company Group has no indemnity or gross-up obligations for any Taxes (including under Section 4999 or Section 409A of the Code).

3.12 **Labor Relations**.

(a) No member of the Company Group is a party to, or bound by or otherwise subject to, nor has it ever been a party to or had any obligation under any collective bargaining agreement, Contract or other agreement or understanding with a labor union, labor organization or other employee representative body (each, a "Labor Union"), and no such Contract is being negotiated by any member of the Company Group. No employee of the Company Group is represented by a Labor Union. At all times, no member of the Company Group has been subject to, nor, to the Knowledge of the Company, has there been any threat of, any strike, slowdown, work stoppage, lockout, picketing, or other material labor activity or dispute. To the Knowledge of the Company, there are no organizational efforts with respect to the formation of a collective bargaining unit presently being made or threatened involving employees of any member of the Company Group, and there have been no such efforts at all times. At all times, no petition or demand for recognition of a bargaining representative has been made or filed, or to the Knowledge of the Company, threatened to be made or filed, with any labor relations board or other Governmental Authority, by or on behalf of any Labor Union involving employees of any member of the Company Group any member of the Company Group. No member of the Company Group has engaged in any unfair labor practice.

(b) Except as set forth on Section 3.12(b) of the Disclosure Schedule, there are no pending or, to the Knowledge of the Company, threatened Claims or Proceedings, charges or complaints against any member of the Company Group before any Governmental Authority regarding employment discrimination, safety or other employment-related charges or complaints, unfair labor practice complaint or grievance, wage and hour claims, unemployment compensation claims, workers' compensation claims or any other claims brought by any current or former job applicant of any member of the Company Group or arising from or relating to the employment of any of the employees of any member of the Company Group or relationship of any member of the Company Group with any independent contractor. Each member of the Company Group has complied in all material respects with all applicable Laws relating to the employment of labor and employment practices including provisions thereof relating to wages, hours, the WARN Act, immigration, benefits, privacy, harassment, sexual harassment, worker classification, labor relations, wrongful discharge, civil rights, equal opportunity, employment discrimination, disability rights, plant closure or mass layoff issues, affirmative action, leaves of absence, occupational health and safety, workers compensation and unemployment insurance, collective bargaining and the collection and payment of social security and other Taxes. No member of the Company Group is liable for any arrears of wages or any taxes or penalties for failure to comply with any of the foregoing. Each Person who has been classified by any member of the Company Group as an independent contractor has been properly so classified under all applicable Laws. Each member of the Company Group has properly classified all Persons under the Fair Labor Standards Act. Each member of the Company Group has not incurred, nor does it reasonably expect to incur, any Liability under WARN.

(c) Section 3.12(c)(i) of the Disclosure Schedule, contains a list of all employees of the Company Group as of the Original Agreement Date and sets forth for each such individual the following: (i) name; (ii) title or position (including whether full or part time); (iii) hire date; (iv) current annual base compensation and/or commission rate; (v) most recent annual bonus or other incentive-based compensation; (vi) a description of any material fringe benefits provided to each such individual; (vii) overtime exemption status; (viii) if such employee is on a leave of absence, the reason for absence and expected date of return to work; (ix) immigration or visa status; (x) location; and (xi) accrued unused paid time off. Section 3.12(c)(ii) of the Disclosure Schedule contains a list of all independent contractors (other than those employed by a third party staffing agency and/or professional employment agency) currently performing services or under Contract to perform future services for any member of the Company Group and for each: (i) the start date, (ii) a general description of the type of services to be provided, and (iii) hourly or per diem rate or other form of pay of such contractor. To the Knowledge of the Company, no employee has given notice of termination of employment or otherwise disclosed plans to terminate employment with any member of the Company Group within the twelve (12) month period following the Original Agreement Date and the Company does not have any plans to terminate the employment of any employee. No executive or key employee of any member of the Company Group is employed under a non-immigrant work visa or other work authorization that is limited in duration.

(d) There have not been (i) any allegations or formal or informal complaints made to or filed with any member of the Company Group related to sexual harassment or sexual misconduct that have been reported to the leadership of any member of the Company Group; (ii) any other claims initiated, filed or, to Knowledge of the Company, threatened, against the Company related to sexual harassment or sexual misconduct; or (iii) to the Knowledge of the Company, any other allegations, formal or informal complaints or any other claims initiated, filed or threatened against any Person other than the Company related to sexual harassment or sexual misconduct, in each case by or against any current or former director, officer or management employee of any member of the Company Group.

3.13 **Assets; Real Property**.

(a) No member of the Company Group owns, nor has it ever owned, any real property.

(b) Section 3.13(b) of the Disclosure Schedule lists (i) all real property with respect to each member of the Company Group currently holds or plans to hold a leasehold interest or otherwise has a license to use (the "Leased Real Property"), including for each such Leased Real Property, the common name and physical address and a listing of the applicable lease agreements for such Leased Real Property, together with all amendments thereto and guarantees thereof and (ii) each agreement under which each member of the Company Group leases or otherwise has the right to use any Leased Real Property (each, a "Lease"). Except as set forth onSection 3.13(b) of the Disclosure Schedule, no member of the Company Group has entered into any subleases, arrangements, licenses or other agreements relating to the use or occupancy of all or any portion of the Leased Real Property by any Person. Except as set forth in Section 3.13(b) of the Disclosure Schedule, no member of the Company Group has agreed to (A) purchase or lease, nor is each member of the Company Group obligated to purchase or lease, any real property or (B) dispose of any interest in any of the Leased Real Property or any Lease. True and complete copies of the Leases have been made available by each member of the Company Group to Buyer. Except as set forth in Section 3.13(b) of the Disclosure Schedule, (i) each Lease is in full force and effect and each member of the Company Group has a valid and enforceable leasehold estate in, and enjoys peaceful and undisturbed possession of, all Leased Real Property and (ii) there are no existing defaults or conditions, matters or events that, with or without the passage of time, the giving of notice or both, would constitute an event of default by any member of the Company Group, nor to the Knowledge of the Company does there exist any default, event or circumstance that, with notice or lapse of time, or both, would constitute a default by any other party to the Leases.

(c) Except as set forth onSection 3.13(c) of the Disclosure Schedule, (i) each member of the Company Group owns and has good title to, or holds pursuant to valid and enforceable leases or licenses to use, all of the personal property or assets (whether tangible or intangible) shown to be owned, licensed or leased by it on the Interim Financial Statements, free and clear of all Liens, and except for assets disposed of in the ordinary course of business consistent with past practices, (ii) such personal property and assets are necessary and sufficient in all material respects to carry on the businesses of the Company Group as presently conducted, (iii) there are no outstanding rights of first refusal, rights of first title, rights of reverter, purchase options or other similar rights or options relating to any such personal property and/or assets and (iv) in respect of material equipment and other assets, maintenance of such material equipment or other asset has not been deferred at any time within the last twelve (12) months, in each case, relative to the ordinary course practices of the Company Group during the twelve (12)-month period ending as of the Original Agreement Date. Without limiting the generality of the foregoing, immediately prior to the Closing, each member of the Company Group will own or hold a valid leasehold interest in, or a valid lease (including the Leases) or license to use, all such material assets and properties (whether real, personal, tangible or intangible) necessary and sufficient for the conduct of the business of the Company Group as presently conducted, and such assets and properties, taken as a whole, are in good operating condition and in a state of good maintenance and repair (subject to normal wear and tear), and are suitable and adequate for the purposes for which such properties and assets are presently used. The assets shown on the Interim Financial Statements constitute all of the business, assets, properties, contractual rights, going concern value, goodwill, rights and claims of whatever kind and nature, real or personal, tangible or intangible that are used or held for used in the business of the Company Group (now and as contemplated in the future) and are sufficient for the conduct of the business of the Company Group (now and as contemplated in the future) immediately following the Closing in substantially the same manner as currently conducted or contemplated in the future and the Owners and the Seller shall sell, transfer, assign and convey to Buyer all such assets, properties, contractual rights, going concern value, goodwill, rights and claims of whatever kind and nature, real or personal, tangible or intangible related to the business of the Company Group at the Closing. Neither the Seller nor any member of the Company Group has transferred any assets or contractual right outside of the Company Group that is used or useful to the business of the Company Group.

3.14 **Taxes**. Except as set forth on Section 3.14 of the Disclosure Schedule:

(a) Each member of the Company Group has timely filed (after giving effect to applicable extensions) with the appropriate Governmental Authority all income and other material Tax Returns required to be filed by or with respect to it. All such Tax Returns were true, correct and complete in all material respects.

(b) All Taxes owed by each member of the Company Group (whether or not shown on any Tax Return) have been timely paid in full. The unpaid Taxes of any member of the Company Group (i) as of the Balance Sheet Date, did not exceed the reserves for Tax liability (excluding any reserve for deferred Taxes established to reflect timing differences between book and Tax income) set forth on the face of the balance sheet included in the Financial Statements (and not in related notes and schedules), and (ii) will not exceed that reserve as adjusted for the passage of time through the Closing Date in accordance with the past custom and practice of the Company Group in filings its Tax Returns.

(c) Each member of the Company Group has timely and properly withheld all Taxes from payments to employees, agents, contractors, nonresidents, or other third parties required by applicable Law to be withheld by any such Person and remitted such amounts to the appropriate Governmental Authority. Each member of the Company Group has timely made all Tax payments required to be made by it with respect to its direct or indirect members, including state and local nonresident withholding and Tax payments with respect to any Owner, the Seller or other equityholder. Each member of the Company Group has properly collected all Taxes (including, without limitation, sales Taxes) required to be collected by it and has remitted such collected amounts to the appropriate Governmental Authority in accordance with applicable procedures and all Tax Returns required with respect thereto have been properly completed and timely filed.

(d) No claim has ever been made by a Governmental Authority in a jurisdiction where any member of the Company Group has not filed Tax Returns that any member of the Company Group is or may be subject to taxation by that jurisdiction.

(e) There are no outstanding liens for Taxes (other than Taxes not yet due and payable) upon any assets of any member of the Company Group.

(f) No member of the Company Group has received any written notice of reassessment, deficiency, claim, adjustment or proposed adjustment or any other written notice indicating an intent to open an audit or other review in connection with any Taxes, which notice has not been satisfied by payment or been withdrawn, and there are no pending audits, examinations, or administrative or judicial Proceedings regarding any Taxes or Tax Returns of any member of the Company Group.

(g) Since December 31, 2021, no member of the Company Group has made, changed or revoked any material Tax election; elected or changed any method of accounting for Tax purposes or Tax accounting period; amended any Tax Return; filed any Tax Return in a manner inconsistent with past practice (unless otherwise required by applicable Law); surrendered any right to, or filed any claim for, a material Tax refund; settled any action in respect of Taxes, entered into any contractual obligation in respect of Taxes with any Governmental Authority or consented to any extension or waiver of the limitation period applicable to any Tax claim or assessment relating to any member of the Company Group.

(h) There are no outstanding waivers or agreements regarding the application of the statute of limitations with respect to any Taxes or Tax Returns of any member of the Company Group (other than pursuant to an automatic extension of time to file).

(i) No member of the Company Group has been a member of an affiliated, consolidated, unitary or similar group for U.S. federal or applicable state, local or non-U.S. income Tax purposes. No member of the Company Group is a party to any agreement relating to Tax sharing, Tax indemnification, or Tax allocation. No member of the Company Group has Liability for the Taxes of any Person by operation of Law (including, but not limited to, under Treasury Regulations Section 1.1502-6 (or any similar provision of state, local or non-U.S. Tax law)), as a transferee or successor, by Contract or otherwise.

(j) No member of the Company Group has participated in any "listed transaction" within the meaning of Treasury Regulations Section 1.6011-4(b) (or any similar provision of applicable Law) or any "tax shelter" within the meaning of Section 6662 of the Code (or any similar provision of applicable Law).

(k) No member of the Company Group will be required to include any amount in taxable income or exclude any item of deduction or loss from taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of (i) any "closing agreement" as described in Code Section 7121 (or any corresponding or similar provision of state, local or foreign Income Tax Law) executed on or prior to the Closing Date, (ii) any deferred intercompany gain or excess loss account described in Treasury Regulations under Code Section 1502 (or any corresponding or similar provision or administrative rule of federal, state, local or foreign Law), (iii) any installment sale or open transaction disposition made on or prior to the Closing Date, (iv) any change in or improper use of any method of accounting for a Tax period ending on or prior to the Closing Date, including any adjustments pursuant to Code Section 481(a) or any other similar or analogous provision of applicable Law, (v) any prepaid amount received on or prior to the Closing Date, (vi) deferral of income under Code Section 451(b) or (c), or (vii) any election under Section 965 or Section 1400Z-2. No member of the Company Group uses the cash method of accounting for U.S. federal income Tax purposes.

(l) No member of the Company Group has executed any power of attorney with respect to any Tax, other than powers of attorney that are no longer in force.

(m) Within the past three (3) years, no member of the Company Group has distributed stock of another Person, or had its stock distributed by another Person, in a transaction that was purported or intended to be governed in whole or in part by Section 355 or Section 361 of the Code.

(n) No assets of any member of the Company Group are potentially subject to the rules of Section 197(f)(9) of the Code.

(o) The Company is, and has been since its date of formation, properly classified for U.S. federal and applicable state income tax purposes as a disregarded entity described in Treasury Regulations Section 301.7701-3(b)(1)(ii). Section 3.14(o) of the Disclosure Schedules sets forth the U.S. federal income Tax classification of each member of the Company Group since its date of formation, including all elections made under Treasury Regulation Section 301.7701-3 for such entity to be classified other than under the default classification and the effective date of any such election. Each member of the Company Group other than the Company is, and has been since its date of formation, properly classified for U.S. federal and applicable state income tax purposes as a disregarded entity described in Treasury Regulations Section 301.7701-3(b)(1)(ii). No member of the Company Group is a "qualified subchapter S subsidiary" (as defined in Section 1361(b)(3)(B) of the Code) or has a corresponding status for state or local income tax purposes. The Company has never owned an interest in any entity or arrangement properly treated as a partnership for U.S. federal income Tax purposes. The Company has not within the last two (2) years issued any interests that were purported or intended to qualify for U.S. federal income Tax purposes as "profits interests" (as described in IRS Revenue Procedures 93-27 and 2001-43).

(p) No member of the Company Group has deferred any employment or payroll Taxes under the CARES Act, IRS Notice 2020-65 or any Executive Memorandum of the President of the United States.

3.15 **Intellectual Property**.

(a) Section 3.15(a) of the Disclosure Schedule contains a true and complete list of all (i) Intellectual Property owned by, or exclusively licensed to, any member of the Company Group that is registered or applied for before any Governmental Authority or domain name registrar ("Registered Intellectual Property"), (ii) unregistered trademarks, service marks, trade dress and copyrights owned by, or exclusively licensed to, any member of the Company Group that are material to the business of the Company Group and (iii) Software, Systems, tools, applications, data and databases owned by, or exclusively licensed to, any member of the Company Group that are material to the business of the Company Group (clauses (i) through (iii), collectively, "Scheduled Intellectual Property"). Each member of the Company Group is the exclusive owner or the exclusive licensee of all rights, title and interests in, to and under the Scheduled Intellectual Property, free and clear of all Liens. In addition to the Scheduled Intellectual Property, each member of the Company Group owns and possesses good title to, or has a valid license or right to use, all Intellectual Property used by such Company Group or necessary for the operation of the business of each member of the Company Group as currently conducted (the "Company Intellectual Property"). Each item of Registered Intellectual Property is valid, subsisting and enforceable, and all necessary documents and certifications in connection with the Registered Intellectual Property have been filed with, and all relevant fees have been paid to, the relevant patent, copyright, trademark or other authorities, as the case may be, for the purposes of perfecting, prosecuting and maintaining the Registered Intellectual Property.

(b) To the Knowledge of the Company, except as set forth on Section 3.15(b) of the Disclosure Schedule, no third Person is infringing upon, misappropriating or otherwise violating any Company Intellectual Property that is owned by, or exclusively licensed to, any member of the Company Group. No Intellectual Property misappropriation or infringement lawsuit, action, Proceeding or claim has been brought or threatened by any member of the Company Group against any other Person.

(c) Except as set forth on Section 3.15(c) of the Disclosure Schedule, none of the Registered Intellectual Property (i) has lapsed, expired or been abandoned or (ii) is the subject of any opposition, interference, cancellation, invalidity, interference, re-examination or other Proceeding (other than routine office actions) before any Governmental Authority.

(d) No member of the Company Group has assigned, licensed, sublicensed or otherwise transferred any right under any Company Intellectual Property to any third Person other than non-exclusive rights granted to customers of any member of the Company Group in the ordinary course of business pursuant to any member of the Company Group's standard form customer agreement. Each member of the Company Group and any Company Intellectual Property that is owned by, or exclusively licensed to, any member of the Company Group is not subject to any Contract containing any covenant or other provision that in any way limits or restricts the ability of the Company to, in any way, use, assert, enforce, or otherwise exploit any Company Intellectual Property anywhere in the world other than confidentiality requirements entered into in the ordinary course of business. Except as set forth in Section 3.15(d) of the Disclosure Schedule, no member of the Company Group is a party to any Contract that requires it to indemnify any Person for or against any interference, infringement, dilution, misappropriation, or violation of any Intellectual Property.

(e) The conduct of the business of each member of the Company Group has not and does not infringe, misappropriate or violate the Intellectual Property rights of any third Person, and each member of the Company Group has not engaged in unfair competition with respect to the Intellectual Property of any third Person. To the Knowledge of the Company, there has been no charge, complaint, Claim, demand, notice or threat made to any member of the Company Group (i) alleging any interference, infringement, misappropriation or violation of the Intellectual Property rights of any third Person by any member of the Company Group or in connection with the conduct of any member of the Company Group's business (including any claim that such Company Group must license or refrain from using any Intellectual Property rights of any third Person) or (ii) concerning any member of the Company Group's use or ownership of any Company Intellectual Property or challenging or questioning the validity or enforceability of any Company Intellectual Property, and to the Knowledge of the Company, there are no facts or circumstances that would form that basis for any such complaint, Claim, demand, notice or threat.

(f) Each member of the Company Group has taken reasonable steps to prevent the unauthorized disclosure or use of its trade secrets and Confidential Information, and has required any employee or third Person with access to any member of the Company Group's trade secrets or Confidential Information to execute enforceable Contracts requiring them to maintain the confidentiality of such trade secrets and Confidential Information. To the Knowledge of the Company, there has been no unauthorized use or disclosure of any Confidential Information or trade secrets of any member of the Company Group. All current and former employees and contractors of any member of the Company Group who contributed to the creation of any Company Intellectual Property have executed enforceable Contracts that assign to any member of the Company Group all of such Person's respective rights, title and interests in, to and under such Company Intellectual Property and no current or former employee or contractor of any member of the Company Group holds or retains any right, title or interest in or to any Company Intellectual Property.

(g) No Software that is a Company Group product or service contains any "back door," "drop dead device," "time bomb," "Trojan horse," "virus," or "worm" (as such terms are commonly understood in the software industry) or any other code designed or intended to have, or capable of performing, any of the following functions: (A) disrupting, disabling, harming, or otherwise impeding in any manner the operation of, or providing unauthorized access to, a computer system or network or other device on which such code is stored or installed or (B) damaging or destroying any data or file without the user's consent. No member of the Company Group has a duty or obligation (whether present, contingent or otherwise) to deliver, license, or make available the source code for any Company Software (including as may be required under any applicable Open Source Software license) to any escrow agent or other Person, nor has any member of the Company Group ever divulged or delivered any such source code to any escrow agent or other Person.

(h) The Systems that are used or relied on by each member of the Company Group are adequate for the operation of each member of the Company Group's business as currently conducted, are sufficient for the current needs of such business and each member of the Company Group has purchased a sufficient number of license seats for all licensed Software currently used by each member of the Company Group. With respect to the Systems, (i) there has not been any material malfunction that has not been remedied or replaced, or any material unplanned downtime or service interruption, (ii) each member of the Company Group has implemented or is in the process of implementing (or, in the exercise of reasonable business judgment, has determined that implementation is not yet in the best interest of the Company) in a timely manner all security patches or security upgrades that are generally available for the Systems and (iii) each member of the Company Group has taken reasonable steps and implemented reasonable procedures to ensure that such Systems used in connection with the operation of such Company Group's business are free from contaminants, including the use of commercially available antivirus Software with the intention of protecting the Systems from becoming infected by viruses and other harmful code.

3.16 **Privacy**.

(a) Each member of the Company Group has complied at all times, and the conduct of the business of each member of the Company Group will comply at all times, with all applicable Privacy and Data Security Requirements. None of the representations or disclosures made or contained in any Privacy Policy are or have been inaccurate, misleading or deceptive or in violation of any applicable Privacy and Data Security Requirements. No member of the Company Group has received any complaint, inquiry or request for information or documents, and no Claim is pending or threatened against any member of the Company Group alleging that the Processing of Personal Information by any member of the Company Group violates any applicable Privacy and Data Security Requirements.

(b) Neither the (i) the execution, delivery or performance of this Agreement or any other agreements referred to in this Agreement, nor (ii) the consummation of any of the transactions contemplated by this Agreement or any such other agreement will result in violation of any applicable Privacy and Data Security Requirements or any Privacy Policy. Each member of the Company Group has at all times implemented and maintained in place reasonable and appropriate physical, technical and administrative security programs, policies, procedures and such other measures required by applicable Privacy and Data Security Requirements, to protect Personal Information that the Company Processes in connection with the operation of each member of the Company Group's business from destruction, loss, alteration, damage, unauthorized access or disclosure or illegal or unauthorized Processing ("Security Policies"). No breach or violation of any such Security Policies or any Privacy Policy has occurred or is threatened. There has not been any destruction, loss, alteration, damage, unauthorized access or disclosure or illegal or unauthorized Processing of any Personal Information.

(c) Each member of the Company Group has at all times established legal basis, made all required disclosures to, and obtained all consents from, users, customers, employees, contractors, governmental bodies and other applicable third parties required by all applicable Privacy and Data Security Requirements and as necessary for each member of the Company Group's Processing of Personal Information in connection with the conduct of its business as it has been conducted and currently planned to be conducted, and has filed any and all required registrations with the applicable data protection authority. The Systems that are material to the conduct of the business have commercially reasonable security, back-ups and disaster recovery arrangements in place that comply with the applicable Privacy and Data Security Requirements. The Systems have never suffered any material failure and each member of the Company Group has undertaken and implemented measures to prevent any material failures.

(d) Each member of the Company Group has obtained written agreements from all subcontractors and third-party vendors to whom the Company has provided or disclosed Personal Information that (1) satisfy the requirements of the Privacy and Data Security Requirements, and (2) bind the subcontractor and third-party vendors to at least the same restrictions and conditions that apply to each member of the Company Group with respect to such Personal Information.

(e) Each member of the Company Group has taken commercially reasonable steps to limit access to Personal Information to: (i) the Company Group personnel and to subcontractors and third- party vendors providing services to or on behalf of the Company Group, in each case to those who have a need to know such Personal Information in the execution of their duties to the Company; and (ii) such other Persons permitted to access such Personal Information in accordance with the Privacy Policies, and contractual obligations to which the Company Group is bound.

(f) Each member of the Company Group has current and valid Business Associate Agreements with each (i) Covered Entity for whom the Company provides functions or activities that render the Company a Business Associate (as such terms are defined in HIPAA), and (ii) Subcontractor of the Company that is a Business Associate (as such terms are defined in HIPAA). No member of the Company Group has breached any Business Associate Agreements in effect between the Company and its customers that are Covered Entities (as defined by HIPAA) or Business Associates, or other data privacy or data security contractual obligations. To the Knowledge of the Company, no Covered Entity, Business Associate or subcontractor has breached any Business Associate Agreement or other data privacy or security contractual provision. No member of the Company Group has received any written communication regarding, and has not experienced any (i) Breach of Unsecured Protected Health Information (as those terms are defined in HIPAA), or (ii) Security Incident (as defined by HIPAA). No member of the Company Group is aware of and has not identified any potential Breaches of Unsecured Protected Health Information or Security Incidents that have the potential to impact the privacy, security and/or confidentiality of Personal Information.

(g) Recipients of any communications initiated by each member of the Company Group have consented to receive such communications and each member of the Company Group has at all times complied with the federal Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003, state anti-spam laws, and all other Laws governing marketing, promotion and transmission of unsolicited communications.

(h) No member of the Company Group stores, receives, or processes payment card information in any manner subject to the requirements of the Payment Card Industry Data Security Standard. No member of the Company Group Processes Personal Information in any manner subject to the GDPR as neither a controller nor a processor (as such terms are defined in the GDPR). No member of the Company Group is subject to the CCPA.

3.17 **Environmental Matters**. Except as set forth in Section 3.17 of the Disclosure Schedule:

(a) Each member of the Company Group is conducting and has conducted the business of the Company in full compliance with all Environmental Laws and is not and has not been in violation of or has Liability arising under Environmental Law, and there are no facts or circumstances that would reasonably be expected to give rise to a finding of such a violation or Liability;

(b) In conducting the business of the Company, neither Seller nor any member of the Company Group has disposed of, treated, transferred, stored (except in de minimis quantities), used (except in de minimis quantities), Released, or transported any Regulated Substances;

(c) Neither Seller nor any member of the Company Group has received any actual or threatened written or oral notices, orders, demand letters, or requests for information, arising out of, in connection with, or resulting from any actual or alleged violation or Liability under Environmental Law;

(d) there is no investigation, action, Proceeding, or claim pending, or threatened against any member of the Company Group that could reasonably be expected to result in any Liability under any applicable Environmental Law;

(e) No member of the Company Group is required to apply for, obtain, maintain, or hold any Environmental Permit to conduct the business of the Company;

(f) No member of the Company Group has assumed, undertaken or provided an indemnity with respect to, or taken any legally binding action with respect to, nor have they otherwise become subject to, any Liability arising under or out of Environmental Laws;

(g) Sellers have made available to Buyer copies of all environmental documents, correspondence, assessments, audits (including compliance audits), evaluations, studies, reports, pleadings, Environmental Permits, and data relating to environmental matters, Environmental Law, or Regulated Substances relating to the business of the Company and/or any member of the Company Group.

3.18 **Insurance**.

(a) Section 3.18(a) of the Disclosure Schedule sets forth a true and complete list of all insurance policies covering the assets, business, equipment, properties, operations, employees, consultants, officers and directors of each member of the Company Group (collectively, the "Policies"). Each member of the Company Group has made available to Buyer complete and accurate copies of all of the Policies. Except as set forth on Section 3.18(a) of the Disclosure Schedule, (i) there is no claim by any member of the Company Group currently pending, and no member of the Company Group has not made a claim, under any Policy as to which coverage has been questioned, denied or disputed by the insurers of such Policy and (ii) no insurer has threatened to cancel any Policy. All Policies are in full force and effect, all premiums covering all periods up to and including the Closing Date under all Policies have been paid or will have been paid as of the Closing, and each member of the Company Group is otherwise in compliance in all material respects with the terms of the Policies. No notice of cancellation or termination has been received by any member of the Company Group with respect to any Policy and, to the Knowledge of the Company, (1) no member of the Company Group has done or omitted to do anything that might render any Policy void or unenforceable or otherwise limit, prejudice or reduce recovery under any Policy and (2) no other circumstance exists that might render any Policy void or unenforceable or otherwise limit, prejudice or reduce recovery under any Policy. No member of the Company Group has any self-insurance or co-insurance programs.

(b) Prior to the date hereof, the Company Group has purchased a directors' and officers' liability and employment practices liability insurance policy covering the Company Group (a "**D&O Policy**"), and such D&O is in full force and effect.

3.19 **Brokers**. Except for Sasa Milosevic, no broker, financial advisor, finder or investment banker or other Person is entitled to any broker's, financial advisor's, finder's or other fee or commission in connection with the transactions contemplated by this Agreement or the other Transaction Documents based upon arrangements made by or on behalf of any member of the Company Group or any of its Affiliates for which Buyer or each member of the Company Group may become liable.

