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): August 29, 2019

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

Delaware	001-38118	84-2870849
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

11099 N. Torrey Pines Road, Suite 100
La Jolla, CA 92037
(Address of Principal Executive Offices and Zip Code)

Registrant's telephone number, including area code (858) 291-7505

Constellation Alpha Capital Corp.
Emerald View, Suite 400
2054 Vista Parkway
West Palm Beach, FL 33411
(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 (see General Instruction A.2. below):

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

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

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

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.0001 per share	**DMTK**	**The Nasdaq Capital Market**
Warrants to purchase Common Stock	**DMTKW**	**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 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☒

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. ☐

INTRODUCTORY NOTE

On August 29, 2019, DermTech, Inc., formerly known as Constellation Alpha Capital Corp. (the "Company"), and DermTech Operations, Inc., formerly known as DermTech, Inc. ("DermTech Operations"), consummated the transactions contemplated by the Agreement and Plan of Merger, dated as of May 29, 2019, by and among the Company, DT Merger Sub, Inc. ("Merger Sub") and DermTech Operations, as amended by that certain First Amendment to Agreement and Plan of Merger, dated as of August 1, 2019 (the "Merger Agreement"). Pursuant to the Merger Agreement, Merger Sub merged with and into DermTech Operations, with DermTech Operations surviving as a wholly owned subsidiary of the Company (the "Business Combination"). In connection with the completion of the Business Combination, the Company domesticated from the British Virgin Islands to Delaware, and changed its name from Constellation Alpha Capital Corp. to DermTech, Inc. Capitalized terms used but not defined in this Current Report on Form 8-K have the same meaning as set forth the Registration Statement on Form S-4 (File No. 333-232181), as amended (the "Registration Statement"), declared effective by the U.S. Securities and Exchange Commission ("SEC") on August 7, 2019.

Item 1.01. Entry into a Material Definitive Agreement.

To the extent required by Item 1.01 of Form 8-K, the disclosures contained in Item 2.01 of this Current Report on Form 8-K are incorporated by reference.

Item 2.01. Completion of Acquisition or Disposition of Assets.

Business Combination, Reverse Split, and Domestication

As indicated in the Introductory Note above, the Company completed the Business Combination with DermTech Operations on August 29, 2019, in accordance with the terms of the Merger Agreement.

On August 27, 2019, in connection with the Business Combination, the Company (a) re-domiciled out of the British Virgin Islands and continued as a company incorporated in the State of Delaware pursuant to Section 184 of the BVI

Business Companies Act of 2004 (the "BVI Companies Act") and Section 388 of the Delaware General Corporations Law (the "DGCL"); (b) adopted, upon the domestication taking effect, the certificate of incorporation, attached to the Registration Statement as Annex B (the "Interim Charter"), in place of the Company's memorandum and articles of association (the "Prior Charter") formerly registered by the Registrar of Corporate Affairs in the British Virgin Islands; (c) filed a notice of continuation out of the British Virgin Islands with the British Virgin Islands Registrar of Corporate Affairs under Section 184 of the BVI Companies Act; and (d) filed the Interim Charter with the Secretary of State of Delaware, under which the Company was domesticated from the British Virgin Islands and continued as a Delaware corporation. This Interim Charter (i) removed or amended those provisions of the Prior Charter that terminated or otherwise ceased to be applicable as a result of the domestication and (ii) provided for a majority of the stockholders to act by written consent.

On August 29, 2019, immediately following the completion of the Business Combination, the Company amended and restated the Interim Charter (the "Amended and Restated Certificate of Incorporation") to (a) change the name of the Company to DermTech, Inc., (b) remove or amend those provisions of the Interim Charter which terminated or otherwise ceased to be applicable following the completion of the Business Combination, and (c) add new provisions to the Interim Charter which became applicable following the completion of the Business Combination.

On August 29, 2019, in connection with and immediately following the completion of the Business Combination, the Company filed a certificate of amendment (the "Certificate of Amendment") to the Amended and Restated Certificate of Incorporation to effect a one-for-two reverse stock split of its common stock on August 29, 2019 (the "Reverse Stock Split"). Shares of the Company's common stock, which are currently listed on The Nasdaq Capital Market, commenced trading on The Nasdaq Capital Market under the ticker symbol "DMTK" as of market open on August 30, 2019. The Company's common stock has a new CUSIP number, 24984K105. Certain of the Company's warrants, which are currently listed on The Nasdaq Capital Market, commenced trading on The Nasdaq Capital Market under the ticker symbol "DMTKW" as of market open on August 30, 2019 (the "Public Warrants"). The Public Warrants have a new CUSIP number, 24984K113.

No fractional shares were issued in connection with the Reverse Stock Split. In lieu of any fractional shares to which a holder of shares of the Company's common stock would otherwise have been entitled, the Company rounded up to the next whole share. As a result of the Reverse Stock Split, the number of issued and outstanding shares of the Company's common stock immediately prior to the Reverse Stock Split was reduced into a smaller number of shares, such that every two shares of the Company's common stock held by a stockholder immediately prior to the Reverse Stock Split were combined and reclassified into one share of the Company's common stock.

Unless otherwise noted, all references to share amounts in this Current Report on Form 8-K, including references to shares or options issued in connection with the Business Combination and the PIPE Financing (as defined below), reflect the effect of the Reverse Stock Split. The foregoing descriptions of the Amended and Restated Certificate of Incorporation and the amendment thereto do not purport to be complete and are subject to and qualified in their entirety by reference to the Amended and Restated Certificate of Incorporation and Certificate of Amendment, copies of which are included as Exhibits 3.1 and 3.2, respectively, of this Current Report on Form 8-K and incorporated herein by reference.

Pursuant to the Merger Agreement, the Company issued shares of its common stock to DermTech Operations common stockholders, at an exchange ratio of 1.16 shares of the Company's common stock for each share of DermTech Operations common stock (the "Exchange Ratio"). Immediately prior to the completion of the Business Combination, each share of preferred stock of DermTech Operations outstanding as of such time was automatically converted into one share of common stock of DermTech Operations.

In addition, pursuant to the Merger Agreement, the Company assumed DermTech Operations' Amended and Restated 2010 Stock Plan (the "2010 Plan") and all of the stock options and restricted stock units outstanding under the 2010 Plan, with these stock options and restricted stock units now representing the right to purchase or receive, as applicable, a number of shares of the Company's common stock equal to the Exchange Ratio multiplied by the number of shares of DermTech Operations common stock previously represented by the options and units. The per share exercise price for each assumed DermTech Operations option was determined by dividing (i) the per share exercise price of the underlying DermTech Operations option by (ii) the Exchange Ratio. The Company also assumed all outstanding warrants to purchase DermTech Operations common stock, with these warrants becoming

warrants to acquire, on the same terms and conditions as were applicable under such warrants, that number of shares of the Company's common stock equal to the Exchange Ratio multiplied by the number of shares of DermTech Operations common stock previously represented by these warrants.

PIPE Financing

On August 29, 2019, immediately prior to the completion of the Business Combination, the Company issued, in a private placement transaction (the "PIPE Financing"), an aggregate of 3,076,925 shares of its common stock and 1,230.77 shares of its Series A Convertible Preferred Stock for an aggregate purchase price of $24.0 million to certain accredited investors pursuant to the terms of separate Subscription Agreements and Amended and Restated Subscription Agreements, dated between May 22, 2019, and August 1, 2019, entered into by the Company and certain accredited investors (the "Subscription Agreements"). In connection with, and as a condition to the completion of the Business Combination, the Company and certain persons and entities holding Company common stock upon the consummation of the Business Combination (collectively, the "Investors") entered into a Registration Rights Agreement (the "Registration Rights Agreement"). Pursuant to the terms of the Registration Rights Agreement, the Company is obligated to file a shelf registration statement on Form S-3 to register the resale by the Investors of Company common stock issued in connection with the PIPE Financing. The Registration Rights Agreement also provides the Investors with demand, "piggy-back" and Form S-3 registration rights, subject to certain minimum requirements and customary conditions. Further, in connection with, and as a condition to the completion of the Business Combination, the Investors and certain persons and entities holding Company common stock upon the consummation of the Business Combination entered into a Lock-up Agreement (the "Lock-up Agreement") requiring each holder to agree that, during the period commencing on the completion of the Business Combination and continuing to and including the date 180 days after the date of the completion of the Business Combination, the holder would not sell, offer to sell, pledge, or transfer any Company securities held by the holder, subject to certain limited exceptions.

In connection with the PIPE Financing and on August 29, 2019, immediately following the completion of the Business Combination, the Company filed a Certificate of Designation of Preferences, Rights and Limitations for the Company's Series A Convertible Preferred Stock (the "Series A Certificate of Designation"). Pursuant to the Series A Certificate of Designation, holders of the Company's Series A Convertible Preferred Stock are entitled to receive dividends on an as-converted basis equal to and in the same form as dividends paid on shares of the Company's common stock when, as and if these dividends are paid on the Company's common stock. The Series A Certificate of Designation provides that holders of the Company's Series A Convertible Preferred Stock will participate *pari passu* with the holders of the Company's common stock on an as-converted basis in the event of dissolution, liquidation or winding up of the Company. The Series A Certificate of Designation also provides that each share of the Company's Series A Convertible Preferred Stock is convertible into shares of the Company's common stock at a conversion price per share equal to $3.25, provided that in no event may any shares of the Company's Series A Convertible Preferred Stock be convertible if the conversion would result in the holder beneficially owning more than 9.99% of the Company's then-outstanding shares of common stock. The shares of the Company's Series A Convertible Preferred Stock have no voting rights, except with respect to certain protective provisions set forth in the Series A Certificate of Designation relating to the powers, preferences and rights of such shares. The shares of the Company's Series A Convertible Preferred Stock are not redeemable.

Following the completion of the PIPE Financing, the Business Combination and the Reverse Stock Split, there were 11,964,288 shares of the Company's common stock outstanding. Immediately following the completion of the PIPE Financing, the Business Combination and the Reverse Stock Split, (i) the former DermTech Operations stockholders owned approximately 72.82% of the issued and outstanding shares of common stock of the Company, or 8,712,173 shares, and (ii) the Company's stockholders immediately prior to the completion of the PIPE Financing, the Business Combination and the Reverse Stock Split (who remained stockholders immediately following the PIPE Financing and Business Combination) owned approximately 5.74% of the issued and outstanding common stock of the Company, or 686,215 shares.

The issuance of the shares of the Company's common stock to the former stockholders of DermTech Operations was registered with the SEC on the Registration Statement. The issuance of the shares of the Company's common stock to holders of stock options and restricted stock units issued under the 2010 Plan will be registered with the SEC on a Registration Statement on Form S-8. The shares of Company common stock issued in the PIPE Financing

will be registered with the SEC on a Registration Statement on Form S-3 no later than 45 days following the completion of the Business Combination. As disclosed in the Company's Form 8-K filed with the SEC on August 28, 2019, the issuances of shares of the Company's common stock and preferred stock pursuant to the PIPE Financing and the Business Combination were approved by the Company's stockholders at the special meeting of the Company's stockholders held on August 27, 2019.

The foregoing descriptions of the Merger Agreement, Subscription Agreements, 2010 Plan, Registration Rights Agreement and Lock-up Agreement do not purport to be complete and are subject to and qualified in their entirety by reference to the Merger Agreement, Subscription Agreements, 2010 Plan, Registration Rights Agreement and Lock-up Agreement, copies of which are included as Exhibits 2.1, 10.14 – 10.27, 10.13, 10.11 and 10.10, respectively, of this Current Report on Form 8-K and incorporated herein by reference.

FORM 10 INFORMATION

Item 2.01(f) of Form 8-K states that, if the predecessor registrant was a "shell company" (as such term is defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), then the registrant must disclose the information that would be required if the registrant were filing a general form for registration of securities on Form 10. Prior to the completion of the Business Combination, as described in Item 2.01 above, the Company was a "shell company." As a result of the completion of the Business Combination, the Company has ceased to be a shell company. Accordingly, the Company is providing the information below that would be included in a Form 10 if the Company were to file a Form 10. Please note that the information provided below relates to the combined company after the consummation of the Business Combination, unless otherwise specifically indicated or the context otherwise requires.

BUSINESS

The business of the Company prior to the Business Combination is described in the Registration Statement in the section entitled "Constellation Business" beginning on page 191, which section is incorporated herein by reference. The business of DermTech Operations and of the business of the Company following the Business Combination is described in the Registration Statement in the section entitled "DermTech Business" beginning on page 166, which section is incorporated herein by reference.

RISK FACTORS

The risks associated with the Company's business are described in the Registration Statement in the section entitled "Risk Factors" beginning on page 39, which section is incorporated herein by reference.

FINANCIAL INFORMATION

The information set forth in the Registration Statement in the section entitled "DermTech Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 203 is incorporated herein by reference.

Management's Discussion and Analysis of Financial Condition and Results of Operations

As a result of the completion of the Business Combination, the financial statements of DermTech Operations are now the financial statements of the Company. Thus, the following discussion and analysis should be read in conjunction with the consolidated financial statements and related notes of DermTech Operations included elsewhere in this filing. This discussion contains forward-looking statements reflecting the Company's current expectations, estimates, plans and assumptions concerning events and financial trends that involve risks and may affect the Company's future operating results or financial position. Actual results and the timing of events may differ materially from those contained in these forward-looking statements due to a number of factors, including those discussed in the Registration Statement in the sections entitled "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors," beginning on pages 36 and 39, respectively."

Overview

The Company is an emerging growth diagnostics company developing and marketing novel non-invasive gene expression tests to aid in the diagnosis of various skin conditions, including skin cancer, inflammatory diseases, and aging-related conditions. The Company's technology provides a highly accurate alternative to surgical biopsy, eliminating patient pain, scarring, and risk of infection, while maximizing convenience. The Company's scalable gene expression assays have been designed to work with a proprietary "adhesive patch biopsy" that provides a tissue sample for analysis non-invasively.

The Company is initially commercializing tests that will address unmet needs in the diagnostic pathway of pigmented skin lesions, such as moles or dark colored skin spots. The Company's current products facilitate the clinical assessment of pigmented skin lesions for melanoma. DermTech processes its tests in a high complexity molecular laboratory that is Clinical Laboratory Improvement Amendments of 1988, or CLIA, certified. The Company has initially marketed its tests directly to a concentrated group of dermatologists and plans to eventually market the test to primary care physicians and through telemedicine channels. The Company also provides CLIA laboratory services to large pharmaceutical companies on a contract basis for their use in their clinical trials for new drugs. The Company has a history of net losses since its inception.

Events, Trends and Uncertainties

The Company filed an application for a technology assessment for its Pigmented Lesion Assay, or PLA, with MolDX (Medicare) in April of 2018, and the comment period for the accompanying Medicare Draft Local Coverage Decision, or Draft LCD, closed in August of 2018. In March 2019, a Draft LCD proposed favorable coverage for the PLA. The final policy is expected by the Company in the second half of 2019 and the Company expects to experience a significant revenue increase after CMS approval because of the opportunity to approach private payors. The Company believes that, if Medicare coverage is granted, PLA may generate significant revenues in the second and third years following such coverage grant.

If a Medicare Final Coverage Decision reverses the coverage proposal in the Draft LCD, the Company's business will be significantly impacted due to lack of Medicare coverage. Uncertainty surrounds third-party payer reimbursement, including governmental and private payers, of any test incorporating new technology, including tests developed using the Company's technologies. Technology assessments of new medical tests conducted by research centers and other entities may be disseminated to interested parties for informational purposes. Third-party payers and health care providers may use such technology assessments as grounds to deny coverage for a test or procedure.

Because each payer generally determines for its own enrollees or insured patients whether to cover or otherwise establish a policy to reimburse the Company's tests, seeking payer approvals is a time-consuming and costly process. the Company cannot be certain that coverage for the Company's current tests and the Company's planned future tests will be provided in the future by additional third-party payers or that existing policy decisions, or reimbursement levels will remain in place or be fulfilled under existing terms and provisions. If the Company cannot obtain coverage and reimbursement from private and governmental payers such as Medicare and Medicaid for the Company's current tests, or new tests or test enhancements that it may develop in the future, the Company's ability to generate revenues could be limited, which may have a material adverse effect on its financial condition, results of operations, and cash flows.

Financial Overview

Revenue

The Company is an emerging growth company and recognizes revenue through CLIA laboratory services that are billed to private medical insurance companies and to pharmaceutical companies who order the Company's CLIA laboratory services, which can include sample collection kits, assay development, gene expression analysis, data analysis and reporting. The Company's revenue is generated from two revenue streams, assay revenue and contract revenue.

Assay Revenue

The Company generates revenues from its PLA and Nevome services it provides to dermatologists in various states throughout the U.S. to assist in a clinician's diagnosis of melanoma. The Company utilizes its sales force to provide dermatologists with its adhesive sample collection kits to perform non-invasive skin biopsies of clinically ambiguous pigmented skin lesions on patients. Once the sample is collected by the dermatologists, it is returned to the Company's CLIA laboratory for analysis. The patient RNA and DNA are extracted from the adhesive patch collection kit and analyzed using gene expression technology to determine if the pigmented skin lesion contains certain genomic features indicative of melanoma. Upon completion of the gene expression analysis, a final report is drafted and provided to the dermatologists detailing the results of the pigmented skin lesion indicating whether the sample collected is indicative of melanoma or not. The Company considers all services to be complete upon the delivery of this final report and records revenue as of the date of the final report using the full accrual method based upon historical collection experience.

For many PLA and Nevome services performed within the U.S., the payment the Company receives depends upon the rate of reimbursement from commercial third-party payors and government payors. The Company is not a participating provider with most commercial third-party payors and, therefore, does not have specific coverage decisions from those third-party payors for their services with established payment rates. Currently, most of the commercial third-party payors that reimburse the Company's claims do so based upon the Current Procedural Terminology. codes, the predominant methodology, or based on other methods such as percentages of charges or other formulas that are not made known to the Company. Coverage and payment is determined by each third-party payor on a case by case basis. The Company's efforts in obtaining reimbursement based on individual claims, including pursuing appeals or reconsiderations of claim denials, take a substantial amount of time, and bills may not be paid for many months. Furthermore, if a third party payor denies coverage after final appeal, payment may not be received at all.

Contract Revenue

Contract revenue is generated from the sale of CLIA laboratory services and adhesive sample collection kits to third party companies through contract research agreements. CLIA laboratory revenues result from providing gene expression tests to facilitate the development of drugs designed to treat dermatologic conditions typically through clinical trials performed by third party companies. The provision of gene expression services may include sample collection using the Company's patented adhesive patch biopsy devices, assay development for research partners, RNA isolation, expression, amplification and detection, including data analysis and reporting. Contract revenue is ordered by customers on projects that may span over several years. Segments of these contracts may be increased, delayed or eliminated based on the success of the customers' clinical trials and other factors.

Operating Expenses

In recent years, the Company has incurred significant costs in connection with the development of its tests. The Company expects its expenses to continue to increase for the foreseeable future as the Company conducts studies of its current tests and its planned other tests, grows its sales and marketing organization, drives adoption of and seeks reimbursement for its tests, and develops new tests. As a result, the Company needs to generate significant revenues in order to achieve sustained profitability. Below is a breakdown of the main cost centers of the Company and the primary costs that are incurred by each department on a regular and continued basis:

Sales and Marketing Expenses

Sales and marketing expenses are primarily related to the Company's specialty field sales force, consisting of salaries, commission compensation, fringe benefits, auto/travel and meals & entertainment expenses. Outside of the Company's sales force significant expenses are incurred related to market research, reimbursement efforts, trade show attendance, advertising and public relations expenses. The Company expects sales and marketing expenses to grow significantly in the near- and long-term future due to a continued focus on growing the sales force to drive an increase in volume of assay services.

Research and Development Expenses

The Company's research and development, or R&D, expenses consist primarily of salaries and fringe benefits, clinical trials, consulting costs, facilities, laboratory supplies, equipment expense, and depreciation. The Company also conducts clinical trials to validate the performance characteristics of its tests and to show medical cost benefit in support of its reimbursement efforts. The Company expects these expenses to increase significantly as it continues to develop new products and expand the use of its existing products.

General and Administrative Expenses

The Company's general and administrative expenses consist of senior management compensation, consulting, legal, billing and collections, human resources, information technology, accounting, insurance, and general business expenses. The Company expects its general and administrative expenses, especially insurance, accounting, and legal fees, to increase after the consummation of the Business Combination.

Results of Operations

Three and Six Months Ended June 30, 2018 and June 30, 2019

Assay Revenue

As much of the Company's assay revenue is driven by the samples that are sent by physicians and physician assistants to the Company's central lab for testing, a key performance measure for the Company are samples that are received and processed by its central lab successfully, also known as billable samples. Billable samples decreased to 2,875 for the three months ended June 30, 2019 compared to 3,107 for the three months ended June 30, 2018. As a result of the decrease in billable samples, assay revenues decreased $15,000 or 5% to $285,000 for the three months ended June 30, 2019 compared to $300,000 for the three months ended June 30, 2018. Billable samples decreased to 5,213 for the six months ended June 30, 2019 compared to 5,406 for the six months ended June 30, 2018. As a result of the decrease in billable samples, assay revenues decreased $12,000 or 2% to $520,000 for the six months ended June 30, 2019 compared to $532,000 for the six months ended June 30, 2018. Sample volume is dependent on two major factors; the number of physicians or physician assistants who order an assay in any given quarter and the number of assays ordered by each physician during the period. The number of ordering physicians and the utilization per physician can vary based on a number of factors including the types of patients presenting skin cancer conditions, physician reimbursement, office workflow, market awareness, physician education and other factors.

Contract Revenue

Contract revenues with major pharmaceutical companies decreased $50,000 or 13% to $329,000 for the three months ended June 30, 2019, compared to $379,000 for the three months ended June 30, 2018. Contract revenues with major pharmaceutical companies increased $50,000 or 8% to $690,000 for the six months ended June 30, 2019, compared to $640,000 for the six months ended June 30, 2018. Contract revenue can be highly variable as it is dependent on the pharmaceutical customers' clinical trial progress, which can be difficult to forecast due to variability of patient enrollment, drug safety and efficacy and other factors. Many of the Company's contracts with third parties are structured to contain milestone billing payments, which typically are advanced payments on work yet performed. These advanced payments are structured to help fund operations and are included in deferred revenue as the work has not yet been performed. At June 30, 2019, the deferred revenue amount for these contracts, which is the advanced payments minus the value of work performed, was $1.1 million. These advanced payments will remain in deferred revenue until the Company processes the laboratory portion of the contracts allowing it to recognize the revenue.

Cost of Revenue

Cost of revenues decrease $2,000 to $686,000 for the three months ended June 30, 2019 compared to $688,000 for the three months ended June 30, 2018. Cost of revenues decreased $30,000 to $1.3 million for the six months ended June 30, 2019 compared to $1.4 million for the six months ended June 30, 2018. The decrease was largely due to

lower collection kit costs due to the lower billable sample volume in 2019. In addition, the Company has been focused on automating more processes within its central laboratory in order to reduce costs and improve efficiency. At current capacity, a majority of the costs of revenue are fixed and these costs include the CLIA facility, quality assurance, management and supervision and equipment calibration and depreciation. Much of the costs incurred primarily relate to salaries and benefits, laboratory supplies, shipping costs, equipment maintenance and calibration, utilities and depreciation. In the near- and long-term future, the Company remains committed to continuing the automation of its laboratory processes in order to become more cost efficient and productive.

Operating Expenses

Sales and Marketing

Sales and marketing expenses increased $253,000 or 33% to $1.0 million for the three months ended June 30, 2019 compared to $779,000 for the three months ended June 30, 2018. Sales and marketing expenses increased $398,000 or 27% to $1.9 million for the six months ended June 30, 2019 compared to $1.5 million for the six months ended June 30, 2018. The increase was primarily attributable to higher compensation related costs from the hiring of a new Chief Commercial Officer and expansion of the existing sales force as well as increased spending on advertising activities to increase market exposure. As additional funding becomes available and approval by Medicare nears, the Company expects to significantly add to the Company's specialty sales force and payer access teams in the second half of 2019 and throughout 2020. This would significantly increase the Company's sales and marketing expenses.

Research and Development

Research and development expenses decreased $30,000 or 6% to $518,000 for the three months ended June 30, 2019 compared to $548,000 for the three months ended June 30, 2018. The decrease is attributable to reduced spending on laboratory supplies and statistician consultants. Research and development expenses increased $23,000 or 2% to $1.1 million for the six months ended June 30, 2019 compared to $1.1 million for the six months ended June 30, 2018. The increase was due to higher clinical trial costs, which are variable depending on when the studies are being conducted. The Company has several clinical trials underway that seek to add additional positive data to the clinical utility of the PLA assay that can be published in peer-reviewed journals. The primary expenses in R&D include compensation related costs, clinical trials, facility related expenses and lab supplies. The Company expects these expenses to increase as it continues the development of its basal and squamous cell skin cancer assays and other products.

General and Administrative

General and administrative expenses increased $793,000, or 87%, to $1.7 million for the three months ended June 30, 2019 compared to $779,000 for the three months ended June 30, 2018. General and administrative expenses increased $1.5 million, or 82%, to $3.2 million for the six months ended June 30, 2019 compared to $1.8 million for the six months ended June 30, 2018. The increase was largely due to higher audit and legal costs surrounding the filing of the Registration Statement in connection with the Business Combination and preparing quarterly financial statements. When the Business Combination is completed, the Company expects to have increased public company expenses including much higher legal, accounting, stock exchange and insurance costs. Also, as the Company grows its sales force, additional infrastructure such as human resources, information technology and legal resources will be necessary. Ongoing expenses include salaries and benefits, facility costs, billing and collections, auditing, legal and insurance expenses.

Interest Expense

Interest expense increased $320,000 to $324,000 for the three months ended June 30, 2019 compared to interest expense of $4,000 for the three months ended June 30, 2018. Interest expense increased $2.3 million to $2.3 million for the six months ended June 30, 2019 compared to interest expense of $8,000 for the six months ended June 30, 2018. The significant increase was primarily due to the interest and amortization of debt discount related to the Company's outstanding convertible bridge notes. The Company expects this substantial increase in interest expense

to be non-recurring in the near future as the convertible bridge notes are expected to be converted into common stock immediately prior to the completion of the Business Combination.

Other Expense

Other expense of $40,000 and $224,000 for the three and six months ended June 30, 2019, respectively, is related to change in fair value of derivative liability of the outstanding convertible bridge notes from financial reporting periods. The Company expects this to be a non-recurring expense in the near future as the outstanding convertible bridge notes are expected to be converted into common stock immediately prior to the completion of the Business Combination.

Liquidity and Capital Resources

The Company has never been profitable and has historically incurred substantial net losses, including net losses of $8.4 million in 2017 and $10.0 million in 2018. As of June 30, 2019, the Company's accumulated deficit was $80.3 million and it had a $13.7 million working capital deficiency. The Company has historically financed operations through private placement equity and convertible debt offerings.

The Company expects its losses to continue as a result of costs relating to ongoing research and development expenses and increased sales and marketing costs for existing and planned products. These losses have had, and will continue to have, an adverse effect on the Company's working capital. Because of the numerous risks and uncertainties associated with its commercialization and development efforts, the Company is unable to predict when it will become profitable, and it may never become profitable. The Company's inability to achieve and then maintain profitability would negatively affect the Company's business, financial condition, results of operations and cash flows.

As of June 30, 2019, the Company's cash and cash equivalents totaled approximately $2.1 million. Based on the Company's current business operations, the Company believes the net proceeds from the Business Combination, together with its current cash and cash equivalents, will be sufficient to meet its anticipated cash requirements for the 18-month period following the completion of the Business Combination. If the Company's available cash balances, net proceeds from the Business Combination, and anticipated cash flow from operations are insufficient to satisfy the Company's liquidity requirements including due to changes in the Company's business operations, a lengthier sales cycle, lower demand for its products or other risks, the Company may seek to raise additional capital through equity offerings, debt financings, collaborations or licensing arrangements. The Company may also consider raising additional capital in the future to expand its business, to pursue strategic investments or to take advantage of financing opportunities. The Company's present and future funding requirements will depend on many factors, including:

- the Company's revenue growth rate and ability to generate cash flows from operating activities;
- the Company's sales and marketing and research and development activities;
- effects of competing technological and market developments;
- costs of and potential delays in product development;
- changes in regulatory oversight applicable to the Company's tests; and
- costs related to international expansion.

