

SETTLEMENT AGREEMENT

This Settlement Agreement (Agreement) is entered into among the United States of America, acting through the United States Department of Justice and on behalf of: the Office of Inspector General (OIG-HHS) of the Department of Health and Human Services (HHS), the Defense Health Agency (DHA), acting on behalf of the TRICARE Program, the Office of Personnel Management (OPM), which administers the Federal Employees Health Benefits Program (FEHBP), and the United States Department of Veterans Affairs (VA) (collectively, the "United States"); Precision Toxicology, LLC d/b/a Precision Diagnostics, Inc. (Precision Diagnostics), Precision Toxicology Holdings, Inc., and PT Intermediate Holdings, Inc. (collectively "Precision" or "the Settling Parties"); and Relators Bryce Hudak, [REDACTED] [REDACTED] and Elizabeth Buonauro (collectively "Relators") (hereafter collectively the United States, Settling Parties and Relators are referred to as "the Parties"), through their authorized representatives.

RECITALS

A. Precision Diagnostics is a toxicology laboratory that markets and performs laboratory urine drug testing (UDT) nationwide, primarily for substance use disorder and pain management providers. Precision Diagnostics is a California limited liability corporation authorized to do business throughout the United States, including the State of Maryland, with its principal place of business located in San Diego, California. Precision Toxicology Holdings, Inc. is the majority shareholder of Precision Diagnostics. PT Intermediate Holdings, Inc. is a minority shareholder that maintains approximately 35% ownership of Precision Diagnostics. At all relevant times, Precision Diagnostics submitted claims to Medicare, Medicaid, TRICARE, FEHBP and the VA for UDT that it performed, and was the only Settling Party to submit claims to any Federal health care program.

B. On May 25, 2018, Bryce Hudak filed a *qui tam* action in the United States District Court for the District of Maryland captioned *United States and Maryland ex rel. Hudak v. Precision Toxicology, LLC d/b/a Precision Diagnostics*, Civil Action No. ELH-18-1510, pursuant to the *qui tam* provisions of the False Claims Act, 31 U.S.C. § 3730(b), ("Hudak Civil Action"). On April 19, 2019, [REDACTED] filed a *qui tam* action in the United States District Court for the District of Colorado, Case Number [Under Seal], captioned *United States and Colorado ex rel. [REDACTED] v. [Under Seal]*, which was later amended on September 16, 2019, ("Colorado Civil Action"). On February 19, 2021, Elizabeth Buonauro filed a *qui tam* action in the United States District Court for the District of Massachusetts (USDC-MA), Case Number [Under Seal], captioned *United States ex rel. Buonauro v. [Under Seal]*, pursuant to the *qui tam* provisions of the False Claims Act, 31 U.S.C. § 3730(b). The allegations against Precision Diagnostics were then severed and on December 14, 2021, an amended complaint was filed in USDC-MA captioned *United States, Illinois and Minnesota ex rel. Buonauro v. Precision Diagnostics*, ("Buonauro Civil Action"). On December 21, 2021, the Buonauro Civil Action was transferred to the United States District Court for the District of Maryland and captioned *United States, Illinois and Minnesota ex rel. Buonauro v. Precision Diagnostics*, Civil Action No. ELH-21-3231. The United States intends to partially intervene in the Hudak, Buonauro and Colorado Civil Actions as to Precision only.

C. The United States contends that the Settling Parties submitted or caused to be submitted false claims for payment to: the Medicare Program, Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1395III (Medicare); the Medicaid Program, 42 U.S.C. §§ 1396-1396w-5 (Medicaid); the TRICARE Program, 10 U.S.C. §§ 1071-1110b (TRICARE); the FEHBP, 5 U.S.C. §§ 8901-8914; and the VA, Veterans Health Administration, 38 U.S.C. Chapter 17 (VA) (collectively, the "Federal Healthcare Programs").

D. The United States contends that it has certain civil claims against the Settling Parties for knowingly submitting or causing the submission of false claims to the Federal Healthcare Programs for UDT that was not medically reasonable and necessary for the diagnosis or treatment of an illness or injury or to improve the functioning of a malformed body member. Specifically, the United States contends that the Settling Parties developed and implemented a policy and practice of utilizing non-allowable blanket orders for UDT without any physician making an individualized determination that the UDT was medically necessary or reasonable for the particular patients for whom the tests were ordered. The medically unreasonable and unnecessary UDT was performed by Precision, and the resulting false claims were submitted to Federal Healthcare Programs by Precision, from January 1, 2013, until December 31, 2022. Precision submitted these UDT claims to Federal Healthcare Programs using the Current Procedural Terminology and Healthcare Common Procedure Coding System codes found in Attachment A. In addition, the United States contends that, during the period of January 1, 2013, through June 30, 2014, Precision provided free point-of-care UDT cups to physicians in exchange for UDT referrals, in violation of the Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b). Collectively, the foregoing claims and conduct described in this paragraph is referred to below as the "Covered Conduct."

E. The Settling Parties have entered into or will be entering into separate settlement agreements (the "Medicaid State Settlement Agreements"), referenced in Paragraph 1(b) below with certain states (the "Medicaid Participating States") in settlement of the conduct described in the Medicaid State Settlement Agreements.

F. This Agreement is neither an admission of liability by the Settling Parties, nor a concession by the United States that its claims are not well founded.

G. Relators claim entitlement under 31 U.S.C. § 3730(d) to a share of the proceeds of this Agreement and to Relators' reasonable expenses, attorneys' fees and costs.

To avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the above claims, and in consideration of the mutual promises and obligations of this Agreement, the Parties agree and covenant as follows:

TERMS AND CONDITIONS

1. The Settling Parties shall pay to the United States and the Medicaid Participating States collectively, twenty-seven million dollars (\$27,000,000.00) (Settlement Amount). The Settlement Amount shall constitute a debt immediately due and owing to the United States and the Medicaid Participating States on the Effective Date of this Agreement (as defined in Paragraph 32). This debt shall be discharged by payments to the United States and the Medicaid Participating States, under the following terms and conditions:

a. The Settling Parties agree to pay a federal settlement amount to the United States in the sum of eighteen million, two hundred and eighty-six thousand, six hundred and eighty dollars and fifty-nine cents (\$18,286,680.59) plus interest at the rate of four and a quarter percent (4.25%) per annum from January 1, 2024, and continuing until the day before full payment is made (Federal Settlement Amount). The Federal Settlement Amount is considered restitution (the Federal Restitution Amount). All payments of the Federal Settlement Amount shall be paid by electronic funds transfer pursuant to written instructions by the Civil Division of the United States Department of Justice.