3.20 **Affiliated Transactions**. Except as set forth on Section 3.20 of the Disclosure Schedule, no officer, manager, equityholder or other Affiliate of any member of the Company Group or any individual in such officer's, manager's or equityholder's immediate family is a party to any agreement or transaction with any member of the Company Group (other than Employee Plans) or (i) has any interest in any property, asset or property right, in each case, tangible or intangible, which is used by any member of the Company Group or (ii) possesses, directly or indirectly, any financial interest in, or is a manager, director, officer or employee of, any Person which is a material client, supplier, customer, lessor, lessee or competitor of any member of the Company Group. Ownership of two percent (2%) or less of any class of securities of a company whose securities are registered under the Exchange Act shall not be deemed to be a financial interest for purposes of this Section 3.20.

3.21 **Customers and Vendors**.

(a) Section 3.21(a) of the Disclosure Schedule sets forth a true, correct and complete list of the twenty (20) largest customers (the "Material Customers") of the Company Group (measured by revenue), the ten (10) largest vendors (the "Material Vendors") of the Company Group (measured by aggregate spend) in each case, for the twelve (12) months ended December 31, 2021 and the twelve (12) months ended December 31, 2022.

(b) Except as set forth on Section 3.21(b) of the Disclosure Schedule, no member of the Company Group has received any written (or, to the Knowledge of the Company, oral) notice that any Material Customer, Material Vendor or material broker plans to terminate its relationship, materially decrease the amount of business done or materially change the terms of business done with any member of the Company Group.

(c) Except as set forth on Section 3.21(c) of the Disclosure Schedule, no member of the Company Group has been involved in any dispute with any Material Customer, Material Vendor or Material Broker that would have the effect of materially and adversely affecting the commercial relationship between the Company Group, on the one hand, and the Material Customer, Material Vendor or Material Broker, as applicable, on the other hand.

3.22 **Accounts Receivable and Accounts Payable**. Except as set forth on Section 3.22 of the Disclosure Schedule, all accounts receivable of each member of the Company Group (i) are valid, genuine, enforceable and existing, (ii) are not subject to any material defenses, setoffs or counterclaims, except as may be reflected on the Interim Financial Statements, (iii) are current (not more than ninety (90) days past due) and (iv) have been collected in the in the ordinary course of business and in a manner, which is consistent with past practices and the collection thereof has not been accelerated. Except as set forth on Section 3.22 of the Disclosure Schedule, all accounts payable of each member of the Company Group (A) are valid, genuine, enforceable and existing, (B) have not been outstanding for more than three (3) months, except for amounts payable that are being contested in good faith and (C) have been paid in the ordinary course of business and in a manner, which is consistent with past practices and the payment thereof has not been accelerated.

3.23 **Books and Records**. Each member of the Company Group has made available to Buyer true and complete copies of the books and the minutes books of such member of the Company Group, which contain materially complete records of actions taken at all meetings and by written consents in lieu of meetings of each member of Company Group's governing authority and equityholders.

3.24 **Banks**. Section 3.24 of the Disclosure Schedule sets forth a correct and complete list as of the Original Agreement Date of the bank accounts maintained by or for the benefit of any member of the Company Group, including the banking institution of such bank account, the account number and the names of the Persons having signature authority with respect thereto. Except as set forth on Section 3.24 of the Disclosure Schedules, no Person holds a power of attorney to act on behalf of any members of the Company Group.

3.25 **Full Disclosure**. No representation or warranty by the Owners and the Seller in this Agreement and no statement contained in the Disclosure Schedule or any certificate or other document furnished or to be furnished to the Buyer pursuant to this Agreement contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements contained therein, in light of the circumstances in which they are made, not misleading.

ARTICLE IV.
REPRESENTATIONS AND WARRANTIES REGARDING THE OWNERS AND THE SELLER

Except as set forth in the Disclosure Schedule, each of the Owners and the Seller jointly and severally represent and warrant to Buyer, as of the Original Agreement Date and as of the Closing, as follows:

4.1 **Authority; Enforceability**.

(a) The Seller is a limited liability company duly organized, validly existing and in good standing under the Laws of the State of Delaware and has all the requisite limited liability company power and authority to own, lease and operate its properties and assets and to carry on its business as it is now being conducted. The Seller has made available to the Buyer true and complete copies of its Organizational Documents as presently in effect. The Seller is not in default under or in violation of any provision of its Organizational Documents.

(b) Each of the Owners and the Seller has the requisite capacity, power and authority to execute and deliver this Agreement, each other Transaction Document to which it is a party and each instrument required to be executed and delivered by it prior to or at the Closing hereunder or thereunder and to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by the Owners and the Seller of this Agreement, each other Transaction Document to which such Owner or the Seller is a party has been duly and validly executed and delivered by such Owner or the Seller and, assuming the due authorization, execution and delivery thereof by the other parties thereto, constitutes a legal, valid and binding obligation of such Owner or the Seller, enforceable against it in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar Laws relating to or affecting creditors' rights generally and general equitable principles (whether considered in a Proceeding in equity or at law).

(c) Bryan Cox is the trustee of the Trust.

4.2 **No Conflict; Required Filings and Consents**.

(a) Except as set forth onSection 4.2(a) of the Disclosure Schedule, the execution and delivery by the Owners or the Seller of this Agreement, the other Transaction Documents to which such Person is a party or any instrument required by this Agreement to be executed and delivered by such Owner or the Seller at the Closing hereunder or thereunder do not, and the performance of this Agreement, the other Transaction Documents to which such Owner or the Seller is a party and any instrument required by this Agreement to be executed and delivered by such Owner or the Seller at the Closing hereunder or thereunder shall not, with or without the passage of time, the giving of notice or both, (i) conflict with, require a consent or notice under or violate the Organizational Documents of the Seller, (ii) conflict with, require a consent or notice under or violate any Law or Order applicable to the Owners or the Seller or by which any of its properties, rights or assets is bound or affected, or (iii) result in any breach or violation of, require a consent or notice under, or constitute a default under, or impair such Owner's or the Seller's rights or alter the rights or obligations of any party under, or give to others any rights of termination, amendment, acceleration or cancellation of, or result in the creation of a Lien on any of the properties, rights or assets of such Owner or the Seller pursuant to, any material Contract to which such Owner or the Seller is a party or by which such Owner or the Seller or its properties, rights or assets is bound.

(b) Except as set forth on Section 4.2(b) of the Disclosure Schedule, the Owners and the Seller represents and warrants that no Governmental Approval of, or Filing to, any Governmental Authority or other Person is required to be obtained or made by the Owners or the Seller in connection with the execution, delivery and performance by such Owner or the Seller of this Agreement or the other Transaction Documents to which such Owner or the Seller is a party or the consummation of the transactions contemplated hereby or thereby.

4.3 **Absence of Litigation, Claims and Orders**. There are no Claims or Proceedings pending or threatened on behalf of or against the Owners or the Seller that challenge (i) the validity of this Agreement or any other Transaction Document to which such Owner or the Seller is a party or (ii) any action taken or to be taken by it pursuant to this Agreement or any other Transaction Documents to which such Owner or the Seller is a party or in connection with the transactions contemplated hereby and thereby.

4.4 **Accredited Investor Status.** The Seller represents and warrants to the Buyer as of the Original Agreement Date:

(a) Investment Purpose. The Seller is acquiring the Equity Consideration as principal for its own account and not with a view to or for distributing or reselling such Equity Consideration or any part thereof in violation of the Securities Act or any applicable state securities law, has no present intention of distributing any of such Equity Consideration in violation of the Securities Act or any applicable state securities law and has no direct or indirect arrangement or understandings with any other Persons to distribute or regarding the distribution of such Equity Consideration in violation of the Securities Act or any applicable state securities law.

(b) Accredited Investor Status. The Seller is an "accredited investor" as that term is defined in Rule 501(a)(3) of Regulation D promulgated under the Securities Act.

(c) Reliance on Exemptions. The Seller understands that the Equity Consideration is being offered and sold to it in reliance on specific exemptions from the registration requirements of United States federal and state securities laws and that the Buyer is relying in part upon the truth and accuracy of, and the Seller's compliance with, the representations, warranties, agreements, acknowledgments and understandings of the Seller set forth herein in order to determine the availability of such exemptions and the eligibility of the Seller to acquire the Equity Consideration.

(d) Information. The Seller understands that its investment in the Equity Consideration involves a high degree of risk. The Seller (i) is able to bear the economic risk of an investment in the Equity Consideration including a total loss thereof, (ii) has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the proposed investment in the Equity Consideration and (iii) has had an opportunity to ask questions of and receive answers from the officers of the Buyer concerning the financial condition and business of the Buyer and others matters related to an investment in the Equity Consideration. The Seller has sought such accounting, legal and tax advice from its own independent advisors as it has considered necessary to make an informed investment decision with respect to its acquisition of the Equity Consideration.

(e) No Governmental Review. The Seller understands that no U.S. federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Equity Consideration or the fairness or suitability of an investment in the Equity Consideration nor have such authorities passed upon or endorsed the merits of the offering of the Equity Consideration.

(f) Transfer or Sale. The Seller understands that (i) the Equity Consideration may not be offered for sale, sold, assigned or transferred unless (A) registered pursuant to the Securities Act or (B) an exemption exists permitting such Equity Consideration to be sold, assigned or transferred without such registration; (ii) any sale of the Equity Consideration made in reliance on Rule 144 may be made only in accordance with the terms of Rule 144 and further, if Rule 144 is not applicable, any resale of the Equity Consideration under circumstances in which the Seller (or the Person through whom the sale is made) may be deemed to be an underwriter (as that term is defined in the Securities Act) may require compliance with some other exemption under the Securities Act or the rules and regulations of the SEC thereunder. The Seller understands that the certificates or electronic records of the transfer agent of the Parent will bear a legend making reference to the foregoing restrictions on transfer.

4.5 **Title**. As of immediately prior to the Closing, the Trust owns of record and beneficially and has good and valid title to all of the issued and outstanding equity interests of the Seller. As of immediately prior to the Closing, the Seller owns of record and beneficially and has good and valid title to all of the Membership Interests, free and clear of all Liens and the Seller has full power, right and authority to sell, assign, convey and deliver the Purchased Interest to the Buyer. Upon the Closing, in accordance with the terms hereof, the Buyer will acquire good and valid title to the Purchased Interests, free and clear of all Liens, other than Liens created by the Buyer.

4.6 **Brokers**. Except for Sasa Milosevic, no broker, financial advisor, finder or investment banker or other Person is entitled to any broker's, financial advisor's, finder's or other fee or commission in connection with the transactions contemplated by this Agreement or the other Transaction Documents based upon arrangements made by or on behalf of the Owners or the Seller or any of their respective Affiliates for which Buyer or the Company may become liable.

ARTICLE V.
REPRESENTATIONS AND WARRANTIES OF BUYER

The Buyer hereby represents and warrants to the Owners and the Seller, as of the Original Agreement Date and as of the Closing, as follows:

5.1 **Organization and Qualification**. Buyer is a corporation duly organized, validly existing and in good standing under the Laws of Delaware and has all the requisite corporate power and authority to own, lease and operate its properties and assets and to carry on its business as it is now being conducted. Buyer is duly qualified to do business and is in good standing in each of the jurisdictions in which the Laws of such jurisdiction, the ownership, operation or leasing of its properties or assets, or the conduct of its business require it to be so qualified, except where the failure to be so qualified would not materially and adversely affect its ability to consummate the transactions contemplated hereby.

5.2 **Authority; Enforceability**. Buyer has all requisite corporate power and authority to execute and deliver this Agreement, each other Transaction Document to which it is a party and each instrument required to be executed and delivered by it at the Closing hereunder or thereunder and to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by Buyer of this Agreement and each other Transaction Document has been duly and validly executed and delivered by it and, assuming the due authorization, execution and delivery thereof by the other parties thereto, constitutes a legal, valid and binding obligation of it, enforceable against it in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar Laws relating to or affecting creditors' rights generally and general equitable principles (whether considered in a Proceeding in equity or at law).

5.3 **No Conflict; Required Filings and Consents**. The execution and delivery by Buyer of this Agreement, the other Transaction Documents to which it is a party or any instrument required by this Agreement to be executed and delivered by it at the Closing hereunder or thereunder do not, and the performance of this Agreement, the other Transaction Documents to which it is a party and any instrument required by this Agreement to be executed and delivered by it at the Closing hereunder or thereunder shall not, with or without the passage of time, the giving of notice or both, (a) conflict with, require a consent or notice under or violate its Organizational Documents, (b) conflict with, require a consent or notice under or violate any Law or Order applicable to it or by which any of its properties, rights or assets is bound or affected, except any such conflict or violation that would not materially and adversely affect its ability to consummate the transactions contemplated hereby, or (c) result in any breach or violation of, require a consent or notice under, or constitute a default under, or impair its rights or alter the rights or obligations of any party under, or give to others any rights of termination, amendment, acceleration or cancellation of, or result in the creation of a Lien on any of its properties, rights or assets pursuant to, any material Contract to which it is a party or by which it or its properties, rights or assets is bound, except any such breach, violation, default or other event that would not materially and adversely affect its ability to consummate the transactions contemplated hereby. No Governmental Approval of, or Filing to, any Governmental Authority or other Person is required to be obtained or made by it in connection with the execution, delivery and performance by it of this Agreement or the Transaction Documents to which it is a party or the consummation of the transactions contemplated hereby or thereby, except for Governmental Approvals that, if not obtained or made, would not materially and adversely affect its ability to consummate the transactions contemplated hereby.

5.4 **Absence of Litigation, Claims and Orders**. There are no Claims or Proceedings pending or, to the knowledge of Buyer, threatened on behalf of or against it that challenge (i) the validity of this Agreement or any other Transaction Document to which it is a party or (ii) any action taken or to be taken by it pursuant to this Agreement or any other Transaction Documents to which it is a party or in connection with the transactions contemplated hereby and thereby.

5.5 **Valid Issue of Equity Consideration**. The Equity Consideration, when issued and delivered in accordance with the terms and for the consideration set forth in this Agreement, will be validly issued, fully paid and nonassessable. Assuming the accuracy of the representations of the Seller in Section 4.4, the Equity Consideration will be issued in compliance with all applicable U.S. federal and state securities Laws.

5.6 **Brokers**. Except for Revere Securities LLC, no broker, financial advisor, finder or investment banker or other Person is entitled to any broker's, financial advisor's, finder's or other fee or commission in connection with the transactions contemplated by this Agreement or the other Transaction Documents based upon arrangements made by or on behalf of Buyer or any of its Affiliates for which the Owners or the Seller may become liable.

ARTICLE VI.
ADDITIONAL AGREEMENTS

6.1 **Conduct of Business:** From the Original Agreement Date and continuing until the earlier of the termination of this Agreement or the Closing (the "Interim Period"), the Seller shall cause the Company Group to:

(a) conduct the Business in the Ordinary Course of Business;

(b) use its reasonable best efforts to maintain and preserve the present operations, organization and goodwill of the Business;

(c) use its reasonable best efforts to maintain and preserve its present relationships with its employees, customers, lenders, suppliers and regulators;

(d) maintain and preserve all Permits required for the conduct of the Business or for the ownership and use of its properties and assets;

(e) collect its accounts receivable in the Ordinary Course of Business;

(f) pay its debts, Taxes and other Liabilities when due;

(g) maintain its tangible personal property in the same condition as it is in on the Original Agreement Date, reasonable wear and tear excepted;

(h) continue in full force and effect without modification all insurance policies maintained by it, except as required by applicable Law;

(i) actively prosecute or defend, or settle, as applicable, all pending Proceedings brought by or against it;

(j) preserve in full force and effect its Material Contracts;

(k) maintain its books and records in accordance with past practice;

(l) comply in all material respects with all Laws applicable to the conduct of the Business or the ownership and use of its assets and properties;

(m) not terminate the employment of any material employee;

(n) not hire any material employee; and

(o) not take any action that would cause any of the changes, events or conditions described inSection 3.9 to occur except as consented to in writing by Buyer.

6.2 **Pre-Closing Efforts**. During the Interim Period, each of the Parties shall use commercially reasonable efforts to take such actions as are necessary to expeditiously satisfy the closing conditions set forth in Article VI hereof.

6.3 **Third-Party Consents**. The Seller and the Owners shall use commercially reasonable efforts to give all notices to, and obtain all consents from, all third parties that are described on Section 2.6(k) of the Disclosure Schedule.

6.4 **Access to Information**. During the Interim Period, the Seller and the Owners shall cause the Company Group to (a) afford the Buyer and its representatives full and free access, during normal business hours upon reasonable advance notice, to the properties, assets, premises, books and records, Contracts and other documents and data of the Company Group, (b) make available to the Buyer and its representatives such financial, operating and other data and information of the Company Group as the Buyer or any of its representatives may reasonably request and (c) instruct the respective representatives of the Company Group and the Seller to cooperate with the Buyer in its investigation of the Company Group. Any such investigation shall be conducted in such a manner as not to unreasonably interfere with the normal operations of the Company Group. No investigation by the Buyer or other information received by Buyer shall operate as a waiver or otherwise affect any representation or warranty given or made by the Company in this Agreement.

6.5 **No Solicitation of Other Bids.**

(a) During the Interim Period, the Seller and the Owners shall not, and shall not permit the Company Group or any of the respective Affiliates or representatives of the Seller, the Owners or the Company Group to, directly or indirectly, (i) initiate, solicit, encourage or facilitate the making of an Acquisition Proposal or any proposal, request or inquiry that would reasonably be expected to lead to an Acquisition Proposal, (ii) participate in discussions or negotiations with, or provide any information to, any third Person concerning an Acquisition Proposal or any proposal, request or inquiry that would reasonably be expected to lead to an Acquisition Proposal or (iii) approve, authorize, endorse, declare advisable, adopt, enter into or recommend any Acquisition Proposal or any letter of intent, memorandum of understanding, agreement in principle, acquisition agreement, merger agreement or other agreement (whether or not binding) providing for or constituting an Acquisition Proposal. For purposes hereof, "Acquisition Proposal" means any proposal, request or inquiry from any Person (other than the Buyer or any of its Affiliates) concerning a direct or indirect merger, consolidation, share exchange or other business combination transaction involving any member of the Company Group or the Option Companies, or the sale, exchange, exclusive license or other disposition of all or any portion of the assets of the Company, other than sales of inventory in the Ordinary Course of Business.

(b) The Seller and the Owners shall, and shall cause the Company Group and the respective Affiliates and representatives of the Seller, the Owners and the Company Group to: (i) immediately cease and cause to be terminated any existing solicitations of, or discussions or negotiations with, any third Persons relating to any Acquisition Proposal or any proposal, request or inquiry that would reasonably be expected to lead to an Acquisition Proposal; (ii) request the prompt return from, or destruction by, all such Persons of all copies of confidential information previously provided to such Persons by Seller or its respective Affiliates and Representatives in connection therewith; and (iii) terminate access to any physical or electronic data rooms granted to such Persons in connection therewith.

(c) The Company Group shall promptly (and in any event within three (3) Business Days after receipt thereof by Seller or its Representatives) advise the Buyer in writing of any Acquisition Proposal, the material terms and conditions of such Acquisition Proposal (including unredacted copies of any written materials) and the identity of the Person making the Acquisition Proposal. The Company Group shall keep the Buyer reasonably informed of the status of, and any material developments regarding, any such Acquisition Proposal, including any material amendment or modification of any such Acquisition Proposal (including by providing to Buyer unredacted copies of any written materials), on a prompt basis, and in any event within three (3) Business Days thereafter.

(d) The parties hereto agree that the remedy of damages at Law for the breach of any of the covenants contained in this Section 6.5 is an inadequate remedy, and in recognition of the irreparable harm that a violation of any of the covenants arising under this Section 6.5 would cause the Buyer, the Seller and the Owners agree that in addition to any other remedies or relief afforded by Law, an injunction against an actual or threatened violation of this Section 6.5 may be issued against the Seller and the Owners.

6.6 **Release**. Except as otherwise provided in this Agreement and, effective as of the Closing, each Owner and the Seller, on behalf of itself and its respective successors, assigns, next-of-kin, representatives, administrators, executors, beneficiaries, agents and Affiliates, hereby (A): fully, irrevocably and unconditionally waives, releases, acquits and forever discharges, to the fullest extent permitted by Law, the Company Group, Buyer, Parent and their respective Affiliates and each of their respective current, former and future holders of any equity, voting, partnership, limited liability company or other interest, and each of their respective controlling persons, Subsidiaries, directors, officers, employees, members, managers, general or limited partners, stockholders, agents, attorneys, representatives, Affiliates, heirs, assignees or successors (in their capacity as such) (collectively, the "Company Released Parties") from any and all Claims, Liabilities, damages, rights, costs, Losses, expenses, compensation or suits, of whatsoever kind or nature, in contract or in tort, at law or in equity, that such Owner or the Seller has, will or might have in each case arising out of anything done, omitted, suffered or to be done by any Company Released Party, in each case, whether heretofore or hereafter accrued or unaccrued and whether foreseen or unforeseen or known or unknown (collectively, the "Seller Released Claims"); and (B) acknowledges and agrees to forever refrain and forbear from commencing, instituting or prosecuting any Claim or Proceeding against any of the Company Released Parties based on, arising out of, or in connection with the Seller Released Claims; *provided,* that, notwithstanding the foregoing, the Seller Released Claims shall not include (i) any rights or claims under or arising out of this Agreement and the other Transaction Documents or claims to enforce this Agreement and the other Transaction Documents and (ii) any rights with respect to accrued and unpaid compensation or benefits owed to the Owners as an employee of the Company. Each of the Company Released Parties shall be an intended third party beneficiary of this Section 6.1 and is entitled to directly enforce the releases and covenants contained in this Section 6.1.

6.7 **Non-Competition; Non-Solicitation; Non-Disparagement; Confidentiality**.

(a) For a period of five (5) years from and after the Closing Date (the "Restricted Period"), each Owner and the Seller shall not, and shall not permit, cause or encourage its Affiliates to (and shall cause its controlled Affiliates not to), directly or indirectly, (i) engage (or take active steps preparatory to engaging) in the Restricted Business in the Territory, whether as an owner, operator, equityholder, promoter, service provider, manager, consultant, strategic partner, employee or otherwise, or (ii) own an interest in (proprietary or financial) or aid or assist any Person that engages in the Restricted Business in the Territory, *provided*, *however*, that any Business Opportunities (as defined in the Second Amended and Restated Limited Liability Company Agreement) that have been duly presented to the Company and which the Company has decided in writing not to pursue, shall not be deemed to be a violation of this Section 6.7 if pursued by an Owner or Seller. Notwithstanding the foregoing, each Owner and the Seller may own, directly or indirectly, securities of any Person traded on a national securities exchange if such Owner or the Seller is not a controlling Person of, or a member of a group which controls, such Person and does not, directly or indirectly, own two percent (2%) or more of any class of securities of such Person.

(b) During the Restricted Period, each Owner and the Seller shall not, and shall not permit, cause or encourage its Affiliates to (and shall cause its controlled Affiliates not to), directly or indirectly, solicit, recruit, engage as an independent contractor or employ any employee or independent contractor of the Company, in each case, as of the Closing, during the twelve (12) months immediately preceding the Closing Date or at any time during the Restricted Period (collectively, the "Covered Employees") or solicit or induce any Covered Employee to terminate his or her employment or other relationship with the Company Group, the Buyer, or any of their respective Affiliates, *provided*, that the foregoing shall not prohibit the solicitation or engagement of any Covered Employee through the use of general advertisements or solicitations that are not specifically targeted or focused on the Company Group, the Buyer, or any of their respective Affiliates, the employees of the Company Group, the Buyer, or any of their respective Affiliates, or the Covered Employees.

(c) During the Restricted Period, each Owner and the Seller shall not, and shall not permit, cause or encourage any of its Affiliates to (and shall cause its controlled Affiliates not to), (i) solicit or encourage any customer, vendor, supplier, licensee, licensor or other business partner of the Company Group (each, a " Business Partner") who has been such at any time within the twelve (12)- month period immediately preceding the Closing Date to terminate or diminish its relationship with the Company Group, the Buyer, or any of their respective Affiliates or (ii) seek to persuade any Business Partner, or any prospective Business Partner, who has been a Business Partner or a prospective Business Partner at any time within the twelve (12)-month period immediately preceding the Closing Date, to conduct with anyone else any business or activity which such Business Partner conducts, or such prospective Business Partner could conduct, with the Company Group.

(d) From and after the Closing, each Owner and the Seller shall not knowingly make and shall instruct its Affiliates, officers, managers, directors and employees (and shall cause its controlled Affiliates) not to make, any statement, written or oral, that would disparage the business or reputation of the Company Released Parties; *provided*, *however*, that nothing in this Section 6.7(d) shall prevent such Person from (i) giving truthful testimony obtained through subpoena, (ii) giving any truthful information provided pursuant to investigation by any Governmental Authority, or (iii) giving any truthful information provided pursuant to any Claim by a party to this Agreement asserted in good faith.

(e) From and after the Closing, each Owner and the Seller shall, and shall cause its Affiliates and representatives to, hold in strict confidence and not use for any purpose all Confidential Information that he, she or it possesses. In the event such Owner or the Seller or any of its Affiliates or representatives is required by applicable Law to disclose any Confidential Information, such Person shall promptly (to the extent permitted by Law) notify the Buyer in writing so that the Buyer may seek a protective order and/or other motion filed to prevent the production or disclosure of such Confidential Information. If such motion has been denied, then such Person may disclose only the portion of the Confidential Information that is required by applicable Law to be disclosed; *provided*, that (i) such Person shall use commercially reasonable efforts to preserve the confidentiality of the remainder of the Confidential Information and (ii) such Person shall not, and shall not permit any of his, her or its Affiliates or representatives to, oppose any motion for confidentiality brought by the Buyer or any of its Affiliates in any such instance. Each Owner and the Seller will continue to be bound by its obligations pursuant to this Section 6.7(e) for any Confidential Information that is not required to be disclosed pursuant to the immediately preceding sentence, or that has been afforded protective treatment pursuant to such motion.

(f) Each Owner and the Seller agrees that (i) its agreement to the covenants contained in this Section 6.7 is a material condition of the Buyer's willingness to enter into this Agreement and consummate the transactions contemplated by this Agreement, (ii) the covenants contained in this Section 6.7 are necessary to protect the goodwill, Confidential Information, trade secrets and other legitimate interests of the Company and the Buyer, (iii) in addition and not in the alternative to any other remedies available to it, the Buyer shall be entitled to preliminary and permanent injunctive relief against any breach or threatened breach by such Owner or the Seller of any such covenants, without having to post bond, together with an award of its reasonable attorneys' fees incurred in enforcing its rights hereunder, (iv) no breach of any provision of this Agreement shall operate to extinguish such Owner's and the Seller's obligation to comply with this Section 6.7 and (v) in the event that the final judgment of any court of competent jurisdiction declares any term or provision of this Section 6.7 to be invalid or unenforceable by reason of its being extended over too great a time, too large a geographic area or too great a range of activities, that provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by Law.

(g) Nothing in this Section 6.7 shall be deemed to limit the obligations of any Person under any other agreement to which such Person is party.

6.8 **Fees and Expenses**. Except as otherwise set forth in this Agreement, all fees and expenses incurred in connection with this Agreement and the other Transaction Documents and the transactions contemplated hereby and thereby shall be paid by the party incurring such fees and expenses, *provided*, *however*, that with respect to any fees and expenses incurred by the Company for services provided by Starkmont Financial Inc. in connection with the preparation of the Company's financial statements to facilitate Parent's required filing of such financial statements on Form 8-K and preparatory work for the audit conducted by the Buyer shall be borne by the Buyer and all other fees and expenses incurred by the Company for services provided by Starkmont Financial Inc. in connection with the day- to-day operations of the Company shall be borne by the Company.

6.9 **Financial Statements for Parent Current Report on Form 8-K**.

(a) From and after the Original Agreement Date the Company will use its best efforts to prepare in a timely manner to facilitate Parent's required filing of such financial statements on Form 8-K (i) audited consolidated balance sheets of the Company Group as of December 31, 2021 and 2022, (ii) audited consolidated statements of income, cash flows and changes in shareholders' equity of the Company for the years ended December 31, 2021 and 2022, and (iii) an unqualified report (except as to going concern) with respect to such audited financial statements by Marcum LLP and a consent by Marcum LLP to have such audited financial statements incorporated by reference into Parent's Securities Act filings, which report and consent shall be in form and substance reasonably satisfactory to Parent. Upon Parent's request, the Company will also promptly provide to Parent all other financial statements, business descriptions, risk factors, compensation data, ownership data and other information of the Company required for any Commission filing to be filed by Parent or which needs to be incorporated in any existing Parent Commission filings to make the information therein complete, including, without limitation, pro forma financial statements that give effect to the transaction contemplated by this Agreement and a full description of the business of the Company Group. Such financial statements shall be prepared in accordance with GAAP, so that such financial statements meet the requirements for filing by Parent with the Commission as required by the Commission's Current Report on Form 8-K.