Cash Flow Analysis

Six Months Ended June 30, 2019

Net cash used in operating activities for the six months ended June 30, 2019 totaled $5.3 million, primarily driven by the $8.8 million net loss offset by non-cash related items, including $1.8 million in amortization of the convertible bridge notes debt discount, $515,000 in stock-based compensation and $224,000 in the change in the

convertible bridge notes derivative liability. In addition, the Company amassed $685,000 million of cash inflow through the build up of accounts payables and accrued compensation.

Net cash used in investing activities totaled $12,000, which relates to the purchase of laboratory equipment. As the Company scales its sales force and the resulting assay volume, additional laboratory equipment investment will be needed to install complex automation systems and other genomic testing equipment.

Net cash provided by financing activities was $2.6 million for the six months ended June 30, 2019, which was predominantly driven by the $2.6 million raised in the issuance of additional convertible bridge notes. In order to continue to fund operations, the Company expects to complete the Business Combination, which will produce an influx of capital.

Contractual obligations

As of June 30, 2019, future minimum payments due under the Company's contractual obligations are as follows:

	Payments Due by Period				
	Total	Less than 1 year	1-2 Years	2-3 Years	Thereafter
Operating lease obligations (1)	$1,150,681	$ 407,885	$420,122	$322,674	$ —
Convertible bridge notes (2)	$9,748,901	$ 9,748,901	$ —	$ —	$ —
WSGR note payable (3)	$ 572,926	$ 572,926	$ —	$ —	$ —

(1) The Company rents an office and laboratory facility in which the current lease expires in March 2022. This amount reflects base rent only.
(2) Amounts represent contractual amounts due under the outstanding convertible bridge notes that were issued in 2018 and 2019. The notes issued in 2018 include a fixed interest rate that increased to from 10% to 15% on April 1, 2019. The notes issued in 2019 include a fixed interest rate of 10%.
(3) Amounts represent contractual amounts due under the WSGR note payable, including interest based on a 3% fixed interest rate.

Going Concern Consideration

The accompanying financial statements of the Company included in this filing have been prepared assuming the Company will continue as a going concern. As of June 30, 2019, the Company has incurred net losses since its formation and has an accumulated deficit of $80.3 million and a working capital deficiency of $13.9 million. The Company does not have adequate cash on hand to fund operations for the next year. These conditions raise substantial doubt about the Company's ability to continue as a going concern.

Between June 5th and June 10th, 2019, the Company entered into several convertible note agreements for gross proceeds of $2.6 million, for the sole purpose of funding the Company's operations. These convertible bridge notes carry an interest rate of 10% and mature after the earliest to occur of: (i) September 25, 2019; (ii) the occurrence of an Event of Default; (iii) the consummation of a liquidation or dissolution of the Company; (iv) a Liquidation Transaction: or (v) the consummation of a merger of the Company with DT Merger Sub, Inc., a subsidiary of Constellation Alpha Capital Corp., in accordance with the Agreement and Plan of Merger, dated as of May 29, 2019, or a Qualifying Merger.

The Company has evaluated the expected cash requirements for a 12-month period from the issuance date of the June 30, 2019 financial statements through September 2020. Management intends to pursue debt financings and a strategic merger transaction with Constellation Alpha Capital Corp. ("Constellation") in order to fund future operations. Immediately prior to the completion of the Business Combination, Constellation expects to raise $24.0 million through a PIPE financing. The proceeds from the PIPE financing will remain with the combined company. Management believes this will be sufficient to provide the Company with the ability to continue, to support its planned operations and to continue developing and commercializing gene expression tests through

September 2020 and for the 18-month period following the completion of the Business Combination. There can be no assurances as to the availability of additional financing or the terms upon which additional financing may be available to the Company. If the Company is unable to obtain sufficient funding at acceptable terms, it may be forced to significantly curtail its operations, and the lack of sufficient funding may have a material adverse impact on the Company's ability to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Off-balance sheet financing arrangements

The Company has no obligations, assets or liabilities which would be considered off-balance sheet arrangements as defined in Item 303(a)(4)(ii) of Regulation S-K. The Company does not participate in transactions that create relationships with unconsolidated entities or financial partnerships, often referred to as variable interest entities, which would have been established for the purpose of facilitating off-balance sheet arrangements. The Company has not entered into any off-balance sheet financing arrangements, established any special purpose entities, guaranteed any debt or commitments of other entities, or purchased any non-financial assets.

Recent Developments

Completion of the Business Combination

The Company announced on September 3, 2019 that it completed the Business Combination. As a result of the Business Combination, the previous DermTech Operations stockholders own a controlling interest in the Company. Shortly following the completion of the Business Combination, the Company changed its name from Constellation Alpha Capital Corp. to DermTech, Inc., and effected a one-for-two reverse stock split of its common stock. As of August 30, 2019, the Company's common stock and certain of its warrants began trading on the Nasdaq Capital Market under the ticker symbols "DMTK" and "DMTKW," respectively.

The Business Combination was funded through proceeds received from the PIPE Financing at a split-adjusted price of $6.50 per common share, and cash remaining in Constellation's trust account after giving effect to stockholder redemptions. As a result of the Business Combination, the Company has access to approximately $29 million of gross capital, exceeding the $15 million closing cash requirement previously announced. The Company expects the proceeds received from the Business Combination to fund its operations for the 18-month period following August 29, 2019, the date of the completion of the Business Combination.

Immediately following the completion of the Business Combination, all of Constellation's officers and directors resigned. DermTech Operations's senior management has been appointed to serve in their current roles at the Company, and all of the members of DermTech Operations's board have been appointed to the Company's board. In particular, Dr. John Dobak, CEO of DermTech Operations, will serve as CEO of the Company, and Matthew Posard, Chairman of DermTech Operations's board, will serve as Chairman of the Company's board. In addition, Enrico Picozza of HLM Venture Partners has been appointed as a director of the Company's board.

Critical Accounting Policies and Significant Judgements and Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses reported during the period. On an ongoing basis, management evaluates these estimates and judgments, including those related to test revenue, warrants, stock-based compensation, accounts receivable, expense accruals, convertible debt, the realization of deferred tax assets, and common and preferred stock valuations. Actual results may differ from those estimates. The Company has identified the following critical accounting policies:

Revenue Recognition

The Company's revenue is generated from two revenue streams, contract revenue and assay revenue. The Company accounts for revenue in accordance with Accounting Standards Codification ("ASC") Topic 606, Revenue from Contracts with Customers ("ASC 606"). The core principle of ASC 606 is that the Company recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The ASC 606 revenue recognition model consists of the following five steps: (1) identify the contracts with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract and (5) recognize revenue when (or as) the entity satisfies a performance obligation.

The Company recognizes revenue from its contract and assay goods and service in accordance with that core principles and key aspects considered by the Company include the following:

(a) Contract Revenue

Contract revenue is generated from the sale of CLIA laboratory services and adhesive sample collection kits to third party companies through contract research agreements. CLIA laboratory revenues result from providing gene expression tests to facilitate the development of drugs designed to treat dermatologic conditions. The provision of gene expression services may include sample collection using the Company's patented adhesive patch biopsy devices, assay development for research partners, RNA isolation, expression, amplification and detection, including data analysis and reporting.

Contracts

As part of the Company's contract revenue, it has established contracts and work orders with all big pharma partners that fall under the scope of ASC 606.

Performance obligations

ASC 606 requires an entity to assess the goods or services promised in a contract and identify as a performance obligation each promise to transfer to the customer either a good or service (or a bundle of goods or services) that is distinct, or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer. Based upon review of existing contracts, a majority of the Company's contract revenue contracts contain three performance obligations:

(1) Adhesive patch kits

(2) RNA extractions

(3) Certain project management fees

Many of the contract revenue contracts contain promises such as start-up activities and quality system setup fees, which are activities that are performed to fulfill the contract and they do not transfer any good or service to the customer. These promises encompass the administrative tasks associated with beginning and initiating a new project or study with a big pharma company. In accordance with ASC 606, an entity does not account for these activities as a promised good or service within the contract nor evaluate whether they are a performance obligations.

Transaction price

The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

The transaction prices of all the performance obligations are listed in each contract on a per unit basis and are fixed based for the adhesive patch kits and RNA extractions. The project management fees are assessed based on a monthly service fee which range within the contracts depending on certain factors which include length of project and amount of kits or RNA extractions promised within the contract. The fixed and variable rates are materially

consistent within all contracts. Therefore, the Company utilizes the prices listed in each of the Company's contracts as the transaction price for each performance obligation.

In determining the transaction price, ASC 606 requires an entity to adjust the promised amount of consideration for the effects of the time value of money if the contract contains a significant financing component. All contracts state fixed transaction prices for each deliverable associated with the contract and does not qualify for the significant financing component of ASC 606.

Allocate the transaction price

All contracts have a directly observable transaction price pertaining to each promised good or service. Those prices are consistent across all contracts for adhesive patch kits and RNA extractions, with the exception of project management fees, which encompass a sufficiently narrow range of prices that are dictated upon factors of each contract previously discussed above. Therefore, the Company relies on those transaction prices as the basis to allocate the stand-alone selling prices to the performance obligations of the contract.

Most contracts contain a discount that is allocated to all items within the contract, whether they are performance obligations or not. Those items that are not performance obligations (e.g. quality system setup and start up fees) have the associated discount allocated to the transaction prices of the performance obligations evenly.

Recognize Revenue

An entity should recognize revenue when (or as) it satisfies a performance obligation by transferring a promised good or service to a customer. A good or service is transferred when (or as) the customer obtains control of that good or service. The adhesive patch kits are recognized as point in time when shipped to the customer. The RNA extraction is recognized at a point in time when the extraction process is complete and the results are sent to the customer. The Company provides project management service over the life of the contract, providing equal benefit to the customer throughout the life of the project or study. Therefore, the revenue related to project management fees is recognized straight-line over the life contract.

(b) Assay Revenue

The Company generates revenues from its PLA and Nevome services it provides to dermatologists in various states throughout the U.S. to assist in a clinician's diagnosis of melanoma. The Company provides participating dermatologists with its adhesive sample collection kits to perform non-invasive skin biopsies of clinically ambiguous pigmented skin lesions on patients. Once the sample is collected by the dermatologists, it is returned to the Company's CLIA laboratory for analysis. The patient RNA and DNA is extracted from the adhesive patch collection kit and analyzed using gene expression technology to determine if the pigmented skin lesion contains certain genomic features indicative of melanoma. Upon completion of the gene expression analysis, a final report is drafted and provided to the dermatologists detailing the results of the pigmented skin lesion indicating whether the sample collected is indicative of melanoma or not. A detailed analysis of payments made to the Company by private health insurance companies for the assays over several quarters is used to estimate the ultimate receipt of funds for payment of billed amounts. These payments can vary widely from insurer to insurer and can be halted for routine audits or other reasons.

Insurance Payer Contracts

The Company's customer is the patient. However, the Company does not enter into a formal reimbursement contract with a patient, as formal reimbursement contracts are more commonly established with insurance payers. Accordingly, the Company establishes a contract with a patient in accordance with other customary business practices.

- Approval of a contract is established by the use of the adhesive patch kit on a patient by an ordering physician, which is then sent to the Company's central lab for testing.

- The Company is obligated to perform its laboratory services upon receipt of a sample from a physician, and the patient and/or applicable payer are obligated to reimburse us for services rendered based on the patient's insurance benefits.
- Payment terms are a function of a patient's existing insurance benefits.
- Once the patient's test results are delivered to the ordering physician, the Company is legally able to collect payment and bill an insurer and/or patient, depending on payer contract status or patient insurance benefit status.
- Consideration is deemed to be variable, and the Company considers collection of such consideration to be probable to the extent that it is unconstrained.

Performance obligations

A performance obligation is a promise in a contract to transfer a distinct good or service (or a bundle of goods or services) to the customer. The customer is able to order a PLA test. However, a Nevome test cannot be ordered separately from the PLA test and it is contingent on being run only when a PLA test comes back positive on a sample. The Nevome test would not qualify as a distinct service. Therefore, the PLA test is recognized as a single performance obligation and the Nevome test, if rendered, is bundled with the single PLA performance obligation.

Transaction price

The transaction price is the amount of consideration that the Company expects to collect in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, some sales taxes). The consideration expected from a contract with a customer may include fixed amounts, variable amounts, or both.

The consideration derived from the Company's contracts is deemed to be variable, though the variability is not explicitly stated in any contract. Rather, the implied variability is due to several factors, such as the amount of contractual adjustments, any patient co-payments, deductibles or patient compliance incentives, the existence of secondary payers and claim denials.

The Company estimates the amount of variable consideration using the expected value method, which represents the sum of probability-weighted amounts in a range of possible consideration amounts. When estimating the amount of variable consideration, the Company considers several factors, such as historical collections experience, patient insurance eligibility and payer reimbursement contracts.

The Company limits the amount of variable consideration included in the transaction price to the unconstrained portion of such consideration. In other words, the Company recognizes revenue up to the amount of variable consideration that is not subject to a significant reversal until additional information is obtained or the uncertainty associated with the additional payments or refunds is subsequently resolved. Differences between original estimates and subsequent revisions, including final settlements, represent changes in the estimate of variable consideration and are included in the period in which such revisions are made.

The Company monitors its estimates of transaction price to depict conditions that exist at each reporting date. If the Company subsequently determines that it will collect more consideration than it originally estimated for a contract with a patient, it will account for the change as an increase in the estimate of the transaction price (i.e., an upward revenue adjustment) in the period identified. Similarly, if the Company subsequently determines that the amount it expects to collect from a patient is less than it originally estimated, it will generally account for the change as a decrease in the estimate of the transaction price (i.e., a downward revenue adjustment), provided that such downward adjustment does not result in a significant reversal of cumulative revenue recognized.

When the Company does not have significant historical experience or that experience has limited predictive value, the constraint over estimates of variable consideration may result in no revenue being recognized upon delivery of a patient's test result to the ordering physician, with recognition, generally occurring at the date of cash receipt.

Allocate the transaction price

The entire transaction price is allocated entirely to the single performance obligation contained within the contract with a patient.

Recognize revenue

The Company's single performance obligation is satisfied at a point in time, and that point in time is defined as the date a patient's successful test result is delivered to the patient's ordering physician. The Company considers this date to be the time at which the patient obtains control of the final results of the promised test service.

If a Nevome test service is ordered and completed in conjunction with the Company's PLA service, then the Company will recognize revenue point in time upon the delivery of the both final reports to the physician. The delivery of the Company's Nevome test results is commonly after the Company's PLA results are delivered due to the circumstances of how the Company processes the Nevome test. However, this length in time is determined to not materially impact the final overall revenue recognition timing.

Net Loss Per Share

Basic and diluted net loss per common share is determined by dividing net loss applicable to common shareholders by the weighted average common shares outstanding during the period. Because there is a net loss attributable to common shareholders for the financial periods presented in this filing, the outstanding common stock warrants, stock options, restricted stock units and preferred stock have been excluded from the calculation of diluted loss per common share because their effect would be anti-dilutive. Therefore, the weighted average shares used to calculate both basic and diluted loss per share are the same.

Stock-Based Compensation

Compensation costs associated with stock option awards and other forms of equity compensation are measured at the grant-date fair value of the awards and recognized over the requisite service period of the awards on a straight-line basis.

The Company grants stock options to purchase common stock to employees with exercise prices equal to the fair market value of the underlying stock, as determined by the board of directors, management and outside valuation experts. The board of directors and outside valuation experts determine the fair value of the underlying stock by considering a number of factors, including historical and projected financial results, the risks the Company faced at the time, the preferences of the Company's debt holders and preferred stockholders, and the lack of liquidity of the Company's common stock.

The fair value of each stock option award is estimated using the Black-Scholes-Merton valuation model. Such value is recognized as expense over the requisite service period, net of estimated forfeitures, using the straight-line method. The expected term of options is based on the simplified method which defines the expected term as the average of the contractual term of the options and the weighted average vesting period for all option tranches. The expected volatility of stock options is based upon the historical volatility of a number of related publicly traded companies in similar stages of development. The risk-free interest rate is based on the average yield of U.S. Treasury securities with remaining terms similar to the expected term of the stock-based awards. The assumed dividend yield was based on the Company's expectation of not paying dividends in the foreseeable future.

The Company accounts for stock options to non-employees using the fair value approach. The fair value of these options is measured using the Black-Scholes-Merton option pricing model, reflecting the same assumptions applied to employee options, other than expected life, which is assumed to be the remaining contractual life of the award. Options that are granted to employees have a requisite service period of four years. Equity instruments awarded to non-employees are periodically re-measured as the underlying awards vest unless the instruments are fully vested, immediately exercisable, and non-forfeitable on the date of grant.

Restricted stock units are considered restricted stock. The fair value of restricted stock is equal to the fair market value of the underlying stock, as determined by the board of directors, management and input from outside valuation experts. The Company recognizes stock-based compensation expense based on the fair value on a straight-line basis over the requisite service periods of the awards, taking into consideration estimated forfeitures. RSUs that are granted to employees have a requisite service period between two and four years.

Fair Value Measurements

The Company uses a three-tier fair value hierarchy to prioritize the inputs used in the Company's fair value measurements. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets for identical assets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Recent accounting pronouncements

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)," which requires lessees to generally recognize on the balance sheet operating and financing lease liabilities and corresponding right-of-use assets, and to recognize on the income statement the expenses in a manner similar to current practice. In July 2018, the FASB issued ASU 2018-10, "Codification Improvements to Topic 842, Leases" and ASU 2018-11, "Leases (Topic 842): Targeted Improvements", which improves the clarity of the new lease standard and corrects unintended application of the guidance. In December 2018, the FASB issued ASU 2018-20, "Narrow-Scope Improvements for Lessors", which increases transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing transactions. This new standard is effective for interim and annual periods beginning January 1, 2020 and early adoption is permitted. The Company is currently evaluating the impact of this standard on its financial statements.

In June 2019, the FASB issued ASU 2018-07, "Compensation—Stock Compensation (Topic 718)—Improvements to Nonemployee Share-Based Payment Accounting", which simplifies accounting for nonemployee stock-based payment transactions resulting from expanding the scope of Topic 718, Compensation—Stock Compensation, to include stock-based payment transactions for acquiring goods and services from nonemployees. This new standard is effective for interim and annual periods beginning December 15, 2019 and early adoption is permitted. The Company is currently evaluating the impact of this standard on its financial statements.

In August 2018, the FASB issued ASU 2018-13, "Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement", which modified the disclosure requirements on fair value measurements in Topic 820, Fair Value Measurement, based on the concepts in the Concepts Statement, including the consideration of costs and benefits. This new standard is effective for interim and annual periods beginning December 15, 2019 and early adoption is permitted. The Company is currently evaluating the impact of this standard on its financial statements.

PROPERTIES

The disclosure regarding the properties of the Company and its subsidiaries set forth in the Registration Statement in the section entitled "DermTech Business—Facilities" beginning on page 190, which section is incorporated herein by reference.

DermTech Operations's lease and each of its three amendments are included as Exhibits 10.30 – 10.33 of this Current Report on Form 8-K and are incorporated herein by reference.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information concerning the ownership of the Company's common stock immediately following the completion of the Business Combination on August 29, 2019, by (i) those persons who are known to the Company to be the beneficial owner(s) of more than five percent of the Company's common stock,

(ii) each of the Company's directors and named executive officers and (iii) all directors and executive officers of the Company as a group. The share numbers in the table and in the footnotes thereto, as well as the share numbers discussed in this section below, reflect the effects of the Reverse Stock Split and the Exchange Ratio.

The number of shares beneficially owned by each entity, person, director or executive officer is determined in accordance with the rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership generally includes any shares over which the individual has sole or shared voting power or investment power as well as any shares that the individual has the right to acquire within 60 days of August 29, 2019, through the exercise of stock options, warrants or other rights. Unless otherwise indicated in the footnotes to this table, the Company believes each of the stockholders named in this table has sole voting and investment power with respect to the shares indicated as beneficially owned.

The percentage of shares beneficially owned is computed on the basis of 11,964,288 shares of the Company's common stock outstanding immediately following the completion of the PIPE Financing, Business Combination and Reverse Stock Split on August 29, 2019. Shares of the Company's common stock that an entity, person, director or named executive officer has the right to acquire within 60 days of August 29, 2019, including common stock subject to (i) stock options exercisable within 60 days of August 29, 2019, (ii) warrants exercisable within 60 days of August 29, 2019, (iii) restricted stock units vesting within 60 days of August 29, 2019, and (iv) preferred stock convertible within 60 days of August 29, 2019, are in each case deemed outstanding for purposes of computing the percentage ownership of the person holding such rights, but are not deemed outstanding for purposes of computing the percentage ownership of any other person, except with respect to the percentage ownership of all directors and executive officers as a group. Unless otherwise indicated below, the address of each beneficial owner listed is c/o DermTech, Inc., 11099 N. Torrey Pines Road, Suite 100, La Jolla, CA 92037.

Name and Address of Beneficial Owner	Shares Beneficially Owned	Percentage of Beneficial Ownership
5% or Greater Stockholders		
Entities and persons affiliated with Gary Jacobs(1)	1,326,229	11.05%
Irwin & Joan Jacobs Trust 6-2-80(2)	1,766,502	14.76%
Entities affiliated with RTW Investments L.P.(3)	2,449,769	20.37%
Entities and persons affiliated with Farallon Capital Management, L.L.C. (4)	1,230,770	9.78%
HLM Venture Partners IV, L.P. (5)	615,385	5.14%
Named Executive Officers and Directors		
Matthew Posard(6)	38,964	*
Gary Jacobs(1)	1,326,229	11.05%
Scott Pancoast(7)	37,136	*
Herm Rosenman(8)	29,224	*
Cynthia Collins(9)	19,483	*
Gene Salkind(10)	183,040	1.53%
John Dobak(11)	508,057	4.19%
Steven Kemper(12)	145,417	1.21%
Burkhard Jansen(13)	106,571	*
Enrico Picozza(14)	0	*
All current executive officers and directors as a group (12 persons)(15)	2,637,384	21.12%

* Indicates beneficial ownership of less than 1%.

(1) Consists of (i) 797,978 shares of common stock held by Jacobs Investment Company LLC, (ii) 492,779 shares of common stock held by Gary Jacobs, 18,417 shares of common stock that may be acquired pursuant to the exercise of stock options held by Gary Jacobs within 60 days after August 29, 2019 and 16,432 shares of common stock underlying restricted stock units held by Gary Jacobs that vest within 60 days after August 29, 2019, and (iii) 624 shares of common stock held by Gary & Jerri-Ann Trustee. Gary Jacobs has the power to

direct the vote and disposition of the common stock held by Jacobs Investment Company LLC and Gary & Jerri-Ann Trustee. Accordingly, Gary Jacobs may be deemed to be the beneficial owner of such shares.

(2) Consists of 1,766,502 shares of common stock.

(3) Consists of (i) 1,991,743 shares of common stock held by RTW Master Fund Limited, 60,471 shares of common stock that may be acquired pursuant to the exercise of warrants held by RTW Master Fund Limited within 60 days after August 29, 2019, and (ii) 395,128 shares of common stock held by RTW Innovation Master Fund Limited and 2,427 shares of common stock that may be acquired pursuant to the exercise of warrants held by RTW Innovation Master Fund Limited within 60 days after August 29, 2019. RTW Investments L.P. has the power to direct the vote and disposition of the common stock held by RTW Master Fund Limited and RTW Innovation Master Fund Limited. Accordingly, RTW Investments L.P. may be deemed to be the beneficial owner of such shares. Roderick Wong has the power to direct the vote and disposition of the securities held by RTW Investments L.P. Mr. Wong is the managing partner of RTW Investments G.P., which is the managing partner of RTW Investments L.P. Mr. Wong disclaims beneficial ownership of the shares held by RTW Master Fund Limited and RTW Innovation Master Fund Limited, except to the extent of his pecuniary interest therein.

(4) Consists of shares held by eight limited partnerships for which Farallon Capital Management, L.L.C. is the registered investment advisor, including (i) 9,225 shares of common stock held by Farallon Capital (AM) Investors, L.P. ("FCAMI") and 9,225 shares of common stock issuable upon the conversion of 18.45 shares of Series A Convertible Preferred Stock held by FCAMI within 60 days after August 29, 2019, (ii) 24,625 shares of common stock held by Farallon Capital F5 Master I, L.P. ("F5MI") and 24,625 shares of common stock issuable upon the conversion of 49.25 shares of Series A Convertible Preferred Stock held by F5MI within 60 days after August 29, 2019, (iii) 152,300 shares of common stock held by Farallon Capital Institutional Partners, L.P. ("FCIP") and 152,300 shares of common stock issuable upon the conversion of 304.60 shares of Series A Convertible Preferred Stock held by FCIP within 60 days after August 29, 2019, (iv) 30,775 shares of common stock held by Farallon Capital Institutional Partners II, L.P. ("FCIP II") and 30,775 shares of common stock issuable upon the conversion of 61.55 shares of Series A Convertible Preferred Stock held by FCIP II within 60 days after August 29, 2019, (v) 16,925 shares of common stock held by Farallon Capital Institutional Partners III, L.P. ("FCIP III") and 16,925 shares of common stock issuable upon the conversion of 33.85 shares of Series A Convertible Preferred Stock held by FCIP III within 60 days after August 29, 2019, (vi) 249,235 shares of common stock held by Farallon Capital Offshore Investors II, L.P. ("FCOI II") and 249,235 shares of common stock issuable upon the conversion of 498.47 shares of Series A Convertible Preferred Stock held by FCOI II within 60 days after August 29, 2019, (vii) 109,225 shares of common stock held by Farallon Capital Partners, L.P. ("FCP") and 109,225 shares of common stock issuable upon the conversion of 218.45 shares of Series A Convertible Preferred Stock held by FCP within 60 days after August 29, 2019, and (viii) 23,075 shares of common stock held by Four Crossings Institutional Partners V, L.P. ("FCIP V") and 23,075 shares of common stock issuable upon the conversion of 46.15 shares of Series A Convertible Preferred Stock held by FCIP V within 60 days after August 29, 2019. Farallon Partners, L.L.C. ("FPLLC"), as the general partner of FCP, FCIP, FCIP II, FCIP III, FCOI II and FCAMI (the "FPLLC Entities"), may be deemed to beneficially own such shares of common stock held by or issuable to each of the FPLLC Entities. Farallon F5 (GP), L.L.C. ("F5MI GP"), as the general partner of F5MI, may be deemed to beneficially own such shares of common stock held by or issuable to F5MI. Farallon Institutional (GP) V, L.L.C. ("FCIP V GP"), as the general partner of FCIP V, may be deemed to beneficially own such shares of common stock held by or issuable to FCIP V. Each of Philip D. Dreyfuss, Michael B. Fisch, Richard B. Fried, David T. Kim, Monica R. Landry, Michael G. Linn, Rajiv A. Patel, Thomas G. Roberts, Jr., William Seybold, Andrew J. M. Spokes, John R. Warren and Mark C. Wehrly (collectively, the "Farallon Managing Members"), as a (i) managing member of FPLLC, (ii) authorized signatory of F5MI GP, or (iii) manager or senior manager, as the case may be, of FCIP V GP, in each case with the power to exercise investment discretion with respect to the shares that may be deemed to be beneficially owned by FPLLC, F5MI GP or FCIP V GP, may be deemed to beneficially own such shares of common stock held by or issuable to the FCPLLC Entities, F5MI or FCIP V. Each of FPLLC, F5MI GP, FCIP V GP and the Farallon Managing Members disclaims beneficial ownership of any such shares of common stock. The address for each of the entities and individuals identified in this footnote is One Maritime Plaza, Suite 2100, San Francisco, California 94111.