b. The Settling Parties agree to pay a Medicaid state settlement amount to the Medicaid Participating States in the sum of eight million, seven hundred and thirteen thousand, three hundred and nineteen dollars and forty-one cents (\$8,713,319.41) plus interest at the rate of four and a quarter percent (4.25%) per annum from January 1, 2024, and continuing until the

day before full payment is made (Medicaid State Settlement Amount). The Medicaid State Settlement Amount is considered restitution (the State Restitution Amount). All payments of the Medicaid State Settlement Amount shall be paid by electronic funds transfer pursuant to written instructions by the Medicaid State Settlement Agreements.

c. The Settlement Amount shall be paid as follows:

i. Within one business day of the Effective Date of this Agreement, the Settling Parties shall pay or cause to be paid the sum of five million, two hundred and eighty-two thousand, eight hundred and eighteen dollars, and eighty-four cents (\$5,282,818.84) plus interest as specified in Attachment B to the United States ("Initial Federal Settlement Amount").

ii. Within one business day of the Effective Date of a Medicaid State Settlement Agreement, the Settling Parties shall pay or cause to be paid to the Medicaid Participating States an amount that is in accordance with the Medicaid State Settlement Agreements.

iii. Over a period of 4 years, the Settling Parties will pay the remaining nineteen million and two hundred thousand dollars (\$19,200,000), plus interest accruing at an annual rate of 4.25% per annum. The Federal Settlement Amount shall be paid pursuant to the installment payment schedule attached at Attachment B. The Medicaid State Settlement Amount shall be paid pursuant to the Medicaid State Settlement Agreements.

iv. The portion of the Federal Settlement Amount payable after the Initial Federal Settlement Amount shall be secured pursuant to Letter of Credit No.S900102, in the form of Attachment C, that the Settling Parties shall cause to be issued within two business days of the Effective Date of this Agreement. The Settling Parties may, with

the prior written approval of the United States, cause to be issued a substitute Letter of Credit of like terms and conditions. If Letter of Credit No. S900102 (Attachment C) is set to expire before the entire outstanding balance of the Federal Settlement Amount due under the Agreement is paid, the Settling Parties shall, within 30 days of United States providing notice to Settling Parties that Letter of Credit No. S900102 (Attachment C) will not be automatically extended without amendment at any point prior to the Final Expiration Date of the Letter of Credit, cause to be issued a substitute Letter of Credit of like terms and conditions. The Final Expiration Date of the Letter of Credit shall be at least four years following the date on which the Letter of Credit is issued.

v. If Letter of Credit No. S900102 (Attachment C) is not automatically extended without amendment at any point prior to the Final Expiration Date of the Letter of Credit, and the Settling Parties have not caused to be issued a substitute letter of credit of like terms and conditions as specified in subparagraph 1(c)(iv), all remaining payments of the Federal Settlement Amount owed pursuant to the Agreement and as specified in Attachment B shall be accelerated and become immediately due and payable. If Letter of Credit No. S900102 (Attachment C) is not automatically extended without amendment at any point prior to the Final Expiration Date of the Letter of Credit, the United States shall be entitled to draw on Letter of Credit No. S900102 (Attachment C) for any remaining balance of the Federal Settlement Amount not yet paid.

vi. If Precision or any of its affiliates are sold, merged, or transferred, or a significant portion of the assets of Precision or of any of its affiliates is sold, merged, or transferred into another non-affiliated entity, the Settling Parties shall promptly notify the United States, and all remaining payments of the Federal Settlement Amount owed

pursuant to the Agreement and as specified in Attachment B shall be accelerated and become immediately due and payable. If Settling Parties are not able to make all remaining payments of the Federal Settlement Amount pursuant to the Agreement and as specified in Attachment B within 30 days, the United States shall be entitled to draw on Letter of Credit No. S900102 (Attachment C) for any remaining balance of the Federal Settlement Amount not yet paid.

vii. The Settlement Amount may be prepaid, in whole or in part, without penalty or premium.

2. Conditioned upon the United States receiving the Federal Settlement Amount payments, the United States agrees that it shall pay to the relator in the Hudak Civil Action by electronic funds transfer 15 percent of each such payment of the Federal Settlement Amount received under the Agreement (Relator's Share) as soon as feasible after receipt of the payment.

3. The Settling Parties have agreed to pay Relators' reasonable expenses, attorneys' fees and costs, as contemplated by 31 U.S.C. § 3730(d) and comparable provisions of any applicable state statutes, and will do so subject to terms set forth in a separate agreement that the Settling Parties and Relators will enter into contemporaneously with this Agreement.

4. Subject to the exceptions in Paragraph 9 (concerning reserved claims) below, and subject to Paragraph 12 (concerning disclosure of assets), Paragraph 20 (concerning default), and Paragraph 21 (concerning bankruptcy) below, and upon the United States' receipt of the Federal Settlement Amount, plus interest due under Paragraph 1(a), the United States releases the Settling Parties from any civil or administrative monetary claim the United States has for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Civil Monetary

Penalties Law, 42 U.S.C. § 1320a-7a; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; or the common law theories of payment by mistake, unjust enrichment, and fraud.

5. Subject to the exceptions in Paragraph 9 below, and subject to Paragraph 12 (concerning disclosure of assets), Paragraph 20 (concerning default), and Paragraph 21 (concerning bankruptcy) below, and upon the United States' receipt of the Federal Settlement Amount, plus interest due under Paragraph 1(a), Relators, for themselves and their heirs, successors, attorneys, agents, and assigns, release the Settling Parties from any civil monetary claim the Relators have on behalf of the United States for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733.

6. In consideration of the obligations of Precision Diagnostics in this Agreement and the Corporate Integrity Agreement (CIA) entered into between OIG-HHS and Precision Diagnostics and upon the United States' receipt of full payment of the Federal Settlement Amount, plus interest due under Paragraph 1(a), the OIG-HHS shall release and refrain from instituting, directing, or maintaining any administrative action seeking exclusion from Medicare, Medicaid, and other Federal health care programs (as defined in 42 U.S.C. § 1320a-7b(f)) against Precision Diagnostics under 42 U.S.C. § 1320a-7a (Civil Monetary Penalties Law) or 42 U.S.C. § 1320a-7(b)(7) (permissive exclusion for fraud, kickbacks, and other prohibited activities) for the Covered Conduct, except as reserved in this paragraph and in Paragraph 9 (concerning reserved claims), below. The OIG-HHS expressly reserves all rights to comply with any statutory obligations to exclude the Settling Parties from Medicare, Medicaid, and other Federal health care programs under 42 U.S.C. § 1320a-7(a) (mandatory exclusion) based upon the Covered Conduct. Nothing in this paragraph precludes the OIG-HHS from taking action against entities or persons, or for conduct and practices, for which claims have been reserved in Paragraph 9.