(b) The Company will, contemporaneous with the delivery of the reports described in Section 6.9(a), provide Parent with a representation that the information provided by it for inclusion and/or incorporation into the Parent's Securities Act filings is true and accurate in all material respects and that there is no material fact or matter which has not been disclosed in the disclosure document which renders such information untrue or misleading in any material respect.

(c) The Company shall cause Marcum LLP to deliver, contemporaneous with the delivery of the reports described in Section 6.9(a), an executed consent, in form and substance reasonably satisfactory to Parent and suitable for filing by Parent with the Commission, which consent shall authorize Parent to file with the Commission the reports delivered pursuant to Section 6.9(a).

(d) Upon Parent's request, contemporaneous with the delivery of the consolidated financial statements described in Section 6.9(a), the Company shall cause Marcum LLP to make available to Parent and its representatives the work papers generated in connection with such accounting firm's audit of the audited consolidated financial statements delivered pursuant to Section 6.9(a).

6.10 **Parent Shareholder Vote**. Promptly after the Closing, Parent shall call a special meeting of its stockholders for the purpose of approving the issuance of the shares of Parent Stock upon conversion of the Equity Consideration in excess of 19.99% of the total issued and outstanding shares of Parent Stock on the date hereof pursuant to the rules of the Nasdaq Stock Market.

6.11 **Transfer Restriction**. Notwithstanding anything in this Agreement or any other Transaction Document to the contrary, until the first (1st) anniversary of the Closing (the "Lock Up Period"), the Seller shall not, directly or indirectly, sell, transfer or otherwise dispose of any Convertible Stock or Parent Stock issued upon conversion of the Convertible Stock or pursuant to the Equity Earnout Payment (the "Restricted Securities") without Parent's prior written consent; provided, however, subject to Section 4.4 of this Agreement, the Seller may sell, transfer or otherwise dispose of Restricted Securities to an Affiliate of the Seller without Parent's prior written consent; provided, further, that the Seller provide prompt written notice to Parent of such transfer, including the name and contact information of the Affiliate transferee, and such Affiliate transferee agrees in writing to be bound by the terms of the Transaction Documents to which the Seller is a party (which agreement is also provided to Parent with such notice). After the expiration of the Lock Up Period, the Seller agrees that it and any of its Affiliate transferees shall not be entitled to (i) in any calendar month, convert the Convertible Stock into a number of shares of Parent Stock exceeding more than 10% of the total number of shares of Parent Stock issuable upon conversion of the Convertible Stock then held by the Seller and its Affiliate transferees and (ii) in any calendar month, sell a number of shares of Parent Stock into the open market in an amount exceeding more than 10% of the total number of shares of Parent Stock issuable upon conversion of the Convertible Stock then held by the Seller and its Affiliate transferees.

6.12 **Option Company Purchase Option**.

(a) At any time during the period beginning on the Closing Date and ending on the date eighteen (18) months after the Closing Date, the Buyer, or an Affiliate of the Buyer as designated by the Buyer, shall in its sole discretion have the right, upon delivery of a written notice stating the Buyer's intent to exercise its rights pursuant to this Section 6.12 (a "Call Notice"), to purchase, or to cause any of its Affiliates including the Company, to purchase, from the Seller one hundred percent (100%) (but in the case of DE Laboratories, LLC fifty percent (50%)) of the issued and outstanding equity interests of all, or any combination, of the Option Companies for One Hundred and Fifty Thousand Dollars ($150,000) (the "Call Price"), and in accordance with the procedures and on the terms and conditions set forth in this Section 6.12.

(b) Promptly following the delivery of a Call Notice by the Buyer and in any event within forty (40) Business Days thereafter (*provided,* that such period shall be extended for so long as the Buyer and the Seller continue to cooperate in good faith towards the execution and delivery of an Option Company Purchase Agreement or for such other period of time as the Buyer and the Seller mutually agree), the Buyer and the Seller shall cooperate in good faith to execute and deliver an equity purchase agreement substantially in the same form as this Agreement, with such changes as the Buyer (in its sole discretion) may determine to be preferable for achieving the Buyer's intended tax consequences with respect to the Call Transaction and such other changes as otherwise agreed upon by the Buyer and the Seller at the time the Call Notice is exercised (the "Option Company Purchase Agreement"). As soon as practicable following the delivery of a Call Notice by the Buyer, the Seller shall establish a virtual data room to facilitate the Buyer's due diligence and shall prepare and deliver to the Buyer draft disclosure schedules in respect of the representations and warranties to be made by the Option Companies and the Seller pursuant to the Option Purchase Agreement.

(c) Each of the Buyer, the Seller and the Owners shall bear its own costs and expenses incurred in connection with any proposed transaction set forth in this Section 6.12 (a "Call Transaction") (whether or not consummated), including all attorneys' fees and charges, all accounting fees and charges and all finders, brokerage or investment banking fees, charges or commissions.

(d) The Seller shall, and shall cause the Option Companies, as applicable, to execute and deliver all related documentation and take such other action in support of a Call Transaction as shall be reasonably requested by the Buyer in order to carry out the terms and provisions of this Section 6.12, including, without limitation, executing and delivering instruments of conveyance and transfer, and any governmental filing, share certificates duly endorsed for transfer (free and clear of impermissible liens, claims and encumbrances), and any similar or related documents.

6.13 **Membership Interest Purchase Option**.

(a) At any time during the period beginning on the Closing Date and ending on the date sixth (6) months after the Closing Date, the Buyer, or an Affiliate of the Buyer as designated by the Buyer, shall in its sole discretion have the right (the "Membership Interest Purchase Option"), upon delivery of a written notice stating the Buyer's intent to exercise its rights pursuant to this Section 6.13 (a "Membership Interest Call Notice"), to purchase, or to cause any of its Affiliates including the Company, to purchase, from the Seller twenty percent (20%) of the Membership Interests for Six Million Dollars ($6,000,000) in cash and the Option Equity Consideration (collectively, the "Membership Interest Call Price"), and in accordance with the procedures and on the terms and conditions set forth in this Section 6.13, *provided*, *however*, that if the Buyer or an Affiliate of the Buyer as designated by the Buyer, elects to exercise the Membership Interest Purchase Option and has delivered the Membership Interest Call Notice within six (6) months after the Closing Date but requires additional time to close the Membership Interest Call Transaction (as herein defined) and in good faith believes that Buyer or an Affiliate of the Buyer will be able to obtain the necessary capital to close the Membership Interest Call Transaction, then, prior to the expiration of the initial six (6) month period, the Buyer or an Affiliate of the Buyer shall reaffirm their exercise of the Membership Interest Purchase Option in writing to the Seller and accompany such reaffirmation with reasonable evidence of financial commitments for the Membership Interest Call Price, and the Buyer or an Affiliate of the Buyer shall have an additional ninety (90) day period to execute and deliver the Membership Interest Option Purchase Agreement; *provided*, that such period shall be extended for so long as the Buyer or an Affiliate of the Buyer and the Seller continue to cooperate in good faith towards the execution and delivery of the requisite documents or for such other period as the parties mutually agree. In the event the Buyer or an Affiliate of the Buyer fails to provide such reaffirmation prior to the end of the initial six (6) month period, the Membership Interest Purchase Option shall terminate upon the date thereof, unless otherwise agreed to by the parties.

(b) Promptly following the delivery of a Membership Interest Call Notice by the Buyer or an Affiliate of the Buyer, the Buyer and the Seller shall cooperate in good faith to execute and deliver an equity purchase agreement substantially in the same form as this Agreement, with such other changes as otherwise agreed upon by the Buyer and the Seller at the time the Membership Interest Call Notice is exercised, but in no event shall materially deviate from the terms set forth therein (the "Membership Interest Option Purchase Agreement").

(c) Each of the Buyer, the Seller and the Owners shall bear its own costs and expenses incurred in connection with any proposed transaction set forth in this Section 6.13 (a "Membership Interest Call Transaction") (whether or not consummated), including all attorneys' fees and charges, all accounting fees and charges and all finders, brokerage or investment banking fees, charges or commissions.

(d) Each of the Buyer and the Seller shall execute and deliver all related documentation and take such other action in support of a Membership Interest Call Transaction as shall be reasonably requested by either party in order to carry out the terms and provisions of this Section 6.13, including, without limitation, executing and delivering instruments of conveyance and transfer, and any governmental filing, share certificates duly endorsed for transfer (free and clear of impermissible liens, claims and encumbrances), and any similar or related documents.

(e) Upon the closing of the Membership Interest Call Transaction the Buyer and Seller shall (i) amend and restate the Limited Liability Company Agreement in the form and substance attached as Exhibit D to the Second Amended and Restated Limited Liability Company Agreement and (ii) execute lease agreements for each of the real properties owned by the respective landlord entities fully owned and controlled by the Trust listed on Section 2.6(f) of the Disclosure Schedule in the forms attached hereto as Exhibit D-1 and Exhibit D-2 respectively.

6.14 **Further Assurances.** From time to time, as and when requested by any party hereto, and at such requesting party's expense, any other party will execute and deliver, or cause to be executed and delivered, all such documents and instruments and will take, or cause to be taken, all such further or other actions as such requesting party may reasonably deem necessary or desirable to evidence and effectuate the transactions contemplated by this Agreement.

ARTICLE VII.
CONDITIONS TO CLOSING

7.1 **Conditions to Obligations of All Parties**.

The obligations of each of the Buyer, Parent, the Seller and the Owners to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or, to the extent permitted, waiver of each of the following conditions:

(a) No Governmental Authority shall have enacted, issued, promulgated, enforced or entered any Law or Order (whether temporary, preliminary or permanent) that remains in effect and has the effect of making the transactions contemplated by this Agreement illegal or otherwise restrains or prohibits the consummation of such transactions or will cause such transactions to be rescinded following completion.

(b) No Proceedings shall be in effect or have been instituted by a Governmental Authority enjoining, prohibiting or otherwise preventing, or seeking to enjoin, prohibit or otherwise prevent the consummation of the transactions contemplated by this Agreement, and no Governmental Authority shall have notified any party hereto that such Governmental Authority intends to commence such a Proceeding.

7.2 **Conditions to Obligations of the Buyer**.

The obligations of Buyer to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or waiver, at or prior to the Closing, of each of the following conditions:

(a) (i) The Seller Fundamental Representations shall be true and correct in all respects as of the Original Agreement Date and as of the Closing Date as though made on and as of the Closing Date (except to the extent such representations and warranties expressly speak as of a specified date, in which case such representations and warranties shall be true and correct in all respects on and as of such specified date) and (ii) all of the other representations and warranties of the Company, the Seller and the Owners in Article III and Article IV, disregarding for this purpose any qualification in the text of the relevant representation or warranty as to materiality or Material Adverse Effect, shall be true and correct in all material respects as of the Original Agreement Date and as of the Closing Date as though made on and as of the Closing Date (except to the extent such representations and warranties expressly speak as of a specified date, in which case such representations and warranties shall be true and correct in all material respects on and as of such specified date).

(b) The Company, the Seller and the Owners shall have performed and complied with all covenants and obligations in this Agreement required to be performed and complied with by such Persons as of or prior to the Closing.

(c) There shall not have been or occurred a Company Material Adverse Effect after the date of this Agreement.

(d) The Seller and the Owners shall have delivered to Buyer each of the deliverables required by Section 2.5.

(e) The Buyer shall have received a certificate executed by the Company, Seller and the Owners representing and warranting that the conditions set forth in Section 7.2(a) and Section 7.2(b) have been satisfied.

7.3 **Conditions to Obligations of Seller**.

The obligations of the Seller and the Owners to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or waiver, at or prior to the Closing, of each of the following conditions:

(a) The representations and warranties of the Buyer in Article V, disregarding for this purpose any qualification in the text of the relevant representation or warranty as to materiality or a material adverse effect, shall be true and correct as of the Original Agreement Date and as of the Closing Date as though made on and as of the Closing Date (except to the extent such representations and warranties expressly speak as of a specified date, in which case such representations and warranties shall be true and correct on and as of such specified date), except where the failure of such representations and warranties in the aggregate to be true and correct has not had and would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on Buyer's ability to consummate the transactions contemplated hereby.

(b) The Buyer shall have performed and complied in all material respects with all covenants and obligations in this Agreement required to be performed and complied with by Buyer as of or prior to the Closing.

(c) The Seller shall have received a certificate executed by the Buyer representing and warranting that the conditions set forth in Section 7.3(a) and Section 7.3(b) have been satisfied.

ARTICLE VIII.
TAX MATTERS

The following provisions shall govern the allocation of responsibility as between the Buyer, on the one hand, and the Owners and the Seller, on the other, for certain Tax matters following the Closing Date.

8.1 Filing of Tax Returns.

(a) The Seller shall prepare or cause to be prepared and file or cause to be filed, at the Seller's expense, all Pass-Through Tax Returns for any member of the Company Group for taxable periods ending on or prior to the Closing Date, in each case, the due date of which (taking into account valid extensions of time to file) is after the Closing Date (each a "Pre-Closing Pass-Through Tax Return"). All such Pre-Closing Pass-Through Tax Returns shall be prepared and filed in a manner consistent with the past procedures, practices and accounting methods of the applicable member of the Company Group except as required by applicable Law or this Agreement. The Seller shall submit each such Pre-Closing Pass-Through Tax Return to the Buyer at least thirty (30) days prior to the due date (taking into account any extensions) for Buyer's approval (such approval not to be unreasonably withheld, conditioned or delayed). Buyer and the Company Group shall cooperate with the Seller in preparing such Pre-Closing Pass-Through Tax Returns, including providing records and information which are reasonably relevant to such Tax Returns and making employees and third-party advisors available on a mutually convenient basis to provide additional information and explanation of any material provided.

(b) The Buyer, at the expense of the Company Group, shall prepare or cause to be prepared and file or cause to be filed all other Tax Returns for any member of the Company Group for any taxable period (or portion thereof) that ends on or before the Closing (that is not a Pre-Closing Pass- Through Tax Return). With respect to all Pass-Through Tax Returns for any taxable periods that include and end after the Closing Date required to be filed by any member of the Company Group after the Closing Date (each, a "Straddle Period Pass-Through Tax Return"), at least thirty (30) days prior to the due date of any Straddle Period Pass-Through Tax Return (taking into account any applicable extensions), Buyer shall deliver to the Seller a copy of such Straddle Period Pass-Through Tax Return for review and comment by the Seller. Buyer shall consider in good faith any comments timely received from Seller.

8.2 **Straddle Periods**. For purposes of this Agreement, whenever it is necessary to determine the liability for Taxes of any member of the Company Group for any Straddle Period, the determination of the Taxes for the portion of the Straddle Period ending on and including, and the portion of the Straddle Period beginning after, the Closing Date shall be determined by assuming that the Straddle Period consisted of two (2) taxable years or periods, one which ended at the close of the Closing Date and the other which began at the beginning of the day following the Closing Date, and items of income, gain, deduction, loss or credit for the Straddle Period, shall be allocated between such two (2) taxable years or periods on a "closing of the books basis" by assuming that the books of the applicable member of the Company Group, as applicable, were closed at the close of the Closing Date; *provided*, *however*, that (a) exemptions, allowances or deductions that are calculated on an annual basis, such as the deduction for depreciation, and (b) periodic Taxes (other than income, franchise/capital, sales, use, withholding Taxes or other Taxes imposed on a transactional basis) such as real and personal property Taxes, shall be apportioned ratably between such periods based on the number of days for the portion of the Straddle Period ending on and including the Closing Date, on the one hand, and the number of days for the portion of the Straddle Period beginning after the Closing Date, on the other hand.

8.3 **Tax Indemnity**. Subject to the applicable limitations in Article IX, the Owners and the Seller shall, on a joint and several basis, indemnify the Buyer and its Affiliates from and against (i) all Losses resulting from any member of the Company Group's liability for Taxes for all Pre-Closing Tax Periods and the portion ending at the close of the Closing Date of any Straddle Period (determined for a Straddle Period in accordance with Section 8.2); (ii) all Transfer Taxes for which the Owners or the Seller are liable under Section 8.7; (iii) all Losses resulting from a breach of any representation or warranty contained in Section 3.14 (determined as though such representations were made as of the Original Agreement Date and as of the Closing Date); (iv) all Losses arising from any member of the Company Group's liability for the Taxes of another Person under Treasury Regulations Section 1.1502-6 (or any corresponding or similar provision of state, local or non-U.S. Law) as a result of any member of the Company Group (or a predecessor of any member of the Company Group) having been a member of a consolidated, combined unitary or similar Tax group at any time prior to the Closing; (v) all Losses resulting from any member of the Company Group's liability for Taxes of another Person as a result of such entity's status as a transferee or successor, or as a result of a Contract or otherwise, where the status or relationship giving rise to such liability existed (even if the actual liability for Taxes did not) prior to the Closing; (vi) all Losses relating to the failure of any member of the Company Group to comply prior to Closing with any requirements relating to the preparation or filing of Tax Returns; (vii) all Losses relating to the failure of any member of the Company Group to comply prior to Closing with any requirements to collect or withhold Taxes or to pay over to the relevant Governmental Authority amounts required to be so collected or withheld; (viii) any Losses attributable to a matter referred to in Section 3.14 of the Disclosure Schedules; (ix) any payments required to be made by any member of the Company Group or the Buyer after Closing in respect of Taxes of any Seller or Owner (including non-resident partner or member Tax payments), to the extent attributable to activities of any member of the Company Group prior to Closing; (x) all Losses arising from an "imputed underpayment" (as such term is used in Section 6225 of the Code) with respect to any member of the Company Group where the reviewed year (as such term is defined in Section 6225(d) of the Code) ends on or prior to the Closing Date; (xi) any employment Taxes (whether the employer's or the employee's share) deferred by any member of the Company Group past Closing under the CARES Act, IRS Notice 2020-65 or any Executive Memorandum of the President of the United States, and (xii) any interest, penalties or additions to Tax related to any items described in any of clauses (i) through (xi) (collectively, "Indemnified Taxes"). For these purposes, Losses shall include any reasonable fees and expenses of legal counsel or other tax advisors incurred by Buyer or any member of the Company Group in controlling a Proceeding by any Governmental Authority with respect to any Indemnified Taxes.

8.4 **Allocation of Purchase Price**. The parties agree that the purchase price of the Purchased Interests (as determined for U.S. federal income tax purposes), shall, for federal and applicable state and local income tax purposes, be allocated among the undivided percentage interests in the assets of the Company deemed purchased for federal income tax purposes as a result of the transactions provided for herein, in accordance with Section 1060 of the Code and the Regulations promulgated thereunder and, to the extent required for tax purposes, the option rights set forth in Section 6.12 and Section 6.13. Within one hundred twenty (120) days after the Closing Date, the Buyer shall deliver to the Seller a proposed allocation (the "Proposed Allocation") of such purchase price. If the Seller has any objection to the Proposed Allocation, the Seller shall deliver to the Buyer a statement setting forth its objections and suggested adjustments within thirty (30) days from the delivery of the Proposed Allocation (an "Allocation Objections Statement"). The Seller and the Buyer shall negotiate in good faith to resolve any objection set forth in the Allocation Objections Statement(s), but if they do not reach a final resolution within thirty (30) days after the delivery of the Allocation Objections Statement, the Seller and the Buyer shall jointly retain a nationally recognized, independent, public accounting firm mutually agreed by the Buyer and the Seller (the "Accountant") for purposes of resolving the objections set forth in the Allocation Objection Statement that remain in dispute. Buyer and Seller shall instruct the Accountant to determine and report to the parties upon resolution of such unresolved items and the final allocation, within thirty (30) days after such submission. The Accountant's decision, absent fraud or manifest error, shall be final, binding, conclusive and non-appealable on the Buyer, the Seller and the Company Group. The Accountant shall not review or make any determination with respect to any matter other than the objections raised in the Allocation Objections Statement that remain in dispute, and its determination as to each such objection, if not in accordance with the position of either the Buyer or the Seller, shall not be in excess of the higher, or less than the lower, of the amount advocated by the Seller in the Allocation Objections Statement or by the Buyer in the Proposed Allocation with respect to such objections. The Proposed Allocation as delivered by the Buyer, if an Allocation Objections Statement is not timely submitted by the Seller, and as revised to reflect an agreement by the parties or the determination by the Accountant, is hereinafter referred to as the "Allocation". The Allocation shall be adjusted in a manner consistent with the principles of this Section 8.4 to the extent the purchase price of the Purchased Interests is adjusted pursuant to the terms hereof and shall be conclusive and binding upon the Buyer, the Seller and the Company Group for all Tax purposes, and the parties agree that all Tax Returns of the parties and the members of the Company Group shall be prepared in a manner consistent with the Allocation, and the parties shall take no position inconsistent therewith on any Tax Return or in connection with any Tax Proceeding, except upon a contrary final determination by an applicable taxing authority. The Accountant will determine the allocation of the cost of the Accountant's review and report based on the inverse of the percentage its determination (before such allocation) bears to the total amount of the total items in dispute as originally submitted to the Accountant. For example, should the items in dispute total an amount equal to $1,000 and the Accountant awards $800 in favor of the Seller's position, 20% of the costs of the Accountant's review would be borne by the Buyer and 80% of the costs of the Accountant's review would be borne by the Seller.

8.5 **Contests Related to Taxes**.

(a) With respect to any Tax period ending on or prior to the Closing Date in which the Partnership Tax Audit Rules apply to any member of the Company Group, unless otherwise agreed in writing by the Buyer, notwithstanding anything herein to the contrary, each member of the Company Group, as applicable, shall, to the extent permitted under applicable Law, make the election under Section 6226(a) of the Code (and any corresponding provision of state or local Law) with respect to the alternative to payment of imputed underpayment by any such member of the Company Group and the parties hereto shall take any other action such as filings, disclosures and notifications necessary to effectuate such election. The Buyer shall control the appointment and identity (including any changes) of the partnership representative (and of any designated individual) of any member of the Company Group for purposes of the Partnership Tax Audit Rules.

(b) Notwithstanding anything to the contrary in Section 9.3 or Section 9.4, the Buyer or its designee shall have the right, at the expense of the Company, to represent the interests of the members of the Company Group in all Tax claims, audits, suits, actions or Proceedings with respect to any member of the Company Group; *provided, however*, that the Buyer agrees to provide, or cause to be provided, written notice to Seller of the receipt of any written notice by the Buyer or an Affiliate of the Buyer (including, following the Closing, the Company) which involves the assertion of any Claim, or the commencement of any audit, suit, action or Proceeding involving Taxes with respect to a Pre-Closing Tax Period or Straddle Period for which Seller had an indemnity obligation under this Agreement. The Seller, at its own cost and expense, shall have the right to participate in, but not control, the defense of any such Tax claim, audit, suit, action or Proceeding and any such matter shall not be settled or compromised without the Seller's prior written consent, which shall not be unreasonably withheld, conditioned or delayed.

(c) This Section 8.5, and not Section 9.3 or Section 9.4, shall control with respect to Tax claims.

8.6 **Cooperation on Tax Matters**. The Buyer and the Seller shall cooperate fully, as and to the extent reasonably requested by the other party, in connection with the preparation and filing of any Tax Returns and any Claim or Proceeding with respect to Taxes. Such cooperation shall include the retention and (upon the other party's request) the provision of records and information that are reasonably relevant to any such Claim or Proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. Any information obtained pursuant to this Section 8.6 or pursuant to any other Section hereof providing for the sharing of information or review of any Tax Return or other schedule relating to Taxes with respect to the Company shall be kept confidential by the parties hereto and their respective legal and tax advisors.

8.7 **Transfer Taxes**. Any transfer, documentary, sales, use, stamp, registration and other similar Taxes and fees (including any penalties and interest) incurred in connection with this Agreement or the transactions contemplated herein shall be borne by the Seller.

8.8 **Tax Treatment.** The acquisition of the Purchased Interests provided for herein is intended to be treated for U.S. federal, and applicable state and local, income Tax purposes as a purchase of an undivided forty percent interest in the assets of the Company (as determined for federal income tax purposes) by the Buyer directly from the Seller in a taxable sale, followed by contributions by the Buyer and the Seller of their respective undivided percentage interests in the assets of the Company to the Company in connection with the Company coming to be a partnership for federal income tax purposes. Each of the Owners, the Seller and the Buyer agrees that it shall file its Tax Returns (and cause the Company to file its Tax Returns) consistent with, and not take a position for Tax purposes inconsistent with, such intended Tax treatment.

ARTICLE IX.
SURVIVAL AND INDEMNIFICATION

9.1 **Survival of Representations and Warranties and Covenants**. Each of the representations and warranties contained in this Agreement, and all indemnification obligations pursuant to Section 9.2(a)(i) and Section 9.2(b)(i) with respect thereto, shall survive the Closing and expire on the thirty-six (36) month anniversary of the Closing Date; *provided*, that the Extended Representations and all indemnification obligations pursuant to Section 9.2(a)(i) with respect thereto shall survive the Closing until ninety (90) days following the expiration of the applicable statute of limitations, and *provided*, *further*, that the Seller Fundamental Representations, the Buyer Fundamental Representations and all indemnification obligations pursuant to Section 9.2(a)(i) and Section 9.2(b)(i) with respect thereto, shall survive the Closing indefinitely. The obligations, covenants and agreements of the parties hereto to be performed after the Closing contained in this Agreement and any Transaction Document shall survive the Closing will survive the Closing and continue in full force and effect until the date specified herein for the performance thereof. Any claim for indemnification brought on or prior to the applicable deadline shall survive indefinitely until fully and finally resolved pursuant to this Agreement.

9.2 **Indemnification**.

(a) Subject to the limitations set forth in this Article IX, from and after the Closing, the Owners and the Seller shall jointly and severally indemnify and hold harmless the Company and the Buyer and their respective Affiliates, directors, officers, employees, financial advisors, attorneys, accountants, consultants, direct or indirect equityholders, agents and other authorized representatives and their respective successors and permitted assigns (the "Buyer Indemnified Persons") from and against any costs, fees or expenses (including reasonable fees of attorneys, accountants and other experts, costs of investigation and the costs of enforcing this Agreement and the other Transaction Documents), judgments, fines, claims, damages, assessments, losses, Liabilities, offsets, interest, awards, fines, penalties, payments, settlements, deficiencies, interest, disgorgements, suits, actions, royalties, diminution in value and Taxes (collectively, "Losses") incurred by them resulting from, based upon, attributable to, or arising out of, any of the following matters:

(i) any breach of or inaccuracy in any of the representations and warranties of the Owners, the Seller or the Company contained in Article III or Article IV of this Agreement, or in any other Transaction Document;

(ii) any nonfulfillment or breach by the Company, the Owners or the Seller of any of their respective covenants or agreements contained in this Agreement or in any other Transaction Document;

(iii) any Seller Expenses;

(iv) any Indemnified Taxes;

(v) any Indebtedness not listed on Section 3.8(d) of the Disclosure Schedule;

(vi) any fraud, willful breach or intentional misrepresentation committed by or on behalf of the Owners, the Seller or the Company Group;

(vii) Any Third Party Claims against any Buyer Indemnified Person following the Closing; including the costs of defending against and settling any such Third Party Claims, if the facts and circumstances alleged in the Third Party Claims would give the Buyer Indemnified Person a right to indemnification under Section 9.2(a)(i) of the Agreement if such facts and circumstances were factually accurate; and

(viii) the matters set forth on Section 9.2(a)(viii) of the Disclosure Schedule.

(b) Subject to the limitations set forth in this Article IX, from and after the Closing, the Buyer and Parent shall indemnify and hold harmless the Owners and the Seller and their respective Affiliates, directors, officers, employees, financial advisors, attorneys, accountants, consultants, direct or indirect equityholders, agents and other authorized representatives and their respective successors and permitted assigns (the "Seller Indemnified Persons") from and against any Losses incurred by them resulting from, based upon, attributable to, or arising out of: (i) any breach of or inaccuracy in any of the representations and warranties made by the Buyer in Article V or in any other Transaction Document; and (ii) any nonfulfillment or breach by the Buyer, Parent or, after the Closing, the Company, of any of the covenants or agreements contained in this Agreement or in any other Transaction Document to be performed by the Buyer, Parent or the Company from and after the Closing.