(5) Consists of 615,385 shares of common stock. HLM Venture Associates IV, LLC ("HLM GP"), as the general partner of HLM Venture Partners IV, L.P. ("HLM LP"), has the power to direct the vote and disposition of the common stock held by HLM LP. Accordingly, HLM GP may be deemed to be the beneficial owner of such shares. Edward Cahill and Peter Grua, as the Class A Members of HLM GP, have the power to direct the vote and disposition of the securities held by HLM GP. Accordingly, Mr. Cahill and Mr. Grua may be deemed to be the beneficial owners of the shares held by HLM LP.

(6) Consists of 13,269 shares of common stock, 9,702 shares of common stock that may be acquired pursuant to the exercise of stock options within 60 days after August 29, 2019 and 15,994 shares of common stock underlying restricted stock units vesting within 60 days after August 29, 2019.

(7) Consists of 2,382 shares of common stock, 17,243 shares of common stock that may be acquired pursuant to the exercise of stock options within 60 days after August 29, 2019, and 17,512 shares of common stock underlying restricted stock units vesting within 60 days after August 29, 2019.
(8) Consists of 11,521 shares of common stock and 17,703 shares of common stock underlying restricted stock units vesting within 60 days after August 29, 2019.
(9) Consists of 10,728 shares of common stock and 8,755 shares of common stock underlying restricted stock units vesting within 60 days after August 29, 2019.
(10) Consists of 165,561 shares of common stock, 9,887 shares of common stock that may be acquired pursuant to the exercise of stock options within 60 days after August 29, 2019, and 7,593 shares of common stock underlying restricted stock units vesting within 60 days after August 29, 2019.
(11) Consists of 343,118 shares of common stock, 9,219 shares of common stock that may be acquired pursuant to the exercise of common stock warrants within 60 days after August 29, 2019 and 155,720 shares of common stock underlying restricted stock units vesting within 60 days after August 29, 2019.
(12) Consists of 59,685 shares of common stock, 13,101 shares of common stock that may be acquired pursuant to the exercise of common stock warrants within 60 days after August 29, 2019 and 72,632 shares of common stock underlying restricted stock units vesting within 60 days after August 29, 2019.
(13) Consists of 38,367 shares of common stock, 20,664 shares of common stock that may be acquired pursuant to the exercise of stock options within 60 days after August 29, 2019, and 47,541 shares of common stock underlying restricted stock units vesting within 60 days after August 29, 2019.
(14) Enrico Picozza is not the beneficial owner of any shares of the Company.
(15) Includes (i) the shares described in footnote 1 and footnotes 6 through 14, (ii) 43,498 shares of common stock held by Zuxu Yao, 23,458 shares of common stock that may be acquired pursuant to the exercise of stock options held by Zuxu Yao within 60 days after August 29, 2019, and 39,934 shares of common stock underlying restricted stock units vesting within 60 days after August 29, 2019, and (iii) 136,373 shares of common stock held by Todd Wood.

DIRECTORS AND EXECUTIVE OFFICERS

The directors and executive officers of the Company following the Business Combination and the remaining information required to be provided herein are described in the disclosure in Item 5.02 of this Current Report on Form 8-K and in the Registration Statement in the section entitled "Management Following the Business Combination – Executive Officers and Directors" beginning on page 225, which are each incorporated herein by reference.

EXECUTIVE COMPENSATION

The executive compensation of the Company's executive officers is set forth in the Registration Statement in the section entitled "Management Following the Business Combination – Executive Compensation" beginning on page 232, which section is incorporated herein by reference. The compensation of the Company's non-employee directors is set forth in the Registration Statement in the section entitled "Management Following the Business Combination – DermTech Director Compensation" beginning on page 236, which section is incorporated herein by reference.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The certain relationships and related party transactions of the Company are described in the Registration Statement in the section entitled "Certain Relationships and Related Transactions of DermTech" beginning on page 237, which section is incorporated herein by reference. The disclosure regarding director independence set forth in the Registration Statement in the section entitled "Management Following the Business Combination – Director Independence" beginning on page 229 is incorporated herein by reference.

The Company's board of directors has determined that Matt Posard, Gary Jacobs, Scott R. Pancoast, Herm Rosenman, Gene Salkind, M.D., Cynthia Collins and Enrico Picozza are independent within the meaning of Nasdaq Listing Rule 5605(a)(2). The Company's board of directors reviews independence on an annual basis and has also

determined that each current member of the Company's Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee is independent as defined under the applicable Nasdaq Stock Market listing standards and SEC rules. The Company's board of directors further determined that Herm Rosenman qualifies as an audit committee financial expert in accordance with applicable rules and guidance. In making these determinations, the Company's board of directors found that none of these directors had a material or other disqualifying relationship with the Company.

LEGAL PROCEEDINGS

The disclosures regarding legal proceedings set forth in the Registration Statement in the section entitled "DermTech Business - Legal Matters" beginning on page 190 and in the section entitled "Constellation Business - Legal Matters" beginning on page 202 are incorporated herein by reference.

MARKET PRICE OF AND DIVIDENDS ON COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Information regarding the market price, number of stockholders and dividends for the Company's securities prior to the completion of the Business Combination is set forth in the Registration Statement in the section entitled "Market Price and Dividend Information" on page 34, which section is incorporated herein by reference.

Prior to the completion of the Business Combination on August 29, 2019, the Company's units, rights, warrants and ordinary shares underlying its units traded on The Nasdaq Capital Market under the symbols "CNACU", "CNACR", "CNACW" and "CNAC", respectively. Following the completion of the Business Combination and as of market open on August 30, 2019, the Company's common stock began trading on The Nasdaq Capital Market under the trading symbol "DMTK", and the Public Warrants began trading on The Nasdaq Capital Market under the trading symbol "DMTKW." As of the completion of the Business Combination on August 29, 2019, there were 434 holders of record of the Company's common stock.

The Company has not paid any cash dividends on its common stock to date. It is the present intention of the Company's board of directors to retain all earnings, if any, for use in the Company's business operations and, accordingly, the Company's board of directors does not anticipate declaring any dividends in the foreseeable future. The payment of dividends is within the discretion of the Company's board of directors and will be contingent upon the Company's future revenues and earnings, if any, capital requirements and general financial condition.

The following table provides certain aggregate information, as of December 31, 2018, with respect to all of the Company's equity compensation plans currently in effect. The share numbers in the table and in the footnotes below reflect the effect of the Reverse Stock Split and the issuance of securities to holders of DermTech Operations in accordance with the Exchange Ratio and Merger Agreement on a retroactive basis.

	(a)	(b)	(c)
Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders (1)	1,936,900(2)	$ 7.86(3)	1,154,965(4)
Equity compensation plans not approved by security holders	—	—	—
Total	1,936,900	$ 7.86	1,154,965

(1) Includes the 2010 Plan.

(2) As of December 31, 2018, 535,029 options to purchase the Company's common stock and 465,561 restricted stock units of the Company were outstanding.
(3) The weighted-average exercise price of outstanding options, warrants, and rights does not take into account restricted stock units of the Company, which have no exercise price.
(4) Under the 2010 Plan, the number of shares of common stock that may be issued automatically increases on an annual basis on the first day of each fiscal year beginning with the fiscal year ended December 31, 2016, in an amount equal to the least of (i) 1,500,000 shares, (ii) five percent of the outstanding shares of common stock of the Company (calculated on a fully-diluted, as converted basis) on the last day of the immediately preceding fiscal year, or (iii) such number of shares of common stock of the Company determined by the Company's board of directors; provided, however, that the determination under clause (iii) will be made no later than the last day of the immediately preceding fiscal year.

RECENT SALES OF UNREGISTERED SECURITIES

The disclosure concerning the issuance of the Company's common stock in connection with the Business Combination and the PIPE Financing contained in Item 2.01 of this Current Report on Form 8-K, and the information set forth in the Company's Annual Report on Form 10-K filed with the SEC on June 14, 2019, in the section entitled "Recent Sales of Unregistered Securities" beginning on page 45, are incorporated herein by reference.

DESCRIPTION OF SECURITIES

The disclosures regarding the Company's warrants set forth in the Registration Statement in the sections entitled "Market Price and Dividend Information" beginning on page 34 and "Description of Constellation Capital Stock - Warrants" beginning on page 190 are each incorporated herein by reference.

General

The summaries below describe the current rights of the Company stockholders under the Amended and Restated Certificate of Incorporation, as amended by the Certificate of Amendment, and the Company's bylaws; however, these summaries may not contain all of the information that is important to you. These summaries are not intended to be a complete discussion of the rights of Company stockholders and are qualified in their entirety by reference to the DGCL and the various documents of the Company that are referred to in the summaries, as well as reference to the Amended and Restated Certificate of Incorporation and Certificate of Amendment, copies of which are included as Exhibits 3.1 and 3.2, respectively, of this Current Report on Form 8-K and incorporated herein by reference.

Authorized Capital Stock

The Amended and Restated Certificate of Incorporation authorizes the issuance of up to 50,000,000 shares of common stock, $0.0001 par value per share, and 5,000,000 shares of preferred stock, $0.0001 par value per share.

Dividends

The Amended and Restated Certificate of Incorporation provides that holders of the Company common stock are entitled to receive dividends ratably, if any, as may be declared by the Company board of directors out of legally available funds, subject to any preferential dividend rights of any Company preferred stock then outstanding. The Company's board of directors is authorized, without action by the Company stockholders, to designate and issue shares of Company preferred stock in one or more series and to designate the rights, preferences and privileges of the shares of each series and any of its qualifications, limitations or restrictions, including with respect to the rights of holders of Company preferred stock to receive dividends. In connection with the completion of the Business Combination, the Company filed the Series A Certificate of Designation. As discussed in Item 2.01 of this Current Report on Form 8-K, pursuant to the Series A Certificate of Designation, holders of the new Series A Convertible Preferred Stock are entitled to receive dividends on an as-converted basis equal to and in the same form as dividends

actually paid on shares of the Company common stock when, as and if such dividends are paid on such common stock.

Liquidation Preference

The Amended and Restated Certificate of Incorporation provides that in the event of dissolution, liquidation or winding up, holders of the Company common stock are entitled to share ratably in the Company's net assets legally available after the payment of all of the Company's debts and other liabilities, subject to the preferential rights of any the Company preferred stock then outstanding. The Company's board of directors is authorized, without action by the Company stockholders, to designate and issue shares of the Company preferred stock in one or more series and to designate the rights, preferences and privileges of the shares of each series and any of its qualifications, limitations or restrictions, including with respect to the liquidation preference of holders of the Company preferred stock. The Series A Certificate of Designation provides that holders of the Series A Convertible Preferred Stock shall participate *pari passu* with the holders of the Company common stock on an as-converted basis.

Conversion Rights and Protective Provisions

Holders of the Company common stock have no conversion rights under the Amended and Restated Certificate of Incorporation or the Company's bylaws. The Company's board of directors is authorized, without action by the Company stockholders, to designate and issue shares of the Company preferred stock in one or more series and to designate the rights, preferences and privileges of the shares of each series and any of its qualifications, limitations or restrictions, including with respect to conversion rights. The Series A Certificate of Designation provides that each share of Series A Convertible Preferred Stock is convertible into the Company common stock at a conversion price equal to $3.25, provided that in no event shall any shares of Series A Convertible Preferred Stock be convertible if such conversion would result in the Holder of such shares beneficially owning more than 9.99% of the Company's then-outstanding shares of common stock.

Number of Directors

The Amended and Restated Certificate of Incorporation and the Company's bylaws provide that the Company's board of directors is divided into three classes serving three-year terms, with one class being elected each year. The number of directors, which may be fixed from time to time by the Company's board of directors, was fixed at eight upon the completion of the Business Combination. The directors and executive officers of the Company following the Business Combination are described in the disclosure in Item 5.02 of this Current Report on Form 8-K and in the Registration Statement in the section entitled "Management Following the Business Combination" beginning on page 225, which are each incorporated herein by reference.

Pre-emption Rights

There are no pre-emption rights applicable to the issuance of new shares under the Amended and Restated Certificate of Incorporation.

Removal of Directors; Vacancies on the Board of Directors

The Amended and Restated Certificate of Incorporation and the Company's bylaws provide that, subject to the rights of the holders of any series of the Company preferred stock, directors may be removed only for cause and then only by the affirmative vote of the holders of 75% or more of the shares then entitled to vote at an election of directors. Furthermore, subject to the rights of the holders of any series of the Company preferred stock, any vacancy on the Company's board of directors, however occurring, including a vacancy resulting from an increase in the size of the Company's board, may only be filled by the affirmative vote of a majority of the Company's directors then in office, even if less than a quorum, or by a sole remaining director, and shall not be filled by a vote of the stockholders.

Voting Stock

The Amended and Restated Certificate of Incorporation provides that the holders of the Company common stock are entitled to one vote for each share of common stock held of record for the election of directors and on all matters submitted to a vote of stockholders. The Company's board of directors is authorized, without action by the Company stockholders, to designate and issue shares of the Company preferred stock in one or more series and to designate the rights, preferences and privileges of the shares of each series and any of its qualifications, limitations or restrictions, including with respect to the voting rights of the holders of the Company's preferred stock. The Series A Certificate of Designation provides that holders of the Series A Convertible Preferred Stock shall have no voting rights, except with respect to certain protective provisions set forth in the Series A Certificate of Designation relating to the powers, preferences and rights of the Series A Convertible Preferred Stock.

Cumulative Voting

The Amended and Restated Certificate of Incorporation and the Company's bylaws do not contain any provisions granting cumulative voting rights in the election of the Company's directors.

Redemption

The Amended and Restated Certificate of Incorporation and the Company's bylaws do not contain any provisions granting redemption rights to any holder of the Company's common stock. The Company's board of directors is authorized, without action by the Company stockholders, to designate and issue shares of the Company preferred stock in one or more series and to designate the rights, preferences and privileges of the shares of each series and any of its qualifications, limitations or restrictions, including with respect to the redemption rights of the holders of the Company preferred stock. The Series A Certificate of Designation provides that the Series A Convertible Preferred Stock is not redeemable.

Amendment of Certificate of Incorporation or Bylaws

As required by the DGCL, any amendment of the Amended and Restated Certificate of Incorporation must first be approved by a majority of the Company's board of directors and, if required by law or the Amended and Restated Certificate of Incorporation, thereafter be approved by a majority of the outstanding shares entitled to vote on the amendment, and a majority of the outstanding shares of each class entitled to vote on the amendment as a class, except that the amendment of the provisions relating to stockholder action, directors, limitation of liability, exclusive jurisdiction of Delaware Courts and the amendment of the Company's bylaws and Amended and Restated Certificate of Incorporation must be approved by not less than 75% of the outstanding shares entitled to vote on the amendment, and not less than 75% of the outstanding shares of each class entitled to vote on these amendments as a class.

The Company's bylaws may be amended by the affirmative vote of a majority of the Company directors then in office, subject to any limitations set forth in the Company's bylaws, and may also be amended by the affirmative vote of at least 75% of the outstanding shares entitled to vote on the amendment, or, if the Company's board of directors recommends that the Company stockholders approve the amendment, by the affirmative vote of the majority of the outstanding shares entitled to vote on the amendment, in each case voting together as a single class.

Rule 144

Pursuant to Rule 144, a person who has beneficially owned restricted shares or warrants for at least six months would be entitled to sell such securities provided that (i) such person is not deemed to have been one of the Company's affiliates at the time of, or at any time during the three months preceding, a sale and (ii) the Company is subject to the Exchange Act periodic reporting requirements for at least three months before the sale and have filed all required reports under Section 13 or 15(d) of the Exchange Act during the 12 months (or such shorter period as the Company was required to file reports) preceding the sale.

Persons who have beneficially owned Company restricted shares or warrants for at least six months but who are the Company's affiliates at the time of, or at any time during the three months preceding, a sale, would be subject to

additional restrictions, by which such person would be entitled to sell within any three-month period only a number of securities that does not exceed the greater of:

- 1% of the total number of shares then outstanding; or
- the average weekly reported trading volume of the shares during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale.

Sales by the Company's affiliates under Rule 144 are also limited by manner of sale provisions and notice requirements and to the availability of current public information about the Company.

Restrictions on the Use of Rule 144 by Shell Companies or Former Shell Companies

Rule 144 is not available for the resale of securities initially issued by shell companies (other than business combination related shell companies) or issuers that have been at any time previously a shell company. However, Rule 144 also includes an important exception to this prohibition if the following conditions are met:

- the issuer of the securities that was formerly a shell company that has ceased to be a shell company;
- the issuer of the securities is subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act;
- the issuer of the securities has filed all Exchange Act reports and material required to be filed, as applicable, during the preceding 12 months (or such shorter period that the issuer was required to file such reports and materials), other than Form 8-K reports; and
- at least one year has elapsed from the time that the issuer filed current Form 10 type information with the SEC reflecting its status as an entity that is not a shell company.

The filing of this Current Report on Form 8-K is intended to satisfy the filing of the "Form 10 Information" and commence the one year holding period of Rule 144(i).

Warrants

As of immediately following the completion of the Business Combination, there were warrants to purchase 4,163,887 shares of Company common stock issued and outstanding, consisting of (i) 429,824 shares underlying 429,824 DermTech Operations Warrants (defined below), (ii) 3,593,750 shares underlying 14,375,000 warrants to purchase Company common stock originally sold as part of the units in the Company's initial public offering and (iii) 140,313 shares underlying 561,250 warrants to purchase Company common stock that were sold as part of the private units. The warrants described in clauses (ii) and (iii) above constitute the Public Warrants currently trading on The Nasdaq Capital Market under the ticker symbol "DMTKW." The share numbers and exercise prices discussed in this section reflect the effects of the Reverse Stock Split and the Exchange Ratio.

Except as described above, no public warrants will be exercisable and the Company will not be obligated to issue shares unless at the time a holder seeks to exercise its warrant, a prospectus relating to the shares issuable upon exercise of the warrants is current and the shares have been registered or qualified or deemed to be exempt under the securities laws of the state of residence of the holder of the warrants. Under the terms of the warrant, the Company agreed to use its best efforts to meet these conditions and to maintain a current prospectus relating to the shares issuable upon exercise of the warrants until the expiration of the warrants.

The Dermtech Operations Warrants (defined below) were outstanding warrants to purchase DermTech Operations common stock assumed by the Company in connection with the Business Combination. The DermTech Operations Warrants became warrants to acquire, on the same terms and conditions as were applicable under each warrant, an aggregate of 429,824 shares of Company common stock. The Dermtech Operations Warrants may be exercised on or prior to their respective expiration dates. The purchase price under the DermTech Operations Warrants is payable by wire transfer or certified, cashier's or other check acceptable to the Company, or, if applicable, upon surrender and cancellation of indebtedness. The warrant holders do not have the rights or privileges of holders of shares of

common stock, including voting rights, until they exercise their warrants and receive shares of common stock. The exercise price and number of shares issuable on exercise of the DermTech Operations Warrants may be adjusted in certain circumstances, including in the event of a reorganization, recapitalization, merger or consolidation of the Company, a reclassification of the Company's shares, or a subdivision or consolidation of the shares of the Company's common stock.

Of the DermTech Operations Warrants, warrants to purchase 22,319 shares of the Company's common stock were issued to executives (the "Management Warrants") at an exercise price of $1.26 per share. The Management Warrants may be exercised on a cashless basis. The Management Warrants expire at 5:00 p.m. Pacific Time on the ten (10) year anniversary of the original issue date of the warrants, with such warrants expiring between December 17, 2023, and February 25, 2024.

Of the DermTech Operations Warrants, warrants to purchase 166,326 shares of the Company's common stock were issued in connection with the DermTech Operations Series C Financing (the "Series C Warrants") at an exercise price of $11.08 per share. The Series C Warrants expire at 5:00 p.m. Pacific Time on the three (3) year anniversary of the original issue date of the warrants, with such warrants expiring between September 14, 2019, and March 7, 2021.

Of the DermTech Operations Warrants, warrants to purchase 241,179 shares of the Company's common stock were issued to a registered placement agent in connection with its assistance in the marketing and sale of the Company's Series C Convertible Stock (the "Placement Agent Warrants"). Of the Placement Agent Warrants, warrants to purchase 168,499 shares of the Company's common stock were issued at an exercise price of $10.08 per share, and warrants to purchase 72,680 shares of the Company's common stock were issued at an exercise price of $11.08 per share. The Placement Agent Warrants may be exercised on a cashless basis. The Placement Agent Warrants expire at 5:00 p.m. Pacific Time on the seven (7) year anniversary of the original issue date of the warrants, with such warrants expiring between December 31, 2022, and May 31, 2025.

The foregoing descriptions of the Management Warrants, Series C Warrants and Placement Agent Warrants (collectively, the "DermTech Operations Warrants") do not purport to be complete and are subject to and qualified in their entirety by reference to the Form of Management Warrant, Form of Series C Warrant and Form of Placement Agent Warrant, copies of which are included as Exhibits 4.3, 4.4 and 4.5, respectively, of this Current Report on Form 8-K and incorporated herein by reference.

Effective with the completion of the Merger Agreement, the rights and units of the Company ceased trading. Commencing on August 29, 2019, the only securities of the Company which are traded are the shares of Company common stock and the Public Warrants described above.

INDEMNIFICATION OF DIRECTORS AND OFFICERS

The disclosure in Item 5.02(d) of this Current Report on Form 8-K concerning indemnification agreements entered into by the Company's directors is incorporated herein by reference.

The information required to be provided herein is set forth in the Registration Statement in the section entitled "Comparison of Rights of Holders of DermTech Capital Stock and Constellation Capital Stock - Indemnification" beginning on page 253, which section is incorporated herein by reference.

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Reference is made to the disclosure set forth in Section 9.01 of this Current Report on Form 8-K concerning the Company's financial statements, which is incorporated herein by reference. Reference is further made to the disclosure contained in the Registration Statement in the section entitled "DermTech Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 203 and the audited financial

statements for the fiscal years ended December 31, 2018, and December 31, 2017, which are each incorporated herein by reference.

The pro forma financial information reflecting the completion of the Business Combination is included with this Current Report on Form 8-K as Exhibit 99.3. Further reference is made to the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations of Constellation" as set forth below in Item 2.02, which is incorporated herein by reference.

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

The disclosure in Item 4.01 of the Company's Current Report on Form 8-K filed with the SEC on September 5, 2019 is incorporated herein by reference.

Item 3.02. Unregistered Sales of Equity Securities.

The disclosure concerning the issuance of the Company's common stock in connection with the Business Combination and the PIPE Financing contained in Item 2.01 of this Current Report on Form 8-K and the information set forth in the Company's annual report on Form 10-K filed with the SEC on June 14, 2019, in the section entitled "Recent Sales of Unregistered Securities" beginning on page 45, are incorporated herein by reference.

For a discussion of the terms of conversion of the Series A Convertible Preferred Stock, please refer to the section entitled "Form 10 Information – Description of Securities" in this Current Report on Form 8-K, which information is incorporated herein by reference.

Item 3.03. Material Modification to Rights of Security Holders.

The disclosure concerning material modifications to the Company's organizational documents contained in Item 2.01 of this Current Report on Form 8-K is incorporated herein by reference

Item 5.01. Changes in Control of Registrant.

The disclosures in Item 2.01 and Item 5.02 of this Current Report on Form 8-K are incorporated herein by reference. As a result of the completion of the Business Combination pursuant to the Merger Agreement, a change of control of the Company has occurred.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangement of Certain Officers.

(b) Pursuant to the Merger Agreement, on August 29, 2019, Rajiv Shukla, John Alexander, Alan Rosling and Kewal Handa tendered their respective resignations from the Company's board of directors and any respective committees of the Company's board of directors on which they served, effective as of immediately following the completion of the Business Combination. The resignations were not the result of any disagreements with the Company relating to the Company's operations, policies or practices.

Pursuant to the Merger Agreement, on August 29, 2019, Rajiv Shukla tendered his resignation as the Company's Chief Executive Officer, and Craig Pollak tendered his resignation as the Company's Chief Financial Officer and Secretary, each effective as of immediately following the completion of the Business Combination.

(c) Effective as of immediately following the completion of the Business Combination on August 29, 2019, John Dobak, M.D. became the Company's Chief Executive Officer, Steven Kemper, CPA, MBA, became the Company's Chief Financial Officer, Treasurer and Secretary, Burkhard Jansen, M.D. became the Company's Chief Medical Officer, Todd Wood became the Company's Chief Commercial Officer and Zuxu Yao, Ph.D., became the Company's Chief Scientific Officer. There are no family relationships among any of the Company's directors and executive officers.

Biographical information for the newly appointed officers is included in the section entitled "Management Following the Business Combination" commencing on page 225 of the Registration Statement, which information is incorporated herein by reference. For a discussion of "related person" transactions (as such term is defined in Item 404(a) of Regulation S-K) with respect to the Company's newly appointed officers, please refer to "Certain Relationships and Related Party Transactions of DermTech" commencing on page 237 of the Registration Statement, which information is incorporated herein by reference.

To the extent required by Item 5.02(c) of Form 8-K, the disclosures in Item 2.01 of this Current Report on Form 8-K are incorporated by reference.

(d) The Merger Agreement also provides that, immediately following the completion of the Business Combination, the size of the Company's board of directors will be increased from four authorized seats to eight authorized seats. In accordance with the Merger Agreement, on August 29, 2019, the board of directors and its committees were reconstituted, with Matt Posard, Cynthia Collins and Enrico Picozza appointed as Class I directors of the Company whose terms expire at the Company's 2022 annual meeting of stockholders, Herm Rosenman, John Dobak, M.D. and Gary Jacobs appointed as Class II directors of the Company whose terms expire at the Company's 2021 annual meeting of stockholders, and Gene Salkind, M.D. and Scott Pancoast appointed as Class III directors of the Company whose terms expire at the Company's 2020 annual meeting of stockholders. In addition, Herm Rosenman, Scott Pancoast and Cynthia Collins were appointed to the Company's Audit Committee (with Herm Rosenman appointed to serve as chair of the committee); Scott Pancoast, Gary Jacobs and Herm Rosenman were appointed to the Company's Compensation Committee (with Scott Pancoast to serve as chair of the committee); and Cynthia Collins, Matthew Posard and Gary Jacobs were appointed to the Company's Nominating and Governance Committee (with Cynthia Collins appointed to serve as chair of the committee).

Biographical information for each of the new directors is included in the section entitled "Management Following the Business Combination" commencing on page 225 of the Registration Statement, which information is incorporated herein by reference. For a discussion of "related person" transactions (as such term is defined in Item 404(a) of Regulation S-K) with respect to the Company's newly appointed directors, please refer to "Certain Relationships and Related Party Transactions of DermTech" commencing on page 237 of the Registration Statement, which information is incorporated herein by reference. Following the Business Combination the Company expects to provide compensation to its non-employee directors for their services. This compensation will be reported in the Company's reports pursuant to the Exchange Act as required by the Exchange Act and regulations promulgated thereunder. Each of the newly appointed directors of the Company entered into the Company's standard form of indemnification agreement with the Company on August 29, 2019, the form of which is attached as Exhibit 10.1 to this Current Report on Form 8-K and incorporated herein by reference.

(e) To the extent required by Item 5.02(e) of Form 8-K, the disclosures in Item 2.01 of this Current Report on Form 8-K are incorporated by reference. For a discussion of the 2010 Plan assumed by the Company in connection with the Business Combination, please refer to "Proposal No. 4 – Incentive Plan Proposal" commencing on page 152 of the Registration Statement, which information is incorporated herein by reference.

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

The disclosures contained in Item 2.01 and Item 3.03 of this Current Report on Form 8-K are incorporated by reference.

On August 29, 2019, the Company's Board of Directors approved a change in the Company's fiscal year-end from March 31 to December 31. The Company will file a transition report on Form 10-K for the nine-month period ending December 31, 2019, in accordance with SEC rules and regulations. All subsequent fiscal years for the Company will be from January 1 to December 31, beginning in 2019.

Item 5.06. Change in Shell Company Status.