7. In consideration of the obligations of the Settling Parties set forth in this Agreement, and upon the United States' receipt of full payment of the Federal Settlement Amount, plus interest due under Paragraph 1(a), DHA shall release and refrain from instituting, directing, or maintaining any administrative action seeking exclusion from the TRICARE Program against the Settling Parties under 32 C.F.R. § 199.9 for the Covered Conduct, except as reserved in this paragraph and in Paragraph 9 (concerning reserved claims), below. DHA expressly reserves authority to exclude the Settling Parties from the TRICARE Program under 32 C.F.R. §§ 199.9 (f)(1)(i)(A), (f)(1)(i)(B), and (f)(1)(iii) (mandatory exclusion), based upon the Covered Conduct. Nothing in this paragraph precludes DHA or the TRICARE Program from taking action against entities or persons, or for conduct and practices, for which claims have been reserved in Paragraph 9, below.

8. In consideration of the obligations of the Settling Parties in this Agreement, and upon the United States' receipt of full payment of the Federal Settlement Amount, plus interest due under Paragraph 1(a), OPM shall release and refrain from instituting, directing, or maintaining any administrative action seeking exclusion from the FEHBP against the Settling Parties under 5 U.S.C. § 8902a or 5 C.F.R. Part 890 Subpart J or Part 919 for the Covered Conduct, except as reserved in this paragraph and in Paragraph 9 (concerning reserved claims), below, and except if excluded by the OIG-HHS pursuant to 42 U.S.C. § 1320a-7(a). OPM expressly reserves all rights to comply with any statutory obligation to debar the Settling Parties from the FEHBP under 5 U.S.C. § 8902a(b) (mandatory exclusion) based upon the Covered Conduct. Nothing in this paragraph precludes OPM from taking action against entities or persons, or for conduct and practices, for which claims have been reserved in Paragraph 9, below.

9. Notwithstanding the releases given in Paragraph 4, 5, 6, 7, and 8 of this Agreement, or any other term of this Agreement, the following claims and rights of the United States are specifically reserved and are not released:

- a. Any liability arising under Title 26, U.S. Code (Internal Revenue Code);
- b. Any criminal liability;
- c. Except as explicitly stated in this Agreement, any administrative liability or enforcement right, including mandatory or permissive exclusion from Federal health care programs;
- d. Any liability to the United States (or its agencies) for any conduct other than the Covered Conduct;
- e. Any liability based upon obligations created by this Agreement;
- f. Any liability of individuals;
- g. Any liability for express or implied warranty claims or other claims for defective or deficient products or services, including quality of goods and services;
- h. Any liability for failure to deliver goods or services due; and
- i. Any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct.

10. Relators and their heirs, successors, attorneys, agents, and assigns do not object to this Agreement but agree and confirm that this Agreement is fair, adequate, and reasonable under all the circumstances, pursuant to 31 U.S.C. § 3730(c)(2)(B). Conditioned upon the relator in the Hudak Civil Action's receipt of the Relator's Share, Relators and their heirs, successors, attorneys, agents, and assigns fully and finally release, waive, and forever discharge the United States, its agencies, officers, agents, employees, and servants, from any claims arising from the

filing of the Hudak Civil Action and the Buonauro Civil Action, or under 31 U.S.C. § 3730, and from any claims to a share of the proceeds of this Agreement and/or the Hudak Civil Action and the Buonauro Civil Action. Conditioned upon the relator in the Hudak Civil Action's receipt of the Relator's Share, Relators and their heirs, successors, attorneys, agents, and assigns fully and finally release, waive, and forever discharge the United States, its agencies, officers, agents, employees, and servants, from any claims arising from the filing of the Colorado Civil Action or under 31 U.S.C. § 3730, and from any claims to a share of the proceeds of this Agreement and/or the Colorado Civil Action, to the extent such claims relate to the Settling Parties.

11. Relators, for themselves, and for their heirs, successors, attorneys, agents, and assigns, release the Settling Parties, and their officers, agents, and employees, from any liability to Relators arising from the filing of the Hudak Civil Action, the Colorado Civil Action and Buonauro Civil Action, or under 31 U.S.C. § 3730(d) for expenses or attorneys' fees and costs.

12. The Settling Parties have provided sworn financial disclosures and supporting documents (together "Financial Disclosures") to the United States and the United States has relied on the accuracy and completeness of those Financial Disclosures in reaching this Agreement. The Settling Parties warrant that the Financial Disclosures are complete, accurate, and current as of the Effective Date of this Agreement. If the United States learns of asset(s) in which the Settling Parties had an interest of any kind as of the Effective Date of this Agreement (including, but not limited to, promises by insurers or other third parties to satisfy their obligations under this Agreement) that were not disclosed in the Financial Disclosures, or if the United States learns of any false statement or misrepresentation by the Settling Parties on, or in connection with, the Financial Disclosures, and if such nondisclosure, false statement, or misrepresentation changes the estimated net worth set forth in the Financial Disclosures by \$2,000,000.00 or more, the United States may at its option: (a) rescind this Agreement and

reinstate its suit or file suit based on the Covered Conduct or (b) collect the full Settlement Amount in accordance with the Agreement plus one hundred percent (100%) of the net value of the Settling Parties' previously undisclosed assets. The Settling Parties agree not to contest any collection action undertaken by the United States pursuant to this provision, and agree that they will immediately pay the United States the greater of (i) a ten-percent (10%) surcharge of the amount collected in the collection action, as allowed by 28 U.S.C. § 3011(a), or (ii) the United States' reasonable attorneys' fees and expenses incurred in such an action. In the event that the United States, pursuant to this paragraph, rescinds this Agreement, the Settling Parties waive and agree not to plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any civil or administrative claims that (a) are filed by the United States within 120 days of written notification to the Settling Parties that this Agreement has been rescinded, and (b) relate to the Covered Conduct, except to the extent these defenses were available on the Effective Date of this Agreement.