9.3 **Defense of Third Party Claims**.

(a) If any claim is instituted by a third party against any party entitled to indemnification pursuant to Section 9.2 (an "Indemnified Party") and such claim may give rise to an Indemnifying Party's obligation to indemnify the Indemnified Party hereunder, the Indemnified Party shall as soon as reasonably practicable notify the Indemnifying Party of such claim ("Third Party Claim"); *provided*, however, the failure by an Indemnified Party to promptly deliver an Indemnification Claim Notice (as defined below) (so long as the Indemnification Claim Notice is delivered before the expiration of the applicable time period of survival set forth in Section 9.1) shall not affect the Indemnified Party's right to receive indemnification under Section 9.2 with respect to such matter, except and only to the extent the Indemnifying Party is actually prejudiced by such failure. Thereafter, the Indemnified Party shall deliver to the Indemnifying Party, promptly, but in any event within ten (10) Business Days of becoming any and all documents or information which the Indemnified Party receives from the third party or otherwise has with regard to the claim from the third party copies of all other notices and documents (including court papers) received by the Indemnified Party relating to the Third Party Claim.

(b) The Indemnified Party shall have the right to assume the defense of any Third- Party Claim at the Indemnifying Party's expense, and the Indemnifying Party shall cooperate in good faith in such defense. In the event that the Indemnified Party assumes the defense of any Third-Party Claim, it shall have the right to take such action as it deems necessary to avoid, dispute, defend, appeal, settle or make counterclaims pertaining to any such Third-Party Claim in the name and on behalf of the Indemnifying Party; *provided*, that the Indemnified Party shall keep the Indemnifying Party reasonably apprised of all material developments relating to such Third-Party Claim. If the Indemnified Party shall control the defense of any Third-Party Claim, the Indemnified Party shall obtain the prior written consent of the Indemnifying Party before entering into any settlement of such Third-Party Claim or ceasing to defend such Third-Party Claim if, pursuant to or as a result of such settlement or cessation, (i) injunctive or other equitable relief will be imposed against the Indemnifying Party or (ii) if such settlement does not expressly and unconditionally release the Indemnifying Party from all liabilities and obligations with respect to such Third-Party Claim with prejudice. Except with the consent of the Indemnifying Party, no settlement of any such Third-Party Claim shall be determinative of the amount of Losses relating to such matter or whether an Indemnified Party is entitled to indemnification hereunder. In the event that the Indemnifying Party shall have expressly consented in writing to the terms of any such settlement or compromise, the Indemnifying Party shall not have any power or authority to object to the amount of any Third-Party Claim covered by such settlement or compromise. The Indemnifying Party shall have the right, at its own cost and expense, to participate in the defense of any Third-Party Claim with counsel selected by it subject to the Indemnified Party's right to control the defense thereof. The Buyer and the Seller shall cooperate with each other in all reasonable respects in connection with the defense of any Third-Party Claim, including making available records relating to such Third-Party Claim and furnishing, without expense (other than reimbursement of actual out-of-pocket expenses) to the defending party, management employees of the non-defending party as may be reasonably necessary for the defense of such Third-Party Claim.

(c) Notwithstanding the foregoing, where the provisions of this Section 9.3 conflict with the provisions of Section 8.5 relating to audits, suits, actions or other Proceedings, the provisions of Section 8.5 shall control.

9.4 **Procedures Relating to Indemnification for Direct Claims**.

(a) An Indemnifying Party shall be obligated to indemnify an Indemnified Party pursuant to the terms of this Article IX upon delivery by such Indemnified Party of a written notice to the Indemnifying Party meeting the requirements set forth below in this Section 9.4(a) (a notice meeting such requirements is referred to as an "Indemnification Claim Notice"). An Indemnification Claim Notice shall (i) state that an Indemnified Party has paid, incurred, sustained or accrued, or reasonably anticipates that it will have to pay, incur, sustain or accrue, Losses, (ii) specify in reasonable detail the individual items of Losses included in the amount so stated, the date each such item was paid, incurred, sustained or accrued, or the basis for such anticipated liability, and the nature of the misrepresentation, breach of warranty or covenant to which such item is related and (iii) set forth the amount of the Losses incurred or reasonably be expected to be incurred by an Indemnified Party as a result of such breach (if known and quantifiable) (the "Claimed Losses").

(b) If an Indemnifying Party shall not object in writing within the twenty (20) day period after receipt of an Indemnification Claim Notice (the "Objection Period") by delivery of a written notice of objection (an "Objection Notice") to the Indemnified Party, such failure to so object shall be an irrevocable acknowledgment by such Indemnifying Party that the Indemnified Party is entitled to the full amount of the Claimed Losses set forth in such Indemnification Claim Notice.

(c) In the event that the Indemnifying Party shall deliver an Objection Notice in accordance with Section 9.4(b), the Indemnifying Party and the Indemnified Party shall attempt in good faith to agree upon the rights of the respective parties with respect to each of such claims. If the Indemnifying Party and the Indemnified Party should so agree, a memorandum setting forth such agreement shall be prepared and signed by both parties and the indemnification claim should be resolved accordingly.

(d) If the Indemnifying Party and the Indemnified Party fail to reach an agreement before the expiration of the Objection Period, then the Indemnified Party may elect to pursue any and all remedies available under Law to enforce the provisions of this Agreement and to obtain payment of such Losses.

(e) Notwithstanding the foregoing, where the provisions of this Section 9.4 conflict with the provisions of Section 8.5 relating to audits, suits, actions or other Proceedings, the provisions of Section 8.5 shall control.

9.5 **Calculation of Losses**. For purposes of this Article IX, (i) in determining whether there has been a breach or inaccuracy of any representation or warranty of the Company, the Owners and/or the Seller contained herein and (ii) in calculating the amount of any Losses attributable to any such breach or inaccuracy, in each case, any materiality, "Company Material Adverse Effect" or similar qualifications in such representations, warranties, covenants or agreements (including any related definitions) shall be disregarded.

9.6 **Sources of Recovery**. The Buyer shall have the right, in its sole discretion, to withhold and set off the amount of Losses owed by the Owners or the Seller with respect to a breach of or inaccuracy of any of the representations and warranties set forth in Section 9.2(a) against: (i) any Earnout Payment due pursuant to Section 2.9, (ii) the One Year Anniversary Payment that would otherwise be payable to the Seller pursuant to Section 2.10 or (iii) any distributions due to the Seller under the Second Amended and Restated Limited Liability Company Agreement; *provided*, *however*, that solely in the case of any such Losses with respect to a breach of or inaccuracy of any of the representations and warranties set forth in Article IV, the Seller Fundamental Representations or Extended Representations pursuant to Section 9.2(a)(i), or for Losses pursuant to Sections 9.2(a)(ii) - 9.2(a)(viii), the Buyer shall have the right to recover such Losses from the Owners or the Seller by demanding payment within twenty (20) Business Days.

9.7 **Reliance**. The rights of the Buyer Indemnified Persons to indemnification for the representations, warranties, covenants and agreements set forth herein are part of the basis of the bargain contemplated by this Agreement, and their rights to indemnification shall not be affected by virtue of (and any Buyer Indemnified Person shall be deemed to have relied upon the express representations, warranties, covenants and agreements set forth herein notwithstanding) any knowledge on the part of any Buyer Indemnified Person of any untruth of any such representation or warranty or breach of any covenant or agreement expressly set forth in this Agreement, regardless of whether such knowledge was obtained through the investigation by any Buyer Indemnified Person or through disclosure by the Owners or the Seller or another Person.

9.8 **Sole and Exclusive Remedy**. From and after the Closing, the right of Indemnified Party to be indemnified pursuant to this Article IX shall be the sole and exclusive remedy with respect to all monetary Losses which such Indemnified Party may have now or may have in the future, including without limitation, any monetary Losses attributable to any inaccuracy or breach of any representation or warranty, or any failure to perform the covenants, agreements or undertakings contained in this Agreement, any Disclosure Schedule or certificate delivered pursuant hereto, except for (a) claims for injunctive relief or specific performance or (b) claims based on fraud, willful breach or intentional misrepresentation. Except as provided in Section 10.4, from and after the Closing, no Indemnified Party may commence any Proceeding against any other party hereto or any of their respective Affiliates with respect to the subject matter of this Agreement, whether in contract, tort or otherwise, except to enforce such Indemnified Party's express rights under this Article IX. The provisions of this Article IX were specifically bargained for and reflected in the amounts payable to the Owners and the Seller in connection with the transactions contemplated by this Agreement and the other Transaction Documents.

9.9 **Adjustment to Purchase Price**. Except as otherwise determined by the Buyer Indemnified Persons, the parties agree that any indemnification payments made pursuant to this Agreement to the Buyer or to the Seller shall be treated for U.S. federal income tax purposes as an adjustment to the Purchase Price for U.S. federal income Tax purposes, unless otherwise required by applicable Law.

9.10 **No Circular Recovery**. Each Owner and the Seller hereby agree that it will not make any claim for indemnification against the Buyer or the Company Group by reason of the fact that such Owner or the Seller was a member, controlling Person, director, manager, employee or representative of a member of the Company Group (whether such claim is for Losses of any kind or otherwise and whether such claim is pursuant to any Law, Organizational Document, Contract or otherwise) with respect to any claim brought by a Buyer Indemnified Person against such Owner or the Seller under this Agreement (or the underlying facts and circumstances of any such claim) or otherwise relating to this Agreement or any of the transactions contemplated hereby. With respect to any claim brought by a Buyer Indemnified Person against such Owner or the Seller under this Agreement or otherwise relating to this Agreement or any of the transactions contemplated hereby, such Owner or the Seller shall not claim and such Owner and the Seller expressly waives any right of subrogation, contribution, advancement, indemnification or other claim against the Company with respect to any amounts owed by each Owner and the Seller pursuant to this Article IX or otherwise.

ARTICLE X.
MISCELLANEOUS

10.1 **Amendment**. This Agreement may not be amended other than in an instrument in writing signed by all of the parties hereto.

10.2 **Waiver**. Any party hereto may extend the time for the performance of any of the obligations or other acts required to be performed by another party hereunder, waive any inaccuracies in the representations and warranties of another party contained herein or in any document delivered pursuant hereto and waive compliance with any of such party's agreements or conditions contained herein. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the party or parties to be bound thereby.

10.3 **Notices**. All notices or other communications which are required or permitted hereunder shall be in writing and sufficient if delivered personally, sent by nationally recognized overnight courier for next Business Day delivery or by registered or certified mail (postage prepaid, return receipt requested) or by email as follows:

(a) If to Buyer:

Avalon GloboCare Corp.
4400 Route 9 South, Suite 3100
Freehold, New Jersey 07728
Attention: Luisa Ingargiola
E-mail: luisa@avalon-globocare.com

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

Lowenstein Sandler LLP
1251 Avenue of the Americas
New York, New York 10020
Attention: Steven Skolnick and Annie Nazarian Davydov
E-mail: sskolnick@lowenstein.com and ANazarian@lowenstein.com

(b) If to the Company:
Laboratory Services MSO, LLC 245
Fischer Avenue, LLC
Costa Mesa, California 92626
Attention: Sarah Cox
E-Mail: sarah@labservicesmso.com

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

Winsten Law Group
28 Calle Castillo
San Clemente, CA 92673
Attention: Michael S. Winsten
E-mail: mike@winsten.com

(c) If to the Seller:

SCBC Holdings, LLC
Attn: Bryan Cox and Sarah Cox
2549 Eastbluff Drive, #750
Newport Beach, CA 92660
E-mail: bryancoxbroker@gmail.com
sarahc@labservicesmso.com

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

Winsten Law Group
28 Calle Castillo
San Clemente, CA 92673
Attention: Michael S. Winsten
E-mail: mike@winsten.com

(d) If to the Owners:

The Zoe Family Trust
Attn: Bryan Cox, Trustee
2549 Eastbluff Drive, #750
Newport Beach, CA 92660
E-mail: bryanc@labservicesmso.com

Bryan Cox and Sarah Cox
2549 Eastbluff Drive, #750
Newport Beach, CA 92660
E-mail: bryancoxbroker@gmail.com
sarahc@labservicesmso.com

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

Winsten Law Group
28 Calle Castillo
San Clemente, CA 92673
Attention: Michael S. Winsten
E-mail: mike@winsten.com

or to such other address as the party to whom notice is to be given may have furnished to the other parties in writing in accordance with this Section 10.3. All such notices or communications shall be deemed to be received (i) in the case of personal delivery, upon delivery, (ii) in the case of nationally recognized overnight courier, on the Business Day immediately following the date of deposit with such courier, (iii) in the case of registered or certified mail, on the third (3rd) Business Day following the date of deposit in the mail and (iv) in the case of email, upon delivery if delivered prior to 5 p.m. New York, New York time on a Business Day (or otherwise on the next Business Day), confirmation of receipt received.

10.4 **Specific Performance**.

(a) The parties recognize and agree that if for any reason any of the provisions of this Agreement are not performed in accordance with their specific terms or are otherwise breached, immediate and irreparable harm or injury could be caused for which monetary damages may not be an adequate remedy. Accordingly, the parties hereto acknowledge and hereby agree that in the event of any breach or threatened breach by the Owners or the Seller, on the one hand, or Buyer, on the other hand, of any of their respective covenants or obligations set forth in this Agreement, or the Owners or the Seller, on the one hand, and Buyer, on the other hand, shall be entitled to seek an injunction or injunctions to prevent or restrain breaches or threatened breaches of this Agreement and to seek to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants and obligations of the other (as applicable) under this Agreement. The costs and expenses (including reasonably documented attorneys fees) of a party that is successful on the merits in any Proceeding brought to compel the specific performance of this Agreement or the provisions thereof shall be paid by the other party.

(b) Notwithstanding anything to the contrary contained in this Agreement, it is explicitly agreed that the right of the Seller or the Owners to seek specific performance, injunctive relief or other equitable remedies in connection with enforcing Buyer's obligation to consummate the Closing shall be subject to the requirement that (x) all of the conditions in Section 7.1 and Section 7.2 have been satisfied (and continue to be satisfied) or validly waived (and continue to be satisfied) or validly waived (other than those conditions that by their terms are to be satisfied at the Closing; *provided, however*, that such conditions are capable of being satisfied at the Closing) at the time when the Closing would have occurred (y) the Seller has irrevocably confirmed in writing to Buyer (I) that all conditions to the Seller's obligations to consummate the Closing in Section 7.1 and Section 7.3 have been satisfied (and continue to be satisfied) or validly waived (other than those conditions that by their terms are to be satisfied at the Closing; *provided, however*, that such conditions are capable of being satisfied at the Closing) at the time when the Closing would have occurred, and (II) that Seller stands ready and willing to effect the Closing if specific performance is granted.

10.5 **Interpretation**. The term "this Agreement" means this Membership Interest Purchase Agreement together with all Schedules, Exhibits and Annexes hereto, as the same may from time to time be amended, modified, supplemented or restated in accordance with the terms hereof. When a reference is made in this Agreement to Sections, subsections or exhibits, such reference shall be to a Section, subsection, or exhibit to this Agreement unless otherwise indicated. The words "include," "includes" and "including," when used herein, shall be deemed in each case to be followed by the words "without limitation." The word "herein" and similar references mean, except where a specific Section or Article reference is expressly indicated, the entire Agreement rather than any specific Section or Article. Except as otherwise specifically provided herein, the word "material," when used in reference to any party's representations, warranties, covenants or agreements, shall mean material in relation to such party. Unless the context clearly requires otherwise, when used herein "or" shall not be exclusive (*i.e.*, "or" shall mean "and/or"). The table of contents and the headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Any document or item will be deemed "delivered," "provided" or "made available" (or words of similar import) within the meaning of this Agreement if a true, correct and complete copy of such document or item (together with all amendments, supplements or other modifications thereto) has been (i) included in the Data Rooms, (ii) actually (including electronically) delivered or provided to Buyer or any of Buyer's representatives or (iii) made available upon request, in each case, at least three (3) Business Days prior to the date of this Agreement. An item arising with respect to a specific representation or warranty shall be deemed to be "reflected on" or "set forth in" a balance sheet or financial statements, to the extent any such phrase appears in such representation or warranty, if (A) there is a reserve, accrual or other similar item underlying a number on such balance sheet or financial statements that related to the subject matter of such representation, (B) such item is otherwise set forth on the balance sheet or financial statements or (C) such item is reflected on the balance sheet or financial statements and is set forth in the notes thereto. All calculations of a number of dollars shall be rounded to the nearest whole number of cents, as applicable, with 0.5 rounded up to the next whole cent, as applicable (aggregating all payments to be made to any Person prior to such rounding). Any reference to "$" or "dollars" means United States dollars. References to a particular statute or regulation include all rules and regulations thereunder and any successor statute, rule or regulation, in each case as amended or otherwise modified from time to time. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms.

10.6 **Severability**. If any term or provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of Law or public policy, all other terms and provisions of this Agreement shall remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to the parties. Upon such determination that any term or provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to amend or otherwise modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner such that the transactions contemplated hereby are fulfilled to the extent possible.

10.7 **Entire Agreement**. This Agreement and the other Transaction Documents (including all exhibits and schedules hereto and thereto) and other documents and instruments delivered in connection herewith or therewith constitute the entire agreement and supersede all prior representations, agreements, understandings and undertakings, whether written or oral, among the parties, or any of them, with respect to the subject matter hereof and thereof, and no party is relying on any other prior oral or written representations, agreements, understandings or undertakings with respect to the subject matter hereof and thereof.

10.8 **Assignment**. This Agreement and the rights and obligations hereunder may not be assigned without the prior written consent of each of the parties hereto; *provided*, that the Buyer may collaterally assign its respective rights and benefits hereunder, in whole or in part, to any financing source of the Buyer, any Affiliate of the Buyer or in connection with a direct or indirect change of control transaction with respect to the equity interests of the Company without the consent of the Owners or the Seller. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and permitted assigns.

10.9 **No Third Party Beneficiaries**. Except as set forth in Section 6.1, Article VIII or Article IX, nothing in this Agreement, express or implied, is intended to or shall confer upon any Person other than the parties hereto any right, benefit or remedy under or by reason of this Agreement.

10.10 **Failure or Indulgence Not Waiver; Remedies Cumulative** No failure or delay on the part of any party hereto in the exercise of any right hereunder will impair such right or be construed to be a waiver of, or acquiescence in, any breach of any representation, warranty, covenant or agreement herein, nor will any single or partial exercise of any such right preclude any other (or further) exercise thereof or of any other right. Any and all remedies herein expressly conferred upon a party will be deemed cumulative with and not exclusive of any other remedy expressly conferred hereby, and the exercise by a party of any one remedy will not preclude the exercise of any other remedy.

10.11 **Non-Recourse**. This Agreement may only be enforced against, and any claim, action, suit or other legal Proceeding based upon, arising out of, or related to this Agreement or the transactions contemplated hereby, or the negotiation, execution or performance of this Agreement, may only be brought against the entities that are expressly named as parties hereto and then only with respect to the specific obligations set forth herein with respect to such party. Except to the extent a named party to this Agreement or as otherwise expressly provided herein, no past, present or future director, officer, employee, incorporator, manager, member, partner, equityholder, Affiliate, agent, attorney or other representative of any party hereto or of any Affiliate of any party hereto, or any of their successors or permitted assigns, shall have any Liability for any obligations or liabilities of any party hereto under this Agreement or for any claim based on, in respect of or by reason of the transactions contemplated hereby.

10.12 **Governing Law; Venue**. This Agreement and the legal relationships between the parties hereto shall be governed by, and construed in accordance with, the Law of the State of Delaware without regard to any conflicts of law principles that would require the application of any other Law. Each party agrees to personal jurisdiction in any action brought in any court, Federal or State, within the State of Delaware having subject matter jurisdiction over the matters arising under this Agreement. Any suit, action or Proceeding arising out of or relating to this Agreement shall only be instituted in the State of Delaware. Each party waives any objection which it may have now or hereafter to the laying of the venue of such action or Proceeding and irrevocably submits to the jurisdiction of any such court in any such suit, action or Proceeding.

10.13 **Waiver of Jury Trial**. EACH OF THE PARTIES HERETO HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY ACTION RELATED TO OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION DOCUMENT OR ANY TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

10.14 **Conflict Between Transaction Documents**. To the extent any terms and provisions of this Agreement are in any way inconsistent with or in conflict with any term, condition or provision of any other agreement, document or instrument contemplated hereby, this Agreement will govern and control.

10.15 **Counterparts**. This Agreement may be executed in one or more counterparts (including by facsimile transmission or electronic transmission in portable document format (.pdf)), which when taken together shall constitute one and the same agreement.

[Remainder of this page intentionally left blank]

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

BUYER

AVALON LABORATORY SERVICES, INC.

By: /s/ Luisa Ingargiola
Name: Luisa Ingargiola
Title: Secretary

PARENT

AVALON GLOBOCARE CORP.

By: /s/ Luisa Ingargiola
Name: Luisa Ingargiola
Title: Chief Financial Officer

[Signature Page to Amended and Restated Membership Interest Purchase Agreement]

COMPANY

LABORATORY SERVICES MSO, LLC

By Its Managing Member:

SCBC HOLDINGS, LLC

By Its Managing Member:

THE ZOE FAMILY TRUST
DATED OCTOBER 1, 2018

By: /s/ Bryan W. Cox
Name: Bryan W. Cox
Title: Trustee

SELLER

SCBC HOLDINGS LLC

By its Managing Member:

THE ZOE FAMILY TRUST
DATED OCTOBER 1, 2018

By: /s/ Bryan W. Cox
Name: Bryan W. Cox
Title: Trustee

OWNERS

THE ZOE FAMILY TRUST
DATED OCTOBER 1, 2018

By: /s/ Bryan W. Cox
Name: Bryan W. Cox
Title: Trustee

/s/ Bryan W. Cox
Bryan W. Cox

/s/ Sarah Cox
Sarah Cox

[Signature Page to Amended and Restated Membership Interest Purchase Agreement]

EXHIBIT A-1

PRE-CLOSING REORGANIZATION STEPS

See attached.

EXHIBIT A-2

ASSIGNED ASSETS

See attached.

EXHIBIT B

SECOND AMENDED AND RESTATED LIMITED LIABILITY AGREEMENT

See attached.

EXHIBIT C

PARENT SERIES B PREFERRED STOCK TERM SHEET

See attached.

EXHIBIT D-1

FORM OF LEASE AGREEMENT

See attached.

EXHIBIT D-2

FORM OF LEASE AGREEMENT

See attached.

EXHIBIT E

FORM OF VOTING AGREEMENT

See attached.

Exhibit 3.2

AVALON GLOBOCARE CORP.
CERTIFICATE OF DESIGNATION OF PREFERENCES,
RIGHTS AND LIMITATIONS
OF
SERIES B CONVERTIBLE PREFERRED STOCK

PURSUANT TO SECTION 151(G) OF THE
DELAWARE GENERAL CORPORATION LAW

The undersigned, Luisa Ingargiola, does hereby certify that:

1. The undersigned is the Chief Financial Officer of Avalon GloboCare Corp., a Delaware corporation (the "Corporation").

2. The Corporation is authorized to issue 10,000,000 shares of preferred stock, $0.0001 par value per share.

3. On February 8, 2023, the following resolutions were duly adopted by the board of directors of the Corporation (the "Board of Directors"):

WHEREAS, the Corporation's Amended and Restated Certificate of Incorporation, authorizes the issuance of 10,000,000 shares of undesignated preferred stock, $0.0001 par value per share, issuable from time to time in one or more series; and

WHEREAS, the Board of Directors is authorized to divide the preferred stock into any number of series, fix the designation and number of each such series, and determine or change the designation, relative rights (including voting powers), preferences and limitations of any series of preferred stock; and

WHEREAS, it is the desire of the Board of Directors, pursuant to its authority as aforesaid, to fix the designation and number of a series of the preferred stock and to determine the designation, relative rights (including voting powers), preferences and limitations thereof, which shall consist of 15,000 shares of the preferred stock which the Corporation has the authority to issue, as follows:

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors does hereby provide for the issuance of a series of preferred stock for cash or exchange of other securities, rights or property and does hereby fix and determine the powers, designations, rights, preferences, restrictions and other matters relating to such series of preferred stock as follows:

TERMS OF PREFERRED STOCK

Section 1. Definitions. For the purposes hereof, the following terms shall have the following meanings:

"Affiliate" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 of the Securities Act.

"Alternate Consideration" shall have the meaning set forth in Section 7(d).

"Beneficial Ownership Limitation" shall have the meaning set forth in Section 6(d).

"Business Day" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close; provided, however, for clarification, commercial banks shall not be deemed to be authorized or required by law to remain closed due to "stay at home", "shelter-in-place", "non-essential employee" or any other similar orders or restrictions or the closure of any physical branch locations at the direction of any governmental authority so long as the electronic funds transfer systems (including for wire transfers) of commercial banks in The City of New York generally are open for use by customers on such day.

"Commission" means the United States Securities and Exchange Commission.

"Common Stock" means the Corporation's common stock, par value $0.0001 per share, and stock of any other class of securities into which such securities may hereafter be reclassified or changed.

"Common Stock Equivalents" means any securities of the Corporation or the Subsidiaries which would entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, rights, options, warrants or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

"Conversion Amount" means the sum of the Stated Value at issue.

"Conversion Date" shall have the meaning set forth in Section 6(a).

"Conversion Price" shall have the meaning set forth in Section 6(b).

"Conversion Shares" means, collectively, (i) the shares of Common Stock issuable upon conversion of the shares of Preferred Stock in accordance with the terms hereof and (ii) any capital stock or other securities into which such shares of Common Stock are changed and any capital stock or other securities resulting from or compromising a reclassification, combination or subdivision of, or a stock dividend on, any such shares of Common Stock.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Fundamental Transaction" shall have the meaning set forth in Section 7(d).

"Holder" shall have the meaning given such term in Section 2.

"Liquidation" shall have the meaning set forth in Section 5.

"Notice of Conversion" shall have the meaning set forth in Section 6(a).

"Original Issue Date" means the date of the first issuance of any shares of the Preferred Stock regardless of the number of transfers of any particular shares of Preferred Stock and regardless of the number of certificates, if any, which may be issued to evidence such Preferred Stock.

"Person" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"Preferred Stock" shall have the meaning set forth in Section 2.

"Purchase Agreement" means the Purchase Agreement, dated on or about the Original Issue Date, among the Corporation, Laboratory Services MSO, LLC, SCBC Holding LLC and the other parties named therein, as amended, modified or supplemented from time to time in accordance with its terms.

"Securities" means the Preferred Stock and the Underlying Shares.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Series A Preferred Stock" shall have the meaning set forth in Section 2.

"Share Delivery Date" shall have the meaning set forth in Section 6(c).

"Stated Value" shall have the meaning set forth in Section 2.

"Stockholder Approval" means the approval of the issuance of the Conversion Shares pursuant to the rules of the Nasdaq Stock Market.

"Successor Entity" shall have the meaning set forth in Section 7(d).

"Trading Day" means a day on which the principal Trading Market is open for business.

"Trading Market" means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange, the Pink Open Market, OTCQB or OTCQX (or any successors to any of the foregoing).

"Transfer Agent" means Vstock Transfer, LLC, the current transfer agent of the Corporation and any successor transfer agent of the Corporation.

"Underlying Shares" means the shares of Common Stock issued and issuable upon conversion of the Preferred Stock.

Section 2. Designation, Amount, Par Value and Subordination. The series of preferred stock shall be designated as Series B Convertible Preferred Stock (the "Preferred Stock") and the number of shares so designated shall be 15,000 (which shall not be subject to increase without the written consent of the holders of a majority of the then outstanding shares of the Preferred Stock voting as a separate class (each, a "Holder" and collectively, the "Holders"). Each share of Preferred Stock shall have a par value of $0.0001 per share and a stated value equal to $1,000 (the "Stated Value"). The Preferred Stock shall rank subordinate to the Series A Convertible Preferred Stock of the Corporation (the "Series A Preferred Stock") and shall be subject to the rights, preferences and restrictions of the Series A Preferred Stock.