The disclosure contained in Item 2.01 of this Current Report on Form 8-K is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(a) Financial statements of business acquired.

Financial statements of DermTech Operations for the fiscal years ended December 31, 2018 and 2017 were previously filed as part of the Registration Statement beginning on page F-1, which information is incorporated herein by reference as Exhibit 99.1. Financial statements of DermTech Operations for the six months ended June 30, 2019 are included as Exhibit 99.2 to this Current Report on Form 8-K.

(b) Pro forma financial information.

Unaudited pro forma condensed combined financial information was previously filed as part of the Registration Statement in the section entitled "Unaudited Pro Forma Condensed Combined Financial Information" beginning on page 239, which information is incorporated herein by reference. The updated unaudited pro forma condensed combined financial information as of June 30, 2019, are included as Exhibit 99.3 to this Current Report on Form 8-K.

(c) Shell Company

See (a) and (b) of this Item 9.01.

(d) Exhibits.

The list of exhibits is set forth on the Exhibit Index of this Current Report on Form 8-K and is incorporated herein by reference.

EXHIBIT INDEX

Exhibit No.	Description	Filed Herewith	Form	Incorporated by Reference File No.	Date Filed
1.1	Underwriting Agreement, dated June 19, 2017, between the Registrant and Cowen and Company, LLC, as representative of the underwriters		8-K	001-38118	6/23/2017
2.1	Agreement and Plan of Merger, dated as of May 29, 2019, by and among the Registrant, DermTech Operations, Inc. and DT Merger Sub, Inc., as amended, included as Annex A to the proxy statement/prospectus/information statement forming a part of the referenced filing.		S-4/A	333-232181	8/7/2019
2.2	First Amendment to Agreement and Plan of Merger, dated as of August 1, 2019, by and among the Registrant, DermTech Operations, Inc. and DT Merger Sub, Inc.		S-4/A	333-232181	8/2/2019
3.1	Amended and Restated Certificate of Incorporation of the Registrant, included as Annex D to the proxy statement/prospectus/information statement forming a part of the referenced filing.		S-4/A	333-232181	8/7/2019

Exhibit No.	Description	Filed Herewith	Form	Incorporated by Reference File No.	Date Filed
3.2	Form of Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Registrant, included as Annex F to the proxy statement/prospectus/information statement forming a part of the referenced filing.		S-4/A	333-232181	8/7/2019
3.3	Form of Certificate of Designation of Preferences Rights and Limitations of Series A Convertible Preferred Stock of the Registrant		S-4/A	333-232181	8/2/2019
3.4	Bylaws of the Registrant, included as Annex C to the proxy statement/prospectus/information statement forming a part of the referenced filing.		S-4/A	333-232181	8/7/2019
4.1	Specimen Warrant Certificate of the Registrant		S-1/A	333-218093	6/9/2017
4.2	Warrant Agreement, dated June 19, 2017, between the Registrant and Continental Stock Transfer & Trust Company		8-K	001-38118	6/23/2017
4.3	Form of Management Warrant	X			
4.4	Form of Series C Warrant	X			
4.5	Form of Placement Agent Warrant	X			
10.1	Form of Indemnification Agreement of the Registrant	X			
10.2	Employment Agreement, dated June 26, 2012, between DermTech Operations, Inc. and John Dobak		S-4	333-232181	6/18/2019
10.3	Amendment to Employment Agreement, dated February 28, 2014, between DermTech Operations, Inc. and John Dobak		S-4	333-232181	6/18/2019
10.4	Employment Agreement, dated April 1, 2014, between DermTech Operations, Inc. and Steven Kemper		S-4	333-232181	6/18/2019
10.5	Offer of Employment Letter, dated March 5, 2015, from DermTech Operations, Inc. to Zuxu Yao		S-4	333-232181	6/18/2019
10.6	Offer of Employment Letter, dated December 7, 2018, from DermTech Operations, Inc. to Todd Wood		S-4	333-232181	6/18/2019
10.7	Offer of Employment Letter, dated October 1, 2015, from DermTech Operations, Inc. to Burkhard Jansen		S-4	333-232181	6/18/2019
10.8	Forfeiture Agreement, dated May 29, 2019, by and among DermTech Operations, Inc., the Registrant and the Registrant's sponsor		8-K	001-38118	5/29/2019

Exhibit No.	Description	Filed Herewith	Form	Incorporated by Reference File No.	Date Filed
10.9	Stockholder Support Agreement, dated May 29, 2019, by and among the Registrant and certain stockholders of DermTech Operations, Inc.		S-4/A	333-232181	7/18/2019
10.10	Form of Lock-Up Agreement by and among the Registrant, certain stockholders of the Registrant and certain stockholders of DermTech Operations, Inc.		S-4	333-232181	6/18/2019
10.11	Registration Rights Agreement by and among the Registrant, certain stockholders of the Registrant and certain stockholders of DermTech Operations, Inc.	X			
10.12	Deferred Underwriting Fee Assignment Agreement, dated May 29, 2019, by and among DermTech Operations, Inc., the Registrant and Cowen and Company, LLC		8-K	001-38118	5/29/2019
10.13	Amended and Restated 2010 Stock Plan of the Registrant, included as Annex E to the proxy statement/prospectus/information statement forming a part of the referenced filing.		S-4/A	333-232181	8/7/2019
10.14	Amended and Restated Subscription Agreement, dated August 1, 2019, between the Registrant and Farallon Capital (AM) Investors, L.P.		S-4/A	333-232181	8/2/2019
10.15	Amended and Restated Subscription Agreement, dated August 1, 2019, between the Registrant and Farallon Capital F5 Master I, L.P.		S-4/A	333-232181	8/2/2019
10.16	Amended and Restated Subscription Agreement, dated August 1, 2019, between the Registrant and Farallon Capital Institutional Partners, L.P.		S-4/A	333-232181	8/2/2019
10.17	Amended and Restated Subscription Agreement, dated August 1, 2019, between the Registrant and Farallon Capital Institutional Partners II, L.P.		S-4/A	333-232181	8/2/2019
10.18	Amended and Restated Subscription Agreement, dated August 1, 2019, between the Registrant and Farallon Capital Institutional Partners III, L.P.		S-4/A	333-232181	8/2/2019
10.19	Amended and Restated Subscription Agreement, dated August 1, 2019, between the Registrant and Farallon Capital Offshore Investors II, L.P.		S-4/A	333-232181	8/2/2019
10.20	Amended and Restated Subscription Agreement, dated August 1, 2019, between the Registrant and Farallon Capital Partners, L.P.		S-4/A	333-232181	8/2/2019
10.21	Amended and Restated Subscription Agreement, dated August 1, 2019, between the Registrant and Four Crossings Institutional Partners V, L.P.		S-4/A	333-232181	8/2/2019

Exhibit No.	Description	Filed Herewith	Form	Incorporated by Reference File No.	Date Filed
10.22	Subscription Agreement, dated May 22, 2019, between the Registrant and Victory RS Science and Technology Fund		S-4/A	333-232181	8/2/2019
10.23	Subscription Agreement, dated May 22, 2019, between the Registrant and The Irwin Mark and Joan Klein Jacobs Family Trust UA DTD 6/20/80		S-4/A	333-232181	8/2/2019
10.24	Subscription Agreement, dated May 23, 2019, between the Registrant and Jacobs Investment Company LLC		S-4/A	333-232181	8/2/2019
10.25	Subscription Agreement, dated May 23, 2019, between the Registrant and RTW Master Fund, Ltd. and RTW Innovation Master Fund, Ltd.		S-4/A	333-232181	8/2/2019
10.26	Omnibus Common Share Subscription Agreement Amendment, dated as of August 1, 2019, by and among the Registrant and the Common Share Purchasers		S-4/A	333-232181	8/2/2019
10.27	Subscription Agreement, dated August 1, 2019, between the Registrant and HLM Venture Partners IV, L.P.		S-4/A	333-232181	8/2/2019
10.28	Amendment Number 1 to Deferred Underwriting Fee Assignment Agreement, dated September 4, 2019, by and among the Registrant, DermTech Operations, Inc. and Cowen and Company, LLC	X			
10.29	Letter Agreement, dated June 19, 2017, by and among the Registrant and each of its previous sponsor, directors and officers		8-K	001-38118	6/23/2017
10.30	Standard Multi-Tenant Officer Lease–Net and Addendum to Lease, dated January 25, 2013, by and between DermTech Operations, Inc. and AG/Touchstone TP, LLC	X			
10.31	First Amendment to Standard Rental Lease, Storage Lease and Signage to Expand and Extend Term, dated January 30, 2014, by and between DermTech Operations, Inc. and AG/Touchstone TP, LLC	X			
10.32	Assignment, Consent to Assignment, and Second Amendment to Standard Multi-Lease–Net, dated November 21, 2016, by and between DermTech Operations, Inc. and AG/Touchstone TP, LLC	X			
10.33	Third Amendment to Lease, dated August 6, 2019, by and between DermTech Operations, Inc. and HCP Torrey Pines, LLC	X			
21.1	Subsidiaries of the Registrant	X			

Exhibit No.	Description	Filed Herewith	Form	Incorporated by Reference File No.	Date Filed
21.2	Subsidiaries of DermTech Operations, Inc.	X			
23.1	Consent of KPMG LLP, independent registered public accounting firm	X			
99.1	Audited Financial Statements of DermTech Operations, Inc. for the Years Ended December 31, 2018 and 2017		S-4/A	333-232181	8/7/2019
99.2	Unaudited Financial Statements of DermTech Operations, Inc. for the six months ended June 30, 2019	X			
99.3	Pro-Forma Financial Information for the three months ended June 30, 2019, giving effect to the completion of the Business Combination	X			

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.

DERMTECH, INC.

Date: September 5, 2019

By: /s/ John Dobak, M.D.
Name: John Dobak, M.D.
Title: Chief Executive Officer

THIS WARRANT AND THE UNDERLYING SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "***ACT***"), OR UNDER THE SECURITIES LAWS OF ANY STATE. THESE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS IN ACCORDANCE WITH APPLICABLE REGISTRATION REQUIREMENTS OR AN EXEMPTION THEREFROM. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER THAT SUCH OFFER, SALE, TRANSFER, PLEDGE OR HYPOTHECATION OTHERWISE COMPLIES WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS. THIS WARRANT MUST BE SURRENDERED TO THE COMPANY OR ITS TRANSFER AGENT AS A CONDITION PRECEDENT TO THE SALE, TRANSFER, PLEDGE OR HYPOTHECATION OF ANY INTEREST IN ANY OF THE SECURITIES REPRESENTED HEREBY.

WARRANT TO PURCHASE SHARES OF COMMON STOCK
of
DERMTECH INTERNATIONAL.

Dated as of _____,
(the "*Issue Date*")
Void after the date specified in Section 9

No. _____ **Warrant to Purchase Shares of Common Stock**

THIS CERTIFIES THAT, for value received, _____, or its registered assigns (the "***Holder***"), is entitled, subject to the provisions and upon the terms and conditions set forth herein, to purchase from DermTech International, a California corporation (the "***Company***") shares of the Company's Common Stock (the "***Shares***") in the amounts, at such times and at the price per share set forth in Section 1. The term "***Warrant***" as used herein shall include this Warrant and any warrants delivered in substitution or exchange therefor as provided herein. This Warrant is issued in connection with the transactions described in the _____Agreement, dated as of [_____], by and between the Company and the Holder.

The following is a statement of the rights of the Holder and the conditions to which this Warrant is subject, and to which Holder, by acceptance of this Warrant, agrees:

1. Number and Price of Shares; Exercise Period.

(a) ***Number of Shares.*** Subject to any previous exercise of the Warrant, the Holder shall have the right to purchase up to [_____] Shares, as may be adjusted pursuant hereto, prior to (or in connection with) the expiration of this Warrant as provided in Section 9.

(b) ***Exercise Price.*** The exercise price per Share shall be equal to $[_____], subject to adjustment pursuant hereto (the "***Exercise Price***").

(c) ***Exercise Period.*** This Warrant shall be exercisable, in whole or in part, prior to (or in connection with) the expiration of this Warrant as set forth in Section 9.

2. Vesting of the Warrant

(a) [_____]

(b) The entire warrant shall immediately and fully vest one week prior to a change of control. The company shall notify the warrant holder of a pending change of control.

3. Exercise of the Warrant.

(a) ***Exercise.*** The purchase rights represented by this Warrant may be exercised at the election of the Holder, in whole or in part, in accordance with Section 1, by:

(i) the tender to the Company at its principal office (or such other office or agency as the Company may designate) of a notice of exercise in the form of Exhibit A (the "***Notice of Exercise***"), duly completed and executed by or on behalf of the Holder, together with the surrender of this Warrant; and

(ii) the payment to the Company of an amount equal to (x) the Exercise Price multiplied by (y) the number of Shares being purchased, by (a) wire transfer or certified, cashier's or other check acceptable to the Company and payable to the order of the Company; (b) surrender and cancellation of promissory notes or other instruments representing indebtedness of the Company to the Holder; or (c) a combination of (a) and (b).

(b) ***Net Issue Exercise.*** In lieu of exercising this Warrant pursuant to Section 2(a)(ii), if the fair market value of one Share is greater than the Exercise Price (at the date of calculation as set forth below), the Holder may elect to receive a number of Shares equal to the value of this Warrant (or of any portion of this Warrant being canceled) by surrender of this Warrant at the principal office of the Company (or such other office or agency as the Company may designate) together with a properly completed and executed Notice of Exercise reflecting such election, in which event the Company shall issue to the Holder that number of Shares computed using the following formula:

$$X = \frac{Y(A-B)}{A}$$

Where:

X = The number of Shares to be issued to the Holder

Y = The number of Shares purchasable under this Warrant or, if only a portion of the Warrant is being exercised, the portion of the Warrant being canceled (at the date of such calculation)

A = The fair market value of one Share (at the date of such calculation)

B = The Exercise Price (as adjusted to the date of such calculation)

For purposes of the calculation above, the fair market value of one Share shall be determined by the Board of Directors of the Company, acting in good faith; *provided, however,* that:

(i) where a public market exists for the Company's common stock at the time of such exercise, the fair market value per Share shall be the average of the closing bid prices of the common stock or the closing price quoted on the national securities exchange on which the common stock is listed as published in the *Wall Street Journal*, as applicable, for the ten (10) trading day period ending five (5) trading days prior to the date of determination of fair market value; and

(ii) if the Warrant is exercised in connection with the Company's initial public offering of common stock, the fair market value per Share shall be the per share offering price to the public of the Company's initial public offering.

(c) ***Stock Certificates.*** The rights under this Warrant shall be deemed to have been exercised and the Shares issuable upon such exercise shall be deemed to have been issued immediately prior to the close of business on the date this Warrant is exercised in accordance with its terms, and the person entitled to receive the Shares issuable upon such exercise shall be treated for all purposes as the holder of record of such Shares as of the close of business on such date. As promptly as reasonably practicable on or after such date, and in any event within fifteen (15) days thereafter, the Company shall issue and deliver to the person or persons entitled to receive the same a certificate or certificates for that number of shares issuable upon such exercise. In the event that the rights under this Warrant are exercised in part and have not expired, the Company shall execute and deliver a new Warrant reflecting the number of Shares that remain subject to this Warrant.

(d) ***No Fractional Shares or Scrip.*** No fractional shares or scrip representing fractional shares shall be issued upon the exercise of the rights under this Warrant. In lieu of such fractional share to which the Holder would otherwise be entitled, the Company shall make a cash payment equal to the Exercise Price multiplied by such fraction.

(e) ***Conditional Exercise.*** The Holder may exercise this Warrant conditioned upon (and effective immediately prior to) consummation of any transaction that would cause the expiration of this Warrant pursuant to Section 9 by so indicating in the notice of exercise.

(f) ***Automatic Exercise.*** If the Holder of this Warrant has not elected to exercise this Warrant prior to expiration of this Warrant pursuant to Section 9, then this Warrant shall automatically (without any act on the part of the Holder) be exercised pursuant to Section 2(b) effective immediately prior to the expiration of the Warrant to the extent such net issue exercise would result in the issuance of Shares, unless Holder shall earlier provide written notice to the Company that the Holder desires that this Warrant expire unexercised. If this Warrant is automatically exercised, the Company shall notify the Holder of the automatic exercise as soon as reasonably practicable, and the Holder shall surrender the Warrant to the Company in accordance with the terms hereof.

(g) ***Reservation of Stock.*** The Company agrees during the term the rights under this Warrant are exercisable to take all reasonable action to reserve and keep available from its authorized and unissued shares of Common Stock for the purpose of effecting the exercise of this Warrant such number of shares (and shares of common stock for issuance on conversion of such shares) as shall from time to time be sufficient to effect the exercise of the rights under this Warrant; and if at any time the number of authorized but unissued shares of Common Stock (and shares of common stock for issuance on conversion of such shares) shall not be sufficient for purposes of the exercise of this Warrant in accordance with its terms and the conversion of the Shares, without limitation of such other remedies as may be available to the Holder, the Company will use all reasonable efforts to take such corporate action as may, in the opinion of counsel, be necessary to increase its authorized and unissued shares of its Common Stock (and shares of common stock for issuance on conversion of such shares) to a number of shares as shall be sufficient for such purposes.

4. Replacement of the Warrant. Subject to the receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, on delivery of an indemnity agreement reasonably satisfactory in form and substance to the Company or, in the case of mutilation, on surrender and cancellation of this Warrant, the Company at the expense of the Holder shall execute and deliver, in lieu of this Warrant, a new warrant of like tenor and amount.

5. Transfer of the Warrant.

(a) ***Warrant Register.*** The Company shall maintain a register (the "***Warrant Register***") containing the name and address of the Holder or Holders. Until this Warrant is transferred on the Warrant Register in accordance herewith, the Company may treat the Holder as shown on the Warrant Register as the absolute owner of this Warrant for all purposes, notwithstanding any notice to the contrary. Any Holder of this Warrant (or of any portion of this Warrant) may change its address as shown on the Warrant Register by written notice to the Company requesting a change.

(b) ***Warrant Agent.*** The Company may appoint an agent for the purpose of maintaining the Warrant Register referred to in Section 5(a), issuing the Shares or other securities then issuable upon the exercise of the rights under this Warrant, exchanging this Warrant, replacing this Warrant or conducting related activities.

(c) ***Transferability of the Warrant.*** Subject to the provisions of this Warrant with respect to compliance with the Securities Act of 1933, as amended (the "***Securities Act***") and limitations on assignments and transfers, including without limitation compliance with the restrictions on transfer set forth in Section 6, title to this Warrant may be transferred by endorsement (by the transferor and the transferee executing the assignment form attached as Exhibit B (the "***Assignment Form***")) and delivery in the same manner as a negotiable instrument transferable by endorsement and delivery.

(d) ***Exchange of the Warrant upon a Transfer.*** On surrender of this Warrant (and a properly endorsed Assignment Form) for exchange, subject to the provisions of this Warrant with respect to compliance with the Securities Act and limitations on assignments and transfers, the Company shall issue to or on the order of the Holder a new warrant or warrants of like tenor, in the name of the Holder or as the Holder (on payment by the Holder of any applicable transfer taxes) may direct, for the number of shares issuable upon exercise hereof, and the Company shall register any such transfer upon the Warrant Register. This Warrant (and the securities issuable upon exercise of the rights under this Warrant) must be surrendered to the Company or its warrant or transfer agent, as applicable, as a condition precedent to the sale, pledge, hypothecation or other transfer of any interest in any of the securities represented hereby.

(e) ***Taxes.*** In no event shall the Company be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of any certificate in a name other than that of the Holder, and the Company shall not be required to issue or deliver any such certificate unless and until the person or persons requesting the issue thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid or is not payable.

6. Restrictions on Transfer of the Warrant and Shares; Compliance with Securities Laws. By acceptance of this Warrant, the Holder agrees to comply with the following:

(a) ***Restrictions on Transfers.*** Subject to Section 6(b), this Warrant may not be transferred or assigned in whole or in part without the Company's prior written consent (which shall not be unreasonably withheld), and any attempt by Holder to transfer or assign any rights, duties or obligations that arise under this Warrant without such permission shall be void. Any transfer of this Warrant, the Shares or the common stock issuable upon the conversion of the Shares (the "***Securities***") must be in compliance with all applicable federal and state securities laws. The Holder agrees not to make any sale, assignment, transfer, pledge or other disposition of all or any portion of the Securities, or any beneficial interest therein, unless and until the transferee thereof has agreed in writing for the benefit of the Company to take and hold such Securities subject to, and to be bound by, the terms and conditions set forth in this Warrant, to the same extent as if the transferee were the original Holder hereunder, and

(i) there is then in effect a registration statement under the Securities Act covering such proposed disposition and such disposition is made in accordance with such registration statement, or

(ii) (A) such Holder shall have given prior written notice to the Company of such Holder's intention to make such disposition and shall have furnished the Company with a detailed description of the manner and circumstances of the proposed disposition, (B) the transferee shall have confirmed to the satisfaction of the Company in writing, substantially in the form of Exhibit A-1, that the Securities are being acquired (i) solely for the transferee's own account and not as a nominee for any other party, (ii) for investment and (iii) not with a view toward distribution or resale, and shall have confirmed such other matters related thereto as may be reasonably requested by the Company, and (C) if requested by the Company, such Holder shall have furnished the Company, at the Holder's expense and option, either (i) evidence reasonably satisfactory to the Company that such disposition will not require registration of such Securities under the Securities Act or (ii) a "no action" letter from the Securities and Exchange Commission to the effect that the transfer of such Securities without registration will not result in a recommendation by the staff of the Securities and Exchange Commission that action be taken with respect thereto, whereupon such Holder shall be entitled to transfer such Securities in accordance with the terms of the notice delivered by the Holder to the

Company. It is agreed that the Company will not require opinions of counsel for transactions made pursuant to Rule 144 except in unusual circumstances.

(b) ***Permitted Transfers.*** Permitted transfers include (i) a transfer not involving a change in beneficial ownership, or (ii) transactions involving the distribution without consideration of Securities by any Holder to (w) such Holder's child, step-child, grandchild, parent, step-parent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, sister-in-law or brother-in-law, or a trust for the benefit of any such family member, (x) a parent, subsidiary or other affiliate of a Holder that is a corporation, limited liability company or limited partnership.

(c) ***Investment Representation Statement.*** Unless the rights under this Warrant are exercised pursuant to an effective registration statement under the Securities Act that includes the Shares with respect to which the Warrant was exercised, it shall be a condition to any exercise of the rights under this Warrant that the Holder shall have confirmed to the satisfaction of the Company in writing, substantially in the form of Exhibit A-1, that the Shares so purchased are being acquired solely for the Holder's own account and not as a nominee for any other party, for investment and not with a view toward distribution or resale and that the Holder shall have confirmed such other matters related thereto as may be reasonably requested by the Company.

(d) ***Securities Law Legend.*** The Securities shall (unless otherwise permitted by the provisions of this Warrant) be stamped or imprinted with a legend substantially similar to the following (in addition to any legend required by state securities laws):

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF CERTAIN STATES. THESE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS IN ACCORDANCE WITH APPLICABLE REGISTRATION REQUIREMENTS OR AN EXEMPTION THEREFROM. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER THAT SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION OTHERWISE COMPLIES WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS. THIS CERTIFICATE MUST BE SURRENDERED TO THE COMPANY OR ITS TRANSFER AGENT AS A CONDITION PRECEDENT TO THE SALE, TRANSFER, PLEDGE OR HYPOTHECATION OF ANY INTEREST IN ANY OF THE SECURITIES REPRESENTED HEREBY.

(e) ***Market Stand-off Legend.*** The Shares issued upon exercise hereof shall also be stamped or imprinted with a legend in substantially the following form:

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE, INCLUDING A LOCK-UP PERIOD IN THE EVENT OF A PUBLIC OFFERING, AS SET FORTH IN AN INVESTORS' RIGHTS AGREEMENT, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE COMPANY.

(f) ***Instructions Regarding Transfer Restrictions.*** The Holder consents to the Company making a notation on its records and giving instructions to any transfer agent in order to implement the restrictions on transfer established in this Section 6.

(g) ***Removal of Legend.*** The legend referring to federal and state securities laws identified in Section 6(d) stamped on a certificate evidencing the Shares and the stock transfer instructions and record notations with respect to such securities shall be removed and the Company shall issue a certificate without such legend to the holder of such securities if (i) such securities are registered under the Securities Act, or (ii) such holder provides the Company with an opinion of counsel reasonably acceptable to the Company to the effect that a sale or transfer of such securities may be made without registration or qualification.

7. Adjustments. Subject to the expiration of this Warrant pursuant to Section 9, the number and kind of shares purchasable hereunder and the Exercise Price therefor are subject to adjustment from time to time, as follows:

(a) ***Merger or Reorganization.*** If at any time there shall be any reorganization, recapitalization, merger or consolidation (a "***Reorganization***") involving the Company (other than as otherwise provided for herein or as would cause the expiration of this Warrant under Section 9) in which shares of the Company's stock are converted into or exchanged for securities, cash or other property, then, as a part of such Reorganization, lawful provision shall be made so that the Holder shall thereafter be entitled to receive upon exercise of this Warrant, the kind and amount of securities, cash or other property of the successor corporation resulting from such Reorganization, equivalent in value to that which a holder of the Shares deliverable upon exercise of this Warrant would have been entitled in such Reorganization if the right to purchase the Shares hereunder had been exercised immediately prior to such Reorganization. In any such case, appropriate adjustment (as determined in good faith by the Board of Directors of the successor corporation) shall be made in the application of the provisions of this Warrant with respect to the rights and interests of the Holder after such Reorganization to the end that the provisions of this Warrant shall be applicable after the event, as near as reasonably may be, in relation to any shares or other securities deliverable after that event upon the exercise of this Warrant.

(b) ***Reclassification of Shares.*** If the securities issuable upon exercise of this Warrant are changed into the same or a different number of securities of any other class or classes by reclassification, capital reorganization or otherwise (other than as otherwise provided for herein) (a "***Reclassification***"), then, in any such event, in lieu of the number of Shares which the Holder would otherwise have been entitled to receive, the Holder shall have the right thereafter to exercise this Warrant for a number of shares of such other class or classes of stock that a holder of the number of securities deliverable upon exercise of this Warrant immediately before that change would have been entitled to receive in such Reclassification, all subject to further adjustment as provided herein with respect to such other shares.

(c) ***Subdivisions and Combinations.*** In the event that the outstanding shares of Common Stock are subdivided (by stock split, by payment of a stock dividend or otherwise) into a greater number of shares of such securities, the number of Shares issuable upon exercise of the rights under this Warrant immediately prior to such subdivision shall, concurrently with the effectiveness of such subdivision, be proportionately increased, and the Exercise Price shall be proportionately decreased, and in the event that the outstanding shares of Common Stock are combined (by reclassification or otherwise) into a lesser number of shares of such securities, the number of Shares issuable upon exercise of the rights under this Warrant immediately prior to such combination shall, concurrently with the effectiveness of such combination, be proportionately decreased, and the Exercise Price shall be proportionately increased.

(d) ***Notice of Adjustments.*** Upon any adjustment in accordance with this Section 7, the Company shall give notice thereof to the Holder, which notice shall state the event giving rise to the adjustment, the Exercise Price as adjusted and the number of securities or other property purchasable upon the exercise of the rights under this Warrant, setting forth in reasonable detail the method of calculation of each. The Company shall, upon the written request of any Holder, furnish or cause to be furnished to such Holder a certificate setting forth (i) such adjustments, (ii) the Exercise Price at the time in effect and (iii) the number of securities and the amount, if any, of other property that at the time would be received upon exercise of this Warrant.