13. The Settling Parties waive and shall not assert any defenses the Settling Parties may have to any criminal prosecution or administrative action relating to the Covered Conduct that may be based in whole or in part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the Constitution, or under the Excessive Fines Clause in the Eighth Amendment of the Constitution, this Agreement bars a remedy sought in such criminal prosecution or administrative action.

14. The Settling Parties fully and finally release the United States, its agencies, officers, agents, employees, and servants, from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that the Settling Parties have asserted, could have asserted, or may assert in the future against the United States, its agencies, officers,

agents, employees, and servants, related to the Covered Conduct or the United States' investigation or prosecution thereof.

15. The Settling Parties fully and finally release Relators from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that the Settling Parties have asserted, could have asserted, or may assert in the future against Relators, related to the Covered Conduct and the Relators' investigation and prosecution thereof.

16. The Settlement Amount shall not be decreased as a result of the denial of claims for payment now being withheld from payment by any Medicare contractor (e.g., Medicare Administrative Contractor, fiscal intermediary, or carrier), TRICARE or FEHBP carrier or payer, or any state payer, related to the Covered Conduct; and the Settling Parties agree not to resubmit to any Medicare contractor, TRICARE or FEHBP carrier or payer, or any state payer, any previously denied claims related to the Covered Conduct, agree not to appeal any such denials of claims, and agree to withdraw any such pending appeals.

17. The Settling Parties agree to the following:

a. Unallowable Costs Defined: All costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47; and in Titles XVIII and XIX of the Social Security Act, 42 U.S.C. §§ 1395-1395*lll* and 1396-1396*w*-5; and the regulations and official program directives promulgated thereunder) incurred by or on behalf of the Settling Parties, their present or former officers, directors, employees, shareholders, and agents in connection with:

- (1) the matters covered by this Agreement;
- (2) the United States' audit(s) and civil investigation(s) of the matters covered by this Agreement;

- (3) the Settling Parties' investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil investigation(s) in connection with the matters covered by this Agreement (including attorneys' fees);
- (4) the negotiation and performance of this Agreement;
- (5) the payment the Settling Parties make to the United States pursuant to this Agreement and any payments that the Settling Parties may make to the Medicaid Participating States and Relators, including costs and attorneys' fees; and
- (6) the negotiation of, and obligations undertaken pursuant to the CIA to: (i) retain an independent review organization to perform annual reviews as described in Section III of the CIA; and (ii) prepare and submit reports to the OIG-HHS

are unallowable costs for government contracting purposes and under the Medicare Program, Medicaid Program, TRICARE Program, VA and FEHBP (the "Unallowable Costs"). However, nothing in Paragraph 17(a)(6) that may apply to the obligations undertaken pursuant to the CIA affects the status of costs that are not allowable based on any other authority applicable to Settling Parties.

b. Future Treatment of Unallowable Costs: Unallowable Costs shall be separately determined and accounted for by the Settling Parties, and the Settling Parties shall not charge such Unallowable Costs directly or indirectly to any contracts with the United States or any State Medicaid program, or seek payment for such Unallowable Costs through any cost report, cost statement, information statement, or payment request submitted by Precision or any of its subsidiaries or affiliates to the Medicare Program, any Medicaid Program, the TRICARE Program, the VA, or the FEHBP.

c. Treatment of Unallowable Costs Previously Submitted for Payment: The Settling Parties further agree that within 90 days of the Effective Date of this Agreement they shall identify to applicable Medicare, VA, and TRICARE fiscal intermediaries, carriers, and/or contractors, and Medicaid and FEHBP fiscal agents, any Unallowable Costs (as defined in this paragraph) included in payments previously sought from the United States, or any State Medicaid program, including, but not limited to, payments sought in any cost reports, cost statements, information reports, or payment requests already submitted by the Settling Parties or any of their subsidiaries or affiliates, and shall request, and agree, that such cost reports, cost statements, information reports, or payment requests, even if already settled, be adjusted to account for the effect of the inclusion of the Unallowable Costs. The Settling Parties agree that the United States, at a minimum, shall be entitled to recoup from the Settling Parties any overpayment plus applicable interest and penalties as a result of the inclusion of such Unallowable Costs on previously-submitted cost reports, information reports, cost statements, or requests for payment.

Any payments due after the adjustments have been made shall be paid to the United States pursuant to the direction of the Department of Justice and/or the affected agencies. The United States reserves its rights to disagree with any calculations submitted by the Settling Parties or any of their subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this paragraph) on the Settling Parties or any of their subsidiaries or affiliates' cost reports, cost statements, or information reports.

d. Nothing in this Agreement shall constitute a waiver of the rights of the United States to audit, examine, or re-examine the Settling Parties' books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this paragraph.

18. This Agreement is intended to be for the benefit of the Parties only. The Parties do not release any claims against any other person or entity, except to the extent provided for in Paragraph 19 (waiver for beneficiaries paragraph), below.

19. The Settling Parties agree that they waive and shall not seek payment for any of the health care billings covered by this Agreement from any health care beneficiaries or their parents, sponsors, legally responsible individuals, or third-party payors based upon the claims defined as Covered Conduct.

20. The Federal Settlement Amount represents the amount the United States is willing to accept in compromise of its civil claims arising from the Covered Conduct due solely to the financial condition of the Settling Parties as reflected in the Financial Disclosures referenced in Paragraph 12.

a. In the event that the Settling Parties fail to pay the Federal Settlement Amount as provided in the payment schedule set forth in Paragraph 1 above and as specified in Attachment B hereto, or fail to obtain a substitute Letter of Credit of like terms and conditions as specified in Paragraph 1(c)(iv) within 30 days of the United States providing notice that Letter of Credit No. S900102 (Attachment C) will not be automatically extended without amendment at any point prior to the Final Expiration Date of the Letter of Credit, the Settling Parties shall be in Default of the Settling Parties' payment obligations ("Default"). The United States will provide a written Notice of Default, and the Settling Parties shall have an opportunity to cure such Default within seven (7) days from the date of receipt of the Notice of Default by making the payment due under the payment schedule and paying any additional interest accruing under the Agreement up to the date of payment. Notice of Default will be delivered to the Settling Parties, or to such other representative as the Settling Parties shall designate in advance in writing. If the Settling Parties fail to cure the Default within seven (7) days of receiving the Notice of Default and in the absence

of an agreement with the United States to a modified payment schedule ("Uncured Default"), the remaining unpaid balance of the Federal Settlement Amount shall become immediately due and payable, and interest on the remaining unpaid balance shall thereafter accrue at the rate of 12% per annum, compounded daily from the date of Default, on the remaining unpaid total (principal and interest balance).