Section 3. Dividends. Except for stock dividends or distributions for which adjustments are to be made pursuant to Section 7, Holders shall be entitled to receive, and the Corporation shall pay, dividends on shares of Preferred Stock equal (on an as-if-converted-to-Common-Stock basis, disregarding for such purpose any conversion limitations hereunder) to and in the same form as dividends actually paid on shares of the Common Stock when, as and if such dividends are paid on shares of the Common Stock. No other dividends shall be paid on shares of Preferred Stock. The Corporation shall not pay any dividends on the Common Stock unless the Corporation simultaneously complies with this provision.

Section 4. Voting Rights. The Holders of Preferred Stock have no voting power except as otherwise required by the Delaware General Corporation Law. Notwithstanding the foregoing, in addition, as long as any shares of Preferred Stock are outstanding, the Corporation shall not, without the affirmative vote of the Holders of a majority of the then outstanding shares of the Preferred Stock, voting as a separate class, (a) alter or change adversely the powers, preferences or rights given to the Preferred Stock in this Certificate of Designation, (b) increase the number of authorized shares of Preferred Stock, (c) except with respect to the Series A Preferred Stock, authorize or issue an additional class or series of capital stock that ranks senior to the Preferred Stock with respect to the distribution of assets on liquidation or (d) enter into any agreement with respect to any of the foregoing.

Section 5. Liquidation. Upon any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary (a "Liquidation"), the Holders shall be entitled to receive out of the assets available for distribution to stockholders, (i) after and subject to the payment in full of all amounts required to be distributed to the holders of another class or series of stock of the Corporation ranking on liquidation prior and in preference to the Preferred Stock, including the Series A Preferred Stock, (ii) ratably with any class or series of stock ranking on liquidation on parity with the Preferred Stock and (iii) in preference and priority to the holders of the shares of Common Stock, an amount equal to 100% of the Stated Value and no more, in proportion to the full and preferential amount that all shares of the Preferred Stock are entitled to receive. The Corporation shall mail written notice of any such Liquidation not less than 20 days prior to the payment date stated therein, to each Holder.

Section 6. Conversion.

a) Conversions at Option of Holder. Subject to the restrictions set forth in Section 6.11 of the Purchase Agreement, which may be amended from time to time, each share of Preferred Stock shall be convertible, at any time and from time to time from and after the later of (i) the date of the Stockholder Approval and (ii) the one year anniversary of the Original Issue Date, at the option of the Holder thereof, into that number of shares of Common Stock (subject to the limitations set forth in Section 6(d)) determined by dividing the Stated Value of such share of Preferred Stock by the Conversion Price (as defined below). Holders shall effect conversions by providing the Corporation with the form of conversion notice attached hereto as Annex A (a "Notice of Conversion"). Each Notice of Conversion shall specify the number of shares of Preferred Stock to be converted, the number of shares of Preferred Stock owned prior to the conversion at issue, the number of shares of Preferred Stock owned subsequent to the conversion at issue and the date on which such conversion is to be effected, which date may not be prior to the date the applicable Holder delivers by email such Notice of Conversion to the Corporation (such date, the "Conversion Date"). If no Conversion Date is specified in a Notice of Conversion, the Conversion Date shall be the date that such Notice of Conversion to the Corporation is deemed delivered hereunder. No ink-original Notice of Conversion shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Conversion form be required. The calculations and entries set forth in the Notice of Conversion shall control in the absence of manifest or mathematical error. From and after the Conversion Date, until presented for transfer or exchange, certificates that previously represented shares of Preferred Stock, if any, shall represent, in lieu of the number of shares of Preferred Stock previously represented by such certificate, the number of shares of Preferred Stock, if any, previously represented by such certificate that were not converted pursuant to the Notice of Conversion, plus the number of shares of Conversion Shares into which the shares of Preferred Stock previously represented by such certificate were converted. To effect conversions of shares of Preferred Stock, a Holder shall not be required to surrender the certificate(s), if any, representing the shares of Preferred Stock to the Corporation unless all of the shares of Preferred Stock represented thereby are so converted, in which case such Holder shall deliver the certificate, if any, representing such shares of Preferred Stock promptly following the Conversion Date at issue. Shares of Preferred Stock converted into Common Stock in accordance with the terms hereof shall be canceled and shall not be reissued as shares of Preferred Stock and shall automatically and without further action by the Corporation be retired and restored to the status of authorized but unissued shares of preferred stock of the Corporation.

b) Conversion Price. The conversion price for the Preferred Stock shall equal $3.78 per share, subject to adjustment herein (the "Conversion Price").

c) Mechanics of Conversion

i. Delivery of Conversion Shares Upon Conversion. Not later than the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined below) after each Conversion Date (the "Share Delivery Date"), the Corporation shall deliver, or cause to be delivered, to the converting Holder the number of Conversion Shares being acquired upon the conversion of the Preferred Stock. As used herein, "Standard Settlement Period" means the standard settlement period, expressed in a number of Trading Days, on the Corporation's primary Trading Market with respect to the Common Stock as in effect on the date of delivery of the Notice of Conversion.

ii. Failure to Deliver Conversion Shares. If, in the case of any Notice of Conversion, such Conversion Shares are not delivered to or as directed by the applicable Holder by the Share Delivery Date, the Holder shall, to the fullest extent permitted by law, be entitled to elect by written notice to the Corporation at any time on or before its receipt of such Conversion Shares, to rescind such Conversion, in which event the Corporation shall promptly return to the Holder any original Preferred Stock certificate delivered to the Corporation and the Holder shall promptly return to the Corporation the Conversion Shares issued to such Holder pursuant to the rescinded Notice of Conversion.

iii. Obligation Absolute. The Corporation's obligation to issue and deliver the Conversion Shares upon conversion of Preferred Stock in accordance with the terms hereof are absolute and unconditional, irrespective of any action or inaction by a Holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any Person or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by such Holder or any other Person of any obligation to the Corporation or any violation or alleged violation of law by such Holder or any other person, and irrespective of any other circumstance which might otherwise limit such obligation of the Corporation to such Holder in connection with the issuance of such Conversion Shares; provided, however, that such delivery shall not operate as a waiver by the Corporation of any such action that the Corporation may have against such Holder.

iv. Reservation of Shares Issuable Upon Conversion. The Corporation covenants that it will at all times reserve and keep available out of its authorized and unissued shares of Common Stock for the sole purpose of issuance upon conversion of the Preferred Stock as herein provided, free from preemptive rights or any other actual contingent purchase rights of Persons other than the Holder (and the other holders of the Preferred Stock), not less than such aggregate number of shares of the Common Stock as shall be issuable (taking into account the adjustments and restrictions of Section 7) upon the conversion of the then outstanding shares of Preferred Stock. The Corporation covenants that all shares of Common Stock that shall be so issuable shall, upon issue, be duly authorized, validly issued, fully paid and nonassessable.

v. Fractional Shares. No fractional shares or scrip representing fractional shares shall be issued upon the conversion of the Preferred Stock. As to any fraction of a share of Common Stock which the Holder would otherwise be entitled to upon such conversion, the Corporation shall at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Conversion Price or round up to the next whole share. Notwithstanding anything to the contrary contained herein, but consistent with the provisions of this subsection with respect to fractional Conversion Shares, nothing shall prevent any Holder from converting fractional shares of Preferred Stock.

vi. Transfer Taxes and Expenses. The issuance of Conversion Shares on conversion of the Preferred Stock shall be made without charge to any Holder for any documentary stamp or similar taxes that may be payable in respect of the issue or delivery of such Conversion Shares, provided that the Corporation shall not be required to pay any tax that may be payable in respect of any transfer involved in the issuance and delivery of any such Conversion Shares upon conversion in a name other than that of the Holder of such shares of Preferred Stock and the Corporation shall not be required to issue or deliver such Conversion Shares unless or until the Person or Persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

d) Beneficial Ownership Limitation. Notwithstanding anything to the contrary set forth herein, the Corporation shall not effect any conversion of the Preferred Stock, and a Holder shall not have the right to convert any portion of the Preferred Stock, to the extent that, after giving effect to the conversion set forth on the applicable Notice of Conversion, such Holder (together with such Holder's Affiliates, and any Persons acting as a group together with such Holder or any of such Holder's Affiliates (such Persons, "Attribution Parties")) would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by such Holder and its Affiliates and Attribution Parties shall include the number of shares of Common Stock issuable upon conversion of the Preferred Stock with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which are issuable upon (i) conversion of the remaining, unconverted Preferred Stock beneficially owned by such Holder or any of its Affiliates or Attribution Parties and (ii) exercise or conversion of the unexercised or unconverted portion of any other securities of the Corporation subject to a limitation on conversion or exercise analogous to the limitation contained herein (including, without limitation, the Preferred Stock) beneficially owned by such Holder or any of its Affiliates or Attribution Parties. Except as set forth in the preceding sentence, for purposes of this Section 6(d), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. To the extent that the limitation contained in this Section 6(d) applies, the determination of whether the Preferred Stock is convertible (in relation to other securities owned by such Holder together with any Affiliates and Attribution Parties) and of how many shares of Preferred Stock are convertible shall be in the sole discretion of such Holder, and the submission of a Notice of Conversion shall be deemed to be such Holder's determination of whether the shares of Preferred Stock may be converted (in relation to other securities owned by such Holder together with any Affiliates and Attribution Parties) and how many shares of the Preferred Stock are convertible, in each case subject to the Beneficial Ownership Limitation. To ensure compliance with this restriction, each Holder will be deemed to represent to the Corporation each time it delivers a Notice of Conversion that such Notice of Conversion has not violated the restrictions set forth in this paragraph and the Corporation shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. The Holder understands and acknowledges that the Corporation is not representing to the Holder that the calculations and determinations set forth in this Section 6(d) are in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. For purposes of this Section 6(d), in determining the number of outstanding shares of Common Stock, a Holder may rely on the number of outstanding shares of Common Stock as stated in the most recent of the following: (i) the Corporation's most recent periodic or annual report filed with the Commission, as the case may be, (ii) a more recent public announcement by the Corporation or (iii) a more recent written notice by the Corporation or the Transfer Agent setting forth the number of shares of Common Stock outstanding. Upon the written or oral request (which may be via email) of a Holder, the Corporation shall within one Trading Day confirm orally and in writing to such Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Corporation, including the Preferred Stock, by such Holder or its Affiliates or Attribution Parties since the date as of which such number of outstanding shares of Common Stock was reported. The "Beneficial Ownership Limitation" shall be 4.99% (or, upon election by a Holder prior to the issuance of any shares of Preferred Stock, 9.99%) of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon conversion of Preferred Stock held by the applicable Holder. A Holder, upon notice to the Corporation submitted in writing (which may be via email) to the Secretary of the Corporation, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 6(d) applicable to its Preferred Stock provided that the Beneficial Ownership Limitation in no event exceeds 9.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock upon conversion of the Preferred Stock held by the Holder and the provisions of this Section 6(d) shall continue to apply. Any such increase in the Beneficial Ownership Limitation will not be effective until the 61st day after such notice is delivered to the Corporation and shall only apply to such Holder and no other Holder. The Beneficial Ownership Limitation shall not be waived by the Corporation or the Holder. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 6(d) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation contained herein or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of Preferred Stock.

Section 7. Certain Adjustments.

a) Stock Dividends and Stock Splits. If the Corporation, at any time while the Preferred Stock is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions payable in shares of Common Stock on shares of Common Stock or any other Common Stock Equivalents (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Corporation upon conversion of, or payment of a dividend on, the Preferred Stock), (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of a reverse stock split) outstanding shares of Common Stock into a smaller number of shares, or (iv) issues, in the event of a reclassification of shares of the Common Stock, any shares of capital stock of the Corporation, then the Conversion Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding any treasury shares of the Corporation) outstanding immediately before such event, and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event. Any adjustment made pursuant to this Section 7(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

b) Subsequent Rights Offerings. In addition to any adjustments pursuant to Section 7(a) above, if at any time the Corporation grants, issues or sells any Common Stock Equivalents or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of shares of Common Stock (the "Purchase Rights"), then each Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of shares of Common Stock acquirable upon complete conversion of such Holder's Preferred Stock (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, to the extent that the Holder's right to participate in any such Purchase Right would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such shares of Common Stock as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

c) Pro Rata Distributions. During such time as the Preferred Stock is outstanding, if the Corporation declares or makes any dividend or other distribution of its assets (or rights to acquire its assets) to holders of shares of Common Stock, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction (other than any dividend or distribution as to which an adjustment was effected pursuant to Section 7(a)) (a "Distribution"), then, in each such case, each Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of shares of Common Stock acquirable upon complete conversion of the Preferred Stock (without regard to any limitations on conversion hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date of which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the participation in such Distribution (provided, however, to the extent that the Holder's right to participate in any such Distribution would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Distribution to such extent (or in the beneficial ownership of any shares of Common Stock as a result of such Distribution to such extent) and the portion of such Distribution shall be held in abeyance for the benefit of the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

d) Fundamental Transaction. If, at any time while the Preferred Stock is outstanding, (i) the Corporation, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Corporation with or into another Person, (ii) the Corporation (and all of its Subsidiaries, taken as a whole), directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Corporation or another Person) is completed pursuant to which holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Common Stock, (iv) the Corporation, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property, or (v) the Corporation, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another Person whereby such other Person acquires more than 50% of the outstanding shares of Common Stock (not including any shares of Common Stock held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination) (each a "Fundamental Transaction"), then, at the closing of such Fundamental Transaction, without any action on the part of the Holder, the Holder shall have the right to receive, for each Conversion Share that would have been issuable upon such conversion immediately prior to the occurrence of such Fundamental Transaction (without regard to any limitation in Section 6(d) on the conversion of the Preferred Stock), the number of shares of Common Stock of the successor or acquiring corporation or of the Corporation, if it is the surviving corporation, and/or any additional or other consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which the Preferred Stock is convertible immediately prior to such Fundamental Transaction (without regard to any limitation in Section 6(d) on the conversion of the Preferred Stock). For purposes of any such conversion, the determination of the Conversion Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Corporation shall apportion the Conversion Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon such Fundamental Transaction.

e) Calculations. All calculations under this Section 7 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 7, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding any treasury shares of the Corporation) issued and outstanding.

f) Notice to the Holders.

i. Adjustment to Conversion Price. Whenever the Conversion Price is adjusted pursuant to any provision of this Section 7, the Corporation shall promptly deliver to each Holder by email a notice setting forth the Conversion Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment, provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the adjustment required to be specified in such notice.

ii. Notice to Allow Conversion by Holder. If (A) the Corporation shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Corporation shall declare a special nonrecurring cash dividend on the Common Stock or shall repurchase the Common Stock, (C) the Corporation shall authorize the granting to all holders of the Common Stock in their capacities as such rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Corporation shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Corporation is a party, any sale or transfer of all or substantially all of the assets of the Corporation (and all of its Subsidiaries, taken as a whole), or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property or (E) the Corporation shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation, then, in each case, the Corporation shall email to each Holder at its last email address as it shall appear upon the stock ledger of the Corporation, at least ten (10) calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange, provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. The Holder shall remain entitled to convert its Preferred Stock (or any part hereof) during the 10-day period commencing on the date of such notice through the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 8 Miscellaneous.

a) Notices. Any and all notices or other communications or deliveries to be provided by the Holders hereunder including, without limitation, any Notice of Conversion, shall be in writing and delivered personally, by e-mail, or sent by a nationally recognized overnight courier service, addressed to the Corporation, 4400 Route 9 South, Suite 3100, Freehold, New Jersey 07728, Attention: Chief Financial Officer, or such other e-mail address or address as the Corporation may specify for such purposes by notice to the Holders delivered in accordance with this Section 8. Any and all notices or other communications or deliveries to be provided by the Corporation hereunder shall be in writing and delivered personally, by e-mail, or sent by a nationally recognized overnight courier service addressed to each Holder at the e-mail address or address of such Holder appearing on the books of the Corporation, or if no such e-mail address or address appears on the books of the Corporation, at the principal place of business of such Holder, as set forth in the Purchase Agreements. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the time of transmission, if such notice or communication is delivered via e-mail at the e-mail address set forth in this Section 8 prior to 5:30 p.m. (New York City time) on any date, (ii) the next Trading Day after the time of transmission, if such notice or communication is delivered via e-mail to luisa@avalon-globocare.com on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (iii) the second Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (iv) upon actual receipt by the party to whom such notice is required to be given.

b) Lost or Mutilated Preferred Stock Certificate. If a Holder's Preferred Stock certificate shall be mutilated, lost, stolen or destroyed, the Corporation shall execute and deliver, in exchange and substitution for and upon cancellation of a mutilated certificate, or in lieu of or in substitution for a lost, stolen or destroyed certificate, uncertificated shares or a new certificate for the shares of Preferred Stock represented by the certificate so mutilated, lost, stolen or destroyed, but only upon receipt of evidence of such loss, theft or destruction of such certificate, and of the ownership thereof reasonably satisfactory to the Corporation (which shall not include the requirement of posting of any bond).

c) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Certificate of Designation shall be governed by and construed and enforced in accordance with the internal laws of the State of Delaware, without regard to the principles of conflict of laws thereof.

d) Waiver. Any waiver by the Corporation or a Holder of any provision of this Certificate of Designation or any breach thereof shall not operate as or be construed to be a waiver of any other provision of this Certificate of Designation or any breach thereof or a waiver by any other Holders. The failure of the Corporation or a Holder to insist upon strict adherence to any term of this Certificate of Designation on one or more occasions shall not be considered a waiver or deprive that party (or any other Holder) of the right thereafter to insist upon strict adherence to that term or any other term of this Certificate of Designation on any other occasion. Any waiver by the Corporation or a Holder must be in writing.

e) Severability. If any provision of this Certificate of Designation is invalid, illegal or unenforceable, the balance of this Certificate of Designation shall remain in effect, and if any provision is inapplicable to any Person or circumstance, it shall nevertheless remain applicable to all other Persons and circumstances. If it shall be found that any interest or other amount deemed interest due hereunder violates the applicable law governing usury, the applicable rate of interest due hereunder shall automatically be lowered to equal the maximum rate of interest permitted under applicable law.

f) Next Business Day. Whenever any payment or other obligation hereunder shall be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day.

g) Headings. The headings contained herein are for convenience only, do not constitute a part of this Certificate of Designation and shall not be deemed to limit or affect any of the provisions hereof.

h) Status of Converted or Preferred Stock. Shares of Preferred Stock may only be issued pursuant to the Purchase Agreements. If any shares of Preferred Stock shall be converted or reacquired by the Corporation, such shares may not be reissued as Preferred Stock and shall automatically be retired and shall resume the status of authorized but unissued shares of preferred stock and shall no longer be designated as Preferred Stock.

****

RESOLVED, FURTHER, that the Chairman, the president or any vice-president, and the secretary or any assistant secretary, of the Corporation be and they hereby are authorized and directed to prepare and file this Certificate of Designation of Preferences, Rights and Limitations in accordance with the foregoing resolution and the provisions of Delaware law.

IN WITNESS WHEREOF, the undersigned has executed this Certificate on this 9th day of February 2023.

/s/ Luisa Ingargiola

Name: Luisa Ingargiola
Title: Chief Financial Officer

[Signature page to Series B Certificate of Designation]

ANNEX A

NOTICE OF CONVERSION
(TO BE EXECUTED BY THE REGISTERED HOLDER IN ORDER TO CONVERT SHARES OF PREFERRED STOCK)

The undersigned hereby elects to convert the number of shares of Series B Convertible Preferred Stock indicated below into shares of Common Stock, par value $0.0001 per share (the "Common Stock"), of Avalon GloboCare Corp**.,** Delaware corporation (the "Corporation"), according to the conditions hereof, as of the date written below. If shares of Common Stock are to be issued in the name of a Person other than the undersigned, the undersigned will pay all transfer taxes payable with respect thereto and is delivering herewith such certificates and opinions as may be required by the Corporation in accordance with the Purchase Agreement. No fee will be charged to the Holders for any conversion, except for any such transfer taxes.
Conversion calculations:

Date to Effect Conversion: _____
Number of shares of Preferred Stock owned prior to Conversion: _____
Number of shares of Preferred Stock to be Converted: _____
Stated Value of shares of Preferred Stock to be Converted: _____
Number of shares of Common Stock to be Issued: _____
Applicable Conversion Price:_____
Number of shares of Preferred Stock subsequent to Conversion: _____

Address for Delivery:

_____
or
DWAC Instructions:
Broker no: _____
Account no: _____

[HOLDER]

By: _____
Name:
Title:

Exhibit 10.1

SECOND AMENDED AND RESTATED LIMITED

LIABILITY COMPANY AGREEMENT OF

LABORATORY SERVICES MSO, LLC

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This **SECOND AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT** (the "Agreement"), dated as of February 9, 2023, is entered into by and among Laboratory Services MSO, LLC, a Delaware limited liability company (the "Company"), each Person listed as a Member on Schedule B attached hereto as of the date hereof and each Person subsequently admitted as a member of the Company in accordance with the terms hereof (collectively, the "Members"), and solely for purposes of ARTICLE VIII, Bryan Cox and Sarah Cox each a beneficial owner of SCBC Holdings (collectively, the "Principals", individually, a "Principal").

RECITALS

WHEREAS, the Company was formed on September 6, 2019 as a limited liability company pursuant to the applicable provisions of the Act to engage in any lawful act or activity which a limited liability company may be organized under the Act;

WHEREAS, the Company has been governed by that certain Amended and Restated Limited Liability Company Agreement, dated as of April 26, 2021 (the "Existing LLC Agreement"); and

WHEREAS, on November 7, 2022, the Company, SCBC Holdings LLC, a Delaware limited liability company ("SCBC Holdings"), as Seller, Bryan Cox and Sarah Cox, as Principals, and Avalon Laboratory Services, Inc., a Delaware corporation ("Avalon"), as Buyer, entered into that certain Membership Interest Purchase Agreement, as amended and restated on February 9, 2023 (the "Purchase Agreement");

WHEREAS, prior to the closing under the Purchase Agreement, SCBC Holdings was the sole member of the Company and the Company was treated as a disregarded entity (as described in Regulations section 301.7701-3);

WHEREAS, as a result of the closing under the Purchase Agreement, the Company came to be a multi-member entity classified as a partnership for U.S. federal income tax purposes; and

WHEREAS, the parties desire for Avalon to have the right to purchase an additional twenty percent (20%) of the issued and outstanding units of the Company, on a fully diluted basis, (the "Call Units") from SCBC Holdings, in exchange for Six Million dollars ($6,000,000.00) cash consideration and Four Million dollars ($4,000,000.00) in total Parent Stock (as further described below) (the "Call Price"), commencing on the date hereof and terminating at 11:59 pm, New York time, on the six (6) month anniversary of the date hereof, unless otherwise extended pursuant to Section 4.06(a) below (the "Avalon Call Period") (such right, the "Avalon Call Option").

NOW, THEREFORE, the Existing LLC Agreement is hereby amended and restated in its entirety as set forth herein:

ARTICLE I

DEFINITIONS

Certain defined terms used in this Agreement are set forth in Exhibit A.

ARTICLE II

ORGANIZATION

2.01. Name. The name of the Company is, and the business of the Company shall be conducted under the name, "**Laboratory Services MSO, LLC**"; provided that such name shall be subject to change, from time to time, by the Board.

2.02. Registered Agent; Registered Office. The name and address of the registered agent for service of process in the State of Delaware is Corporation Service Company or such other Person as the Board may from time to time select. The registered office of the Company in the State of Delaware is 251 Little Falls Drive, Wilmington, New Castle County, Delaware 19808, or such other location as the Board may from time to time select.

2.03. Principal Office. The principal place of business of the Company shall be at such location as the Board may, from time to time, select.

2.04. Business Purpose. The Company is formed for the purpose of engaging in any business or activity for which limited liability companies may be formed under the Act.

2.05. Term. The Company commenced its existence on September 6, 2019, and shall have perpetual existence, unless sooner terminated in accordance with the provisions of this Agreement.

2.06. No State Law Partnership. The Members intend that the Company shall not be a partnership or joint venture, and that no Member shall be a partner or joint venturer of any other Member in connection with this Agreement, for any purpose other than federal, state, and local tax purposes, and the provisions of this Agreement shall not be construed otherwise.

2.07. Liability to Third Parties. Except as otherwise expressly provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be the debts, obligations and liabilities solely of the Company, and no Member or Manger shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member or Manager of the Company.

2.08. Fiscal Year. The fiscal year of the Company shall be the calendar year.

2.09. Amendment and Restatement. This Agreement amends, restates and supersedes in its entirety any and all previous LLC Agreements.

ARTICLE III

UNITS

3.01. Units. The limited liability company interests of the Members shall berepresented by issued and outstanding Units.

3.02. Authorization and Issuance of Units. Subject to compliance with Section 7.01(f), the Company is hereby authorized to issue Units. As of the date hereof, 1,000 Units are issued and outstanding in the amounts set forth on Exhibit B hereto.

ARTICLE IV

MEMBERSHIP; CALL OPTION; RIGHT OF FIRST REFUSAL; TRANSFERS;

4.01. Members. The Members of the Company and their Units as of immediately following the execution of this Agreement are listed on Exhibit B hereto. The Company shall update Exhibit B from time to time to reflect changes regarding the Members of the Company and their Units.

4.02. Restrictions on Transfers.

(a) Except as otherwise permitted by this Agreement pursuant to Section 4.02(b), Section 4.06, Section 4.07, or Section 4.08, no Member shall, directly or indirectly, Transfer any Units or rights under this Agreement without the prior written consent of the Board (such consent to be subject to Section 7.01(d)(i)). Any Transfer of Units by any Member or Members, or any portion thereof, in violation of this Agreement shall be null and void *ab initio*. At the Company's request, any transferor shall furnish to the Company an opinion of counsel satisfactory to the Company that the Transfer of Units will not (i) cause the Company to be treated other than as a partnership for U.S. tax purposes, including but not limited to, pursuant to the "publicly traded partnership" rules under Code section 7704 and the Regulations promulgated thereunder, or (ii) result in a withholding obligation on the Company under Code section 1446(f). Provided further, notwithstanding anything in this Agreement to the contrary, and except in the case of a Permitted Transferee, SCBC Holdings may not Transfer its Units during the Avalon Call Period.

(b) Subject to compliance with this Section 4.02, a Member shall be free at any time to Transfer (each, a "Permitted Transfer"), without having to obtain the consent required under this Section 4.02 all or any portion of such Member's Units to:

(i) with respect to any Member who is a natural person, any trust or other estate planning vehicle that is and at all times remains solely for the benefit of such Member and/or such Member's immediate family or blood relatives; or

(ii) in the case of a Member that is not a natural person, (1) any one or more of such Member's equity holders or beneficiaries or (2) any direct or indirect parent or subsidiary of such Member, any limited liability company, investment fund, investment company, partnership or board of directors (or similar governing body) of which is controlled, directly or indirectly, by the same persons controlling the board of directors (or similar governing body) of such Member and any general partner or other Affiliate thereof.

4.03. Additional Members. No Person shall be admitted to the Company as an additional Member unless such Person acquired Units pursuant to a Transfer conducted in compliance with Section 4.02 of this Agreement. Upon acquiring Units pursuant to a Transfer conducted in compliance withSection 4.02 of this Agreement, a Transferee of such Units shall automatically be admitted to the Company as a Member.

4.04. Effect of Transfer. Following any Transfer (whether or not permitted) of a portion of a Member's Units, the Member shall have no further rights as a Member of the Company with respect to that portion that is Transferred. In the event of a Transfer of all or a portion of a Member's Units, such Member's Capital Account attributable to the transferred Units shall carry over to the Transferee pursuant to Regulations section 1.704-1(b)(2)(iv)(l).

4.05. Return of Capital Contributions; Special Rules. Except as otherwise expressly provided herein, no Member shall be entitled to the return of any part of any capital contribution or to be paid interest in respect of any capital contribution; no Member shall have any personal liability for the return of any capital contribution of any other Member; and no Member shall have any priority over any other Member with respect to the return of any capital contribution.