8. Notification of Certain Events. Prior to the expiration of this Warrant pursuant to Section 9, in the event that the Company shall authorize:

(a) the issuance of any dividend or other distribution on the capital stock of the Company (other than (i) dividends or distributions otherwise provided for in Section 7, (ii) repurchases of common stock issued to or held by employees, officers, directors or consultants of the Company or its subsidiaries upon termination of their employment or services pursuant to agreements providing for the right of said repurchase; or (iii) repurchases of common stock issued to or held by employees, officers, directors or consultants of the Company or its subsidiaries pursuant to rights of first refusal or first offer contained in agreements providing for such rights), whether in cash, property, stock or other securities;

(b) the voluntary liquidation, dissolution or winding up of the Company; or

(c) any transaction resulting in the expiration of this Warrant pursuant to Section 9(b) or 9(c);

the Company shall send to the Holder of this Warrant at least ten (10) business days prior written notice of the date on which a record shall be taken for any such dividend or distribution specified in clause (a) or the expected effective date of any such other event specified in clause (b) or (c), as applicable. The notice provisions set forth in this section may be shortened or waived prospectively or retrospectively by the consent of the Holder of this Warrant.

9. Expiration of the Warrant. This Warrant shall expire and shall no longer be exercisable as of the earlier of:

(a) 5:00 p.m., Pacific time, on the ten (10) year anniversary of the Issue Date;

(b) the acquisition of the Company by another entity by means of any transaction or series of related transactions to which the Company is a party (including, without limitation, any stock acquisition, reorganization, merger or consolidation, but excluding any sale of stock for capital raising purposes and any transaction effected primarily for purposes of changing the Company's jurisdiction of incorporation) other than a transaction or series of related transactions in which the holders of the voting securities of the Company outstanding immediately prior to such transaction or series of related transactions retain, immediately after such transaction or series of transactions, as a result of shares in the Company held by such holders prior to such transaction or series of transactions, at least a majority of the total voting power represented by the outstanding voting securities of the Company or such other surviving or resulting entity (or if the Company or such other surviving or resulting entity is a wholly-owned subsidiary immediately following such acquisition, its parent), or (ii) a sale, lease or other disposition of all or substantially all of the assets of the Company and its subsidiaries taken as a whole by means of any transaction or series of related transactions, except where such sale, lease or other disposition is to a wholly-owned subsidiary of the Company; or

(c) immediately prior to the closing of a firm commitment underwritten initial public offering pursuant to an effective registration statement filed under the Securities Act covering the offering and sale of the Company's common stock.

10. No Rights as a Stockholder. Nothing contained herein shall entitle the Holder to any rights as a stockholder of the Company or to be deemed the holder of any securities that may at any time be issuable on the exercise of the rights hereunder for any purpose nor shall anything contained herein be construed to confer upon the Holder, as such, any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action (whether upon any recapitalization, issuance of stock, reclassification of stock, change of par value or change of stock to no par value, consolidation, merger, conveyance or otherwise) or to receive notice of meetings, or to receive dividends or subscription rights or any other rights of a stockholder of the Company until the rights under the Warrant shall have been exercised and the Shares purchasable upon exercise of the rights hereunder shall have become deliverable as provided herein.

11. Representations and Warranties of the Holder. By acceptance of this Warrant, the Holder represents and warrants to the Company as follows:

(a) ***No Registration.*** The Holder understands that the Securities have not been, and will not be, registered under the Securities Act by reason of a specific exemption from the registration provisions of the Securities Act, the availability of which depends upon, among other things, the *bona fide* nature of the investment intent and the accuracy of the Holder's representations as expressed herein or otherwise made pursuant hereto.

(b) ***Investment Intent.*** The Holder is acquiring the Securities for investment for its own account, not as a nominee or agent, and not with a view to, or for resale in connection with, any distribution thereof. The Holder has no present intention of selling, granting any participation in, or otherwise distributing the Securities, nor does it have any contract, undertaking, agreement or arrangement for the same.

(c) ***Investment Experience.*** The Holder has substantial experience in evaluating and investing in private placement transactions of securities in companies similar to the Company, and has such knowledge and

experience in financial or business matters so that it is capable of evaluating the merits and risks of its investment in the Company and protecting its own interests.

(d) ***Speculative Nature of Investment.*** The Holder understands and acknowledges that its investment in the Company is highly speculative and involves substantial risks. The Holder can bear the economic risk of its investment and is able, without impairing its financial condition, to hold the Securities for an indefinite period of time and to suffer a complete loss of its investment.

(e) ***Access to Data.*** The Holder has had an opportunity to ask questions of officers of the Company, which questions were answered to its satisfaction. The Holder understands that any such discussions, as well as any information issued by the Company, were intended to describe certain aspects of the Company's business and prospects, but were not necessarily a thorough or exhaustive description. The Holder acknowledges that any business plans prepared by the Company have been, and continue to be, subject to change and that any projections included in such business plans or otherwise are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the projections will not materialize or will vary significantly from actual results.

(f) ***Accredited Investor.*** The Holder is an "accredited investor" within the meaning of Regulation D, Rule 501(a), promulgated by the Securities and Exchange Commission and agrees to submit to the Company such further assurances of such status as may be reasonably requested by the Company.

(g) ***Residency.*** The residency of the Holder (or, in the case of a partnership or corporation, such entity's principal place of business) is correctly set forth on the signature page hereto.

(h) ***Restrictions on Resales.*** The Holder acknowledges that the Securities must be held indefinitely unless subsequently registered under the Securities Act or an exemption from such registration is available. The Holder is aware of the provisions of Rule 144 promulgated under the Securities Act, which permit resale of shares purchased in a private placement subject to the satisfaction of certain conditions, which may include, among other things, the availability of certain current public information about the Company; the resale occurring not less than a specified period after a party has purchased and paid for the security to be sold; the number of shares being sold during any three-month period not exceeding specified limitations; the sale being effected through a "broker's transaction," a transaction directly with a "market maker" or a "riskless principal transaction" (as those terms are defined in the Securities Act or the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder); and the filing of a Form 144 notice, if applicable. The Holder acknowledges and understands that the Company may not be satisfying the current public information requirement of Rule 144 at the time the Holder wishes to sell the Securities and that, in such event, the Holder may be precluded from selling the Securities under Rule 144 even if the other applicable requirements of Rule 144 have been satisfied. The Holder acknowledges that, in the event the applicable requirements of Rule 144 are not met, registration under the Securities Act or an exemption from registration will be required for any disposition of the Securities. The Holder understands that, although Rule 144 is not exclusive, the Securities and Exchange Commission has expressed its opinion that persons proposing to sell restricted securities received in a private offering other than in a registered offering or pursuant to Rule 144 will have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales and that such persons and the brokers who participate in the transactions do so at their own risk.

(i) ***No Public Market.*** The Holder understands and acknowledges that no public market now exists for any of the securities issued by the Company and that the Company has made no assurances that a public market will ever exist for the Company's securities.

(j) ***Brokers and Finders.*** The Holder has not engaged any brokers, finders or agents in connection with the Securities, and the Company has not incurred nor will incur, directly or indirectly, as a result of any action taken by the Holder, any liability for brokerage or finders' fees or agents' commissions or any similar charges in connection with the Securities.

(k) ***Legal Counsel.*** The Holder has had the opportunity to review this Warrant, the exhibits and schedules attached hereto and the transactions contemplated by this Warrant with its own legal counsel. The Holder is

not relying on any statements or representations of the Company or its agents for legal advice with respect to this investment or the transactions contemplated by this Warrant.

(l) ***Tax Advisors.*** The Holder has reviewed with its own tax advisors the U.S. federal, state and local and non-U.S. tax consequences of this investment and the transactions contemplated by this Warrant. With respect to such matters, the Holder relies solely on any such advisors and not on any statements or representations of the Company or any of its agents, written or oral. The Holder understands that it (and not the Company) shall be responsible for its own tax liability that may arise as a result of this investment and the transactions contemplated by this Warrant.

12. Miscellaneous.

(a) ***Amendments.*** Except as expressly provided herein, neither this Warrant nor any term hereof may be amended, waived, discharged or terminated other than by a written instrument referencing this Warrant and the Holder.

(b) ***Waivers.*** No waiver of any single breach or default shall be deemed a waiver of any other breach or default theretofore or thereafter occurring.

(c) ***Notices.*** All notices and other communications required or permitted hereunder shall be in writing and shall be mailed by registered or certified mail, postage prepaid, sent by facsimile or otherwise delivered by hand, messenger or courier service addressed:

(i) if to the Holder, to the Holder at the Holder's address, or facsimile number as shown in the Company's records, as may be updated in accordance with the provisions hereof, or until any such Holder so furnishes an address, or facsimile number to the Company, then to and at the address, or facsimile number of the last holder of this Warrant for which the Company has contact information in its records; or

(ii) if to the Company, to the attention of the President or Chief Financial Officer of the Company at the Company's address as shown on the signature page hereto, or at such other address as the Company shall have furnished to the Holder.

Each such notice or other communication shall for all purposes of this Warrant be treated as effective or having been given the earlier of (i) when received, (ii) when delivered personally, (iii) one business day after being delivered by facsimile (with receipt of appropriate confirmation), (iv) one business day after being deposited with an overnight courier service of recognized standing or (v) four days after being deposited in the U.S. mail, first class with postage prepaid.

(d) ***Governing Law.*** This Warrant and all actions arising out of or in connection with this Warrant shall be governed by and construed in accordance with the laws of the State of California, without regard to the conflicts of law provisions of the State of California, or of any other state.

(e) ***Jurisdiction and Venue.*** Each of the Holder and the Company irrevocably consents to the exclusive jurisdiction and venue of any court within San Diego, California, in connection with any matter based upon or arising out of this Warrant or the matters contemplated herein, and agrees that process may be served upon them in any manner authorized by the laws of the State of California for such persons.

(f) ***Titles and Subtitles.*** The titles and subtitles used in this Warrant are used for convenience only and are not to be considered in construing or interpreting this Warrant. All references in this Warrant to sections, paragraphs and exhibits shall, unless otherwise provided, refer to sections and paragraphs hereof and exhibits attached hereto.

(g) ***Severability.*** If any provision of this Warrant becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, portions of such provision, or such provision in its entirety, to the extent necessary, shall be severed from this Warrant, and such illegal, unenforceable or void provision shall be replaced with a

valid and enforceable provision that will achieve, to the extent possible, the same economic, business and other purposes of the illegal, unenforceable or void provision. The balance of this Warrant shall be enforceable in accordance with its terms.

(h) ***California Corporate Securities Law.*** THE SALE OF THE SECURITIES THAT ARE THE SUBJECT OF THIS WARRANT HAS NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF SUCH SECURITIES OR THE PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION THEREFOR PRIOR TO SUCH QUALIFICATION IS UNLAWFUL, UNLESS THE SALE OF SECURITIES IS EXEMPT FROM QUALIFICATION BY SECTION 25100, 25102, OR 25105 OF THE CALIFORNIA CORPORATIONS CODE. THE RIGHTS OF ALL PARTIES TO THIS WARRANT ARE EXPRESSLY CONDITIONED UPON THE QUALIFICATION BEING OBTAINED, UNLESS THE SALE IS SO EXEMPT.

(i) ***Saturdays, Sundays and Holidays.*** If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall be a Saturday, Sunday or U.S. federal holiday, then such action may be taken or such right may be exercised on the next succeeding day that is not a Saturday, Sunday or U.S. federal holiday.

(j) ***Rights and Obligations Survive Exercise of the Warrant.*** Except as otherwise provided herein, the rights and obligations of the Company and the Holder under this Warrant shall survive exercise of this Warrant.

(k) ***Entire Agreement.*** Except as expressly set forth herein, this Warrant (including the exhibits attached hereto) constitutes the entire agreement and understanding of the Company and the Holder with respect to the subject matter hereof and supersede all prior agreements and understandings relating to the subject matter hereof.

(*signature page follows*)

The Company signs this Warrant as of the date stated on the first page.

DERMTECH INTERNATIONAL

By: _____

Name: _____

Title: _____

EXHIBIT A

NOTICE OF EXERCISE

TO: **DermTech International (the "*Company*")**

Attention: **President**

(1) **Exercise.** The undersigned elects to purchase the following pursuant to the terms of the attached warrant:

Number of shares: _____

Type of security: _____

(2) **Method of Exercise.** The undersigned elects to exercise the attached warrant pursuant to:

□ A cash payment or cancellation of indebtedness, and tenders herewith payment of the purchase price for such shares in full, together with all applicable transfer taxes, if any.

□ The net issue exercise provisions of Section 3(b) of the attached warrant.

(3) **Conditional Exercise.** Is this a conditional exercise pursuant to Section 3(e):

□ Yes □ No

If "Yes," indicate the applicable condition:

_____

(4) **Stock Certificate.** Please issue a certificate or certificates representing the shares in the name of:

□ The undersigned

□ Other—Name: _____

Address: _____

(5) **Unexercised Portion of the Warrant.** Please issue a new warrant for the unexercised portion of the attached warrant in the name of:

□ The undersigned

□ Other—Name: _____

Address: _____

□ Not applicable

(6) **Investment Intent.** The undersigned represents and warrants that the aforesaid shares are being acquired for investment for its own account, not as a nominee or agent, and not with a view to, or for resale in connection with, the distribution thereof, and that the undersigned has no present intention of selling, granting any participation in, or otherwise distributing the shares, nor does it have any contract, undertaking, agreement or arrangement for the same, and all representations and warranties of the undersigned set forth in Section 11 of the attached warrant are true and correct as of the date hereof.

(7) **Investment Representation Statement and Market Stand-Off Agreement.** The undersigned has executed, and delivers herewith, an Investment Representation Statement and Market Stand-Off Agreement in a form substantially similar to the form attached to the warrant as Exhibit A-1.

_____

(*Print name of the warrant holder*)

_____

(*Signature*)

_____

(*Name and title of signatory, if applicable*)

_____

(*Date*)

_____

(*Fax number*)

EXHIBIT A-l

INVESTMENT REPRESENTATION STATEMENT

INVESTOR: [_____]

COMPANY: DERMTECH INTERNATIONAL

SECURITIES: THE WARRANT ISSUED ON _____ (THE "***WARRANT***") AND THE SECURITIES ISSUED OR ISSUABLE UPON EXERCISE THEREOF

DATE: _____

In connection with the purchase or acquisition of the above-listed Securities, the undersigned Investor represents and warrants to, and agrees with, the Company as follows:

1. No Registration. The Investor understands that the Securities have not been, and will not be, registered under the Securities Act of 1933, as amended (the "***Securities Act***"), by reason of a specific exemption from the registration provisions of the Securities Act, the availability of which depends upon, among other things, the *bona fide* nature of the investment intent and the accuracy of the Investor's representations as expressed herein or otherwise made pursuant hereto.

2. Investment Intent. The Investor is acquiring the Securities for investment for its own account, not as a nominee or agent, and not with a view to, or for resale in connection with, any distribution thereof. The Investor has no present intention of selling, granting any participation in, or otherwise distributing the Securities, nor does it have any contract, undertaking, agreement or arrangement for the same.

3. Investment Experience. The Investor has substantial experience in evaluating and investing in private placement transactions of securities in companies similar to the Company, and has such knowledge and experience in financial or business matters so that it is capable of evaluating the merits and risks of its investment in the Company and protecting its own interests.

4. Speculative Nature of Investment. The Investor understands and acknowledges that its investment in the Company is highly speculative and involves substantial risks. The Investor can bear the economic risk of its investment and is able, without impairing its financial condition, to hold the Securities for an indefinite period of time and to suffer a complete loss of its investment.

5. Access to Data. The Investor has had an opportunity to ask questions of officers of the Company, which questions were answered to its satisfaction. The Investor understands that any such discussions, as well as any information issued by the Company, were intended to describe certain aspects of the Company's business and prospects, but were not necessarily a thorough or exhaustive description. The Investor acknowledges that any business plans prepared by the Company have been, and continue to be, subject to change and that any projections included in such business plans or otherwise are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the projections will not materialize or will vary significantly from actual results.

6. Accredited Investor. The Investor is an "accredited investor" within the meaning of Regulation D, Rule 501(a), promulgated by the Securities and Exchange Commission and agrees to submit to the Company such further assurances of such status as may be reasonably requested by the Company.

7. Residency. The residency of the Investor (or, in the case of a partnership or corporation, such entity's principal place of business) is correctly set forth on the signature page hereto.

8. Restrictions on Resales. The Investor acknowledges that the Securities must be held indefinitely unless subsequently registered under the Securities Act or an exemption from such registration is available. The Investor is aware of the provisions of Rule 144 promulgated under the Securities Act, which permit resale of shares purchased in

a private placement subject to the satisfaction of certain conditions, which may include, among other things, the availability of certain current public information about the Company; the resale occurring not less than a specified period after a party has purchased and paid for the security to be sold; the number of shares being sold during any three-month period not exceeding specified limitations; the sale being effected through a "broker's transaction," a transaction directly with a "market maker" or a "riskless principal transaction" (as those terms are defined in the Securities Act or the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder); and the filing of a Form 144 notice, if applicable. The Investor acknowledges and understands that the Company may not be satisfying the current public information requirement of Rule 144 at the time the Investor wishes to sell the Securities and that, in such event, the Investor may be precluded from selling the Securities under Rule 144 even if the other applicable requirements of Rule 144 have been satisfied. The Investor understands and acknowledges that, in the event the applicable requirements of Rule 144 are not met, registration under the Securities Act or an exemption from registration will be required for any disposition of the Securities. The Investor understands that, although Rule 144 is not exclusive, the Securities and Exchange Commission has expressed its opinion that persons proposing to sell restricted securities received in a private offering other than in a registered offering or pursuant to Rule 144 will have a substantial burden of proof in establishing that an exemption from registration is available for those offers or sales and that those persons and the brokers who participate in the transactions do so at their own risk.

9. No Public Market. The Holder understands and acknowledges that no public market now exists for any of the securities issued by the Company and that the Company has made no assurances that a public market will ever exist for the Company's securities.

10. Brokers and Finders. The Investor has not engaged any brokers, finders or agents in connection with the Securities, and the Company has not incurred nor will incur, directly or indirectly, as a result of any action taken by the Investor, any liability for brokerage or finders' fees or agents' commissions or any similar charges in connection with the Securities.

11. Legal Counsel. The Investor has had the opportunity to review the Warrant, the exhibits and schedules attached thereto and the transactions contemplated by the Warrant with its own legal counsel. The Investor is not relying on any statements or representations of the Company or its agents for legal advice with respect to this investment or the transactions contemplated by the Warrant.

12. Tax Advisors. The Investor has reviewed with its own tax advisors the U.S. federal, state and local and non-U.S. tax consequences of this investment and the transactions contemplated by the Warrant. With respect to such matters, the Investor relies solely on such advisors and not on any statements or representations of the Company or any of its agents, written or oral. The Investor understands that it (and not the Company) shall be responsible for its own tax liability that may arise as a result of this investment or the transactions contemplated by the Warrant.

(*signature page follows*)

The Investor is signing this Investment Representation Statement and Market Stand-Off Agreement on the date first written above.

INVESTOR

(*Print name of the investor*)

(*Signature*)

(*Name and title of signatory, if applicable*)

(*Street address*)

(*City, state and ZIP*)

EXHIBIT B

ASSIGNMENT FORM

ASSIGNOR: _____

COMPANY: DERMTECH INTERNATIONAL

WARRANT: THE WARRANT TO PURCHASE SHARES OF COMMON STOCK ISSUED ON _____ (THE "***WARRANT***")

DATE: _____

(1) **Assignment.** The undersigned registered holder of the Warrant ("***Assignor***") assigns and transfers to the assignee named below ("***Assignee***") all of the rights of Assignor under the Warrant, with respect to the number of shares set forth below:

Name of Assignee: _____

Address of Assignee: _____

_____

Number of Shares Assigned: _____

and does irrevocably constitute and appoint _____ as attorney to make such transfer on the books of DermTech International maintained for the purpose, with full power of substitution in the premises.

(2) **Obligations of Assignee.** Assignee agrees to take and hold the Warrant and any shares of stock to be issued upon exercise of the rights thereunder (the "***Securities***") subject to, and to be bound by, the terms and conditions set forth in the Warrant, to the same extent as if Assignee were the original holder thereof.

(3) **Investment Intent.** Assignee represents and warrants that the Securities are being acquired for investment for its own account, not as a nominee or agent, and not with a view to, or for resale in connection with, the distribution thereof, and that Assignee has no present intention of selling, granting any participation in, or otherwise distributing the shares, nor does it have any contract, undertaking, agreement or arrangement for the same, and all representations and warranties set forth in Section 11 of the Warrant are true and correct as to Assignee as of the date hereof.

(4) **Investment Representation Statement.** Assignee has executed, and delivers herewith, an Investment Representation Statement in a form substantially similar to the form attached to the Warrant as Exhibit A-1.

Assignor and Assignee are signing this Assignment Form on the date first set forth above.

ASSIGNOR

(*Print name of Assignor*)

(*Signature of Assignor*)

(*Print name of signatory, if applicable*)

(*Print title of signatory, if applicable*)

Address:

ASSIGNEE

(*Print name of Assignee*)

(*Signature of Assignee*)

(*Print name of signatory, if applicable*)

(*Print title of signatory, if applicable*)

Address:

THIS WARRANT AND THE UNDERLYING SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "***ACT***"), OR UNDER THE SECURITIES LAWS OF ANY STATE. THESE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS IN ACCORDANCE WITH APPLICABLE REGISTRATION REQUIREMENTS OR AN EXEMPTION THEREFROM. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER THAT SUCH OFFER, SALE, TRANSFER, PLEDGE OR HYPOTHECATION OTHERWISE COMPLIES WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS. THIS WARRANT MUST BE SURRENDERED TO THE COMPANY OR ITS TRANSFER AGENT AS A CONDITION PRECEDENT TO THE SALE, TRANSFER, PLEDGE OR HYPOTHECATION OF ANY INTEREST IN ANY OF THE SECURITIES REPRESENTED HEREBY.

WARRANT TO PURCHASE SHARES OF COMMON STOCK
of
DERMTECH, INC.

Dated as of _____,
(the "*Issue Date*")
Void after the date specified in Section 8

No. _____

Warrant to Purchase
Shares of Common Stock

THIS CERTIFIES THAT, for value received, _____, or its registered assigns (the "***Holder***"), is entitled, subject to the provisions and upon the terms and conditions set forth herein, to purchase from DermTech, Inc., a Delaware corporation (the "***Company***") shares of the Company's Common Stock (the "***Shares***") in the amounts, at such times and at the price per share set forth in Section 1. The term "***Warrant***" as used herein shall include this Warrant and any warrants delivered in substitution or exchange therefor as provided herein. This Warrant is issued in connection with the transactions described in the Series C Preferred Securities Purchase Agreement, dated as of _____, by and between the Company and the investors listed on Exhibit A attached thereto (the "***Securities Purchase Agreement***"). This Warrant is one of a series of warrants referred to as the "Common Warrants" in the Purchase Agreement.

The following is a statement of the rights of the Holder and the conditions to which this Warrant is subject, and to which Holder, by acceptance of this Warrant, agrees:

1. Number and Price of Shares; Exercise Period.

Number of Shares. Subject to any previous exercise of the Warrant, the Holder shall have the right to purchase up to [_____] Shares, as may be adjusted pursuant hereto, prior to (or in connection with) the expiration of this Warrant as provided in Section 8.

Exercise Price. The exercise price per Share shall be equal to $5.54, subject to adjustment pursuant hereto (the "***Exercise Price***").

Exercise Period. This Warrant shall be exercisable, in whole or in part, prior to (or in connection with) the expiration of this Warrant as set forth in Section 8.

2. Exercise of the Warrant.

(a) ***Exercise.*** The purchase rights represented by this Warrant may be exercised at the election of the Holder, in whole or in part, in accordance with Section 1, by:

(i) the tender to the Company at its principal office (or such other office or agency as the Company may designate) of a notice of exercise in the form of Exhibit A (the "***Notice of Exercise***"), duly completed and executed by or on behalf of the Holder, together with the surrender of this Warrant; and

(ii) the payment to the Company of an amount equal to (x) the Exercise Price multiplied by (y) the number of Shares being purchased, by (a) wire transfer or certified, cashier's or other check acceptable to the Company and payable to the order of the Company; (b) surrender and cancellation of promissory notes or other instruments representing indebtedness of the Company to the Holder; or (c) a combination of (a) and (b).

(b) ***Stock Certificates.*** The rights under this Warrant shall be deemed to have been exercised and the Shares issuable upon such exercise shall be deemed to have been issued immediately prior to the close of business on the date this Warrant is exercised in accordance with its terms, and the person entitled to receive the Shares issuable upon such exercise shall be treated for all purposes as the holder of record of such Shares as of the close of business on such date. As promptly as reasonably practicable on or after such date, and in any event within fifteen (15) days thereafter, the Company shall issue and deliver to the person or persons entitled to receive the same a certificate or certificates for that number of shares issuable upon such exercise. In the event that the rights under this Warrant are exercised in part and have not expired, the Company shall execute and deliver a new Warrant reflecting the number of Shares that remain subject to this Warrant.

(c) ***No Fractional Shares or Scrip.*** No fractional shares or scrip representing fractional shares shall be issued upon the exercise of the rights under this Warrant. In lieu of such fractional share to which the Holder would otherwise be entitled, the Company shall make a cash payment equal to the Exercise Price multiplied by such fraction.

(d) ***Conditional Exercise.*** The Holder may exercise this Warrant conditioned upon (and effective immediately prior to) consummation of any transaction that would cause the expiration of this Warrant pursuant to Section 8 by so indicating in the notice of exercise.

(e) ***Reservation of Stock.*** The Company agrees during the term the rights under this Warrant are exercisable to take all reasonable action to reserve and keep available from its authorized and unissued shares of Common Stock for the purpose of effecting the exercise of this Warrant such number of shares (and shares of common stock for issuance on conversion of such shares) as shall from time to time be sufficient to effect the exercise of the rights under this Warrant; and if at any time the number of authorized but unissued shares of Common Stock (and shares of common stock for issuance on conversion of such shares) shall not be sufficient for purposes of the exercise of this Warrant in accordance with its terms and the conversion of the Shares, without limitation of such other remedies as may be available to the Holder, the Company will use all reasonable efforts to take such corporate action as may, in the opinion of counsel, be necessary to increase its authorized and unissued shares of its Common Stock (and shares of common stock for issuance on conversion of such shares) to a number of shares as shall be sufficient for such purposes

(f) ***Effect of Exercise***. Upon exercise of this Warrant in accordance with this Section 2, the Holder shall, to the extent not already a party, be entitled to enter into and become party to the Amended and Restated Voting Agreement, dated _____, as applicable, as any of the foregoing may be amended, modified or supplemented from time to time.

3. Replacement of the Warrant. Subject to the receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, on delivery of an indemnity agreement reasonably satisfactory in form and substance to the Company or, in the case of mutilation, on surrender and cancellation of this Warrant, the Company at the expense of the Holder shall execute and deliver, in lieu of this Warrant, a new warrant of like tenor and amount.

4. Transfer of the Warrant.

(a) ***Warrant Register.*** The Company shall maintain a register (the "***Warrant Register***") containing the name and address of the Holder or Holders. Until this Warrant is transferred on the Warrant Register in accordance herewith, the Company may treat the Holder as shown on the Warrant Register as the absolute owner of this Warrant for all purposes, notwithstanding any notice to the contrary. Any Holder of this Warrant (or of any portion of this Warrant) may change its address as shown on the Warrant Register by written notice to the Company requesting a change.

(b) ***Warrant Agent.*** The Company may appoint an agent for the purpose of maintaining the Warrant Register referred to in Section 4(a), issuing the Shares or other securities then issuable upon the exercise of the rights under this Warrant, exchanging this Warrant, replacing this Warrant or conducting related activities.

(c) ***Transferability of the Warrant.*** Subject to the provisions of this Warrant with respect to compliance with the Securities Act of 1933, as amended (the "***Securities Act***") and limitations on assignments and transfers, including without limitation compliance with the restrictions on transfer set forth in Section 5, title to this Warrant may be transferred by endorsement (by the transferor and the transferee executing the assignment form attached as Exhibit B (the "***Assignment Form***")) and delivery in the same manner as a negotiable instrument transferable by endorsement and delivery.