b. In the event of Uncured Default, the Settling Parties agree that the United States, at its sole discretion, may (i) retain any payments previously made, rescind this Agreement and pursue the Hudak Civil Action, the Colorado Civil Action, and/or the Buonauro Civil Action or bring any civil and/or administrative claim, action, or proceeding against the Settling Parties for the claims that would otherwise be covered by the releases provided in Paragraphs 4 through 8 above with any recovery reduced by the amount of any payments previously made by the Settling Parties to the United States under this Agreement; (ii) take any action to enforce this Agreement in a new action or by reinstating the Hudak Civil Action, the Colorado Civil Action, and/or the Buonauro Civil Action; (iii) offset the remaining unpaid balance from any amounts due and owing to the Settling Parties and/or affiliated companies by any department, agency, or agent of the United States at the time of Default or subsequently; and/or (iv) exercise any other right granted by law, or under the terms of this Agreement, or recognizable at common law or in equity. The United States shall be entitled to any other rights granted by law or in equity by reason of Default, including referral of this matter for private collection. In the event the United States pursues a collection action, the Settling Parties agree immediately to pay the United States the greater of (i) a ten-percent (10%) surcharge of the amount collected, as allowed by 28 U.S.C. § 3011(a), or (ii) the United States' reasonable attorneys' fees and expenses incurred in such an action. In the event that the United States opts to rescind this Agreement pursuant to this paragraph, the Settling Parties waive and agree not to plead, argue, or otherwise raise any

defenses of statute of limitations, laches, estoppel or similar theories, to any civil or administrative claims that are (i) filed by the United States against the Settling Parties within 120 days of written notification that this Agreement has been rescinded, and (ii) relate to the Covered Conduct, except to the extent these defenses were available on the Effective Date of this Agreement. The Settling Parties agree not to contest any offset, recoupment, and /or collection action undertaken by the United States pursuant to this paragraph, either administratively or in any state or federal court, except on the grounds of actual payment to the United States.

c. In the event of Uncured Default, OIG-HHS may exclude the Settling Parties from participating in all Federal health care programs until the Settling Parties pay the Federal Settlement Amount, with interest, as set forth above (Exclusion for Default). OIG-HHS will provide written notice of any such exclusion to the Settling Parties. The Settling Parties waive any further notice of the exclusion under 42 U.S.C. § 1320a-7(b)(7), and agree not to contest such exclusion either administratively or in any state or federal court. Reinstatement to program participation is not automatic. If at the end of the period of exclusion, the Settling Parties wish to apply for reinstatement, they must submit a written request for reinstatement to OIG-HHS in accordance with the provisions of 42 C.F.R. §§ 1001.3001-.3005. The Settling Parties will not be reinstated unless and until OIG-HHS approves such request for reinstatement. The option for Exclusion for Default is in addition to, and not in lieu of, the options identified in this Agreement or otherwise available.

21. In exchange for valuable consideration provided in this Agreement, the Settling Parties and Relators acknowledge the following:

a. The Settling Parties reviewed their financial situation and warrant that they are solvent within the meaning of 11 U.S.C. §§ 547(b)(3) and 548(a)(1)(B)(ii)(I) and shall remain

solvent following payment to the United States and the Medicaid Participating States of the Settlement Amount.

b. In evaluating whether to execute this Agreement, the Parties intend that the mutual promises, covenants, and obligations set forth herein constitute a contemporaneous exchange for new value given to the Settling Parties, within the meaning of 11 U.S.C. § 547(c)(1), and the Parties conclude that these mutual promises, covenants, and obligations do, in fact, constitute such a contemporaneous exchange.

c. The mutual promises, covenants, and obligations set forth herein are intended by the Parties to, and do in fact, constitute a reasonably equivalent exchange of value.

d. The Parties do not intend to hinder, delay, or defraud any entity to which the Settling Parties were or became indebted to on or after the date of any transfer contemplated in this Agreement, within the meaning of 11 U.S.C. § 548(a)(1).

e. If any of the Settling Parties' payments or obligations under this Agreement are avoided for any reason (including but not limited to, through the exercise of a trustee's avoidance powers under the Bankruptcy Code) or if, before the Settlement Amount is paid in full, the Settling Parties or a third party commences a case, proceeding, or other action under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors seeking any order for relief of the Settling Parties' debts, or to adjudicate the Settling Parties as bankrupt or insolvent; or seeking appointment of a receiver, trustee, custodian, or other similar official for the Settling Parties or for all or any substantial part of the Settling Parties' assets:

(i) the United States may rescind the releases in this Agreement and bring any civil and/or administrative claim, action, or proceeding against the Settling Parties for the

claims that would otherwise be covered by the releases provided in Paragraphs 4, 5, 6, 7, and 8;

(ii) the United States has an undisputed, noncontingent, and liquidated allowed claim against the Settling Parties in the amount of \$176,697,117, less any payments received by the United States pursuant to Paragraph 1 of this Agreement, provided, however, that such payments are not otherwise avoided and recovered from the United States by the Settling Parties, a receiver, trustee, custodian, or other similar official for the Settling Parties;

(iii) if any payments are avoided and recovered by a receiver, trustee, creditor, custodian, or similar official, the United States shall not be responsible for the return of any amounts already paid by the United States to the relator in the Hudak Civil Action pursuant to Paragraph 2; and

(iv) if, notwithstanding subparagraph (iii), any amounts already paid by the United States to the relator in the Hudak Civil Action pursuant to Paragraph 2 are recovered from the United States in an action or proceeding filed by a receiver, trustee, creditor, custodian, or similar official in or in connection with a bankruptcy case that is filed within two years of the Effective Date of this Agreement or of any payment made under Paragraph 1 of this Agreement, the relator in the Hudak Civil Action shall, within thirty days of written notice from the United States to the undersigned counsel for the relator in the Hudak Civil Action, return to the United States all amounts recovered from the United States.

f. The Settling Parties agree that any civil and/or administrative claim, action, or proceeding brought by the United States under Paragraph 21(e) is not subject to an "automatic stay" pursuant to 11 U.S.C. § 362(a) because it would be an exercise of the United States' police and regulatory power. The Settling Parties shall not argue or otherwise contend that the United States' claim, action, or proceeding is subject to an automatic stay and, to the extent necessary,

consent to relief from the automatic stay for cause under 11 U.S.C. § 362(d)(1). The Settling Parties waive and shall not plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any such civil or administrative claim, action, or proceeding brought by the United States within 120 days of written notification to the Settling Parties that the releases have been rescinded pursuant to this paragraph, except to the extent such defenses were available on the Effective Date of this Agreement.