4.06. Call Option.

(a) At any time during the Avalon Call Period, Avalon shall have the right to exercise the Avalon Call Option, upon delivery of a call notice stating Avalon's intent to exercise its rights pursuant to this Section 4.06; (the "Call Notice"); *provided* that, if Avalon elects to exercise the Call Option within such six (6) month period but requires additional time to close the Call Option and in good faith believes Avalon will be able to obtain the necessary capital to close such Call Option, then, prior to the expiration of the initial six (6) month period, Avalon shall reaffirm their exercise of the Call Option in writing to the SCBC Member and accompany such reaffirmation with reasonable evidence of financial commitments for the Call Option Cash Consideration (as defined below) and Avalon shall have an additional ninety (90) day period to execute and deliver the Call Option MIPA (as defined below); *provided,* that such period shall be extended for so long as Avalon and SCBC Holdings continue to cooperate in good faith towards the execution and delivery of the requisite documents or for such other period of time as the Members mutually agree. In the event Avalon fails to provide such reaffirmation prior to the end of the initial six (6) month period, the Avalon Call Option shall terminate upon the date thereof, unless otherwise agreed to by the parties.

(b) Within ninety (90) calendar days of delivery of the Call Notice, in order to exercise the Avalon Call Option, Avalon shall pay the Call Price, which shall be comprised of (i) six million and zero dollars ($6,000,000.00) of cash consideration payable by wire transfer of immediately available funds to the accounts held by SCBC Holdings ("Call Option Cash Consideration"), and (ii) four million and zero dollars ($4,000,000.00) in total value of Avalon GloboCare Corp., Inc. ('Parent") Series B preferred stock ("Parent Series B Convertible Stock") (the "Call Option Stock Consideration").

(c) Parent Series B Convertible Stock shall be convertible into Parent common stock, par value $0.0001 per share on the Nasdaq Capital Market under the stock symbol (ALBT).

(d) The Call Option Stock Consideration shall be calculated on a per share price based on an amount equal to the volume-weighted average (rounded to the nearest 1/10,000, or if there shall not be a nearest 1/10,000, to the next highest 1/10,000) of the daily volume-weighted average trading price of a share of Parent Stock on Nasdaq Capital Markets (as reported by Bloomberg Financial Markets) for the thirty (30) consecutive trading days prior to the closing of the Call Option (which calculation shall be determined without regard to after- hours trading or any other trading outside of the regular trading session) (the "Average Closing Price"); *provided, however*, that during the period that the Average Closing Price is being determined, the Average Closing Price shall be subject to appropriate adjustment from time to time for stock splits, stock dividends and stock combinations with respect to Parent Stock).

(e) Promptly following the delivery of a Call Notice, the Members shall cooperate in good faith to execute and deliver an amendment and restated version of this Agreement, in the form attached hereto as Exhibit C (the "Form of Third Amended and Restated Agreement"), and a form of Call Option Membership Interest Purchase Agreement, in the form attached hereto as Exhibit D (the "Call Option MIPA") with such changes as may be agreed upon by the Parties at the time the Call Option is exercised, but in no event shall materially deviate from the terms set forth therein.

(f) Each Party shall execute and deliver all related documentation and take such other action in support of the Call Option as shall be reasonably be requested by either Party, in order to carry out the terms and provisions of this Section 4.06, including, without limitation, executing and delivering instruments of conveyance and transfer, and any governmental filing, share certificates duly endorsed for transfer (free and clear of impermissible liens, claims and encumbrances), and any similar or related documents.

(g) Each party shall bear its own costs and expenses incurred in connection with any proposed Avalon Call Option (whether or not consummated), including all attorneys' fees and charges, all accounting fees and charges and all finders, brokerage or investment banking fees, charges or commissions.

4.07. Right of First Refusal.

(a) Following the Avalon Call Period and subject to the terms of Section 4.02 and this Section 4.07, each Member hereby unconditionally and irrevocably grants to the other Member the right to purchase all of the Transfer Units that the Selling Member may propose to transfer in a Proposed Transfer, at the same price and on the same terms and conditions as those offered to the Prospective Transferee (the "ROFR").

(b) The Selling Member proposing to make a Proposed Transfer must deliver a Proposed Transfer Notice to the non-Selling Member and each other Member (if any) not later than forty-five (45) days prior to the consummation of such Proposed Transfer (the "Transfer Period"). Such Proposed Transfer Notice shall contain the material terms and conditions (including price and form of consideration) of the Proposed Transfer, the identity of the Prospective Transferee and the intended date of the Proposed Transfer. To exercise its Right of First Refusal under this Section 4.07, the non-Selling Member must deliver a Notice of Exercise to the Selling Member and each other Member (if any) within fifteen (15) days after delivery of the Proposed Transfer Notice specifying the non-Selling Member's intent to purchase the number of Units offered pursuant to the Proposed Transfer Notice. Permitted Transfers, pursuant to Section 4.02 above shall not be subject to the ROFR.

(c) If the consideration proposed to be paid for the Transfer Units is in property, services or other non-cash consideration, the fair market value of the consideration shall be as determined in good faith by the Selling Member and as set forth in the Proposed Transfer Notice ("ROFR FMV"); provided, however, that if the non-Selling Member disagrees with the Selling Member's determination, the parties shall negotiate in good faith to resolve the disagreement; provided, further, however, that if, after fifteen (15) days, the Selling Member and the non-Selling Member are unable to agree on the ROFR FMV, the parties shall mutually select an independent, national valuation firm knowledgeable in valuing businesses similar to the business of the Company and the form of consideration being offered for the Transfer Units to determine the ROFR FMV, and if such parties are unable to mutually select such a firm, then each of them shall, within such thirty (30) day period, at such party's own expense, select a valuation firm, and each such firm shall mutually select a third valuation firm (such mutually agreed upon firm or third firm, as the case may be, the "ROFR Appraiser"). The Selling Member and the non-Selling Member shall mutually engage the ROFR Appraiser on such terms and conditions reasonably approved by them. Promptly (and in no event more than thirty (30) days) after being engaged, the ROFR Appraiser shall deliver to the Selling Member and the non- Selling Member, its written determination of the ROFR FMV (such determination to include all material analyses used in arriving at such determination), which shall be not be an amount higher or lower than the amounts set forth by the Selling Member and the non-Selling Member. Absent manifest error, such determination of the fair market value by the ROFR Appraiser shall be final and binding on the Selling Member and the non-Selling Member. The costs and expenses of the ROFR Appraiser engaged hereunder shall be borne equally by the Selling Member and the non-Selling Member. If the non-Selling Member cannot for any reason pay for the Transfer Units in the same form of non-cash consideration, the non-Selling Member shall pay the cash value of the ROFR FMV, as finally determined pursuant to this Section 4.06(c).

(d) The closing of the purchase of Transfer Units by the Selling Member shall take place, and all payments from the non-Selling Member have been made to the Selling Member, by the later of (i) the date specified in the Proposed Transfer Notice as the intended date of the Proposed Transfer; and (ii) forty-five (45) days after delivery of the Proposed Transfer Notice.

(e) In the event the non-Selling Member does not deliver a Notice of Exercise during the Transfer Period, or does not demonstrate sufficient evidence of financial commitments in the amount set forth in the Proposed Transfer Notice, the non-Selling Member shall be deemed to have waived all of such ROFR rights to purchase the Transfer Units, and the Selling Member shall be permitted to effectuate the Transfer pursuant to the terms thereof.

4.08. Tag-Along Right.

(a) In advance of any proposed Transfer of Units by any Selling Members which, whether in one or a series of transactions, would result in such Transferee holding in excess of fifty percent (50%) of the total Units of the Company then-outstanding (such Transfer, a "Change of Control Transfer"), unless a Drag-Along Notice has been given with respect to such Change of Control Transfer, the Selling Members shall deliver written notice (the "Tag-Along Sale Notice") to the Company and each other Member disclosing the existence of the proposed Change of Control Transfer.

(b) Each Member shall have the right (the "Tag-Along Right") to participate in any Change of Control Transfer by delivering written notice (the "Tag-Along Participation Notice") to the Selling Members and the Company within ten (10) Business Days following receipt of the Tag-Along Sale Notice, stating that such Member (each, a "Tag-Along Member") wishes to participate in such proposed Change of Control Transfer and specifying the number of Units (which may include any portion, or the entirety, of such Tag-Along Member's Units) such Tag-Along Member desires to Transfer to the Transferee in such proposed Change of Control Transfer. The failure of a Tag-Along Member to respond within such ten (10)-day period shall be deemed to be a waiver of such Tag-Along Member's rights under this Section 4.08. Any Tag-Along Member may waive its rights under this Section 4.08 prior to the expiration of such ten (10)-day period by giving written notice to the Selling Member, with a copy to the Company.

(c) If none of the Tag-Along Members delivers a timely Tag-Along Participation Notice to the Selling Members and the Company, the Selling Members may Transfer the Units to the Transferee on substantially the same terms and conditions set forth in the Tag-Along Sale Notice (but in no event more favorable to the Selling Members than those set forth in the Tag-Along Sale Notice). The Transfer of Units by the Selling Members to the Transferee may not be effected unless the Transferee agrees to purchase all Units subject to a duly executed and timely delivered Tag-Along Sale Notice pursuant to the terms hereof.

(d) Transfer of Units pursuant to this Section 4.08 shall be made on a mutually satisfactory Business Day within twenty (20) Business Days after the expiration of the ten (10) Business Day time period set forth in Section 4.08(b). At the closing of the Change of Control Transfer, each Selling Member and Tag-Along Member shall, to the extent set forth in the Tag-Along Sale Notice, provide customary representations, warranties, indemnities, covenants, conditions, escrow agreements and other provisions and agreements relating to such Transfer, and pay its pro rata share of the reasonable fees and expenses incurred in connection with such Transfer; provided, that (x) each Selling Member and Tag-Along Member will receive the same form and amount of consideration per Unit and (y) no Selling Member or Tag-Along Member shall be required to incur indemnification obligations in connection with such sale other than (i) pro rata obligations with respect to representations, warranties and agreements of or regarding the Company on a several and not joint basis (which, in the case of representations and warranties, in no event shall exceed the sales proceeds received by such Member) or (ii) obligations in connection with representations, warranties and indemnification in respect of such Member's title to its Units and other matters related to the legality of such Transfer by such Member on a several and not joint basis.

(e) In the event that the Units subject to the Tag-Along Right are not Transferred by the Selling Members at the purchase price and substantially upon the other terms and conditions described in the Tag-Along Sale Notice (but in no event more favorable to the Selling Members than those set forth in the Tag-Along Sale Notice), the restrictions of this Section 4.08 shall again become applicable to any Transfer of such Units by the Selling Members.

(f) To the extent not paid by the Company or the Transferee, in connection with the completion of the Change of Control Transfer, all actual and reasonable out- of-pocket costs and expenses reasonably incurred by the Tag-Along Members and the other Selling Members in connection with such Tag-Along Sale shall be borne on a *pro rata* basis in accordance with the aggregate proceeds actually received by each of the Tag-Along Members and Selling Members.

(g) This Section 4.08 shall terminate with respect to all Members upon the consummation of an initial public offering of the Company.

4.09. Drag-Along Right.

(a) In advance of any Change of Control Transfer by any Selling Members which, whether in one or a series of transactions, would result in a Transferee holding in excess fifty percent (50%) or more of the total Units of the Company then-outstanding (a "Drag-Along Sale"), the Selling Members shall have the right (a "Drag-Along Right") to require that each other Member (each, a "Drag-Along Member") participates in such sale in the manner set forth in thisSection 4.09. Notwithstanding anything to the contrary in this Agreement, each Drag-Along Member shall vote in favor of the transaction.

(b) The Selling Members shall exercise the rights pursuant to this Section 4.09 by delivering a written notice (the "Drag-Along Notice") to the Company and each Drag-Along Member at least ten (10) days prior to the date of such Transfer.

(c) The Drag-Along Notice shall make reference to the Selling Members' rights and obligations hereunder and shall describe in reasonable detail:

(i) the name of the Person to whom such Units are proposed tobe sold; sale;

(ii) the proposed date, time and location of the closing of the

(iii) the number of Units to be sold by the Selling Members, theper Unit purchase price and the other material terms and conditions of the Drag-Along Sale, including a description of any non-cash consideration in sufficient detail to permit the valuation thereof;

(iv) the action or actions requested or required by the Drag- Along Member or the Transferee in the proposed Drag-Along Sale of each Drag-Along Member (without limiting those that may be requested or required in the future) in order to complete or facilitate such proposed Drag-Along Sale (including (1) the Transfer of Units owned by the Drag-Along Member, (2) the execution and delivery of any merger, asset purchase, security purchase, recapitalization or other agreement (including any confidentiality agreement or any non-competition, non-solicitation or other restrictive covenants agreement), as applicable, and/or (3) the filing of any and all notices, registrations, applications or other forms necessary to comply with any regulatory requirements); and

(v) a copy of any form of agreement proposed to be executedin connection therewith.

(d) No Drag-Along Member shall have any right to and shall not, without the prior written approval of the Board, communicate directly or indirectly with the Transferee with respect to the terms of the Drag-Along Sale, or negotiate any terms of the Drag- Along Sale with the Transferee. Each Drag-Along Member shall be provided with the terms of the Drag-Along Sale within the ten (10) day period prior to the execution of any binding agreement with respect thereto. If any Drag-Along Member shall fail to execute and deliver the definitive agreements based on the terms set forth in Section 4.09(c), above, the Board shall have a power of attorney (which may be relied upon by the Transferee(s) in any such sale) and for that purpose such Drag-Along Member, without any further action or deed, shall be deemed to have appointed the Board as such Drag-Along Member's agent and attorney-in-fact, with full power of substitution, for the purpose of executing and delivering the definitive agreements referenced in Section 4.09(c), in the name and on behalf of such Drag-Along Member and performing all such action as may be necessary or appropriate to consummate the sale of the Drag-Along Member's Units pursuant to that agreement and subject to the terms hereof.

(e) Each Drag-Along Member shall sell in the Drag-Along Sale the number of Units equal to the product obtained by multiplying (i) the number of Units held by such Drag-Along Member by (ii) a fraction (x) the numerator of which is equal to the number of Units the Selling Members propose to sell or transfer in the Drag-Along Sale and (y) the denominator of which is equal to the number of Units held by the Selling Members at such time.

(f) The consideration to be received by a Drag-Along Member shall be the same form and amount of consideration per Unit to be received by the Selling Members (or, if the Selling Members are given an option as to the form and amount of consideration to be received, the same option shall be given) and the terms and conditions of such sale shall, except as otherwise provided in the immediately succeeding sentence, and except as necessary to reflect any Tax Distributions not previously applied as advances under Section 6.03, be the same as those agreed by the Selling Members. Each Drag-Along Member shall make or provide the same representations, warranties, covenants, indemnities and agreements as the Selling Members make or provide in connection with the Drag-Along Sale (except that in the case of representations, warranties, covenants, indemnities and agreements pertaining specifically to the Selling Members, the Drag-Along Member shall make the comparable representations, warranties, covenants, indemnities and agreements pertaining specifically to itself); *provided*, that all representations, warranties, covenants and indemnities shall be made by the Selling Members and each Drag-Along Member severally and not jointly and any indemnification obligation shall be pro rata based on the consideration received by the Selling Members and each Drag-Along Member, in each case in an amount not to exceed the aggregate proceeds received by the Selling Members and each such Drag-Along Member in connection with the Drag-Along Sale.

(g) To the extent not paid by the Company or the Transferee in such Drag-Along Sale, in connection with the completion of the Drag-Along Sale, all costs and expenses incurred directly by each Drag-Along Member shall be paid by such Drag-Along Member.

(h) Each Member shall take all actions as may be reasonably necessary to consummate the Drag-Along Sale, including, without limitation, entering into agreements and delivering certificates and instruments, in each case, consistent with the agreements being entered into and the certificates being delivered by the Selling Members.

(i) The Selling Members shall have 180 Business Days following the date of the Drag-Along Notice in which to consummate the Drag-Along Sale, on the terms set forth in the Drag-Along Notice (subject to reasonable extension to the extent necessary to obtain required governmental or other approvals, as determined by the Board). If at the end of such period the Selling Members have not completed the Drag-Along Sale, the Selling Members may not then effect a transaction subject to this Section 4.09 without again fully complying with the provisions of this Section 4.09.

4.10. Capital Accounts. The Company shall maintain a Capital Account for each Member. Such Capital Accounts shall initially be determined as though the transactions deemed to occur for U.S. federal income tax purposes in connection with the closing of the Purchase Agreement, as described in Section 5.07 hereof, actually occurred. The initial Capital Accounts of SCBC Holdings and Avalon as of immediately after the closing under the Purchase Agreement shall be in a 60:40 ratio.

ARTICLE V

ALLOCATION OF PROFITS AND LOSSES

5.01. Profits and Losses. Except as otherwise provided in Sections 5.05 and 5.06, Profits and Losses shall be allocated annually (and at such other times as the Board determines or tax rules require) to the Members in such manner that the sum of (i) the Capital Account of each Member, (ii) such Member's share of "partnership minimum gain" (as defined in Regulations section 1.704-2(b)(2) and as determined according to Regulations section 1.704-2(g)), and (iii) such Member's share of "partner nonrecourse debt minimum gain" (as defined in Regulations section 1.704-2(i)(2)), shall, to the extent possible, be equal to the amount that would be distributed to such Member if, at the end of the relevant allocation period, (a) the Company were to sell the assets of the Company for an amount equal to their then Gross Asset Values, (b) all liabilities of the Company were satisfied to the extent required by their terms (limited, with respect to each Company "nonrecourse liability" (having the meaning set forth in Regulations section 1.704-2(b)(3)), to the Gross Asset Value of the assets securing each such liability), and (c) the Company were to liquidate and distribute the proceeds of such sale pursuant to Section 10.02. Losses not allocable pursuant to the preceding sentence shall be allocated to the Members in proportion to their relative Capital Account balances until all of the Members' Capital Account balances are reduced to zero, and then according to the number of Units held.

5.02. Other Allocation Rules.

(a) For purposes of determining the Profits, Losses, or any other items allocable to any period, Profits, Losses, and any such other items shall be determined on a daily, monthly, or other basis, as determined by the Tax Representative (or, if the Tax Representative is the Company, the Board) using any permissible method under Code section 706 and the Regulations thereunder. Consistent with the U.S. federal income tax treatment of the transactions provided for in the Purchase Agreement, Company tax items of income, gain, loss, deduction or credit arising prior to the closing under the Purchase Agreement will be treated as items of the Company's then-owner(s) and will not be subject to allocation by the Company.

(b) The Members are aware of the income tax consequences of the allocations made by this ARTICLE V and hereby agree to be bound by the provisions of this ARTICLE V in reporting their shares of Company income and loss for income tax purposes.

5.03. Tax Allocations: Code Section 704(c). In accordance with Code section 704(c) and the Regulations thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its initial Gross Asset Value (computed in accordance with the definition of Gross Asset Value) using the allocation method selected by the Tax Representative (or, if the Tax Representative is the Company, the Board). Notwithstanding the forgoing or any other provision of this Agreement, the Company will use the "remedial allocation method" under Regulations section 1.704-3(d) in connection with the contributions to the Company deemed to occur in connection with the closing of the Purchase Agreement.

(a) In the event the Gross Asset Value of any Company asset is adjusted pursuant to subparagraph (ii) of the definition of Gross Asset Value, subsequent allocations of income, gain, loss, and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Gross Asset Value in the same manner as under Code section 704(c) and the Regulations thereunder.

(b) Any elections or other decisions relating to such allocations shall be made by the Tax Representative (or, if the Tax Representative is the Company, the Board) in any manner that reasonably reflects the purpose and intention of this Agreement. Allocations pursuant to this Section 5.03 are solely for purposes of federal, state, and local taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Profits, Losses, other items, or distributions (other than Tax Distributions) pursuant to any provision of this Agreement.

5.04. Allocation Upon Assignment or Transfer of Units. In the event of the assignment or transfer of all or any part of the Units of a Member, the allocable share, with respect to the Units so assigned, of Profits or Losses shall be allocated between the assignor and the assignee using the closing of the books method of allocation.

5.05. Power of Tax Matters Member to Vary Allocations of Profits and Losses. This Agreement has been drafted in a manner which is intended to comply with the principles of Code sections 704, 706 and 752. Therefore, if the Company is advised that the allocations provided in this ARTICLE V are unlikely to be respected for federal income tax purposes, or otherwise create disparities in the economic results intended by the Members, the Tax Representative (or, if the Tax Representative is the Company, the Board) is hereby granted the discretionary power to amend the allocation provisions of this Agreement, including making any special allocations of Profits or Losses on advice of accountants and legal counsel, to the minimum extent necessary to achieve the foregoing results.

5.06. Special Allocations.

(a) Minimum Gain Chargeback. Except as otherwise provided in Regulations section 1.704-2(f), notwithstanding any other provision of this Agreement, if there is a net decrease in partnership minimum gain (as defined in Regulations section 1.704-2(b)(2)) during any fiscal year or other period, each Member shall be specially allocated items of Company income and gain for such period (and, if necessary, subsequent periods) in an amount equal to such Member's share of the net decrease in partnership minimum gain, determined in accordance with Regulations section 1.704-2(g). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations sections 1.704-2(f)(6) and 1.704-2(j)(2). This Section 5.06(a) is intended to comply with the minimum gain chargeback requirement in Regulations section 1.704-2(f) and shall be interpreted consistently therewith.

(b) Partner Minimum Gain Chargeback. Except as otherwise provided in Regulations section 1.704-2(i)(4), notwithstanding any other provision of this Agreement, if there is a net decrease in partner nonrecourse debt minimum gain (as defined in Regulations section 1.704-2(i)(2)) attributable to a partner nonrecourse debt during any fiscal year or other period, each Member who has a share of the partner nonrecourse debt minimum gain attributable to such partner nonrecourse debt, determined in accordance with Regulations section 1.704-2(i)(5), shall be specially allocated items of income and gain for such period (and, if necessary, subsequent period) in an amount equal to such Member's share of the net decrease in partner nonrecourse debt minimum gain attributable to such partner nonrecourse debt, determined in accordance with Regulations section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations section 1.704-2(i)(4) and 1.704-2(j)(2). This Section 5.06(b) is intended to comply with the partner nonrecourse minimum gain chargeback requirement in Regulations section 1.704-2(i)(4) and shall be interpreted consistently therewith.

(c) Qualified Income Offset. In the event any Member unexpectedly receives any adjustments, allocations, or distributions described in Regulations sections 1.704-1(b)(2)(ii)(d)(4), (d)(5) or (d)(6), items of Company income and gain shall be specially allocated to each such Member in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of such Member as quickly as possible, provided that an allocation pursuant to this Section 5.06(c) shall be made if and only to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this ARTICLE V have been tentatively made as if this Section 5.06(c) were not a term of this Agreement. This Section 5.06(c) is intended to constitute a "qualified income offset" provision as described in Regulations section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(d) Gross Income Allocation. In the event any Member has an Adjusted Capital Account Deficit at the end of any fiscal year or other period which is in excess of the amount such Member is deemed to be obligated to restore pursuant to the penultimate sentences of Regulations sections 1.704-2(g)(1) and 1.704-2(i)(5), each such Member shall be specially allocated items of Company income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 5.06(d) shall be made if and only to the extent that such Member would have an Adjusted Capital Account Deficit in excess of such sum after all other allocations provided for in this ARTICLE V have been tentatively made as if this Section 5.06(d) and Section 5.06(c) were not in the Agreement.

(e) Nonrecourse Deductions. Any partner nonrecourse deductions (as defined in Regulations sections 1.704-2(b)(1) and 1.704-2(b)(2)) for any fiscal year or other period shall be specially allocated to the Member who bears the economic risk of loss with respect to the partner nonrecourse debt to which such partner nonrecourse deductions are attributable in accordance with Regulations section 1.704-2(i)(1). Nonrecourse deductions (as defined in Regulations section 1.704-2(b)(1)) shall be allocated among the Members, pro rata, in accordance with the Members' relative holdings of Units. Each Member's share of "excess nonrecourse liabilities" (as defined in Regulations section 1.752-3(a)(3)) shall be determined in the same manner. The items of losses, deductions and Code section 705(a)(2)(B) expenditures to be allocated pursuant to this Section 5.06(e) shall be determined in accordance with Regulations section 1.704-2(j)(1)(ii).

(f) Curative Allocations. The allocations set forth in Sections 5.06(a)-5.06(e) (collectively, the "Regulatory Allocations") are intended to comply with requirements of the Regulations. It is the intent of the parties hereto that, to the extent possible, all Regulatory Allocations shall be offset either with other Regulatory Allocations or with special allocations of other items of Company income, gain, loss, or deduction pursuant to this Section 5.06(f). Therefore, notwithstanding any other provision of ARTICLE V (other than the Regulatory Allocations), the Board shall make such offsetting special allocations of Company income, gain, loss, or deduction in whatever manner it determines appropriate so that, after such offsetting allocations are made, each Member's adjusted Capital Account balance is, to the extent possible, equal to the Capital Account such Member would have had if the Regulatory Allocations were not terms of this Agreement and all Company items were allocated pursuant to Section 5.01. In exercising its discretion under this Section 5.06(f), the Board shall take into account future Regulatory Allocations under Sections 5.06(a) and 5.06(b) that, although not yet made, are likely to offset other Regulatory Allocations previously made under Sections 5.06(c) and 5.06(d).

5.07. Tax Treatment of Closing Under the Purchase Agreement. The transactions provided for in the Purchase Agreement are intended to be treated for U.S. federal income tax purposes as (i) a purchase by Avalon from SCBC Holdings of a 40% undivided percentage interest in each of the assets of the Company and an assumption of (or taking subject to) 40% of each liability of the Company, followed by (ii) contributions by Avalon and SCBC Holdings of their respective 40% and 60% undivided interests in the assets of the Company to the Company as a newly-formed entity in exchange for Units and the assumption (or taking subject to) by the Company of the Company's liabilities. For the avoidance of doubt, the Capital Account maintenance and allocation provisions of this Agreement (and related definitions) shall be applied as though the Company did not exist until the closing under the Purchase Agreement (so contributions, distributions and other items with respect to the Company occurring prior to such time are not treated as such items with respect to the Company) and the transactions deemed to occur for federal income tax purposes in connection with the closing under the Purchase Agreement actually occurred.

ARTICLE VI

DISTRIBUTIONS

6.01. Time of Distributions. Except as otherwise provided in Section 6.03 and pursuant to Section 7.01(d)(i), distributions of Net Available Cash shall be made from the Company to the Members in accordance with Section 6.02. "Net Available Cash" means, with respect to any fiscal quarter, the net cash receipts of the Company from operations for such fiscal quarter (including any sales or dispositions in the ordinary course of business but excluding proceeds in connection with a Liquidation), (reduced an amount used to pay or establish reserves for all Company expenses, debt payments, capital improvements, replacements and contingencies (as determined by the Board, including the Avalon Member) which such amount shall be no less than $200,000.

6.02. Distributions to Be *Pro Rata*. Except as may result from the treatment of Tax Distributions as advances, all distributions to the Members shall be made in proportion to each Member's pro rata share of all issued and outstanding Units at the time at which the distribution is made.

6.03. Tax Distributions. Notwithstanding anything to the contrary in this ARTICLE VI, to the extent that the Board determines, in its sole discretion, that Net Available Cash is available therefor, the Company shall make, within seventy-five (75) days after the end of each taxable year of the Company, a cash distribution to each Member (a "Tax Distribution") in an amount equal to the Tax Distribution Amount of such Member for such taxable year (or if the Board determines that Net Available Cash is insufficient to make a distribution of the Tax Distribution Amount to each Member, such lesser amount as may be determined by the Board). Tax Distributions to a Member pursuant to this Section 6.03 shall, except as described below in connection with certain excess tax payments, be treated as advance payments of amounts to which such Member (or a direct or indirect successor thereto) would otherwise be entitled pursuant to Section 6.02 (including as a result of Section 10.02) and accordingly shall reduce, on a dollar-for-dollar basis, the amount actually paid to such Member (or a direct or indirect successor thereto) pursuant to Section 6.02 (including as a result of Section 10.02) until all such Tax Distributions have been fully offset thereby. The Board may make Tax Distributions on an estimated basis at such times as to permit Members to satisfy estimated tax payment responsibilities with respect to expected allocations from the Company, in which case any excess Tax Distributions made to a Member based upon estimated allocations exceeding actual allocations shall reduce subsequent Tax Distributions to such Member by the amount of such excess Tax Distributions (other than the amount of such excess Tax Distributions applied to reduce distributions under Section 6.02 prior to their application to reduce subsequent Tax Distributions). In the case of a transfer of Units in the Company, the Tax Distribution history attributable to such interest, as determined by the Board in its reasonable discretion, shall transfer with such equity interest. Unless otherwise determined by the Board, no Tax Distributions shall be made following the commencement of a dissolution of the Company.