(d) ***Exchange of the Warrant upon a Transfer.*** On surrender of this Warrant (and a properly endorsed Assignment Form) for exchange, subject to the provisions of this Warrant with respect to compliance with the Securities Act and limitations on assignments and transfers, the Company shall issue to or on the order of the Holder a new warrant or warrants of like tenor, in the name of the Holder or as the Holder (on payment by the Holder of any applicable transfer taxes) may direct, for the number of shares issuable upon exercise hereof, and the Company shall register any such transfer upon the Warrant Register. This Warrant (and the securities issuable upon exercise of the rights under this Warrant) must be surrendered to the Company or its warrant or transfer agent, as applicable, as a condition precedent to the sale, pledge, hypothecation or other transfer of any interest in any of the securities represented hereby.

(e) ***Taxes.*** In no event shall the Company be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of any certificate in a name other than that of the Holder, and the Company shall not be required to issue or deliver any such certificate unless and until the person or persons requesting the issue thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid or is not payable.

5. Restrictions on Transfer of the Warrant and Shares; Compliance with Securities Laws. By acceptance of this Warrant, the Holder agrees to comply with the following:

(a) ***Restrictions on Transfers.*** Subject to Section 5(b), this Warrant may not be transferred or assigned in whole or in part without the Company's prior written consent (which shall not be unreasonably withheld), and any attempt by Holder to transfer or assign any rights, duties or obligations that arise under this Warrant without such permission shall be void. Any transfer of this Warrant, the Shares or the common stock issuable upon the conversion of the Shares (the "***Securities***") must be in compliance with all applicable federal and state securities laws. The Holder agrees not to make any sale, assignment, transfer, pledge or other disposition of all or any portion of the Securities, or any beneficial interest therein, unless and until the transferee thereof has agreed in writing for the benefit of the Company to take and hold such Securities subject to, and to be bound by, the terms and conditions set forth in this Warrant, to the same extent as if the transferee were the original Holder hereunder, and

(i) there is then in effect a registration statement under the Securities Act covering such proposed disposition and such disposition is made in accordance with such registration statement, or

(ii) (A) such Holder shall have given prior written notice to the Company of such Holder's intention to make such disposition and shall have furnished the Company with a detailed description of the manner and circumstances of the proposed disposition, (B) the transferee shall have confirmed to the satisfaction of the

Company in writing, substantially in the form of Exhibit A-1, that the Securities are being acquired (i) solely for the transferee's own account and not as a nominee for any other party, (ii) for investment and (iii) not with a view toward distribution or resale, and shall have confirmed such other matters related thereto as may be reasonably requested by the Company, and (C) if requested by the Company, such Holder shall have furnished the Company, at the Holder's expense and option, either (i) evidence reasonably satisfactory to the Company that such disposition will not require registration of such Securities under the Securities Act or (ii) a "no action" letter from the Securities and Exchange Commission to the effect that the transfer of such Securities without registration will not result in a recommendation by the staff of the Securities and Exchange Commission that action be taken with respect thereto, whereupon such Holder shall be entitled to transfer such Securities in accordance with the terms of the notice delivered by the Holder to the Company. It is agreed that the Company will not require opinions of counsel for transactions made pursuant to Rule 144 except in unusual circumstances.

(b) ***Permitted Transfers.*** Permitted transfers include (i) a transfer not involving a change in beneficial ownership, or (ii) transactions involving the distribution without consideration of Securities by any Holder to (w) such Holder's child, step-child, grandchild, parent, step-parent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, sister-in-law or brother-in-law, or a trust for the benefit of any such family member, (x) a parent, subsidiary or other affiliate of a Holder that is a corporation, limited liability company or limited partnership (y) any of the Holder's partners, members or other equity owners, or retired partners or members, or to the estate of any of its partners, members or other equity owners or retired partners or members, or (z) any venture capital or other investment fund now or hereafter existing that is controlled by or under common control with one or more general partners of or that shares the same management company or investment advisor with such Holder; *provided*, in each case, that the Holder shall give written notice to the Company of the Holder's intention to effect such disposition and shall have furnished the Company with a detailed description of the manner and circumstances of the proposed disposition.

(c) ***Investment Representation Statement.*** Unless the rights under this Warrant are exercised pursuant to an effective registration statement under the Securities Act that includes the Shares with respect to which the Warrant was exercised, it shall be a condition to any exercise of the rights under this Warrant that the Holder shall have confirmed to the satisfaction of the Company in writing, substantially in the form of Exhibit A-1, that the Shares so purchased are being acquired solely for the Holder's own account and not as a nominee for any other party, for investment and not with a view toward distribution or resale and that the Holder shall have confirmed such other matters related thereto as may be reasonably requested by the Company.

(d) ***Securities Law Legend.*** The Securities shall (unless otherwise permitted by the provisions of this Warrant) be stamped or imprinted with a legend substantially similar to the following (in addition to any legend required by state securities laws):

> THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF CERTAIN STATES. THESE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS IN ACCORDANCE WITH APPLICABLE REGISTRATION REQUIREMENTS OR AN EXEMPTION THEREFROM. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER THAT SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION OTHERWISE COMPLIES WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS. THIS CERTIFICATE MUST BE SURRENDERED TO THE COMPANY OR ITS TRANSFER AGENT AS A CONDITION PRECEDENT TO THE SALE, TRANSFER, PLEDGE OR HYPOTHECATION OF ANY INTEREST IN ANY OF THE SECURITIES REPRESENTED HEREBY.

(e) ***Market Stand-off Legend.*** The Shares issued upon exercise hereof shall also be stamped or imprinted with a legend in substantially the following form:

> THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE, INCLUDING A LOCK-UP PERIOD IN THE EVENT OF A PUBLIC

OFFERING, AS SET FORTH IN THE WARRANT PURSUANT TO WHICH THESE SHARES WERE ISSUED, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE COMPANY.

(f) ***Instructions Regarding Transfer Restrictions.*** The Holder consents to the Company making a notation on its records and giving instructions to any transfer agent in order to implement the restrictions on transfer established in this Section 5.

(g) ***Removal of Legend.*** The legend referring to federal and state securities laws identified in Section 5(d) stamped on a certificate evidencing the Shares and the stock transfer instructions and record notations with respect to such securities shall be removed and the Company shall issue a certificate without such legend to the holder of such securities if (i) such securities are registered under the Securities Act, or (ii) such holder provides the Company with an opinion of counsel reasonably acceptable to the Company to the effect that a sale or transfer of such securities may be made without registration or qualification

(h) ***No Transfers to Bad Actors; Notice of Bad Actor Status*.** The Holder agrees not to sell, assign, transfer, pledge or otherwise dispose of any securities of the Company, or any beneficial interest therein, to any person (other than the Company) unless and until the proposed transferee confirms to the reasonable satisfaction of the Company that neither the proposed transferee nor any of its directors, executive officers, other officers that may serve as a director or officer of any company in which it invests, general partners or managing members nor any person that would be deemed a beneficial owner of those securities (in accordance with Rule 506(d) of the Securities Act) is subject to any of the "bad actor" disqualifications described in Rule 506(d)(1)(i) through (viii) under the Securities Act, except as set forth in Rule 506(d)(2)(ii) or (iii) or (d)(3) under the Securities Act and disclosed, reasonably in advance of the transfer, in writing in reasonable detail to the Company. The Holder will promptly notify the Company in writing if the Holder or, to the Holder's knowledge, any person specified in Rule 506(d)(1) under the Securities Act becomes subject to any of the "bad actor" disqualifications described in Rule 506(d)(1)(i) through (viii) under the Securities Act

(i) ***Market Stand-off***. If requested by the Company and an underwriter of common stock (or other securities) of the Company, the Investor shall not sell or otherwise transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, of any common stock (or other securities) of the Company held by the Investor (other than those included in the registration) during the one hundred eighty (180) day period following the effective date of the registration statement for the Company's initial public offering filed under the Securities Act (or such other period as may be requested by the Company or an underwriter to accommodate regulatory restrictions on (i) the publication or other distribution of research reports and (ii) analyst recommendations and opinions, including, but not limited to, the restrictions contained in FINRA Rule 2711(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto), provided that all officers and directors of the Company and holders of at least five percent (5%) of the Company's voting securities are bound by and have entered into similar agreements. The obligations described in this section shall not apply to a registration relating solely to employee benefit plans on Form S-l or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a transaction on Form S-4 or similar forms that may be promulgated in the future. The Company may impose stop-transfer instructions and may stamp each certificate with a legend as with respect to the shares of common stock (or other securities) subject to the foregoing restriction until the end of such one hundred eighty (180) day (or other) period.

6. Adjustments. Subject to the expiration of this Warrant pursuant to Section 8, the number and kind of shares purchasable hereunder and the Exercise Price therefor are subject to adjustment from time to time as follows:

(a) ***Merger or Reorganization.*** If at any time there shall be any reorganization, recapitalization, merger or consolidation (a "***Reorganization***") involving the Company (other than as otherwise provided for herein or as would cause the expiration of this Warrant under Section 8) in which shares of the Company's stock are converted into or exchanged for securities, cash or other property, then, as a part of such Reorganization, lawful provision shall be made so that the Holder shall thereafter be entitled to receive upon exercise of this Warrant, the kind and amount of securities, cash or other property of the successor corporation resulting from such Reorganization, equivalent in value to that which a holder of the Shares deliverable upon exercise of this Warrant would have been entitled in such Reorganization if the right to purchase the Shares hereunder had been exercised immediately prior to such Reorganization. In any such case,

appropriate adjustment (as determined in good faith by the Board of Directors of the successor corporation) shall be made in the application of the provisions of this Warrant with respect to the rights and interests of the Holder after such Reorganization to the end that the provisions of this Warrant shall be applicable after the event, as near as reasonably may be, in relation to any shares or other securities deliverable after that event upon the exercise of this Warrant.

(b) ***Reclassification of Shares.*** If the securities issuable upon exercise of this Warrant are changed into the same or a different number of securities of any other class or classes by reclassification, capital reorganization or otherwise (other than as otherwise provided for herein) (a "***Reclassification***"), then, in any such event, in lieu of the number of Shares which the Holder would otherwise have been entitled to receive, the Holder shall have the right thereafter to exercise this Warrant for a number of shares of such other class or classes of stock that a holder of the number of securities deliverable upon exercise of this Warrant immediately before that change would have been entitled to receive in such Reclassification, all subject to further adjustment as provided herein with respect to such other shares.

(c) ***Subdivisions and Combinations.*** In the event that the outstanding shares of Common Stock are subdivided (by stock split, by payment of a stock dividend or otherwise) into a greater number of shares of such securities, the number of Shares issuable upon exercise of the rights under this Warrant immediately prior to such subdivision shall, concurrently with the effectiveness of such subdivision, be proportionately increased, and the Exercise Price shall be proportionately decreased, and in the event that the outstanding shares of Common Stock are combined (by reclassification or otherwise) into a lesser number of shares of such securities, the number of Shares issuable upon exercise of the rights under this Warrant immediately prior to such combination shall, concurrently with the effectiveness of such combination, be proportionately decreased, and the Exercise Price shall be proportionately increased.

(d) ***Notice of Adjustments.*** Upon any adjustment in accordance with this Section 6, the Company shall give notice thereof to the Holder, which notice shall state the event giving rise to the adjustment, the Exercise Price as adjusted and the number of securities or other property purchasable upon the exercise of the rights under this Warrant, setting forth in reasonable detail the method of calculation of each. The Company shall, upon the written request of any Holder, furnish or cause to be furnished to such Holder a certificate setting forth (i) such adjustments, (ii) the Exercise Price at the time in effect and (iii) the number of securities and the amount, if any, of other property that at the time would be received upon exercise of this Warrant.

7. Notification of Certain Events. Prior to the expiration of this Warrant pursuant to Section 8, in the event that the Company shall authorize:

(a) the issuance of any dividend or other distribution on the capital stock of the Company (other than (i) dividends or distributions otherwise provided for in Section 6, (ii) repurchases of common stock issued to or held by employees, officers, directors or consultants of the Company or its subsidiaries upon termination of their employment or services pursuant to agreements providing for the right of said repurchase; or (iii) repurchases of common stock issued to or held by employees, officers, directors or consultants of the Company or its subsidiaries pursuant to rights of first refusal or first offer contained in agreements providing for such rights), whether in cash, property, stock or other securities; or

(b) the voluntary liquidation, dissolution or winding up of the Company; or

(c) any transaction resulting in the expiration of this Warrant pursuant to Section 8(b).

the Company shall send to the Holder of this Warrant at least ten (10) business days prior written notice of the date on which a record shall be taken for any such dividend or distribution specified in clause (a) or the expected effective date of any such other event specified in clause (b) or (b), as applicable. The notice provisions set forth in this section may be shortened or waived prospectively or retrospectively by the consent of the Holder of this Warrant.

8. Expiration of the Warrant. This Warrant shall expire and shall no longer be exercisable as of the earlier of:

(a) 5:00 p.m., Pacific time, on the third anniversary of the Issue Date; or

(b) the acquisition of the Company by another entity by means of any transaction or series of related transactions to which the Company is a party (including, without limitation, any stock acquisition, reorganization, merger or consolidation, but excluding any sale of stock for capital raising purposes and any transaction effected primarily for purposes of changing the Company's jurisdiction of incorporation) other than a transaction or series of related transactions in which the holders of the voting securities of the Company outstanding immediately prior to such transaction or series of related transactions retain, immediately after such transaction or series of transactions, as a result of shares in the Company held by such holders prior to such transaction or series of transactions, at least a majority of the total voting power represented by the outstanding voting securities of the Company or such other surviving or resulting entity (or if the Company or such other surviving or resulting entity is a wholly-owned subsidiary immediately following such acquisition, its parent), or (ii) a sale, lease or other disposition of all or substantially all of the assets of the Company and its subsidiaries taken as a whole by means of any transaction or series of related transactions, except where such sale, lease or other disposition is to a wholly-owned subsidiary of the Company.

9. No Rights as a Stockholder. Nothing contained herein shall entitle the Holder to any rights as a stockholder of the Company or to be deemed the holder of any securities that may at any time be issuable on the exercise of the rights hereunder for any purpose nor shall anything contained herein be construed to confer upon the Holder, as such, any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action (whether upon any recapitalization, issuance of stock, reclassification of stock, change of par value or change of stock to no par value, consolidation, merger, conveyance or otherwise) or to receive notice of meetings, or to receive dividends or subscription rights or any other rights of a stockholder of the Company until the rights under the Warrant shall have been exercised and the Shares purchasable upon exercise of the rights hereunder shall have become deliverable as provided herein.

10. Representations and Warranties of the Holder. By acceptance of this Warrant, the Holder represents and warrants to the Company as follows:

(a) ***No Registration.*** The Holder understands that the Securities have not been, and will not be, registered under the Securities Act by reason of a specific exemption from the registration provisions of the Securities Act, the availability of which depends upon, among other things, the *bona fide* nature of the investment intent and the accuracy of the Holder's representations as expressed herein or otherwise made pursuant hereto.

(b) ***Investment Intent.*** The Holder is acquiring the Securities for investment for its own account, not as a nominee or agent, and not with a view to, or for resale in connection with, any distribution thereof. The Holder has no present intention of selling, granting any participation in, or otherwise distributing the Securities, nor does it have any contract, undertaking, agreement or arrangement for the same.

(c) ***Investment Experience.*** The Holder has substantial experience in evaluating and investing in private placement transactions of securities in companies similar to the Company, and has such knowledge and experience in financial or business matters so that it is capable of evaluating the merits and risks of its investment in the Company and protecting its own interests.

(d) ***Speculative Nature of Investment.*** The Holder understands and acknowledges that its investment in the Company is highly speculative and involves substantial risks. The Holder can bear the economic risk of its investment and is able, without impairing its financial condition, to hold the Securities for an indefinite period of time and to suffer a complete loss of its investment.

(e) ***Access to Data.*** The Holder has had an opportunity to ask questions of officers of the Company, which questions were answered to its satisfaction. The Holder believes that it has received all the information that it considers necessary or appropriate for deciding whether to acquire the Securities. The Holder understands that any

such discussions, as well as any information issued by the Company, were intended to describe certain aspects of the Company's business and prospects, but were not necessarily a thorough or exhaustive description. The Holder acknowledges that any business plans prepared by the Company have been, and continue to be, subject to change and that any projections included in such business plans or otherwise are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the projections will not materialize or will vary significantly from actual results.

(f) ***Accredited Investor.*** The Holder is an "accredited investor" within the meaning of Regulation D, Rule 501(a), promulgated by the Securities and Exchange Commission and agrees to submit to the Company such further assurances of such status as may be reasonably requested by the Company.

(g) ***Residency.*** The residency of the Holder (or, in the case of a partnership or corporation, such entity's principal place of business) is correctly set forth on the signature page hereto.

(h) ***Restrictions on Resales.*** The Holder acknowledges that the Securities must be held indefinitely unless subsequently registered under the Securities Act or an exemption from such registration is available. The Holder is aware of the provisions of Rule 144 promulgated under the Securities Act, which permit resale of shares purchased in a private placement subject to the satisfaction of certain conditions, which may include, among other things, the availability of certain current public information about the Company; the resale occurring not less than a specified period after a party has purchased and paid for the security to be sold; the number of shares being sold during any three-month period not exceeding specified limitations; the sale being effected through a "broker's transaction," a transaction directly with a "market maker" or a "riskless principal transaction" (as those terms are defined in the Securities Act or the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder); and the filing of a Form 144 notice, if applicable. The Holder acknowledges and understands that the Company may not be satisfying the current public information requirement of Rule 144 at the time the Holder wishes to sell the Securities and that, in such event, the Holder may be precluded from selling the Securities under Rule 144 even if the other applicable requirements of Rule 144 have been satisfied. The Holder acknowledges that, in the event the applicable requirements of Rule 144 are not met, registration under the Securities Act or an exemption from registration will be required for any disposition of the Securities. The Holder understands that, although Rule 144 is not exclusive, the Securities and Exchange Commission has expressed its opinion that persons proposing to sell restricted securities received in a private offering other than in a registered offering or pursuant to Rule 144 will have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales and that such persons and the brokers who participate in the transactions do so at their own risk.

(i) ***No Public Market.*** The Holder understands and acknowledges that no public market now exists for any of the securities issued by the Company and that the Company has made no assurances that a public market will ever exist for the Company's securities.

(j) ***Brokers and Finders.*** The Holder has not engaged any brokers, finders or agents in connection with the Securities, and the Company has not incurred nor will incur, directly or indirectly, as a result of any action taken by the Holder, any liability for brokerage or finders' fees or agents' commissions or any similar charges in connection with the Securities.

(k) ***Legal Counsel.*** The Holder has had the opportunity to review this Warrant, the exhibits and schedules attached hereto and the transactions contemplated by this Warrant with its own legal counsel. The Holder is not relying on any statements or representations of the Company or its agents for legal advice with respect to this investment or the transactions contemplated by this Warrant.

(l) ***Tax Advisors.*** The Holder has reviewed with its own tax advisors the U.S. federal, state and local and non-U.S. tax consequences of this investment and the transactions contemplated by this Warrant. With respect to such matters, the Holder relies solely on any such advisors and not on any statements or representations of the Company or any of its agents, written or oral. The Holder understands that it (and not the Company) shall be responsible for its own tax liability that may arise as a result of this investment and the transactions contemplated by this Warrant.

(m) ***No "Bad Actor" Disqualification.*** Neither (i) the Holder, (ii) any of its directors, executive officers, other officers that may serve as a director or officer of any company in which it invests, general partners or managing members, nor (iii) any beneficial owner of any of the Company's voting equity securities (in accordance with Rule 506(d) of the Securities Act) held by the Holder is subject to any of the "bad actor" disqualifications described in Rule 506(d)(1)(i) through (viii) under the Securities Act, except as set forth in Rule 506(d)(2)(ii) or (iii) or (d)(3) under the Securities Act and disclosed, reasonably in advance of the acceptance of this Warrant, in writing in reasonable detail to the Company.

11. Miscellaneous.

(a) ***Amendments.*** Except as expressly provided herein, neither this Warrant nor any term hereof may be amended, waived, discharged or terminated other than by a written instrument referencing this Warrant and signed by the Company and Holder.

(b) ***Waivers.*** No waiver of any single breach or default shall be deemed a waiver of any other breach or default theretofore or thereafter occurring.

(c) ***Notices.*** All notices and other communications required or permitted hereunder shall be in writing and shall be mailed by registered or certified mail, postage prepaid, sent by facsimile or otherwise delivered by hand, messenger or courier service addressed:

(i) if to the Holder, to the Holder at the Holder's address, or facsimile number as shown in the Company's records, as may be updated in accordance with the provisions hereof, or until any such Holder so furnishes an address, or facsimile number to the Company, then to and at the address, or facsimile number of the last holder of this Warrant for which the Company has contact information in its records; or

(ii) if to the Company, to the attention of the President or Chief Financial Officer of the Company at the Company's address as shown on the signature page hereto, or at such other address as the Company shall have furnished to the Holder.

Each such notice or other communication shall for all purposes of this Warrant be treated as effective or having been given the earlier of (i) when received, (ii) when delivered personally, (iii) one business day after being delivered by facsimile (with receipt of appropriate confirmation), (iv) one business day after being deposited with an overnight courier service of recognized standing or (v) four days after being deposited in the U.S. mail, first class with postage prepaid.

(d) ***Governing Law.*** This Warrant and all actions arising out of or in connection with this Warrant shall be governed by and construed in accordance with the laws of the State of California, without regard to the conflicts of law provisions of the State of California, or of any other state.

(e) ***Jurisdiction and Venue.*** Each of the Holder and the Company irrevocably consents to the exclusive jurisdiction and venue of any court within San Diego, California, in connection with any matter based upon or arising out of this Warrant or the matters contemplated herein, and agrees that process may be served upon them in any manner authorized by the laws of the State of California for such persons.

(f) ***Titles and Subtitles.*** The titles and subtitles used in this Warrant are used for convenience only and are not to be considered in construing or interpreting this Warrant. All references in this Warrant to sections, paragraphs and exhibits shall, unless otherwise provided, refer to sections and paragraphs hereof and exhibits attached hereto.

(g) ***Severability.*** If any provision of this Warrant becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, portions of such provision, or such provision in its entirety, to the extent necessary, shall be severed from this Warrant, and such illegal, unenforceable or void provision shall be replaced with a valid and enforceable provision that will achieve, to the extent possible, the same economic, business and other purposes

of the illegal, unenforceable or void provision. The balance of this Warrant shall be enforceable in accordance with its terms.

(h) ***Waiver of Jury Trial.*** **EACH OF THE HOLDER AND THE COMPANY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATED TO THIS WARRANT.** If the waiver of jury trial set forth in this paragraph is not enforceable, then any claim or cause of action arising out of or relating to this Warrant shall be settled by judicial reference pursuant to California Code of Civil Procedure Section 638 *et seq.* before a referee sitting without a jury, such referee to be mutually acceptable to the parties or, if no agreement is reached, by a referee appointed by the Presiding Judge of the California Superior Court for San Diego County. This paragraph shall not restrict the Holder or the Company from exercising remedies under the Uniform Commercial Code or from exercising pre-judgment remedies under applicable law.

(i) ***California Corporate Securities Law.*** THE SALE OF THE SECURITIES THAT ARE THE SUBJECT OF THIS WARRANT HAS NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF SUCH SECURITIES OR THE PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION THEREFOR PRIOR TO SUCH QUALIFICATION IS UNLAWFUL, UNLESS THE SALE OF SECURITIES IS EXEMPT FROM QUALIFICATION BY SECTION 25100, 25102, OR 25105 OF THE CALIFORNIA CORPORATIONS CODE. THE RIGHTS OF ALL PARTIES TO THIS WARRANT ARE EXPRESSLY CONDITIONED UPON THE QUALIFICATION BEING OBTAINED, UNLESS THE SALE IS SO EXEMPT.

(j) ***Saturdays, Sundays and Holidays.*** If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall be a Saturday, Sunday or U.S. federal holiday, then such action may be taken or such right may be exercised on the next succeeding day that is not a Saturday, Sunday or U.S. federal holiday.

(k) ***Rights and Obligations Survive Exercise of the Warrant.*** Except as otherwise provided herein, the rights and obligations of the Company and the Holder under this Warrant shall survive exercise of this Warrant.

(l) ***Entire Agreement.*** Except as expressly set forth herein, this Warrant (including the exhibits attached hereto) constitutes the entire agreement and understanding of the Company and the Holder with respect to the subject matter hereof and supersede all prior agreements and understandings relating to the subject matter hereof.

(*signature page follows*)

The Company signs this Warrant as of the date stated on the first page.

DERMTECH, INC.

By: _____

Name: _____

Title: _____

EXHIBIT A

NOTICE OF EXERCISE

TO: **DermTech, Inc. (the "*Company*")**

Attention: **President**

(1) **Exercise.** The undersigned elects to purchase the following pursuant to the terms of the attached warrant:

Number of shares: _____

Type of security: _____

(2) **Method of Exercise.** The undersigned elects to exercise the attached warrant pursuant to:

☐ A cash payment or cancellation of indebtedness, and tenders herewith payment of the purchase price for such shares in full, together with all applicable transfer taxes, if any.

(3) **Conditional Exercise.** Is this a conditional exercise pursuant to Section 2(d):

☐ Yes ☐ No

If "Yes," indicate the applicable condition:

_____

(4) **Payment of the Purchase Price.** The undersigned hereby tenders herewith for the exercise price of the warrant either a cash payment or evidence of the cancellation of indebtedness owed by the Company to the undersigned in an amount equal to the purchase price for such shares in full, together with all applicable transfer taxes, if any.

(5) **Stock Certificate.** Please issue a certificate or certificates representing the shares in the name of:

☐ The undersigned

☐ Other—Name: _____

Address: _____

Social Security or Federal Tax I.D. Number: _____

(6) **Unexercised Portion of the Warrant.** Please issue a new warrant for the unexercised portion of the attached warrant in the name of:

☐ The undersigned

☐ Other—Name: _____

Address: _____

☐ Not applicable

(7) **Investment Intent.** The undersigned represents and warrants that the aforesaid shares are being acquired for investment for its own account, not as a nominee or agent, and not with a view to, or for resale in connection with, the distribution thereof, and that the undersigned has no present intention of selling, granting any participation in, or otherwise distributing the shares, nor does it have any contract, undertaking, agreement or arrangement for the same, and all representations and warranties of the undersigned set forth in Section 10 of the attached warrant are true and correct as of the date hereof.

(8) **Investment Representation Statement and Market Stand-Off Agreement.** The undersigned has executed, and delivers herewith, an Investment Representation Statement and Market Stand-Off Agreement in a form substantially similar to the form attached to the warrant as Exhibit A-1.

_____
(*Print name of the warrant holder*)

_____
(*Signature*)

_____
(*Name and title of signatory, if applicable*)

_____
(*Date*)

_____
(*Fax number*)

EXHIBIT A-l

INVESTMENT REPRESENTATION STATEMENT

INVESTOR: [_____]

COMPANY: DERMTECH, INC.

SECURITIES: THE WARRANT DATED _____, (THE "***WARRANT***") AND THE SECURITIES ISSUED OR ISSUABLE UPON EXERCISE THEREOF

DATE: _____

In connection with the purchase or acquisition of the above-listed Securities, the undersigned Investor represents and warrants to, and agrees with, the Company as follows:

1. **No Registration.** The Investor understands that the Securities have not been, and will not be, registered under the Securities Act of 1933, as amended (the "***Securities Act***"), by reason of a specific exemption from the registration provisions of the Securities Act, the availability of which depends upon, among other things, the *bona fide* nature of the investment intent and the accuracy of the Investor's representations as expressed herein or otherwise made pursuant hereto.

2. **Investment Intent.** The Investor is acquiring the Securities for investment for its own account, not as a nominee or agent, and not with a view to, or for resale in connection with, any distribution thereof. The Investor has no present intention of selling, granting any participation in, or otherwise distributing the Securities, nor does it have any contract, undertaking, agreement or arrangement for the same.