22. Upon receipt of the initial payment described in Paragraph 1(c)(i) and subject to the terms of the Agreement, the United States and Relators shall promptly sign and file Joint Stipulations of Dismissal pursuant to Rule 41(a)(1):

a. The United States and relator Bryce Hudak shall promptly sign and file a Joint Stipulation of Dismissal of the Hudak Civil Action. Such dismissal shall be with prejudice to the United States as to the Covered Conduct and otherwise without prejudice to the United States. The dismissal shall be with prejudice as to Hudak.

b. The United States and relator Elizabeth Buonauro shall promptly sign and file a Joint Stipulation of Dismissal of the federal claims in the Buonauro Civil Action. Such dismissal shall be with prejudice to the United States as to the Covered Conduct and otherwise without prejudice to the United States. The dismissal shall be with prejudice as to Buonauro.

c. The United States and relators [REDACTED] shall promptly sign and file a Joint Stipulation of Dismissal of all federal claims against Precision only set forth in the Colorado Civil Action. Such dismissal shall be with prejudice to the United States as to the Covered Conduct and otherwise without prejudice to the United States. The dismissal shall be with prejudice as to [REDACTED].

d. The United States District Court for the District of Maryland retains jurisdiction over the Parties to the extent necessary to enforce the terms and conditions of the Agreement.

23. Except as provided in Paragraph 3, above, each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

24. Each Party and signatory to this Agreement represents that it freely and voluntarily enters into this Agreement without any degree of duress or compulsion.

25. This Agreement is governed by the laws of the United States. The exclusive venue for any dispute relating to this Agreement is the United States District Court for the District of Maryland. For purposes of construing this Agreement, this Agreement shall be deemed to have been drafted by all Parties to this Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

26. This Agreement constitutes the complete agreement between the Parties. This Agreement may not be amended except by written consent of the Parties. Forbearance by the United States from pursuing any remedy or relief available to it under this Agreement shall not constitute a waiver of rights under this Agreement.

27. The undersigned counsel represent and warrant that they are fully authorized to execute this Agreement on behalf of the persons and entities indicated below.

28. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same Agreement.

29. This Agreement is binding on the Settling Parties' successors, transferees, heirs, and assigns.

30. This Agreement is binding on Relators' successors, transferees, heirs, and assigns.

31. All parties agree that this Agreement may not be disclosed to the public in unredacted form until the Colorado Civil Action is no longer under seal. Prior to any disclosure of the Agreement, the United States will redact certain identifying information about the

Colorado Civil Action, including the names of the relators in that action. All parties consent to the United States' disclosure of such redacted Agreement, and information about this Agreement that does not disclose redacted information, to the public. Once the Colorado Civil Action is no longer under seal, all Parties consent to the United States' disclosure of this Agreement, and information about this Agreement, to the public, without redactions.

32. This Agreement is effective on the date of signature of the last signatory to the Agreement (Effective Date of this Agreement). Facsimiles and electronic transmissions of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

THE UNITED STATES OF AMERICA

DATED: _____

BY:

VINCENT VACCARELLA
Digitally signed by VINCENT VACCARELLA
Date: 2024.08.22 17:16:04 -04'00'

VANESSA I. REED
VINCENT VACCARELLA
Trial Attorneys
Commercial Litigation Branch
Civil Division
United States Department of Justice

DATED: 8/7/2024

BY:

 Digitally signed by ROANN NICHOLS
Date: 2024.08.07 16:12:17 -04'00'

ROANN NICHOLS
Assistant United States Attorney
United States Attorney's Office for the
District of Maryland

DATED: 8/7/2024

BY:

DAVID MOSKOWITZ
Digitally signed by DAVID MOSKOWITZ
Date: 2024.08.07 13:35:40 -06'00'

DAVID MOSKOWITZ
Assistant United States Attorney
United States Attorney's Office for the
District of Colorado

DATED: _____

BY:

SUSAN E. GILLIN
Assistant Inspector General for Legal Affairs
Office of Counsel to the Inspector General
Office of Inspector General
United States Department of Health & Human Services

DATED: 07/25/2024

BY:

BLEY.PAUL.NICHOLAS.1099873821
Digitally signed by BLEY.PAUL.NICHOLAS.1099873821
Date: 2024.07.25 06:21:58 -04'00'

for

SALVATORE M. MAIDA
General Counsel
Defense Health Agency
United States Department of Defense

DATED: _____

BY:

EDWARD M. DEHARDE
Deputy Associate Director of Federal Employee
Insurance Operations,
Healthcare and Insurance
United States Office of Personnel Management

THE UNITED STATES OF AMERICA

DATED: _____

BY: _____
VANESSA I. REED
VINCENT VACCARELLA
Trial Attorneys
Commercial Litigation Branch
Civil Division
United States Department of Justice

EREK L. BARRON
United States Attorney

DATED: _____

BY: _____
ROANN NICHOLS
Assistant United States Attorney
United States Attorney's Office for the
District of Maryland

MATTHEW T. KIRSCH
Acting United States Attorney

DATED: _____

BY: _____
DAVID MOSKOWITZ
Assistant United States Attorney
United States Attorney's Office for the
District of Colorado

DATED: 08/07/24

BY: _____
SUSAN GILLIN
Digitally signed by SUSAN GILLIN
Date: 2024.08.07 10:39:18
-04'00'
SUSAN E. GILLIN
Assistant Inspector General for Legal Affairs
Office of Counsel to the Inspector General
Office of Inspector General
United States Department of Health & Human Services

DATED: _____

BY: _____
SALVATORE M. MAIDA
General Counsel
Defense Health Agency
United States Department of Defense

DATED: _____

BY: _____
EDWARD M. DEHARDE
Deputy Associate Director of Federal Employee
Insurance Operations,
Healthcare and Insurance
United States Office of Personnel Management

THE UNITED STATES OF AMERICA

DATED: _____

BY: _____
VANESSA I. REED
VINCENT VACCARELLA
Trial Attorneys
Commercial Litigation Branch
Civil Division
United States Department of Justice

EREK L. BARRON
United States Attorney

DATED: _____

BY: _____
ROANN NICHOLS
Assistant United States Attorney
United States Attorney's Office for the
District of Maryland