6.04. Withholding.

(a) The Company is authorized to withhold and pay over to or for the benefit of the appropriate governmental authority any amounts that the Company is required to withhold in respect of any distributions or allocations to any Member. Such withheld amounts shall be treated as having been distributed to such Member by the Company and shall, except in the cash of an amount withheld from an actual distribution to a Member, reduce, on a dollar-for- dollar basis, subsequent distributions to such Member under Section 6.02 (including as a result of Section 10.02) to such Member (or a direct or indirect successor to such Member) from the Company.

(b) In the event that the Company, or a subsidiary of the Company, receives a payment from which an amount in respect of taxes has been withheld on account of an attribute of any Member, such withheld amount shall be treated as having been distributed to such Member by the Company and shall reduce, on a dollar-for-dollar basis, subsequent distributions to such Member under Section 6.02 (including as a result of Section 10.02) (or a direct or indirect successor to such Member) from the Company. In lieu of distribution treatment under this Section 6.04, the Company may treat such amounts as a demand loan from the Company to the relevant Member, with interest at ten percent (10%) per annum accruing from the date of payment by the Company (or the date that the Company or a subsidiary of the Company would otherwise have received the amount withheld, in the case of an amount withheld from a payment to the Company or a subsidiary of the Company) until discharged by such Member by repayment.

(c) The Board may, in its discretion, satisfy any obligation of a Member under this Section 6.04 out of future distributions to such Member. A Member's obligation to pay or indemnify for a tax (and related interest and penalties) shall survive the Member selling or otherwise disposing of its interest in the Company and the termination, dissolution, liquidation, or winding up of the Company. Any indemnity or payment pursuant to this Section 6.04 shall not be a Capital Contribution but shall, to the extent the Board determines necessary to properly maintain Capital Accounts, increase a Member's Capital Account.

ARTICLE VII

MANAGEMENT

7.01. Board.

(a) Except as otherwise provided for by the Act or in this Agreement, (i) the business and affairs of the Company shall be vested exclusively in a management board (the "Board", and each member of the Board, a "Manager"), (ii) the Board shall have full and complete discretion to manage the business and affairs of the Company, to make all decisions affecting the business and affairs of the Company, and to take such actions as it deems necessary or appropriate to accomplish the business of the Company and (iii) any action taken by the Board in accordance with this Agreement shall constitute the act of, and shall serve to bind, the Company.

(b) The size of the Board shall be initially set at three (3) Managers. The Board shall approve an annual operating plan and budget at least thirty (30) days prior to the fiscal year (the "Business Plan") and such approval shall include the approval of the Avalon Manager.

(c) As of the date hereof, the Board consists of:

(i) Two (2) persons designated by SCBC Holdings, LLC, who currently are Sarah Cox and Damien Burgess (either, an "SCBC Manager"); and

(ii) One (1) person designated by Avalon Laboratory Services, Inc., who currently is Luisa Ingargiola (the "Avalon Manager").

(d) Notwithstanding anything contained in this Agreement, the Company shall not conduct any of the following activities without the consent of a majority of the Board of Managers (which must include the affirmative consent of the Avalon Manager):

(i) declare or pay a cash or other dividend or make any other distribution on the Units;

(ii) enter into a Change of Control Transfer;

(iii) approve any expenses related to any Member or Manager's personal expenses (including but not limited to personal transportation expenses and vehicles, personal consumer products, and any expenses related to the purchase or consumption of goods or services not directly related to the Business);

(iv) amend the Business Plan (at least thirty days prior to the first day of the year covered by such plan) and significant changes thereto;

(v) reorganize, liquidate, dissolve or wind up the affairs of the Company;

(vi) amend, alter or repeal any provision of (i) this Agreement, or (ii) the certificate of formation of the Company; to the extent such amendment, alteration or repeal would adversely impact Avalon;

(vii) change the number of the members on the Board;

(viii) issue, redeem, or repurchase any equity interests of the Company or any of the Company's Subsidiaries;

(ix) except for a Permitted Transferee, admit an additional Member or substitute Member (such consent shall not be unreasonably withheld);

(x) register or offer the public any securities under any securities laws;

(xi) incur any indebtedness (in the aggregate), in excess of $100,000 annually or $250,000 in the aggregate (such consent shall not be unreasonably withheld);

(xii) sell, lease, transfer or place any lien on, any material assets of the Company for an amount over $100,000 (in the aggregate) (such consent shall not be unreasonably withheld);

(xiii) make any capital expenditure in excess of $100,000 (in the aggregate, during any fiscal year);

(xiv) hire any employee having an annual base salary in excess of $125,000 (such consent shall not be unreasonably withheld);

(xv) enter into or amend any agreement or transaction with a related party, executive or officer, except on an arm's length fair market value basis;

(xvi) change the name of the Company or conduct the business of the Company under any other name (such consent shall not be unreasonably withheld);

(xvii) change the tax treatment of the Company to be treated other than as a partnership for United States federal, state or local tax purposes;

(xviii) change or replace the initial Tax Representative;

(xix) commence or settle any litigation in which the amount in dispute exceeds $100,000; *provided* that for any Third Party Claims (as defined in the Purchase Agreement), such consent shall not be unreasonably withheld;

(xx) enter into any new lines of business other than the Business; and

(xxi) initiate bankruptcy or insolvency proceedings.

(e) Any person appointed as a Manager shall, upon acceptance of such appointment, be deemed to have agreed to accept the rights and authority of a Manager hereunder and to perform and discharge the duties and obligations of a Manager hereunder and such rights, authority, duties and obligations hereunder shall continue until such Manager's successor is appointed or until such Manager's earlier death, disability, resignation (deemed or actual) or removal in accordance with this Agreement. The Person who appointed any Manager, or such Person's successor in interest pursuant to Section 7.01(c) of this Agreement, may replace such Manager at its sole discretion following written notice to the Company and the other Persons entitled to appoint Managers and any such Manager shall be deemed removed and replaced upon the replacement Manager's acceptance of his or her appointment as a Manager.

(f) Except as otherwise expressly required in this Agreement or in the Act, whenever any action, including any approval, consent, authorization, determination, resolution, or decision is to be taken or given by the Board of Mangers or the Company under this Agreement or under the Act at a duly called meeting of the Board at which a quorum is present pursuant to Section 7.02, it shall be authorized by a simple majority of the votes cast at such meeting ("Majority Board Vote"). Approval of the Board by Majority Board Vote shall be required to make decisions with respect to any material actions of the Company.

7.02. Meetings; Action by Written Consent.

(a) Meetings of the Board may be called at any time upon request of any Manager upon at least three (3) days prior written notice to each Manager. A quorum for the conduct of business by the Board on behalf of the Company shall be a majority of the Managers (including the Avalon Manager), in person or represented by proxy. For quorum purposes, a Manager may be present in person or by conference telephone, teleconference or any other means wherein each Manager can hear each other Manager.

(b) As provided in section 18-404(d) of the Act, action may be taken without a meeting if a consent in writing setting forth the action so taken is executed by at least such number of Managers as would be sufficient to approve the action at a meeting, following at least three (3) days' prior written notice to each Manager, of the proposed action to be taken.

(c) All resolutions adopted by the Board shall be reduced to writing and included in the minutes of such meeting, copies of which shall be provided to each Member promptly upon the written request of such Member.

7.03. Information Rights. The Company will deliver the following statements to each of the Members:

(a) annual budget and business plans, provided at least sixty (60) days prior to the beginning of each Fiscal Year;

(b) IRS Schedule K-1 to Form 1065 and such other information with respect to the Company as may be necessary for the preparation of such Member's federal or state tax returns, provided within seventy-five (75) days following the end of each Fiscal Year;

(c) within 120 days following the end of each Fiscal Year, the Company shall provide a balance sheet of the Company and any related statements of income and statements of cash flows for the same period;

(d) within forty-five (45) days following the last day of each calendar quarter, the Company shall deliver the balance sheet of the Company as of the date of the end of the previous quarter and the related statements of income and cash flows for the then previous quarter; and

(e) any other reasonably requested information.

7.04. Officers. The Board may, but shall not be required to, designate one (1) or more officers or other agents who shall have such duties and shall perform such functions as may be delegated to them by the Board from time to time, and who shall serve at the sole discretion of the Board. Any officers or other agents who are appointed by the Board may be removed, at any time and from time to time, by the Board, with or without cause.

7.05. Reliance by Third Parties. Persons dealing with the Company are entitled to rely conclusively on the power and authority of the Board and the officers, as set forth in this Agreement.

7.06. Indemnification.

(a) To the fullest extent not inconsistent with applicable law, the Company shall indemnify and hold harmless each Member, each Manager, their respective Affiliates and their respective stockholders, members, director, partners, managers, officers, employees, agents and representatives (each, an "Indemnified Party") from and against any and all losses, claims, demands, liabilities, expenses, damages or injuries suffered or sustained by them, by reason of any acts, omissions or alleged acts or omissions arising out of their activities on behalf of the Company or in furtherance of the interests of the Company, including any judgment, awards, fines, settlements, reasonable attorneys' fees and other costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim if the acts, omissions or alleged acts or omissions upon which such actual or threatened action, proceeding or claims are based were not a result of fraud or willful misconduct by such Indemnified Party. Any indemnification pursuant to this Section 7.06 shall only be from the assets of the Company.

(b) Expenses (including attorneys' fees) incurred by an Indemnified Party in a civil or criminal action, suit or proceeding shall be paid by the Company in advance of the final disposition of such action, suit or proceeding; provided, that if an Indemnified Party is advanced such expenses and it is later determined that such Indemnified Party was not entitled to indemnification with respect to such action, suit or proceeding, then such Indemnified Party shall reimburse the Company for such advances.

(c) No amendment, modification or deletion of this Section 7.06 shall apply to or have any effect on the right of any Indemnified Party to indemnification for or with respect to any acts or omissions of such Indemnified Party occurring prior to such amendment, modification or deletion.

7.07. Waiver of Fiduciary Duties. To the fullest extent permitted by law, none of the Members, solely in their capacity as Members (without limiting the obligations of such Members with respect to the restrictive covenants contained in this Agreement) shall have any fiduciary or similar duty or obligation or be liable to the Company or any Members by reason of this Agreement or in its capacity as a Member for any breach of any implied duty of loyalty or due care or any other fiduciary duty. Each of the Managers and Members shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any Person as to matters which any of the Managers or such Members reasonably believe are within such Person's professional or expert competence. Notwithstanding anything contained herein, the provisions of this Section 7.07 shall not apply to any Member in its capacity as a paid executive officer or employee of the Company or any Company Subsidiary.

7.08. Exculpation. No Indemnified Party shall be liable, responsible or accountable in damages or otherwise to the Company or any Member for any loss incurred as a result of any act or failure to act by such Indemnified Party on behalf of the Company unless such loss is finally determined by a court of competent jurisdiction to have resulted solely from such Person's fraud or willful misconduct. No amendment, modification or deletion of this Section 7.08 shall apply to or have any effect on the liability or alleged liability of any Indemnified Party for or with respect to any acts or omissions of such Indemnified Party occurring prior to such amendment, modification or deletion.

ARTICLE VIII

RESTRICTIVE COVENANTS

8.01. Confidentiality; Non-Competition; Non-Solicitation; No Hire. Except as otherwise provided in this Section 8.01, as an inducement for each of the Members and Principals to enter into this Agreement and in order to protect and preserve the legitimate business interests of each of the Members and Principals and the goodwill to be developed by and acquired by the Company in its business, each of the Members and Principals agree as follows:

(a) Confidentiality.

(i) Each Member and Principal acknowledges and agrees that: (A) in the course of its association with the Company, it has acquired Confidential Information; (B) the Company has possession of, title to, and ownership of and all rights to use the Confidential Information; and (C) any disclosure of the Confidential Information to the general public would be highly detrimental to the interests of the Company. Accordingly, each Member and Principal agrees to hold, and shall cause its Affiliates and its and their officers, directors, employees, partners, legal counsel, agents and representatives) to hold, in strict confidence and not disclose or use any Confidential Information for any purpose.

(ii) The restrictions of this Section 8.01(ii) shall not apply to Confidential Information that: (A) may be disclosed to a prospective buyer of a Member's Units if that prospective buyer signs a customary confidentiality and nondisclosure agreement; (B) may be disclosed to any Representative, if that Representative is already bound by a duty of confidentiality not to disclose any information provided to it, or signs a confidentiality or non- disclosure agreement containing provisions equivalent to those in this Section 8.01(ii); or (C) may be disclosed in connection with tax filings and tax audits, litigation or similar proceedings related to taxes.

(iii) If a Party or any of its Representatives is required, in the reasonable opinion of that Party's legal counsel, by applicable law, or by any governmental authority, to disclose any Confidential Information, that Party will not be in breach of Section 8.01(i), provided that before making any disclosure, that Party, to the extent permitted by law, provides the Company and the other Parties with prompt written notice of that requirement or request so that the Company and the other Parties may contest the disclosure of the Confidential Information and seek an appropriate protective order or other appropriate remedy, provided, further provided further, that in the absence of a protective order or other appropriate relief, such Party shall use commercially reasonable efforts to obtain an order or other assurance that confidential treatment will be accorded to such portion of the information required to be disclosed as the Company shall designate.

(iv) Each Member and Principal shall be bound by the obligations imposed by, and the covenants contained in, this Section 8.01(iv) for as long as it, he or she remains a Member or Principal, and for a period of two (2) years from the date that it, he or she ceases to be a Member or Principal, provided, however, trade secrets of the Company shall be held in confidence by each Member or Principal for so long as such information remains a trade secret under applicable law.

(b) Non-Competition. SCBC Holdings, each Principal and their respective Affiliates (other than the Company) shall not, for as long as it, he or she remains a Member or Principal and for a period of three (3) years from the date that is the earlier of: (a) the date it, he or she ceases to be a Member or an Principal, and (b) the date upon which SCBC Holdings or any Principal ceases holding more than five percent (5%) of the Units and, it, he or she are no longer a director, officer or employee of the Company, without Avalon's consent, directly or indirectly, engage in, work for, render services to (including consulting services), have or maintain any proprietary or financial interest in or participate (including as a partner, shareholder, member, employee, principal, agent, trustee or consultant) in the ownership, management, operation or control of, any business (whether in corporate, proprietorship, partnership or other form) that creates, develops, manufactures, distributes, markets or sells laboratory testing services, including all types of blood testing, urine testing, genetic testing, drug screening, COVID-19 testing and products related to laboratory testing such as testing equipment, test kits and related durable medical equipment (the "Business") in the Non- Competition Area. Notwithstanding the foregoing, this Section 8.01(b) shall not restrict SCBC Holdings or any Principal from passively owning (directly or indirectly, through a mutual fund or similar common investment vehicle or otherwise) less than two percent (2%) of any securities of any Person traded on a national securities exchange (including, without limitation, such Person who competes with the Company). For the avoidance of doubt, "Business" shall not include drug rehabilitation facilities; *provided*, however, that if SCBC Holdings, a Principal or their respective Affiliates (other than the Company), participates in any drug rehabilitation facility projects, such Person shall use their reasonable best efforts to have such drug rehabilitation project utilize the Company's lab testing services, to the extent such utilization is in compliance with all applicable laws.

(c) Non-Solicitation; No-Hire.

(i) Each Member and Principal agrees to not, for as long as he or she remains a Member or Principal, and for a period of two (2) years from the date that he or she ceases to be a Member or Principal, in any manner or capacity, whether directly or indirectly, individually or in partnership or otherwise jointly or in conjunction with any Person: (A) solicit or knowingly assist any Person directly or indirectly to solicit any customer of the Company, if that solicitation is intended or calculated to obtain the custom or trade of that customer for a business that competes with the Business within the Non-Competition Area; or (B) induce or attempt to induce any customer of the Company to reduce or curtail its business with the Company or to terminate its relationship with the Company.

(ii) Each Member and Principal agrees with the Company and the other Members or Principals to not, for as long as it, he or she remains a Member or Principal, and for a period of two (2) years from the date that it, he or she ceases to be a Member or Principal, in any manner or capacity, whether directly or indirectly, individually or in partnership or otherwise jointly or in conjunction with any Person: (A) induce or encourage any employee or independent contractor to leave the employment or service of the Company or authorize, assist, approve or encourage any action by any other Person; or (B) hire or attempt to hire or otherwise solicit any employee or independent contractor of the Company or authorize, assist, approve or encourage any such action by any other Person. The provisions of this Section 8.01(c)(ii) shall not prevent unsolicited responses (and the hiring and employment of such respondents) to bona fide general recruitment advertising placed in media on general circulation, the contents of which are not aimed at soliciting the employees of the Company.

8.02. Corporate Opportunities. Each Member and Principal agrees that, for so long as he or she remains a Principal, Manager or Member of the Company, he or she will present any transactions, matters or business activities related to the Business (collectively, "Business Opportunities") which they or their Affiliates generate or are presented with to the Company and will not, directly or indirectly, engage or participate in any such Business Opportunities except through the Company. If the Company has not determined to pursue such Business Opportunities within sixty (60) days after its presentation to the Company, then, subject to Section 8.01(b), the presenting Principal or Member, or their respective Affiliates shall be free to pursue such Business Opportunities as they shall determine in their sole discretion.

8.03. Scope; Interpretation. Each Member and Principal acknowledges that the Company conducts business throughout the United States and agree that the geographic scope of Sections 8.01(b) and (c) shall extend to each state and to each geographic area outside of the United States in which the Company conducts business and in each other state and geographic area outside of the United States in which the Company plans to conduct business within twelve (12) months of the date of determination, and each of Sections 8.01(b) and (c) shall be deemed a separate covenant in each such state and geographic area (the "Non-Competition Area"). In the event a court of competent jurisdiction determines that the provisions of Sections 8.01(b) and (c) and this Section 8.03 are excessively broad as to duration, geographical scope or activity, it is expressly agreed that ARTICLE VIII shall be construed so that the remaining provisions shall not be affected, but shall remain in full force and effect, and any such overbroad provisions shall be deemed, without further action on the part of any person, to be modified, amended and/or limited, but only to the extent necessary to render the same valid and enforceable in such jurisdiction.

8.04. Equitable Relief for Violations. Each party acknowledges and agrees with the Company and the other Parties that: (A) without the covenants included in this ARTICLE VIII, the other Parties would not have entered into this Agreement; (B) the covenants included in this ARTICLE VIII are reasonable in the circumstances and are necessary to protect the economic position of the Company, any subsidiary and the other Parties; and (C) the breach of any of the provisions of this ARTICLE VIII would cause serious and irreparable harm to the Company, its subsidiaries, and the other Parties which could not adequately be compensated for in damages, and if there is a breach of any of the provisions of this ARTICLE VIII, each Party consents to an injunction being issued to prevent any further breach of those provisions. This Section 8.04 will not be construed as a derogation of any other remedy to which the Company, its subsidiaries or the other Party may be entitled if there is a breach of any of the provisions of this ARTICLE VIII.

8.05. Covenants Independent. The existence of any claim or cause of action of a Member or Principal against another Member or Principal, whether under this Agreement or otherwise, will not constitute a defense to the enforcement by the Company, any subsidiary or any of the other Members or Principal of the provisions of this ARTICLE VIII against that Member or Principal.

ARTICLE IX

WITHDRAWAL

9.01. Restrictions on Withdrawal. Without the consent of the Board, which consent may be granted or withheld in the absolute and unreviewable discretion of the Board, a Member does not have the right to withdraw from the Company as a Member or to terminate its limited liability company membership interest.

9.02. Withdrawing Member's Rights. Following the date of a withdrawal with the consent of the Board, the withdrawing Member shall have no further rights as a Member of the Company and, in the event that any money is still owed to the withdrawing Member after the date of withdrawal, the withdrawing Member shall have only the rights of an unsecured creditor of the Company.

ARTICLE X

DISSOLUTION, LIQUIDATION, AND TERMINATION

10.01. Dissolution. The Company shall be dissolved automatically and its affairs shall be wound up on the first to occur of the following:

(a) at any time upon the written consent of the Board;

(b) ninety (90) days after the date on which the Company no longer has at least one (1) Member, unless a new Member is admitted to the Company during such ninety (90) day period.

10.02. Liquidation.

(a) Upon dissolution of the Company requiring the winding-up of its affairs, the Board shall wind up its affairs. The assets of the Company shall be sold within a reasonable period of time to the extent necessary to pay or to provide for the payment of all debts and liabilities of the Company, and may be sold to the extent deemed practicable and prudent by the Board.

(b) The net assets of the Company remaining after satisfaction of all such debts and liabilities and the creation of any reserves under Section 10.02(d), shall be distributed to the Members in accordance with ARTICLE VI.

(c) Distributions to Members pursuant to this ARTICLE X shall be made by the end of the taxable year of the Liquidation, or, if later, ninety (90) days after the date of such Liquidation in accordance with Regulations section 1.704-1(b)(2)(ii)(g).

(d) The Board may withhold from a distribution under this Section 10.02 such reserves as are required by applicable law and such other reserves for subsequent computation adjustments and for contingencies, including contingent liabilities relating to pending or anticipated litigation or to Internal Revenue Service examinations. Any amount withheld as a reserve shall reduce the amount payable under this Section 10.02 and shall be held in a segregated interest-bearing account (which may be commingled with similar accounts). The unused portion of any reserve shall be distributed with interest thereon pursuant to this Section 10.02 after the Board shall have determined that the need therefor shall have ceased.

(e) If a Member has a deficit balance in its capital account (as determined under the provisions of Code section 704(b) and the Regulations thereunder) after giving effect to all contributions, distributions, and allocations for all taxable years, including the year in which the Liquidation occurs, the Member shall have no obligation to make any contribution to the capital of the Company with respect to such deficit, and such deficit shall not be considered a debt owed by such Member to the Company or to any other Person, for any purpose whatsoever.

ARTICLE XI

BOOKS AND RECORDS, ACCOUNTING, AND TAX ELECTIONS

11.01. Maintenance of Records. The Company shall maintain true and correct books and records, in which shall be entered all transactions of the Company, and shall maintain all other records necessary, convenient, or incidental to recording the Company's business and affairs, which shall be sufficient to record the allocation of Profits and Losses and distributions as provided for herein. All decisions as to accounting principles, accounting methods, and other accounting matters shall be made by the Board. The Company shall keep a current list of all Members and their Units, adjusted for any withdrawals, which shall be available for inspection by all Members. Each Member or its authorized Representative may examine any of the books and records of the Company during normal business hours upon reasonable notice for a proper purpose reasonably related to the Member's Units in the Company.

11.02. Reports to Members. Within a reasonable period after the end of each Fiscal Year or other tax period, the Company shall cause to be prepared and sent to each Member a report setting forth in sufficient detail all such information and data with respect to the Company for such period as shall enable each Member to prepare its income tax returns. Any financial statements, reports and tax returns of the Company required pursuant to this Section 11.02 shall be prepared at the expense of the Company.

11.03. Tax Elections; Determinations Not Provided for in Agreement. The Board shall be empowered to make or revoke any elections now or hereafter required or permitted to be made by the Code or any state or local tax law, and to decide in a fair and equitable manner any accounting procedures and other matters arising with respect to the Company or under this Agreement that are not expressly provided for in this Agreement. The Company shall make an election under Code section 754 if any Member requests such an election. Except as otherwise determined by the Board, no election shall be made by the Company or any Member for the Company to be excluded from the application of any provisions of Subchapter K, Chapter 1 of Subtitle A of the Code or from any similar provisions of any state or tax laws or to otherwise be treated other than as a partnership for United States federal, state or local tax purposes. Notwithstanding anything in this Agreement to the contrary, so long as Avalon (or a Permitted Transferee of Avalon) is a Member, the prior written consent of the Board (which shall include the Avalon Manager) shall be required for any action by the Tax Representative, the Company or the Board that is, results in, or constitutes the making of or change in any tax election, the direction or authorization of any action by the Tax Representative in its capacity as such with respect to any non-ministerial matter, the settlement of any audit or other tax claims, the exercise of the Tax Representative's or the Board's discretion under this Agreement to make decisions relating to tax matters (including, but not limited to, any discretionary power granted to the Tax Representative, the Company or the Board pursuant to ARTICLE V or with respect to Tax Distributions), and any other material tax-related action, in each case, that would adversely affect Avalon in a manner disproportionate from any other Member.

11.04. Tax Representative.

(a) Tax Representative – Appointment; Removal. The Board shall designate the Tax Representative. Avalon is hereby designated as the initial Tax Representative. If the Tax Representative is an entity, the Tax Representative shall timely designate an individual meeting the requirements of the BBA Rules to serve as the sole individual through whom the Tax Representative will act for purposes of the BBA Rules (the "Designated Individual"). If a Designated Individual becomes unable to perform the tasks required of a Designated Individual, no longer has the "capacity to act" within the meaning of the BBA Rules, or the Tax Representative otherwise determines that such individual should be removed as the Designated Individual, the Tax Representative shall promptly take all necessary actions to effectuate the resignation of such individual as Designated Individual for all applicable taxable years. The Tax Representative shall represent the Company in all Tax matters to the extent permitted by law. Subject to the limitations set forth in this Section 11.04 and except as otherwise provided herein, the Tax Representative: (A) is authorized and required to represent the Company (at the Company's expense) in connection with all examinations of the Company's affairs by tax authorities, including administrative and judicial proceedings, and to expend Company funds for professional services and costs associated therewith; (B) shall have the authority to make any/all elections on behalf of the Company permitted to be made pursuant to the Code and Treasury Regulations; (C) shall have the authority to make any/all decisions with respect to any/all Tax matters involving the Company or its Subsidiaries, including whether to settle or contest any matter, the choice of forum for any such tax contest, and whether to extend the period of limitations for the assessment or collection of any tax; (D) may (at the Company's expense) take all actions the Tax Representative deems necessary or appropriate in connection with the foregoing; and (E) shall have the authority and responsibility to arrange for the preparation and timely filing of the Company's tax returns (all at the Company's expense).

(b) Notifications. The Tax Representative shall provide reports to the Members to keep them reasonably informed of the status, issues and resolution of any Company income tax audit, and/or any other material federal, state or local tax matter the Tax Representative might be handling. The Company shall, within thirty (30) days of receipt of a written request, make available to any Member or former Member at such Member or former Member's expense, any information such Member or former Member reasonably requests in connection with any federal, state, or local audit which could materially affect their respective Units (or former Units) in the Company.

(c) Decisions Under the BBA Rules. Subject to the other provisions of this Agreement, the Tax Representative, in its reasonable discretion, shall have the right to make on behalf of the Company any and all elections and take any and all actions that are available to be made or taken by the Tax Representative or the Company under the BBA Rules (including an election under Code section 6226); provided that the Tax Representative shall, in connection with any notice of final partnership adjustment (as defined for purposes of Code section 6226(a)) or any statement under Code section 6226(a)(2) received by the Company or a disregarded entity owned by the Company, (x) in the case of a notice of final partnership adjustment, make the election under Code section 6226(a) and (y) in the case of a statement described in Code section 6226(a)(2), elect to provide statements under Code section 6226(b)(4)(A)(ii)(I) (an election described in clause (x) or (y), or any similar election under state or local income tax law, a "Push-Out Election"), unless, in either case, the Board decides not to make such election or provide such statements.

(d) In the event that the Company makes a Push-Out Election, the Members agree and covenant to take into account and report to the Internal Revenue Service or any other applicable taxing authority any adjustment to their tax items for the taxable year to which the adjustment relates of which they are notified by the Company in a written statement, in the manner provided in Code section 6226(b), regardless of whether the Member owns any Units in the Company at such time, and to take any other actions reasonably requested by the Company in connection with such Push-Out Election. Each Member agrees to provide the Company and the Tax Representative with such information or certifications as either may reasonably request in connection with tax matters of the Company. Any Member (or former Member) that fails to comply with its obligations under this Section 11.04(d) agrees to indemnify and hold the Company harmless from and against any liabilities related to taxes (including penalties and interest) imposed on the Company which result from or are attributable to such Member or former Member's failure to so comply.