3. **Investment Experience.** The Investor has substantial experience in evaluating and investing in private placement transactions of securities in companies similar to the Company, and has such knowledge and experience in financial or business matters so that it is capable of evaluating the merits and risks of its investment in the Company and protecting its own interests.

4. **Speculative Nature of Investment.** The Investor understands and acknowledges that its investment in the Company is highly speculative and involves substantial risks. The Investor can bear the economic risk of its investment and is able, without impairing its financial condition, to hold the Securities for an indefinite period of time and to suffer a complete loss of its investment.

5. **Access to Data.** The Investor has had an opportunity to ask questions of officers of the Company, which questions were answered to its satisfaction. The Investor understands that any such discussions, as well as any information issued by the Company, were intended to describe certain aspects of the Company's business and prospects, but were not necessarily a thorough or exhaustive description. The Investor acknowledges that any business plans prepared by the Company have been, and continue to be, subject to change and that any projections included in such business plans or otherwise are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the projections will not materialize or will vary significantly from actual results.

6. **Accredited Investor.** The Investor is an "accredited investor" within the meaning of Regulation D, Rule 501(a), promulgated by the Securities and Exchange Commission and agrees to submit to the Company such further assurances of such status as may be reasonably requested by the Company.

7. **Residency.** The residency of the Investor (or, in the case of a partnership or corporation, such entity's principal place of business) is correctly set forth on the signature page hereto.

8. **Restrictions on Resales.** The Investor acknowledges that the Securities must be held indefinitely unless subsequently registered under the Securities Act or an exemption from such registration is available. The Investor is aware of the provisions of Rule 144 promulgated under the Securities Act, which permit resale of shares purchased in

a private placement subject to the satisfaction of certain conditions, which may include, among other things, the availability of certain current public information about the Company; the resale occurring not less than a specified period after a party has purchased and paid for the security to be sold; the number of shares being sold during any three-month period not exceeding specified limitations; the sale being effected through a "broker's transaction," a transaction directly with a "market maker" or a "riskless principal transaction" (as those terms are defined in the Securities Act or the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder); and the filing of a Form 144 notice, if applicable. The Investor acknowledges and understands that the Company may not be satisfying the current public information requirement of Rule 144 at the time the Investor wishes to sell the Securities and that, in such event, the Investor may be precluded from selling the Securities under Rule 144 even if the other applicable requirements of Rule 144 have been satisfied. The Investor understands and acknowledges that, in the event the applicable requirements of Rule 144 are not met, registration under the Securities Act or an exemption from registration will be required for any disposition of the Securities. The Investor understands that, although Rule 144 is not exclusive, the Securities and Exchange Commission has expressed its opinion that persons proposing to sell restricted securities received in a private offering other than in a registered offering or pursuant to Rule 144 will have a substantial burden of proof in establishing that an exemption from registration is available for those offers or sales and that those persons and the brokers who participate in the transactions do so at their own risk.

9. **No Public Market.** The Holder understands and acknowledges that no public market now exists for any of the securities issued by the Company and that the Company has made no assurances that a public market will ever exist for the Company's securities.

10. **Brokers and Finders.** The Investor has not engaged any brokers, finders or agents in connection with the Securities, and the Company has not incurred nor will incur, directly or indirectly, as a result of any action taken by the Investor, any liability for brokerage or finders' fees or agents' commissions or any similar charges in connection with the Securities.

11. **Legal Counsel.** The Investor has had the opportunity to review the Warrant, the exhibits and schedules attached thereto and the transactions contemplated by the Warrant with its own legal counsel. The Investor is not relying on any statements or representations of the Company or its agents for legal advice with respect to this investment or the transactions contemplated by the Warrant.

12. **Tax Advisors.** The Investor has reviewed with its own tax advisors the U.S. federal, state and local and non-U.S. tax consequences of this investment and the transactions contemplated by the Warrant. With respect to such matters, the Investor relies solely on such advisors and not on any statements or representations of the Company or any of its agents, written or oral. The Investor understands that it (and not the Company) shall be responsible for its own tax liability that may arise as a result of this investment or the transactions contemplated by the Warrant.

13. **Market Stand-off.** If requested by the Company and an underwriter of common stock (or other securities) of the Company, the Investor shall not sell or otherwise transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, of any common stock (or other securities) of the Company held by the Investor (other than those included in the registration) during the one hundred eighty (180) day period following the effective date of the registration statement for the Company's initial public offering filed under the Securities Act (or such other period as may be requested by the Company or an underwriter to accommodate regulatory restrictions on (i) the publication or other distribution of research reports and (ii) analyst recommendations and opinions, including, but not limited to, the restrictions contained in FINRA Rule 2711(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto), *provided* that all officers and directors of the Company and holders of at least five percent (5%) of the Company's voting securities are bound by and have entered into similar agreements. The obligations described in this section shall not apply to a registration relating solely to employee benefit plans on Form S-l or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a transaction on Form S-4 or similar forms that may be promulgated in the future. The Company may impose stop-transfer instructions and may stamp each certificate with a legend as with respect to the shares of common stock (or other securities) subject to the foregoing restriction until the end of such one hundred eighty (180) day (or other) period.

(*signature page follows*)

The Investor is signing this Investment Representation Statement and Market Stand-Off Agreement on the date first written above.

INVESTOR

(*Print name of the investor*)

(*Signature*)

(*Name and title of signatory, if applicable*)

(*Street address*)

(*City, state and ZIP*)

EXHIBIT B

ASSIGNMENT FORM

ASSIGNOR: _____

COMPANY: DERMTECH, INC.

WARRANT: THE WARRANT TO PURCHASE SHARES OF COMMON STOCK ISSUED ON _____, (THE "***WARRANT***")

DATE: _____

(1) **Assignment.** The undersigned registered holder of the Warrant ("***Assignor***") assigns and transfers to the assignee named below ("***Assignee***") all of the rights of Assignor under the Warrant, with respect to the number of shares set forth below:

Name of Assignee: _____

Address of Assignee: _____

_____

Social Security or Federal Tax I.D. Number: _____

Number of Shares Assigned: _____

and does irrevocably constitute and appoint _____ as attorney to make such transfer on the books of DermTech, Inc., maintained for the purpose, with full power of substitution in the premises.

(2) **Obligations of Assignee.** Assignee agrees to take and hold the Warrant and any shares of stock to be issued upon exercise of the rights thereunder (the "***Securities***") subject to, and to be bound by, the terms and conditions set forth in the Warrant, to the same extent as if Assignee were the original holder thereof.

(3) **Investment Intent.** Assignee represents and warrants that the Securities are being acquired for investment for its own account, not as a nominee or agent, and not with a view to, or for resale in connection with, the distribution thereof, and that Assignee has no present intention of selling, granting any participation in, or otherwise distributing the shares, nor does it have any contract, undertaking, agreement or arrangement for the same, and all representations and warranties set forth in Section 9 of the Warrant are true and correct as to Assignee as of the date hereof.

(4) **Investment Representation Statement.** Assignee has executed, and delivers herewith, an Investment Representation Statement in a form substantially similar to the form attached to the Warrant as Exhibit A-1.

Assignor and Assignee are signing this Assignment Form on the date first set forth above.

ASSIGNOR

_____

(*Print name of Assignor*)

_____

(*Signature of Assignor*)

_____

(*Print name of signatory, if applicable*)

_____

(*Print title of signatory, if applicable*)

Address:

_____

_____

ASSIGNEE

_____

(*Print name of Assignee*)

_____

(*Signature of Assignee*)

_____

(*Print name of signatory, if applicable*)

_____

(*Print title of signatory, if applicable*)

Address:

_____

_____

THIS WARRANT AND THE UNDERLYING SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "***ACT***"), OR UNDER THE SECURITIES LAWS OF ANY STATE. THESE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS IN ACCORDANCE WITH APPLICABLE REGISTRATION REQUIREMENTS OR AN EXEMPTION THEREFROM. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER THAT SUCH OFFER, SALE, TRANSFER, PLEDGE OR HYPOTHECATION OTHERWISE COMPLIES WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS. THIS WARRANT MUST BE SURRENDERED TO THE COMPANY OR ITS TRANSFER AGENT AS A CONDITION PRECEDENT TO THE SALE, TRANSFER, PLEDGE OR HYPOTHECATION OF ANY INTEREST IN ANY OF THE SECURITIES REPRESENTED HEREBY.

WARRANT TO PURCHASE SHARES OF COMMON STOCK
of
DERMTECH, INC.

Dated as of _____
(the "*Issue Date*")
Void after the date specified in Section 8

No. _____ **Warrant to Purchase Shares of Common Stock**

THIS CERTIFIES THAT, for value received, Paulson Investment Company, LLC, or its registered assigns (the "***Holder***"), is entitled, subject to the provisions and upon the terms and conditions set forth herein, to purchase from DermTech, Inc., a Delaware corporation (the "***Company***") shares of the Company's Common Stock (the "***Shares***") in the amounts, at such times and at the price per share set forth in Section 1. The term "***Warrant***" as used herein shall include this Warrant and any warrants delivered in substitution or exchange therefor as provided herein

The following is a statement of the rights of the Holder and the conditions to which this Warrant is subject, and to which Holder, by acceptance of this Warrant, agrees:

1. Number and Price of Shares; Exercise Period.

(a) ***Number of Shares.*** Subject to any previous exercise of the Warrant, the Holder shall have the right to purchase up to [_____] Shares, as may be adjusted pursuant hereto, prior to (or in connection with) the expiration of this Warrant as provided in Section 8.

(b) ***Exercise Price.*** The exercise price per Share shall be equal to $_____, subject to adjustment pursuant hereto (the "***Exercise Price***").

(c) ***Exercise Period.*** This Warrant shall be exercisable, in whole or in part, prior to (or in connection with) the expiration of this Warrant as set forth in Section 8.

2. Exercise of the Warrant.

(a) ***Exercise.*** The purchase rights represented by this Warrant may be exercised at the election of the Holder, in whole or in part, in accordance with Section 1, by:

(i) the tender to the Company at its principal office (or such other office or agency as the Company may designate) of a notice of exercise in the form of Exhibit A (the "***Notice of Exercise***"), duly completed and executed by or on behalf of the Holder, together with the surrender of this Warrant; and

(ii) the payment to the Company of an amount equal to (x) the Exercise Price multiplied by (y) the number of Shares being purchased, by (a) wire transfer or certified, cashier's or other check acceptable to the Company and payable to the order of the Company; (b) surrender and cancellation of promissory notes or other instruments representing indebtedness of the Company to the Holder; or (c) a combination of (a) and (b).

(b) ***Net Issue Exercise.*** In lieu of exercising this Warrant pursuant to Section 2(a)(ii), if the fair market value of one Share is greater than the Exercise Price (at the date of calculation as set forth below), the Holder may elect to receive a number of Shares equal to the value of this Warrant (or of any portion of this Warrant being canceled) by surrender of this Warrant at the principal office of the Company (or such other office or agency as the Company may designate) together with a properly completed and executed Notice of Exercise reflecting such election, in which event the Company shall issue to the Holder that number of Shares computed using the following formula:

$$X = \frac{Y(A-B)}{A}$$

Where:

X = The number of Shares to be issued to the Holder

Y = The number of Shares purchasable under this Warrant or, if only a portion of the Warrant is being exercised, the portion of the Warrant being canceled (at the date of such calculation)

A = The fair market value of one Share (at the date of such calculation)

B = The Exercise Price (as adjusted to the date of such calculation)

For purposes of the calculation above, the fair market value of one Share shall be determined by the Board of Directors of the Company, acting in good faith; *provided, however,* that:

(i) where a public market exists for the Company's common stock at the time of such exercise, the fair market value per Share shall be the average of the closing bid prices of the common stock or the closing price quoted on the national securities exchange on which the common stock is listed as published in the *Wall Street Journal*, as applicable, for the ten (10) trading day period ending five (5) trading days prior to the date of determination of fair market value; and

(ii) if the Warrant is exercised in connection with the Company's initial public offering of common stock, the fair market value per Share shall be the per share offering price to the public of the Company's initial public offering.

(c) ***Stock Certificates.*** The rights under this Warrant shall be deemed to have been exercised and the Shares issuable upon such exercise shall be deemed to have been issued immediately prior to the close of business on the date this Warrant is exercised in accordance with its terms, and the person entitled to receive the Shares issuable upon such exercise shall be treated for all purposes as the holder of record of such Shares as of the close of business on such date. As promptly as reasonably practicable on or after such date, and in any event within fifteen (15) days thereafter, the Company shall issue and deliver to the person or persons entitled to receive the same a certificate or certificates for that number of shares issuable upon such exercise. In the event that the rights under this Warrant are exercised in part and have not expired, the Company shall execute and deliver a new Warrant reflecting the number of Shares that remain subject to this Warrant.

(d) ***No Fractional Shares or Scrip.*** No fractional shares or scrip representing fractional shares shall be issued upon the exercise of the rights under this Warrant. In lieu of such fractional share to which the Holder would otherwise be entitled, the Company shall make a cash payment equal to the Exercise Price multiplied by such fraction.

(e) ***Conditional Exercise.*** The Holder may exercise this Warrant conditioned upon (and effective immediately prior to) consummation of any transaction that would cause the expiration of this Warrant pursuant to Section 8 by so indicating in the notice of exercise.

(f) ***Automatic Exercise.*** If the Holder of this Warrant has not elected to exercise this Warrant prior to expiration of this Warrant pursuant to Section 8, then this Warrant shall automatically (without any act on the part of the Holder) be exercised pursuant to Section 2(b) effective immediately prior to the expiration of the Warrant to the extent such net issue exercise would result in the issuance of Shares, unless Holder shall earlier provide written notice to the Company that the Holder desires that this Warrant expire unexercised. If this Warrant is automatically exercised, the Company shall notify the Holder of the automatic exercise as soon as reasonably practicable, and the Holder shall surrender the Warrant to the Company in accordance with the terms hereof.

(g) ***Reservation of Stock.*** The Company agrees during the term the rights under this Warrant are exercisable to take all reasonable action to reserve and keep available from its authorized and unissued shares of Common Stock for the purpose of effecting the exercise of this Warrant such number of shares (and shares of common stock for issuance on conversion of such shares) as shall from time to time be sufficient to effect the exercise of the rights under this Warrant; and if at any time the number of authorized but unissued shares of Common Stock (and shares of common stock for issuance on conversion of such shares) shall not be sufficient for purposes of the exercise of this Warrant in accordance with its terms and the conversion of the Shares, without limitation of such other remedies as may be available to the Holder, the Company will use all reasonable efforts to take such corporate action as may, in the opinion of counsel, be necessary to increase its authorized and unissued shares of its Common Stock (and shares of common stock for issuance on conversion of such shares) to a number of shares as shall be sufficient for such purposes

(h) ***Effect of Exercise***. Upon exercise of this Warrant in accordance with this Section 2, the Holder shall, to the extent not already a party, be entitled to enter into and become party to the Amended and Restated Voting Agreement, dated August 8, 2013, as applicable, as any of the foregoing may be amended, modified or supplemented from time to time.

3. Replacement of the Warrant. Subject to the receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, on delivery of an indemnity agreement reasonably satisfactory in form and substance to the Company or, in the case of mutilation, on surrender and cancellation of this Warrant, the Company at the expense of the Holder shall execute and deliver, in lieu of this Warrant, a new warrant of like tenor and amount.

4. Transfer of the Warrant.

(a) ***Warrant Register.*** The Company shall maintain a register (the "***Warrant Register***") containing the name and address of the Holder or Holders. Until this Warrant is transferred on the Warrant Register in accordance herewith, the Company may treat the Holder as shown on the Warrant Register as the absolute owner of this Warrant for all purposes, notwithstanding any notice to the contrary. Any Holder of this Warrant (or of any portion of this Warrant) may change its address as shown on the Warrant Register by written notice to the Company requesting a change.

(b) ***Warrant Agent.*** The Company may appoint an agent for the purpose of maintaining the Warrant Register referred to in Section 4(a), issuing the Shares or other securities then issuable upon the exercise of the rights under this Warrant, exchanging this Warrant, replacing this Warrant or conducting related activities.

(c) ***Transferability of the Warrant.*** Subject to the provisions of this Warrant with respect to compliance with the Securities Act of 1933, as amended (the "***Securities Act***") and limitations on assignments and

transfers, including without limitation compliance with the restrictions on transfer set forth in Section 5, title to this Warrant may be transferred by endorsement (by the transferor and the transferee executing the assignment form attached as Exhibit B (the "***Assignment Form***")) and delivery in the same manner as a negotiable instrument transferable by endorsement and delivery.

(d) ***Exchange of the Warrant upon a Transfer.*** On surrender of this Warrant (and a properly endorsed Assignment Form) for exchange, subject to the provisions of this Warrant with respect to compliance with the Securities Act and limitations on assignments and transfers, the Company shall issue to or on the order of the Holder a new warrant or warrants of like tenor, in the name of the Holder or as the Holder (on payment by the Holder of any applicable transfer taxes) may direct, for the number of shares issuable upon exercise hereof, and the Company shall register any such transfer upon the Warrant Register. This Warrant (and the securities issuable upon exercise of the rights under this Warrant) must be surrendered to the Company or its warrant or transfer agent, as applicable, as a condition precedent to the sale, pledge, hypothecation or other transfer of any interest in any of the securities represented hereby.

(e) ***Taxes.*** In no event shall the Company be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of any certificate in a name other than that of the Holder, and the Company shall not be required to issue or deliver any such certificate unless and until the person or persons requesting the issue thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid or is not payable.

5. Restrictions on Transfer of the Warrant and Shares; Compliance with Securities Laws. By acceptance of this Warrant, the Holder agrees to comply with the following:

(a) ***Restrictions on Transfers.*** Subject to Section 5(b), this Warrant may not be transferred or assigned in whole or in part without the Company's prior written consent (which shall not be unreasonably withheld), and any attempt by Holder to transfer or assign any rights, duties or obligations that arise under this Warrant without such permission shall be void. Any transfer of this Warrant, the Shares or the common stock issuable upon the conversion of the Shares (the "***Securities***") must be in compliance with all applicable federal and state securities laws. The Holder agrees not to make any sale, assignment, transfer, pledge or other disposition of all or any portion of the Securities, or any beneficial interest therein, unless and until the transferee thereof has agreed in writing for the benefit of the Company to take and hold such Securities subject to, and to be bound by, the terms and conditions set forth in this Warrant, to the same extent as if the transferee were the original Holder hereunder, and

(i) there is then in effect a registration statement under the Securities Act covering such proposed disposition and such disposition is made in accordance with such registration statement, or

(ii) (A) such Holder shall have given prior written notice to the Company of such Holder's intention to make such disposition and shall have furnished the Company with a detailed description of the manner and circumstances of the proposed disposition, (B) the transferee shall have confirmed to the satisfaction of the Company in writing, substantially in the form of Exhibit A-1, that the Securities are being acquired (i) solely for the transferee's own account and not as a nominee for any other party, (ii) for investment and (iii) not with a view toward distribution or resale, and shall have confirmed such other matters related thereto as may be reasonably requested by the Company, and (C) if requested by the Company, such Holder shall have furnished the Company, at the Holder's expense and option, either (i) evidence reasonably satisfactory to the Company that such disposition will not require registration of such Securities under the Securities Act or (ii) a "no action" letter from the Securities and Exchange Commission to the effect that the transfer of such Securities without registration will not result in a recommendation by the staff of the Securities and Exchange Commission that action be taken with respect thereto, whereupon such Holder shall be entitled to transfer such Securities in accordance with the terms of the notice delivered by the Holder to the Company. It is agreed that the Company will not require opinions of counsel for transactions made pursuant to Rule 144 except in unusual circumstances.

(b) ***Permitted Transfers.*** Permitted transfers include (i) a transfer not involving a change in beneficial ownership, or (ii) transactions involving the distribution without consideration of Securities by any Holder to (w) such Holder's child, step-child, grandchild, parent, step-parent, grandparent, spouse, sibling, mother-in-law, father-

in-law, son-in-law, daughter-in-law, sister-in-law or brother-in-law, or a trust for the benefit of any such family member, (x) a parent, subsidiary or other affiliate of a Holder that is a corporation, limited liability company or limited partnership (y) any of the Holder's partners, members or other equity owners, or retired partners or members, or to the estate of any of its partners, members or other equity owners or retired partners or members, or (z) any venture capital or other investment fund now or hereafter existing that is controlled by or under common control with one or more general partners of or that shares the same management company or investment advisor with such Holder; *provided*, in each case, that the Holder shall give written notice to the Company of the Holder's intention to effect such disposition and shall have furnished the Company with a detailed description of the manner and circumstances of the proposed disposition.

(c) ***Investment Representation Statement.*** Unless the rights under this Warrant are exercised pursuant to an effective registration statement under the Securities Act that includes the Shares with respect to which the Warrant was exercised, it shall be a condition to any exercise of the rights under this Warrant that the Holder shall have confirmed to the satisfaction of the Company in writing, substantially in the form of Exhibit A-1, that the Shares so purchased are being acquired solely for the Holder's own account and not as a nominee for any other party, for investment and not with a view toward distribution or resale and that the Holder shall have confirmed such other matters related thereto as may be reasonably requested by the Company.

(d) ***Securities Law Legend.*** The Securities shall (unless otherwise permitted by the provisions of this Warrant) be stamped or imprinted with a legend substantially similar to the following (in addition to any legend required by state securities laws):

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF CERTAIN STATES. THESE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS IN ACCORDANCE WITH APPLICABLE REGISTRATION REQUIREMENTS OR AN EXEMPTION THEREFROM. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER THAT SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION OTHERWISE COMPLIES WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS. THIS CERTIFICATE MUST BE SURRENDERED TO THE COMPANY OR ITS TRANSFER AGENT AS A CONDITION PRECEDENT TO THE SALE, TRANSFER, PLEDGE OR HYPOTHECATION OF ANY INTEREST IN ANY OF THE SECURITIES REPRESENTED HEREBY.

(e) ***Market Stand-off Legend.*** The Shares issued upon exercise hereof shall also be stamped or imprinted with a legend in substantially the following form:

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE, INCLUDING A LOCK-UP PERIOD IN THE EVENT OF A PUBLIC OFFERING, AS SET FORTH IN THE WARRANT AND SECURITIES PURCHASE AGREEMENT PURSUANT TO WHICH THESE SHARES WERE ISSUED, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE COMPANY.

(f) ***Instructions Regarding Transfer Restrictions.*** The Holder consents to the Company making a notation on its records and giving instructions to any transfer agent in order to implement the restrictions on transfer established in this Section 5.

(g) ***Removal of Legend.*** The legend referring to federal and state securities laws identified in Section 5(d) stamped on a certificate evidencing the Shares and the stock transfer instructions and record notations with respect to such securities shall be removed and the Company shall issue a certificate without such legend to the holder of such securities if (i) such securities are registered under the Securities Act, or (ii) such holder provides the Company with an opinion of counsel reasonably acceptable to the Company to the effect that a sale or transfer of such securities may be made without registration or qualification

(h) ***No Transfers to Bad Actors; Notice of Bad Actor Status.*** The Holder agrees not to sell, assign, transfer, pledge or otherwise dispose of any securities of the Company, or any beneficial interest therein, to any person (other than the Company) unless and until the proposed transferee confirms to the reasonable satisfaction of the Company that neither the proposed transferee nor any of its directors, executive officers, other officers that may serve as a director or officer of any company in which it invests, general partners or managing members nor any person that would be deemed a beneficial owner of those securities (in accordance with Rule 506(d) of the Securities Act) is subject to any of the "bad actor" disqualifications described in Rule 506(d)(1)(i) through (viii) under the Securities Act, except as set forth in Rule 506(d)(2)(ii) or (iii) or (d)(3) under the Securities Act and disclosed, reasonably in advance of the transfer, in writing in reasonable detail to the Company. The Holder will promptly notify the Company in writing if the Holder or, to the Holder's knowledge, any person specified in Rule 506(d)(1) under the Securities Act becomes subject to any of the "bad actor" disqualifications described in Rule 506(d)(1)(i) through (viii) under the Securities Act

(i) ***Market Stand-off***. If requested by the Company and an underwriter of common stock (or other securities) of the Company, the Investor shall not sell or otherwise transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, of any common stock (or other securities) of the Company held by the Investor (other than those included in the registration) during the one hundred eighty (180) day period following the effective date of the registration statement for the Company's initial public offering filed under the Securities Act (or such other period as may be requested by the Company or an underwriter to accommodate regulatory restrictions on (i) the publication or other distribution of research reports and (ii) analyst recommendations and opinions, including, but not limited to, the restrictions contained in NASD Rule 2711(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto), provided that all officers and directors of the Company and holders of at least one percent (1%) of the Company's voting securities are bound by and have entered into similar agreements. The obligations described in this section shall not apply to a registration relating solely to employee benefit plans on Form S-l or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a transaction on Form S-4 or similar forms that may be promulgated in the future. The Company may impose stop-transfer instructions and may stamp each certificate with a legend as with respect to the shares of common stock (or other securities) subject to the foregoing restriction until the end of such one hundred eighty (180) day (or other) period.

6. Adjustments. Subject to the expiration of this Warrant pursuant to Section 8, the number and kind of shares purchasable hereunder and the Exercise Price therefor are subject to adjustment from time to time, as follows:

(a) ***Merger or Reorganization.*** If at any time there shall be any reorganization, recapitalization, merger or consolidation (a "***Reorganization***") involving the Company (other than as otherwise provided for herein or as would cause the expiration of this Warrant under Section 8) in which shares of the Company's stock are converted into or exchanged for securities, cash or other property, then, as a part of such Reorganization, lawful provision shall be made so that the Holder shall thereafter be entitled to receive upon exercise of this Warrant, the kind and amount of securities, cash or other property of the successor corporation resulting from such Reorganization, equivalent in value to that which a holder of the Shares deliverable upon exercise of this Warrant would have been entitled in such Reorganization if the right to purchase the Shares hereunder had been exercised immediately prior to such Reorganization. In any such case, appropriate adjustment (as determined in good faith by the Board of Directors of the successor corporation) shall be made in the application of the provisions of this Warrant with respect to the rights and interests of the Holder after such Reorganization to the end that the provisions of this Warrant shall be applicable after the event, as near as reasonably may be, in relation to any shares or other securities deliverable after that event upon the exercise of this Warrant.

(b) ***Reclassification of Shares.*** If the securities issuable upon exercise of this Warrant are changed into the same or a different number of securities of any other class or classes by reclassification, capital reorganization or otherwise (other than as otherwise provided for herein) (a "***Reclassification***"), then, in any such event, in lieu of the number of Shares which the Holder would otherwise have been entitled to receive, the Holder shall have the right thereafter to exercise this Warrant for a number of shares of such other class or classes of stock that a holder of the number of securities deliverable upon exercise of this Warrant immediately before that change would have been entitled to receive in such Reclassification, all subject to further adjustment as provided herein with respect to such other shares.

(c) ***Subdivisions and Combinations.*** In the event that the outstanding shares of Common Stock are subdivided (by stock split, by payment of a stock dividend or otherwise) into a greater number of shares of such securities, the number of Shares issuable upon exercise of the rights under this Warrant immediately prior to such subdivision shall, concurrently with the effectiveness of such subdivision, be proportionately increased, and the Exercise Price shall be proportionately decreased, and in the event that the outstanding shares of Common Stock are combined (by reclassification or otherwise) into a lesser number of shares of such securities, the number of Shares issuable upon exercise of the rights under this Warrant immediately prior to such combination shall, concurrently with the effectiveness of such combination, be proportionately decreased, and the Exercise Price shall be proportionately increased.

(d) ***Notice of Adjustments.*** Upon any adjustment in accordance with this Section 6, the Company shall give notice thereof to the Holder, which notice shall state the event giving rise to the adjustment, the Exercise Price as adjusted and the number of securities or other property purchasable upon the exercise of the rights under this Warrant, setting forth in reasonable detail the method of calculation of each. The Company shall, upon the written request of any Holder, furnish or cause to be furnished to such Holder a certificate setting forth (i) such adjustments, (ii) the Exercise Price at the time in effect and (iii) the number of securities and the amount, if any, of other property that at the time would be received upon exercise of this Warrant.