COLE FINEGAN
United States Attorney

DATED: _____

BY: _____
DAVID MOSKOWITZ
Assistant United States Attorney
United States Attorney's Office for the
District of Colorado

DATED: _____

BY: _____
SUSAN E. GILLIN
Assistant Inspector General for Legal Affairs
Office of Counsel to the Inspector General
Office of Inspector General
United States Department of Health & Human Services

DATED: _____

BY: _____
SALVATORE M. MAIDA
General Counsel
Defense Health Agency
United States Department of Defense

DATED: _____

BY: **EDWARD** Digitally signed by EDWARD
DEHARDE DEHARDE
Date: 2024.07.29 16:10:43 -04'00'
EDWARD M. DEHARDE
Deputy Associate Director of Federal Employee
Insurance Operations,
Healthcare and Insurance
United States Office of Personnel Management

DATED: _____

BY: _____

PAUL ST. HILLAIRE
Assistant Inspector General
for Legal & Legislative Affairs
Office of the Inspector General
United States Office of Personnel Management

SETTLING PARTIES

DATED: 7/31/2024

BY: _____

Mark Callaghan
PRECISION TOXICOLOGY, LLC
PRECISION TOXICOLOGY HOLDINGS, INC.
PT INTERMEDIATE HOLDINGS, INC.

DATE: 7/31/2024

BY: _____

Robert Salicdo
ROBERT S. SALICDO
EMILY GERRY
Akin Gump Strauss Hauer & Feld, LLP
Counsel for Settling Parties

RELATORS

DATED: _____

BY: _____

BRYCE HUDAK

DATED: _____

BY: _____

THOMAS W. KEILTY, III
Keilty Bonadio, LLC
Counsel for Bryce Hudak

DATED: _____

BY: _____

[REDACTED]

DATED: _____

BY: _____

[REDACTED]

DATED: _____

BY: _____

[REDACTED]

DATED: _____

BY: _____

PAUL ST. HILLAIRE
Assistant Inspector General
for Legal & Legislative Affairs
Office of the Inspector General
United States Office of Personnel Management

SETTLING PARTIES

DATED: _____

BY: _____

PRECISION TOXICOLOGY, LLC
PRECISION TOXICOLOGY HOLDINGS, INC.
PT INTERMEDIATE HOLDINGS, INC.

DATED: _____

BY: _____

ROBERT S. SALICDO
EMILY GERRY
Akin Gump Strauss Hauer & Feld, LLP
Counsel for Settling Parties

RELATORS

DATED: 07/23/24

BY: *Bryce Hudak*

BRYCE HUDAK

DATED: 07/23/24

BY: *Thomas Keilty*

THOMAS W. KEILTY, III
Keilty Bonadio, LLC
Counsel for Bryce Hudak

DATED: _____

BY: _____

████████████████████

DATED: _____

BY: _____

████████████████

DATED: _____

BY: _____

████████████████████

DATED: _____

BY: _____

PAUL ST. HILLAIRE
Assistant Inspector General
for Legal & Legislative Affairs
Office of the Inspector General
United States Office of Personnel Management

SETTLING PARTIES

DATED: _____

BY: _____

PRECISION TOXICOLOGY, LLC
PRECISION TOXICOLOGY HOLDINGS, INC.
PT INTERMEDIATE HOLDINGS, INC.

DATED: _____

BY: _____

ROBERT S. SALICDO
EMILY GERRY
Akin Gump Strauss Hauer & Feld, LLP
Counsel for Settling Parties

RELATORS

DATED: _____

BY: _____

BRYCE HUDAK

DATED: _____

BY: _____

THOMAS W. KEILTY, III
Keilty Bonadio, LLC
Counsel for Bryce Hudak

DATED: _____

BY: _____

DATED: _____

BY: _____

DATED: _____

BY: _____



DATED: _____

BY:



Sarah P. Alexander (Jul 31, 2024 11:08 PDT)

SARAH P. ALEXANDER
Whistleblower Partners, LLP
Counsel for [REDACTED]

DATED: _____

BY:

ELIZABETH BUONAURO

DATED: _____


BY:

CHARLIE D. WYSONG
Hughes Socol Piers Resnick & Dym
Counsel for Elizabeth Buonauro

DATED: _____


BY: _____
SARAH P. ALEXANDER
Whistleblower Partners, LLP
Counsel for [REDACTED]

DATED: 7/18/2024

BY: DocuSigned by:


34232AB5CDAA0481
ELIZABETH BUONAURO

DATED: 7/18/2024

BY: DocuSigned by:


9BBE8A02E2284FC
CHARLIE D. WYSONG
Hughes Socol Piers Resnick & Dym
Counsel for Elizabeth Buonauro

ATTACHMENT

A

ATTACHMENT A

PRESUMPTIVE BILLING CODES

80304
80307
G0479

DEFINITIVE BILLING CODES

80323
80324
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G0482
G0483

ATTACHMENT

B

ATTACHMENT B - PRECISION TOXICOLOGY, LLC FIXED SETTLEMENT PAYMENT SCHEDULE

<u>Payment Number</u>	<u>Payment Due on or Before</u>		<u>Amount Applied to Principal</u>	<u>Accrued Interest (4.25%)</u>	<u>Payment (Principal and Interest)</u>	<u>Ending Principal Balance</u>
	Initial Principal Balance	\$ 18,286,680.59				\$18,286,680.59
	Initial Interest Balance:					
	Accrued Prior To Initial Payment (January 1 - August 22)			\$ 498,249.42		
1	August 22, 2024	\$ 18,286,680.59	\$5,282,818.84	\$ 498,249.42	\$5,781,068.26	\$13,003,861.75
2	Annual Payment - 1st Year July 1, 2025	\$ 13,003,861.75	\$3,250,965.44	\$ 473,928.41	\$3,724,893.85	\$9,752,896.31
3	Annual Payment - 2nd Year July 1, 2026	\$ 9,752,896.31	\$3,250,965.44	\$ 414,498.09	\$3,665,463.53	\$6,501,930.88
4	Annual Payment - 3rd Year July 1, 2027	\$ 6,501,930.88	\$3,250,965.44	\$ 276,332.06	\$3,527,297.50	\$3,250,965.44
5	Annual Payment - 4th Year August 22, 2028	\$ 3,250,965.44	\$3,250,965.44	\$ 158,228.50	\$3,409,193.94	\$0.00
	TOTAL		\$18,286,680.59	\$ 1,821,236.48	\$20,107,917.07	