(e) If the Company becomes obligated to make an "imputed underpayment" under Code section 6225, each Member (or former Member) to whom such liability relates (as reasonably determined by the Tax Representative) shall be obligated, within thirty (30) days after written notice from the Tax Representative, to pay an amount equal to its allocable share of such liability to the Company. Any amount not paid by a Member (or former Member) within such 30-day period shall accrue interest at the applicable underpayment rate on underpayments of the applicable taxes (as set forth in the Code or corresponding provisions of any state, local, or foreign law) until paid. Notwithstanding anything to the contrary contained herein, the Tax Representative shall cause the Company to withhold from any distribution or payment due to any Member (or former Member) under this Agreement any amount due to the Company from such Member (or former Member) under this Section 11.04(e). Any amount(s) so withheld shall be applied by the Company to discharge the obligation in respect of which such amount was withheld.

(f) The Company shall indemnify and reimburse the Tax Representative and the Designated Individual for all reasonable expenses, including legal and accounting fees, claims, liabilities, losses and damages incurred in connection with acting as the Tax Representative or the Designated Individual with respect to any audit or contest (including any administrative or judicial proceeding) in which were at issue the tax liabilities of the Company or the Members. The taking of any action and the incurring of any expense by the Tax Representative or the Designated Individual in connection with any such audit or proceeding, except to the extent required by law, is a matter in the reasonable discretion of the Tax Representative, and the provisions on limitations of liability of the Members and the indemnification provisions set forth in this Agreement shall be fully applicable to the Tax Representative and/or the Designated Individual in its/his/her capacity as such.

(g) The rights and obligations of the Members or former Members under this Section 11.04 shall survive the transfer, redemption or liquidation by such Member of its interest in the Company and the termination of this Agreement or the dissolution of the Company.

ARTICLE XII

GENERAL PROVISIONS

12.01. Notices. Except as expressly provided in this Agreement, all notices, consents, waivers, requests, or other instruments or communications given pursuant to this Agreement shall be in writing, shall be signed by the Person giving the same, and shall be: (a) delivered by hand, (b) sent by registered or certified United States mail, return receipt requested, postage prepaid, (c) sent by a recognized overnight delivery service, or (d) sent by email with confirmation of delivery. Such notices, instruments, or communications shall be addressed, in the case of the Company, to the Company at its principal place of business and, in the case of any of the Members, to the address set forth in the Company's books and records; except that any Member may, by notice to the Company and each other Member, specify any other address for the receipt of such notices, instruments, or communications. Except as expressly provided in this Agreement, any notice, instrument, or other communication shall be deemed properly given when sent in the manner prescribed in this Section 12.01.

12.02. Benefits of Agreement. None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditor of the Company or by any creditor of any Member. Nothing in this Agreement shall be deemed to create any right in any Person not a party hereto, and this Agreement shall not be construed in any respect to be a contract in whole or in part for the benefit of any third Person.

12.03. Interpretation.

(a) Article, Section, and Subsection headings are not to be considered part of this Agreement, are included solely for convenience of reference and are not intended to be full or accurate descriptions of the contents thereof.

(b) Use of the terms "herein," "hereunder," "hereof," and like terms shall be deemed to refer to this entire Agreement and not merely to the particular provision in which the term is contained, unless the context clearly indicates otherwise.

(c) Use of the word "including" or a like term shall be construed to mean "including, but not limited to."

(d) Exhibits to this Agreement are an integral part of this Agreement.

(e) Words importing a particular gender shall include every other gender, and words importing the singular shall include the plural and vice-versa, unless the context clearly indicates otherwise.

(f) Any reference to a provision of the Code, Regulations, or the Act shall be construed to be a reference to any successor provision thereof.

12.04. Governing Law. This Agreement and all matters arising herefrom or with respect hereto, including, without limitation, tort claims (the "Covered Matters") shall be governed by, and construed in accordance with, the internal laws of Delaware, without reference to the choice of law principles thereof. Each of the parties hereto irrevocably submits to the co- exclusive jurisdiction of the federal and state courts located in Delaware for the purpose of any suit, action, proceeding or judgment relating to or arising out of the Covered Matters. Service of process in connection with any such suit, action or proceeding may be served on each party hereto anywhere in the world by the same methods as are specified for the giving of notices under this Agreement. Each of the parties hereto irrevocably consents to the jurisdiction of any such court in any such suit, action or proceeding and to the laying of venue in such court. Each party hereto irrevocably waives any objection to the laying of venue of any such suit, action, or proceeding brought in such courts and irrevocably waives any claim that any such suit, action, or proceeding brought in any such court has been brought in an inconvenient forum.

12.05. Binding Agreement. This Agreement shall be binding upon and inure to the benefit of the Members and their respective heirs, executors, administrators, personal representatives, successors, and permitted assigns.

12.06. Severability. Each item and provision of this Agreement is intended to be severable. If any term or provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable for any reason whatsoever, that term or provision shall be modified only to the extent necessary to be enforced, such term or provision shall be enforced to the maximum extent permitted by law, and the validity of the remainder of this Agreement shall not be adversely affected thereby.

12.07. Entire Agreement. This Agreement (including the Exhibits hereto) constitutes the entire agreement among the Members and their respective Affiliates with respect to the subject matters hereof and thereof and supersede any and all other understandings and agreements, either oral or in writing, between the Members with respect to the subject matters hereof.

12.08. Further Action. Each Member shall execute and deliver all papers, documents, and instruments and perform all acts that are necessary or appropriate to implement the terms of this Agreement and the intent of the Members.

12.09. Amendment or Modification. This Agreement (including the Exhibits hereto) or any provision hereof may be amended, modified or waived from time to time solely with the consent of a majority of the Board of Managers (which shall include the Avalon Manager).

12.10. Expenses. The Company shall pay for all expenses incurred in connection with the operation of the Company's business.

12.11. Counterparts. This Agreement may be executed in original or by facsimile or other electronic communication (including PDF) in several counterparts and, as so executed, shall constitute one agreement, binding on all of the parties hereto, notwithstanding that all of the parties are not signatory to the original or to the same counterpart.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

MEMBERS:

SCBC HOLDINGS LLC
By: Its Managing Member:
THE ZOE FAMILY TRUST
DATED OCTOBER 1, 2018

By: /s/ Bryan W. Cox
Name: Bryan W. Cox
Title: Trustee

COMPANY

LABORATORY SERVICES MSO, LLC
a Delaware limited liability company

By Its Managing Member:

SCBC HOLDINGS, LLC,
a Delaware limited liability company

By Its Managing Member:

THE ZOE FAMILY TRUST
DATED OCTOBER 1, 2018

/s/ Bryan W. Cox
By: Bryan W. Cox, Trustee

PRINCIPALS

/s/ Bryan W. Cox
Bryan Cox

/s/ Sarah Cox
Sarah Cox

[*Signature Page to Laboratory Services MSO, LLC Second Amended and Restated Limited Liability Company Agreement*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

AVALON LABORATORY SERVICES, INC.

By: /s/ Luisa Ingargiola
Name: Luisa Ingargiola
Title: Secretary

[*Signature Page to Laboratory Services MSO, LLC Second Amended and Restated Limited Liability Company Agreement]*

EXHIBIT A

DEFINITIONS

For purposes of this Agreement, the following terms shall have the following meanings:

"Act" means the Limited Liability Company Act of the State of Delaware and any successor statute, as amended from time to time.

"Adjusted Capital Account Deficit" means, with respect to the Capital Account of any Member as of the end of any tax period, the amount by which the balance in such Capital Account is less than $0.00, after giving effect to the following adjustments:

(i) Each Member's Capital Account shall be increased by the amount, if any, such Member is obligated to contribute or is treated as being obligated to contribute to the Company pursuant to Regulations section 1.704-1(b)(2)(ii)(c) or Regulations sections 1.704-2(g)(1) and 1.704-2(i); and

(ii) Each Member's Capital Account shall be decreased by the amount of any of the items described in Regulations sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

"Affiliate" means, with respect to any Person, any other Person controlling, controlled by, or under common control with such Person; in such context, "control" means the possession, directly or indirectly, of the power to direct the management or policies of another, whether through the ownership of voting securities, by contract, or otherwise.

"Agreement" means this Amended and Restated Limited Liability Company Agreement, as it may be amended or restated from time to time.

"Avalon Call Option" has the meaning ascribed to that term in theRecitals. "Avalon Call Period" has the meaning ascribed to that term in theRecitals.

"BBA Rules" shall mean Subchapter C of Chapter 63 of the Code (Code sections 6221et seq.), as enacted by the Bipartisan Budget Act of 2015 (the "BBA"), and any Regulations and other guidance promulgated thereunder, and any similar state or local legislation, regulations or guidance.

"Board" has the meaning ascribed to that term inSection 7.01(a).

"Business" has the meaning ascribed to that term inSection 8.01(b).

"Business Day" means a day (i) other than Saturday or Sunday and (ii) on which commercial banks are open for business in the State of New York.

"Business Opportunities" has the meaning ascribed to that term inSection 8.02.

"Business Plan" has the meaning ascribed to that term in Section 7.01(b).

"Call Notice" has the meaning ascribed to that term in Section 4.06(a).

"Call Option Cash Consideration" has the meaning ascribed to that term in Section 4.06(b).

"Call Option Stock Consideration" has the meaning ascribed to that term in Section 4.06(b).

"Call Price" has the meaning ascribed to that term in the Recitals.

"Call Units" has the meaning ascribed to that term in the Recitals.

"Capital Account" means, with respect to any Member, the Capital Account maintained for such Member in accordance with the following provisions:

(i) To each Member's Capital Account there shall be credited (A) the amount of money and the initial Gross Asset Value of any property (other than money) contributed by such Member to the Company, (B) such Member's distributive share of Profits and any items in the nature of income or gain specially allocated to such Member pursuant to any provision in this Agreement (other than under Code section 704(c) or the Regulations thereunder), and (C) the amount of any Company liabilities assumed by such Member or which are secured by any property distributed to such Member. The principal amount of a promissory note which is not readily traded on an established securities market and which is contributed to the Company by the maker of the note (or a Member related to the maker of the note within the meaning of Regulations section 1.704-1(b)(2)(ii)(c)) shall not be included in the Capital Account of any Member until the Company makes a taxable disposition of the note or until (and to the extent) principal payments are made on the note, all in accordance with Regulations section 1.704-1(b)(2)(iv)(d)(2);

(ii) To each Member's Capital Account there shall be debited (A) the amount of money and the Gross Asset Value of any Company property distributed to such Member pursuant to any provision of this Agreement, (B) such Member's distributive share of Losses and any items in the nature of losses and deductions specially allocated to such Member pursuant to any provision in this Agreement (other than under Code section 704(c) or the Regulations thereunder), and (C) the amount of any liabilities of such Member assumed by the Company or which are secured by any Company property contributed by such Member to the Company;

(iii) In the event Units in the Company are Transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the Transferred Unit; and

(iv) In determining the amount of any liability for purposes of subparagraphs (i) and (ii) above there shall be taken into account Code section 752(c) and any other applicable provisions of the Code and Regulations. The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations section 1.704-1(b); and shall be interpreted and applied in a manner consistent with such Treasury Regulations. In the event the Board shall determine that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto (including debits or credits relating to liabilities which are secured by contributed or distributed property or which are assumed by the Company or any Members) are computed in order to comply with such Regulations, the Board may make such modification, provided that it is not likely to have a material effect on the aggregate amounts distributed to any Person over the life of the Company. The Board also shall (i) make any adjustments that are necessary or appropriate to maintain equality between the Capital Accounts of the Members and the amount of capital reflected on the Company's balance sheet, as computed for book purposes, in accordance with Regulations section 1.704-1(b)(2)(iv)(q), and (ii) make any appropriate modifications in the event unanticipated events might otherwise cause this Agreement not to comply with Regulations section 1.704-1(b).

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Confidential Information" means the terms of this Agreement and all oral and written non-public, confidential, or proprietary information concerning the Company or its Affiliates that the Company or its Affiliates provide to the Members at any time, together with analyses, compilations, studies, notes, or other documents that contain or otherwise reflect such Confidential Information. With respect to any such information that the Members may receive, or may develop, or of which the Members may acquire knowledge during the course of their relationship with the Company and its Affiliates, Confidential Information specifically includes, but is not limited to, the following: (i) all organizational documents of the Company and such Affiliates; (ii) any contract between the Company or any of its Affiliates and any of its Members, Affiliates, customers, clients, employees, vendors, independent contractors, or other parties; (iii) trade secrets; (iv) know-how; (v) information received from others that the Company is obligated to treat as confidential or proprietary; (vi) business plans; and (vii) any other technical, operating, financial, and other business information that has commercial value, in each case relating to the Company or the business, potential business(es), operations, or finances of the Company.

"Company" has the meaning ascribed to that term in the preamble of this Agreement.

"Covered Matters" has the meaning ascribed to that term in Section 12.04.

"Depreciation" means, for each fiscal year or other period, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable with respect to an asset for such fiscal year or other period except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such fiscal year or other period, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such fiscal year or other period bears to such beginning adjusted tax basis; provided, however, that if the adjusted basis for federal income tax purposes of an asset at the beginning of such fiscal year or other period is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Tax Representative (or, if the Tax Representative is the Company, the Board).

"Drag-Along Member" has the meaning ascribed to that term in Section 4.09(a).

"Drag-Along Notice" has the meaning ascribed to that term in Section 4.09(b).

"Drag-Along Right" has the meaning ascribed to that term in Section 4.09(a).

"Drag-Along Sale" has the meaning ascribed to that term in Section 4.09(a).

"Existing LLC Agreement" has the meaning ascribed to that term in the recitals of this Agreement.

"Fiscal Year" means the calendar year; but, dissolution of the Company, shall mean the period from the end of the last preceding Fiscal Year to the date of such dissolution.

"Gross Asset Value" means with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(i) The initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset, as determined by the Tax Representative (or, if the Tax Representative is the Company, the Board);

(ii) The Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values (taking Code section 7701(g) into account) as determined by the Tax Representative (or, if the Tax Representative is the Company, the Board) as of the following times: (A) the acquisition of an additional interest in the Company by any new or existing Member in exchange for more than a *de minimis* contribution to the Company; (B) the distribution by the Company to a Member of more than a *de minimis* amount of Company property as consideration for an interest in the Company; (C) the grant of an interest in the Company (other than a *de minimis* interest) as consideration for the provision of services to or for the benefit of the Company by an existing Member acting in the capacity of a Member or by a new Member acting in the capacity of a Member or in anticipation of being a Member and (D) the liquidation of the Company within the meaning of Regulations section 1.704-1(b)(2)(ii)(g), provided that an adjustment describe in clause (A), (B) or (C) of this paragraph shall be made only if the Tax Representative (or, if the Tax Representative is the Company, the Board) reasonably determines that such adjustment is necessary to reflect the relative economic interests of the Members in the Company;

(iii) The Gross Asset Value of any item of Company assets distributed to any Member shall be adjusted to equal the gross fair market value (taking Code section 7701(g) into account) of such asset on the date of distribution as determined by the Tax Representative (or, if the Tax Representative is the Company, the Board); and

(iv) The Gross Asset Values of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code section 734(b) or Code section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations section 1.704-1(b)(2)(iv)(m) and subparagraph (vi) of the definition of "Profits" and "Losses"; provided, however, that Gross Asset Values shall not be adjusted pursuant to this subparagraph (iv) to the extent that an adjustment pursuant to subparagraph (ii) is required in connection with a transaction that would otherwise result in an adjustment pursuant to this subparagraph (iv).

(v) If the Gross Asset Value of an asset has been determined or adjusted pursuant to subparagraph (ii) or (iv), such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset, for purposes of computing Profits and Losses. 1(b)(2)(ii)(g).

"Indemnified Party" has the meaning ascribed to that term in Section 7.06(a).

"Liquidation" has the meaning as set forth in Regulations section 1.704-1(b)(2)(ii)(g).

"Manager" has the meaning ascribed to that term in Section 7.01(a).

"Member" means each Person executing this Agreement as a Member or hereafter admitted to the Company as a Member as provided in this Agreement, but does not include any Person who has ceased to be a Member of the Company.

"Net Available Cash" has the meaning set forth in Section 6.01.

"Non-Competition Area" has the meaning ascribed to that term in Section 8.03.

"Permitted Transfer" has the meaning set forth in Section 4.02(b).

"Permitted Transferee" means subject to compliance with Section 4.02, a Member shall be free at any time to Transfer all or any portion of such Member's Units without having to obtain the consent required under Section 4.02.

"Person" means an individual, corporation, association, partnership, joint venture, limited liability company, estate, trust, or any other legal entity.

"Profits" and "Losses" mean, for each fiscal year or other period, an amount equal to the Company's taxable income or loss for such fiscal year or other period, determined in accordance with Code section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code section 703(a)(1) shall be included in taxable income or loss), with the following adjustments (without duplication):

(i) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this definition of "Profits" and "Losses" shall be added to such taxable income or loss;

(ii) Any expenditures of the Company described in Code section 705(a)(2)(B) or treated as Code section 705(a)(2)(B) expenditures pursuant to Regulations section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Profits or Losses pursuant to this definition of "Profits" and "Losses" shall be subtracted from such taxable income or loss;

(ii) In the event the Gross Asset Value of any Company asset is adjusted pursuant to subparagraphs (ii) or (iii) of the definition of Gross Asset Value, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the Gross Asset Value of the asset) or loss (if the adjustment decreases the Gross Asset Value of the asset) from the disposition of such asset and shall be taken into account for purposes of computing Profits or Losses;

(iv) Gain or loss resulting from any disposition of Company property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of such property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value;

(v) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account into account in computing such taxable income or loss, there shall be taken into account Depreciation for such fiscal year or other period, computed in accordance with the definition of Depreciation;

(vi) To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code section 734(b) is required, pursuant to Regulations section 1.704-(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member's interest in the Company, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) from the disposition of such asset and shall be taken into account for purposes of computing Profits or Losses; and

Notwithstanding any other provision of this Agreement, any items which are to be specially allocated pursuant to Section 5.06 shall not be taken into account in computing Profits and Losses. The amounts of items of Company gain, income, loss and deduction available to be specially allocated under Section 5.06 shall be determined by applying rules analogous to those set forth in this definition.

"Proposed Transfer" means any direct or indirect assignment, sale, offer to sell, pledge, mortgage, hypothecation, encumbrance, disposition of or any other like transfer or encumbering of any Units (or any interest therein, including, without limitation forward contracts or prepaid forward contracts with respect to any direct or indirect interest in the proceeds of Units) proposed by any of the Members.

"Proposed Transfer Notice" means written notice from a Selling Member setting forth the terms and conditions of a Proposed Transfer.

"Prospective Transferee" means any person to whom a Member proposes to make a Proposed Transfer.

"Regulations" means the Treasury Regulations promulgated under the Code, as such Regulations may be amended from time to time.

"Regulatory Allocations" has the meaning set forth in Section 5.06(f).

"Representative" of a Person means that Person's Managers, officers, general partners, members, managers, employees, and agents.

"Restricted Person" means, (i) a Person that is the subject of any economic or financial sanctions Laws, regulations, or orders imposed, administered, or enforced by a Governmental Entity, including, but not limited to the United States Department of Treasury's Office of Foreign Assets Control (" OFAC") and the United Stated Department of State and includes, "Specially Designated Nationals" or "Blocked Person" on the list maintained by OFAC or (ii) Person that is directly or indirectly controlled by such Persons.

"Selling Member" means any person who sells or Transfers or intends to sell or Transfer Units.

"Tag-Along Member" has the meaning ascribed to that term in Section 4.08(b).

"Tag-Along Sale Notice" has the meaning ascribed to that term in Section 4.08(a).

"Tag-Along Participation Notice" has the meaning ascribed to that term in Section 4.08(b).

"Tag-Along Right" has the meaning ascribed to that term in Section 4.08(b).

"Tax Distribution" has the meaning set forth in Section 6.03.

"Tax Distribution Amount" means for a taxable year of the Company: (x) with respect to SCBC Holdings, (i) the excess, if any, of (a) the net taxable income of the Company (which shall be determined by taking into account items separately stated under Code section 703(a) and including allocations of net income, gross income and any income or gain allocated to such Member pursuant to Code section 704(c)) allocated to such Member for such taxable year pursuant to ARTICLE V, less (b) an amount equal to any net taxable losses of the Company (taking into account separately stated items) allocated to such Member pursuant to ARTICLE V in any prior taxable year of the Company that have not been previously subtracted pursuant to this clause (b) in computing the Tax Distribution Amount for any prior taxable year, multiplied by (ii) forty percent (40%) (or such higher amount as may be determined from time to time by the Board), and (iii) reduced by any distributions made with respect to such taxable year to such Member pursuant to Section 6.02 (including as a result of Section 10.02), including deemed distributions under Section 6.04 other than such that result from withholding from a distribution to such Member and (y) with respect to Avalon, an amount necessary such that the Tax Distribution Amount determined with respect to SCBC Holdings pursuant to clause (x) expressed as a percentage of the aggregate Tax Distribution Amount distributed to all Members is equal to SCBC Holdings' pro rata share of all issued and outstanding Units at the time at which the distribution is made. A distribution is considered made with respect to a taxable year to the extent it is made during such taxable year (except if made within seventy-five (75) days of the beginning of such taxable year and designated as with respect to the prior taxable year) or within seventy-five (75) days after the end of such taxable year and designated as made with respect to such taxable year. For the avoidance of doubt, no items of income, gain, loss, deduction or credit derived by the Company prior to the Company coming to be treated as a partnership for U.S. federal income tax purposes as a result of the closing under the Purchase Agreement shall be taken into account in determining the Tax Distribution Amount of any Member.

"Tax Representative" means the Person so designated under Section 11.04, including any Person acting in the capacity of the "partnership representative" (as such term is defined under Code section 6223(a) and the BBA Rules).

"Transfer" means, with respect to any property (including a Unit), any voluntary or involuntary transfer, sale, assignment, gift, exchange, lease, conversion, transfer, pledge, hypothecation or other disposition or divestiture of such property, or of any property interest therein, including, without limitation, any transfer by way of a capital contribution. "Transferred" shall have correlative meaning.

"Transferee" means any Person, together with such Person's Affiliates, to whom Units are transferred by a Member pursuant to the terms of this Agreement.

"Unit" means a unit representing a fractional part of the limited liability company membership interest in the Company held by a Person, including, without limitation, (i) rights to distributions (liquidating or otherwise), allocations, information, and the right to participate in the management of the business and affairs of the Company as set forth herein, including the right to vote on, consent to, or otherwise participate in any decision or action of or by the Members granted by this Agreement or the Act and (ii) all obligations of such Person to comply with the terms and provisions of this Agreement.

EXHIBIT B

MEMBERS AND CAPITALIZATION

Member	Units	(% of Total Units Outstanding)
SCBC Holdings LLC	600	60%
Avalon Laboratory Services, Inc.	400	40%
Total		**100%**

EXHIBIT C

FORM OF THE THIRD AMENDED AND RESTATED AGREEMENT

[SEE ATTACHED]

EXHIBIT D

THE FORM OF CALL OPTION MIPA

[SEE ATTACHED]

Exhibit 99.1

Avalon GloboCare Announces Closing of Strategic Investment in Laboratory Services MSO, a Leading Clinical Diagnostics and Reference Laboratory Company

Transaction Expected to Be Accretive to Earnings Through Profit Sharing Agreement

Adds Strong Clinical Synergies to Existing Avalon Portfolio

Marks Launch of New Roll-Up Strategy Targeting Toxicology and Pharmacogenetic Laboratories

FREEHOLD, N.J., February 13, 2023 (GLOBE NEWSWIRE) – Avalon GloboCare Corp. ("Avalon" or the "Company")(NASDAQ: ALBT), a leading global developer of innovative cell-based technology, cellular therapy and precision diagnostics, today announced that it has acquired a 40% interest in Laboratory Services MSO, LLC ("LSM"), a premier clinical diagnostics and reference laboratory. Headquartered in Costa Mesa California, LSM provides a broad portfolio of diagnostic tests including drug testing, toxicology, pharmacogenetics, and a broad array of test services, from general bloodwork to anatomic pathology. Specific capabilities include STAT blood testing, qualitative drug screening, genetic testing, urinary testing, sexually transmitted disease testing and more. LSM has a sophisticated and state-of-the-art facility for clinical diagnostics and reference laboratory. It has also developed a premier reputation for customer service satisfaction and fast turnaround time in the industry. LSM has completed over 600,000 tests since inception and currently has two operational locations in California.

Total consideration for the transaction was $21 million, consisting of (i) $9 million in cash, (ii) $11 million in shares of the Company's Series B preferred stock, which are convertible into shares of the Company's common stock at a fixed conversion price of $3.78 per share, and (iii) $1 million in cash payable on February 9, 2024. The preferred shares will be restricted from conversion for 12 months and thereafter will have leak-out provisions restricting conversion to only 10% of total holdings. In addition, the seller is also eligible, under the terms set forth in the purchase agreement, to receive certain earnout payments upon achievement of certain operating results, which may be comprised of up to $10,000,000 of which (iv) up to $5,000,000 will be paid in cash and (v) up to $5,000,000 will be paid pursuant to the issuance of the number of shares of Company common stock valued at $5,000,000, calculated using the closing price of the Company's common stock on December 31, 2023.

In connection with the transaction, the parties entered into an operating agreement, whereby the Company will receive a pro rata percentage of LSM's net income. The Company also has an exclusive option for nine months to purchase an additional 20% of LSM for $6 million in cash and $4 million in additional shares of the Company's Series B preferred stock.

David Jin, M.D., Ph.D., President and Chief Executive Officer of Avalon, commented, "We are excited to close this initial investment as a first step, and anticipate acquiring a controlling interest within the next nine months. Not only is this transaction expected to be accretive to our earnings, we believe it also adds strong clinical and roll-up synergies to the existing Avalon portfolio and future growth plan. By combining LSM's established infrastructure with Avalon's cutting-edge diagnostic and cellular immunotherapy platforms, it provides us with an established roadmap and framework in the context of integrating our CellTech/therapeutic programs with precision medicine."

“Our goal is to take advantage of a unique roll-up opportunity within the highly fragmented market for laboratory testing and services. By targeting laboratories with exceptional performance, positive revenue track record and niche-market advantage, we believe we can effectively leverage LSM’s experience and infrastructure to achieve significant synergies with respect to revenue growth and market shares,” concluded Dr. Jin.

A more complete description of the transaction will be included in a Current Report on Form 8-K to be filed by the Company with the U.S. Securities and Exchange Commission (“SEC”), which will be available at the SEC’s website at www.sec.gov.

About Avalon GloboCare Corp.

Avalon GloboCare Corp. (NASDAQ: ALBT) is a clinical-stage biotechnology company dedicated to developing and delivering innovative, transformative cellular therapeutics, precision diagnostics, and clinical laboratory services. Avalon also provides strategic advisory and outsourcing services to facilitate and enhance its clients’ growth and development, as well as competitiveness in healthcare and CellTech industry markets. Through its subsidiary structure with unique integration of verticals from innovative R&D to automated bioproduction and accelerated clinical development, Avalon is establishing a leading role in the fields of cellular immunotherapy (including CAR-T/NK), exosome technology (ACTEX™), and regenerative therapeutics. For more information about Avalon GloboCare, please visit www.avalon-globocare.com.

For the latest updates on Avalon GloboCare’s developments, please follow our twitter at @avalongc_avco

Forward-Looking Statements

Certain statements contained in this press release may constitute “forward-looking statements.” Forward-looking statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical or current fact, including statements regarding the transaction and the business of Laboratory Services. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors as disclosed in our filings with the Securities and Exchange Commission located at their website (http://www.sec.gov). In addition to these factors, actual future performance, outcomes, and results may differ materially because of more general factors including (without limitation) general industry and market conditions and growth rates, economic conditions, and governmental and public policy changes. The forward-looking statements included in this press release represent the Company's views as of the date of this press release and these views could change. However, while the Company may elect to update these forward-looking statements at some point in the future, the Company specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing the Company's views as of any date subsequent to the date of the press release.

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