ATTACHMENT

C



LC NO. S900102

IRREVOCABLE STANDBY LETTER OF CREDIT NO. S900102

ISSUE DATE: AUGUST 23, 2024

APPLICANT:
PRECISION TOXICOLOGY, LLC
4215 SORRENTO VALLEY BLVD., SUITE 100
SAN DIEGO, CA 92121

BENEFICIARY:
UNITED STATES OF AMERICA
C/O JAMIE ANN YAVELBERG, DIRECTOR
COMMERCIAL LITIGATION BRANCH
CIVIL FRAUD SECTION
U.S. DEPARTMENT OF JUSTICE
175 N STREET, NE
WASHINGTON, D.C. 20002

EXPIRATION DATE: AUGUST 22, 2025
LETTER OF CREDIT AMOUNT: \$13,003,861.75

WE HEREBY OPEN OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. S900102 IN FAVOR OF THE BENEFICIARY ("YOU" OR "YOUR") FOR THE ACCOUNT OF PRECISION TOXICOLOGY, LLC, AND AUTHORIZE YOU TO DRAW ON US AT SIGHT TO THE EXTENT OF USD13,003,861.75 (THIRTEEN MILLION THREE THOUSAND EIGHT HUNDRED SIXTY-ONE AND 75/100 U.S. DOLLARS). THIS LETTER OF CREDIT IS AVAILABLE FOR PAYMENT UPON PRESENTATION AT OUR COUNTERS OF YOUR DRAFT(S) ON US WHEN ACCOMPANIED BY:

1. THE ORIGINAL LETTER OF CREDIT AND ANY AMENDMENT(S) IF APPLICABLE.
2. BENEFICIARY'S STATEMENT ON ITS LETTERHEAD DATED AND SIGNED BY THE ABOVE STATED BENEFICIARY, INDICATING NAME AND TITLE OF THE SIGNER USING THE WORDING AS FOLLOWS:

THE UNDERSIGNED HEREBY CERTIFIES THAT THE AMOUNT OF USD (INSERT AMOUNT) IS BEING DRAWN UNDER FIRST-CITIZENS BANK & TRUST COMPANY STANDBY LETTER OF CREDIT NO. S900102 AS A PAYMENT DUE TO UNITED STATES OF AMERICA PURSUANT TO SUBPARAGRAPH 1.C.III, IV, V AND VI OF THE FEDERAL SETTLEMENT AGREEMENT BETWEEN UNITED STATES OF AMERICA AND PRECISION TOXICOLOGY, LLC DATED AUGUST 22, 2024, BECAUSE SAID AMOUNT HAS NOT BEEN PAID AS OF THE DATE OF THIS DEMAND.

SPECIAL CONDITIONS:

ALL SIGNATURES MUST BE MANUALLY EXECUTED IN ORIGINAL.
ALL INFORMATION REQUIRED WHETHER INDICATED BY BLANKS, BRACKETS OR OTHERWISE, MUST BE COMPLETED AT THE TIME OF DRAWING.

PARTIAL DRAWINGS AND MULTIPLE PRESENTATIONS MAY BE MADE UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT, PROVIDED, HOWEVER, THAT EACH SUCH DEMAND THAT IS PAID BY US SHALL REDUCE THE AMOUNT AVAILABLE UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT.

ALL DRAFT(S) MUST BE MARKED: "DRAWN UNDER FIRST-CITIZENS BANK & TRUST COMPANY IRREVOCABLE STANDBY LETTER OF CREDIT NO S900102."

First-Citizens Bank & Trust Company, 201 S. Tryon Street, 3rd Floor, Charlotte, NC 28202
Ph: 704 339 2295 Fax: 866 483 3818

Internal

3/6



LC NO. S900102

IN THE CASE OF CANCELLATION, THE ORIGINAL STANDBY LETTER OF CREDIT AND ALL AMENDMENTS THERETO MUST BE RETURNED TO US TOGETHER WITH A WRITTEN REQUEST FROM THE BENEFICIARY STATED ABOVE REFERENCING THIS STANDBY LETTER OF CREDIT NUMBER AND AUTHORIZING ITS CANCELLATION. THIS LETTER OF CREDIT SHALL NOT BE CANCELLED WITHOUT THE AUTHORIZATION OF THE BENEFICIARY.

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT SHALL BE DEEMED TO BE AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR ONE (1) YEAR FROM THE PRESENT OR ANY FUTURE EXPIRATION DATE HEREOF, UNLESS WE HAVE SENT NOTICE TO YOU IN WRITING AT THE ABOVE ADDRESS BY CERTIFIED MAIL OR COURIER SIXTY (60) DAYS PRIOR TO ANY EXPIRATION DATE, THAT WE ELECT NOT TO EXTEND THIS LETTER OF CREDIT FOR ANY SUCH ADDITIONAL PERIOD. IN ANY EVENT THIS LETTER OF CREDIT WILL NOT BE AUTOMATICALLY EXTENDED BEYOND THE FINAL EXPIRATION DATE OF AUGUST 22, 2028.

WE HEREBY ENGAGE WITH YOU THAT DRAWING(S) MADE UNDER AND IN COMPLIANCE WITH THIS STANDBY LETTER OF CREDIT WILL BE DULY HONORED UPON PRESENTATION TO US VIA COURIER NOT LATER THAN THE CURRENT EXPIRATION DATE TO THE FOLLOWING ADDRESS: FIRST-CITIZENS BANK & TRUST COMPANY, 201 SOUTH TRYON STREET, 3RD FLOOR, CHARLOTTE, NC 28202, ATTN: STANDBY LC TEAM, PHONE: 704-339-2295/3072.

ALL BANKING CHARGES FOR THIS LETTER OF CREDIT IS FOR THE ACCOUNT OF APPLICANT.

THIS LETTER OF CREDIT ALSO REPRESENTS AN ENFORCEABLE AGREEMENT BETWEEN FIRST-CITIZENS BANK & TRUST COMPANY AND THE UNITED STATES OF AMERICA AS BENEFICIARY.

THIS LETTER OF CREDIT IS SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES 1998 ("ISP98"), INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NUMBER 590.

FIRST-CITIZENS BANK & TRUST COMPANY


AUTHORIZED SIGNATURE

FIRST-CITIZENS BANK & TRUST COMPANY


AUTHORIZED SIGNATURE

First-Citizens Bank & Trust Company, 201 S. Tryon Street, 3rd Floor, Charlotte, NC 28202
Ph: 704 339 2295 Fax: 866 483 3818

Internal