7. Notification of Certain Events. Prior to the expiration of this Warrant pursuant to Section 8, in the event that the Company shall authorize:

(a) the issuance of any dividend or other distribution on the capital stock of the Company (other than (i) dividends or distributions otherwise provided for in Section 6, (ii) repurchases of common stock issued to or held by employees, officers, directors or consultants of the Company or its subsidiaries upon termination of their employment or services pursuant to agreements providing for the right of said repurchase; or (iii) repurchases of common stock issued to or held by employees, officers, directors or consultants of the Company or its subsidiaries pursuant to rights of first refusal or first offer contained in agreements providing for such rights), whether in cash, property, stock or other securities;

(b) the voluntary liquidation, dissolution or winding up of the Company; or

(c) any transaction resulting in the expiration of this Warrant pursuant to Section 8(b) or 8(c);

the Company shall send to the Holder of this Warrant at least ten (10) business days prior written notice of the date on which a record shall be taken for any such dividend or distribution specified in clause (a) or the expected effective date of any such other event specified in clause (b) or (c), as applicable. The notice provisions set forth in this section may be shortened or waived prospectively or retrospectively by the consent of the Holder of this Warrant.

8. Expiration of the Warrant. This Warrant shall expire and shall no longer be exercisable as of the earlier of:

(a) 5:00 p.m., Pacific time, on [_____];

(b) the acquisition of the Company by another entity by means of any transaction or series of related transactions to which the Company is a party (including, without limitation, any stock acquisition, reorganization, merger or consolidation, but excluding any sale of stock for capital raising purposes and any transaction effected primarily for purposes of changing the Company's jurisdiction of incorporation) other than a transaction or series of related transactions in which the holders of the voting securities of the Company outstanding immediately prior to such transaction or series of related transactions retain, immediately after such transaction or series of transactions, as a result of shares in the Company held by such holders prior to such transaction or series of transactions, at least a majority of the total voting power represented by the outstanding voting securities of the Company or such other surviving or resulting entity (or if the Company or such other surviving or resulting entity is a wholly-owned subsidiary immediately following such acquisition, its parent), or (ii) a sale, lease or other disposition of all or substantially all of the assets of the Company and its subsidiaries taken as a whole by means of any transaction or series of related transactions, except where such sale, lease or other disposition is to a wholly-owned subsidiary of the Company; or

(c) immediately prior to the closing of a firm commitment underwritten initial public offering pursuant to an effective registration statement filed under the Securities Act covering the offering and sale of the Company's common stock.

9. No Rights as a Stockholder. Nothing contained herein shall entitle the Holder to any rights as a stockholder of the Company or to be deemed the holder of any securities that may at any time be issuable on the exercise of the rights hereunder for any purpose nor shall anything contained herein be construed to confer upon the Holder, as such, any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action (whether upon any recapitalization, issuance of stock, reclassification of stock, change of par value or change of stock to no par value, consolidation, merger, conveyance or otherwise) or to receive notice of meetings, or to receive dividends or subscription rights or any other rights of a stockholder of the Company until the rights under the Warrant shall have been exercised and the Shares purchasable upon exercise of the rights hereunder shall have become deliverable as provided herein.

10. Representations and Warranties of the Holder. By acceptance of this Warrant, the Holder represents and warrants to the Company as follows:

(a) ***No Registration.*** The Holder understands that the Securities have not been, and will not be, registered under the Securities Act by reason of a specific exemption from the registration provisions of the Securities Act, the availability of which depends upon, among other things, the *bona fide* nature of the investment intent and the accuracy of the Holder's representations as expressed herein or otherwise made pursuant hereto.

(b) ***Investment Intent.*** The Holder is acquiring the Securities for investment for its own account, not as a nominee or agent, and not with a view to, or for resale in connection with, any distribution thereof. The Holder has no present intention of selling, granting any participation in, or otherwise distributing the Securities, nor does it have any contract, undertaking, agreement or arrangement for the same.

(c) ***Investment Experience.*** The Holder has substantial experience in evaluating and investing in private placement transactions of securities in companies similar to the Company, and has such knowledge and experience in financial or business matters so that it is capable of evaluating the merits and risks of its investment in the Company and protecting its own interests.

(d) ***Speculative Nature of Investment.*** The Holder understands and acknowledges that its investment in the Company is highly speculative and involves substantial risks. The Holder can bear the economic risk of its investment and is able, without impairing its financial condition, to hold the Securities for an indefinite period of time and to suffer a complete loss of its investment.

(e) ***Access to Data.*** The Holder has had an opportunity to ask questions of officers of the Company, which questions were answered to its satisfaction. The Holder believes that it has received all the information that it considers necessary or appropriate for deciding whether to acquire the Securities. The Holder understands that any such discussions, as well as any information issued by the Company, were intended to describe certain aspects of the Company's business and prospects, but were not necessarily a thorough or exhaustive description. The Holder acknowledges that any business plans prepared by the Company have been, and continue to be, subject to change and that any projections included in such business plans or otherwise are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the projections will not materialize or will vary significantly from actual results.

(f) ***Accredited Investor.*** The Holder is an "accredited investor" within the meaning of Regulation D, Rule 501(a), promulgated by the Securities and Exchange Commission and agrees to submit to the Company such further assurances of such status as may be reasonably requested by the Company.

(g) ***Residency.*** The residency of the Holder (or, in the case of a partnership or corporation, such entity's principal place of business) is correctly set forth on the signature page hereto.

(h) ***Restrictions on Resales.*** The Holder acknowledges that the Securities must be held indefinitely unless subsequently registered under the Securities Act or an exemption from such registration is available. The Holder is aware of the provisions of Rule 144 promulgated under the Securities Act, which permit resale of shares purchased in a private placement subject to the satisfaction of certain conditions, which may include, among other things, the availability of certain current public information about the Company; the resale occurring not less than a specified period after a party has purchased and paid for the security to be sold; the number of shares being sold during any three-month period not exceeding specified limitations; the sale being effected through a "broker's transaction," a transaction directly with a "market maker" or a "riskless principal transaction" (as those terms are defined in the Securities Act or the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder); and the filing of a Form 144 notice, if applicable. The Holder acknowledges and understands that the Company may not be satisfying the current public information requirement of Rule 144 at the time the Holder wishes to sell the Securities and that, in such event, the Holder may be precluded from selling the Securities under Rule 144 even if the other applicable requirements of Rule 144 have been satisfied. The Holder acknowledges that, in the event the applicable requirements of Rule 144 are not met, registration under the Securities Act or an exemption from registration will be required for any disposition of the Securities. The Holder understands that, although Rule 144 is not exclusive, the Securities and Exchange Commission has expressed its opinion that persons proposing to sell restricted securities received in a private offering other than in a registered offering or pursuant to Rule 144 will have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales and that such persons and the brokers who participate in the transactions do so at their own risk.

(i) ***No Public Market.*** The Holder understands and acknowledges that no public market now exists for any of the securities issued by the Company and that the Company has made no assurances that a public market will ever exist for the Company's securities.

(j) ***Brokers and Finders.*** The Holder has not engaged any brokers, finders or agents in connection with the Securities, and the Company has not incurred nor will incur, directly or indirectly, as a result of any action taken by the Holder, any liability for brokerage or finders' fees or agents' commissions or any similar charges in connection with the Securities.

(k) ***Legal Counsel.*** The Holder has had the opportunity to review this Warrant, the exhibits and schedules attached hereto and the transactions contemplated by this Warrant with its own legal counsel. The Holder is not relying on any statements or representations of the Company or its agents for legal advice with respect to this investment or the transactions contemplated by this Warrant.

(l) ***Tax Advisors.*** The Holder has reviewed with its own tax advisors the U.S. federal, state and local and non-U.S. tax consequences of this investment and the transactions contemplated by this Warrant. With respect to such matters, the Holder relies solely on any such advisors and not on any statements or representations of the Company or any of its agents, written or oral. The Holder understands that it (and not the Company) shall be responsible for its own tax liability that may arise as a result of this investment and the transactions contemplated by this Warrant.

(m) ***No "Bad Actor" Disqualification.*** Neither (i) the Holder, (ii) any of its directors, executive officers, other officers that may serve as a director or officer of any company in which it invests, general partners or managing members, nor (iii) any beneficial owner of any of the Company's voting equity securities (in accordance with Rule 506(d) of the Securities Act) held by the Holder is subject to any of the "bad actor" disqualifications described in Rule 506(d)(1)(i) through (viii) under the Securities Act, except as set forth in Rule 506(d)(2)(ii) or (iii) or (d)(3) under the Securities Act and disclosed, reasonably in advance of the acceptance of this Warrant, in writing in reasonable detail to the Company.

11. Miscellaneous.

(a) ***Amendments.*** Except as expressly provided herein, neither this Warrant nor any term hereof may be amended, waived, discharged or terminated other than by a written instrument referencing this Warrant and signed by the Company and Holder.

(b) ***Waivers.*** No waiver of any single breach or default shall be deemed a waiver of any other breach or default theretofore or thereafter occurring.

(c) ***Notices.*** All notices and other communications required or permitted hereunder shall be in writing and shall be mailed by registered or certified mail, postage prepaid, sent by facsimile or otherwise delivered by hand, messenger or courier service addressed:

(i) if to the Holder, to the Holder at the Holder's address, or facsimile number as shown in the Company's records, as may be updated in accordance with the provisions hereof, or until any such Holder so furnishes an address, or facsimile number to the Company, then to and at the address, or facsimile number of the last holder of this Warrant for which the Company has contact information in its records; or

(ii) if to the Company, to the attention of the President or Chief Financial Officer of the Company at the Company's address as shown on the signature page hereto, or at such other address as the Company shall have furnished to the Holder.

Each such notice or other communication shall for all purposes of this Warrant be treated as effective or having been given the earlier of (i) when received, (ii) when delivered personally, (iii) one business day after being delivered by facsimile (with receipt of appropriate confirmation), (iv) one business day after being deposited with an overnight courier service of recognized standing or (v) four days after being deposited in the U.S. mail, first class with postage prepaid.

(d) ***Governing Law.*** This Warrant and all actions arising out of or in connection with this Warrant shall be governed by and construed in accordance with the laws of the State of California, without regard to the conflicts of law provisions of the State of California, or of any other state.

(e) ***Jurisdiction and Venue.*** Each of the Holder and the Company irrevocably consents to the exclusive jurisdiction and venue of any court within San Diego, California, in connection with any matter based upon or arising out of this Warrant or the matters contemplated herein, and agrees that process may be served upon them in any manner authorized by the laws of the State of California for such persons.

(f) ***Titles and Subtitles.*** The titles and subtitles used in this Warrant are used for convenience only and are not to be considered in construing or interpreting this Warrant. All references in this Warrant to sections, paragraphs and exhibits shall, unless otherwise provided, refer to sections and paragraphs hereof and exhibits attached hereto.

(g) ***Severability.*** If any provision of this Warrant becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, portions of such provision, or such provision in its entirety, to the extent necessary, shall be severed from this Warrant, and such illegal, unenforceable or void provision shall be replaced with a valid and enforceable provision that will achieve, to the extent possible, the same economic, business and other purposes of the illegal, unenforceable or void provision. The balance of this Warrant shall be enforceable in accordance with its terms.

(h) ***Waiver of Jury Trial.*** **EACH OF THE HOLDER AND THE COMPANY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATED TO THIS WARRANT.** If the waiver of jury trial set forth in this paragraph is not enforceable, then any claim or cause of action arising out of or relating to this Warrant shall be settled by judicial reference pursuant to California Code of Civil Procedure Section 638 *et seq.* before a referee sitting without a jury, such referee to be mutually acceptable to the parties or, if no agreement is reached, by a referee appointed by the Presiding Judge of the California Superior Court for San Diego County. This paragraph shall not restrict the Holder or the Company from exercising remedies under the Uniform Commercial Code or from exercising pre-judgment remedies under applicable law.

(i) ***California Corporate Securities Law.*** THE SALE OF THE SECURITIES THAT ARE THE SUBJECT OF THIS WARRANT HAS NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF SUCH SECURITIES OR THE PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION THEREFOR PRIOR TO SUCH QUALIFICATION IS UNLAWFUL, UNLESS THE SALE OF SECURITIES IS EXEMPT FROM QUALIFICATION BY SECTION 25100, 25102, OR 25105 OF THE CALIFORNIA CORPORATIONS CODE. THE RIGHTS OF ALL PARTIES TO THIS WARRANT ARE EXPRESSLY CONDITIONED UPON THE QUALIFICATION BEING OBTAINED, UNLESS THE SALE IS SO EXEMPT.

(j) ***Saturdays, Sundays and Holidays.*** If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall be a Saturday, Sunday or U.S. federal holiday, then such action may be taken or such right may be exercised on the next succeeding day that is not a Saturday, Sunday or U.S. federal holiday.

(k) ***Rights and Obligations Survive Exercise of the Warrant.*** Except as otherwise provided herein, the rights and obligations of the Company and the Holder under this Warrant shall survive exercise of this Warrant.

(l) ***Entire Agreement.*** Except as expressly set forth herein, this Warrant (including the exhibits attached hereto) constitutes the entire agreement and understanding of the Company and the Holder with respect to the subject matter hereof and supersede all prior agreements and understandings relating to the subject matter hereof.

(*signature page follows*)

The Company signs this Warrant as of the date stated on the first page.

DERMTECH, INC.

By: _____

Name: _____

Title: _____

EXHIBIT A

NOTICE OF EXERCISE

TO: DermTech, Inc. (the "*Company*")

Attention: President

(1) **Exercise.** The undersigned elects to purchase the following pursuant to the terms of the attached warrant:

Number of shares: _____

Type of security: _____

(2) **Method of Exercise.** The undersigned elects to exercise the attached warrant pursuant to:

□ A cash payment or cancellation of indebtedness, and tenders herewith payment of the purchase price for such shares in full, together with all applicable transfer taxes, if any.

□ The net issue exercise provisions of Section 2(b) of the attached warrant.

(3) **Conditional Exercise.** Is this a conditional exercise pursuant to Section 2(e):

□ Yes □ No

If "Yes," indicate the applicable condition:

_____

(4) **Stock Certificate.** Please issue a certificate or certificates representing the shares in the name of:

□ The undersigned

□ Other—Name: _____

Address: _____

(5) **Unexercised Portion of the Warrant.** Please issue a new warrant for the unexercised portion of the attached warrant in the name of:

□ The undersigned

□ Other—Name: _____

Address: _____

□ Not applicable

(6) **Investment Intent.** The undersigned represents and warrants that the aforesaid shares are being acquired for investment for its own account, not as a nominee or agent, and not with a view to, or for resale in connection with, the distribution thereof, and that the undersigned has no present intention of selling, granting any participation in, or otherwise distributing the shares, nor does it have any contract, undertaking, agreement or arrangement for the same, and all representations and warranties of the undersigned set forth in Section 10 of the attached warrant are true and correct as of the date hereof.

(7) **Investment Representation Statement and Market Stand-Off Agreement.** The undersigned has executed, and delivers herewith, an Investment Representation Statement and Market Stand-Off Agreement in a form substantially similar to the form attached to the warrant as Exhibit A-1.

_____

(*Print name of the warrant holder*)

_____

(*Signature*)

_____

(*Name and title of signatory, if applicable*)

_____

(*Date*)

_____

(*Fax number*)

EXHIBIT A-l

INVESTMENT REPRESENTATION STATEMENT

INVESTOR: [_____]

COMPANY: DERMTECH, INC.

SECURITIES: THE WARRANT ISSUED ON [_____] (THE "***WARRANT***") AND THE SECURITIES ISSUED OR ISSUABLE UPON EXERCISE THEREOF

DATE: _____

In connection with the purchase or acquisition of the above-listed Securities, the undersigned Investor represents and warrants to, and agrees with, the Company as follows:

1. **No Registration.** The Investor understands that the Securities have not been, and will not be, registered under the Securities Act of 1933, as amended (the "***Securities Act***"), by reason of a specific exemption from the registration provisions of the Securities Act, the availability of which depends upon, among other things, the *bona fide* nature of the investment intent and the accuracy of the Investor's representations as expressed herein or otherwise made pursuant hereto.

2. **Investment Intent.** The Investor is acquiring the Securities for investment for its own account, not as a nominee or agent, and not with a view to, or for resale in connection with, any distribution thereof. The Investor has no present intention of selling, granting any participation in, or otherwise distributing the Securities, nor does it have any contract, undertaking, agreement or arrangement for the same.

3. **Investment Experience.** The Investor has substantial experience in evaluating and investing in private placement transactions of securities in companies similar to the Company, and has such knowledge and experience in financial or business matters so that it is capable of evaluating the merits and risks of its investment in the Company and protecting its own interests.

4. **Speculative Nature of Investment.** The Investor understands and acknowledges that its investment in the Company is highly speculative and involves substantial risks. The Investor can bear the economic risk of its investment and is able, without impairing its financial condition, to hold the Securities for an indefinite period of time and to suffer a complete loss of its investment.

5. **Access to Data.** The Investor has had an opportunity to ask questions of officers of the Company, which questions were answered to its satisfaction. The Investor understands that any such discussions, as well as any information issued by the Company, were intended to describe certain aspects of the Company's business and prospects, but were not necessarily a thorough or exhaustive description. The Investor acknowledges that any business plans prepared by the Company have been, and continue to be, subject to change and that any projections included in such business plans or otherwise are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the projections will not materialize or will vary significantly from actual results.

6. **Accredited Investor.** The Investor is an "accredited investor" within the meaning of Regulation D, Rule 501(a), promulgated by the Securities and Exchange Commission and agrees to submit to the Company such further assurances of such status as may be reasonably requested by the Company.

7. **Residency.** The residency of the Investor (or, in the case of a partnership or corporation, such entity's principal place of business) is correctly set forth on the signature page hereto.

8. **Restrictions on Resales.** The Investor acknowledges that the Securities must be held indefinitely unless subsequently registered under the Securities Act or an exemption from such registration is available. The Investor is aware of the provisions of Rule 144 promulgated under the Securities Act, which permit resale of shares purchased in

a private placement subject to the satisfaction of certain conditions, which may include, among other things, the availability of certain current public information about the Company; the resale occurring not less than a specified period after a party has purchased and paid for the security to be sold; the number of shares being sold during any three-month period not exceeding specified limitations; the sale being effected through a "broker's transaction," a transaction directly with a "market maker" or a "riskless principal transaction" (as those terms are defined in the Securities Act or the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder); and the filing of a Form 144 notice, if applicable. The Investor acknowledges and understands that the Company may not be satisfying the current public information requirement of Rule 144 at the time the Investor wishes to sell the Securities and that, in such event, the Investor may be precluded from selling the Securities under Rule 144 even if the other applicable requirements of Rule 144 have been satisfied. The Investor understands and acknowledges that, in the event the applicable requirements of Rule 144 are not met, registration under the Securities Act or an exemption from registration will be required for any disposition of the Securities. The Investor understands that, although Rule 144 is not exclusive, the Securities and Exchange Commission has expressed its opinion that persons proposing to sell restricted securities received in a private offering other than in a registered offering or pursuant to Rule 144 will have a substantial burden of proof in establishing that an exemption from registration is available for those offers or sales and that those persons and the brokers who participate in the transactions do so at their own risk.

9. **No Public Market.** The Holder understands and acknowledges that no public market now exists for any of the securities issued by the Company and that the Company has made no assurances that a public market will ever exist for the Company's securities.

10. **Brokers and Finders.** The Investor has not engaged any brokers, finders or agents in connection with the Securities, and the Company has not incurred nor will incur, directly or indirectly, as a result of any action taken by the Investor, any liability for brokerage or finders' fees or agents' commissions or any similar charges in connection with the Securities.

11. **Legal Counsel.** The Investor has had the opportunity to review the Warrant, the exhibits and schedules attached thereto and the transactions contemplated by the Warrant with its own legal counsel. The Investor is not relying on any statements or representations of the Company or its agents for legal advice with respect to this investment or the transactions contemplated by the Warrant.

12. **Tax Advisors.** The Investor has reviewed with its own tax advisors the U.S. federal, state and local and non-U.S. tax consequences of this investment and the transactions contemplated by the Warrant. With respect to such matters, the Investor relies solely on such advisors and not on any statements or representations of the Company or any of its agents, written or oral. The Investor understands that it (and not the Company) shall be responsible for its own tax liability that may arise as a result of this investment or the transactions contemplated by the Warrant.

13. **Market Stand-off.** If requested by the Company and an underwriter of common stock (or other securities) of the Company, the Investor shall not sell or otherwise transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, of any common stock (or other securities) of the Company held by the Investor (other than those included in the registration) during the one hundred eighty (180) day period following the effective date of the registration statement for the Company's initial public offering filed under the Securities Act (or such other period as may be requested by the Company or an underwriter to accommodate regulatory restrictions on (i) the publication or other distribution of research reports and (ii) analyst recommendations and opinions, including, but not limited to, the restrictions contained in NASD Rule 2711(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto), *provided* that all officers and directors of the Company and holders of at least one percent (1%) of the Company's voting securities are bound by and have entered into similar agreements. The obligations described in this section shall not apply to a registration relating solely to employee benefit plans on Form S-l or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a transaction on Form S-4 or similar forms that may be promulgated in the future. The Company may impose stop-transfer instructions and may stamp each certificate with a legend as with respect to the shares of common stock (or other securities) subject to the foregoing restriction until the end of such one hundred eighty (180) day (or other) period.

(*signature page follows*)

The Investor is signing this Investment Representation Statement and Market Stand-Off Agreement on the date first written above.

INVESTOR

_____

(*Print name of the investor*)

_____

(*Signature*)

_____

(*Name and title of signatory, if applicable*)

_____

(*Street address*)

_____

(*City, state and ZIP*)

EXHIBIT B

ASSIGNMENT FORM

ASSIGNOR: _____

COMPANY: DERMTECH, INC.

WARRANT: THE WARRANT TO PURCHASE SHARES OF COMMON STOCK ISSUED ON [___] (THE "***WARRANT***")

DATE: _____

(1) **Assignment.** The undersigned registered holder of the Warrant ("***Assignor***") assigns and transfers to the assignee named below ("***Assignee***") all of the rights of Assignor under the Warrant, with respect to the number of shares set forth below:

Name of Assignee: _____

Address of Assignee: _____

_____

Number of Shares Assigned: _____

and does irrevocably constitute and appoint _____ as attorney to make such transfer on the books of DermTech, Inc., maintained for the purpose, with full power of substitution in the premises.

(2) **Obligations of Assignee.** Assignee agrees to take and hold the Warrant and any shares of stock to be issued upon exercise of the rights thereunder (the "***Securities***") subject to, and to be bound by, the terms and conditions set forth in the Warrant, to the same extent as if Assignee were the original holder thereof.

(3) **Investment Intent.** Assignee represents and warrants that the Securities are being acquired for investment for its own account, not as a nominee or agent, and not with a view to, or for resale in connection with, the distribution thereof, and that Assignee has no present intention of selling, granting any participation in, or otherwise distributing the shares, nor does it have any contract, undertaking, agreement or arrangement for the same, and all representations and warranties set forth in Section 10 of the Warrant are true and correct as to Assignee as of the date hereof.

(4) **Investment Representation Statement.** Assignee has executed, and delivers herewith, an Investment Representation Statement in a form substantially similar to the form attached to the Warrant as Exhibit A-1.

Assignor and Assignee are signing this Assignment Form on the date first set forth above.

ASSIGNOR

(*Print name of Assignor*)

(*Signature of Assignor*)

(*Print name of signatory, if applicable*)

(*Print title of signatory, if applicable*)

Address:

ASSIGNEE

(*Print name of Assignee*)

(*Signature of Assignee*)

(*Print name of signatory, if applicable*)

(*Print title of signatory, if applicable*)

Address:

Exhibit 10.1

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT ("**Agreement**") is made as of August 29, 2019, by and between DERMTECH, INC., a Delaware corporation (the "**Company**"), and [●] (the "**Indemnitee**"). This Agreement supersedes and replaces any and all previous Agreements between the Company and Indemnitee covering the subject matter of this Agreement.

RECITALS

WHEREAS, highly competent persons have become more reluctant to serve publicly-held corporations as directors, officers or in other capacities unless they are provided with adequate protection through insurance or adequate indemnification against inordinate risks of claims and actions against them arising out of their service to and activities on behalf of the corporation;

WHEREAS, the Board of Directors of the Company (the "**Board**") has determined that, in order to attract and retain qualified individuals, the Company will attempt to maintain on an ongoing basis, at its sole expense, liability insurance to protect persons serving the Company and its subsidiaries from certain liabilities. Although the furnishing of such insurance has been a customary and widespread practice among United States-based corporations and other business enterprises, the Company believes that, given current market conditions and trends, such insurance may be available to it in the future only at higher premiums and with more exclusions. At the same time, directors, officers, and other persons in service to corporations or business enterprises are being increasingly subjected to expensive and time-consuming litigation relating to, among other things, matters that traditionally would have been brought only against the Company or business enterprise itself. The certificate of incorporation of the Company (as the same may be amended from time to time, the "**Certificate of Incorporation**") requires indemnification of the officers and directors of the Company. Indemnitee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware (the "**DGCL**"). The Certificate of Incorporation and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the Company and members of the board of directors, officers and other persons with respect to indemnification;

WHEREAS, the uncertainties relating to such insurance and to indemnification have increased the difficulty of attracting and retaining such persons;

WHEREAS, the Board has determined that the increased difficulty in attracting and retaining such persons is detrimental to the best interests of the Company and its stockholders and that the Company should act to assure such persons that there will be increased certainty of such protection in the future;

WHEREAS, it is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified;

WHEREAS, this Agreement is a supplement to and in furtherance of the Certificate of Incorporation and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder; and

WHEREAS, Indemnitee does not regard the protection available under the Certificate of Incorporation and insurance as adequate in the present circumstances, and may not be willing to serve as an officer or director without adequate protection, and the Company desires Indemnitee to serve in such capacity. Indemnitee is willing to serve, continue to serve and to take on additional service for or on behalf of the Company on the condition that he be so indemnified;

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

Section 1. Services to the Company. Indemnitee agrees to serve as a[n] [director] [and] [officer] of the Company. Indemnitee may at any time and for any reason resign from such position (subject to any other contractual obligation or any obligation imposed by operation of law), in which event the Company shall have no obligation under this Agreement to continue Indemnitee in such position. This Agreement shall not be deemed an employment contract between the Company (or of its subsidiaries or any Enterprise) and Indemnitee. Indemnitee specifically acknowledges that Indemnitee's employment with the Company (or of its subsidiaries or any Enterprise), if any, is at will, and the Indemnitee may be discharged at any time for any reason, with or without cause, except as may be otherwise provided in any written employment contract between Indemnitee and the Company (or of its subsidiaries or any Enterprise), other applicable formal severance policies duly adopted by the Board, or, with respect to service as a director or officer of the Company, by the Certificate of Incorporation, the Company's Bylaws, and the DGCL. The foregoing notwithstanding, this Agreement shall continue in force after Indemnitee has ceased to serve as a[n] [director] [or] [officer] of the Company, as provided in Section 16 hereof.

Section 2. Definitions. As used in this Agreement:

(a) References to "**agent**" shall mean any person who is or was a director, officer, or employee of the Company or a subsidiary of the Company or other person authorized by the Company to act for the Company, to include such person serving in such capacity as a director, officer, employee, fiduciary or other official of another corporation, partnership, limited liability company, joint venture, trust or other enterprise at the request of, for the convenience of, or to represent the interests of the Company or a subsidiary of the Company.

(b) A "**Change in Control**" shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events:

i. Acquisition of Stock by Third Party. Any Person (as defined below) is or becomes the Beneficial Owner (as defined below), directly or indirectly, of securities of the Company representing forty percent (40%) or more of the combined voting power of the Company's then outstanding securities unless the change in relative Beneficial Ownership of the Company's securities by any Person results solely from a reduction in the aggregate number of outstanding shares of securities entitled to vote generally in the election of directors;

ii. Change in Board of Directors. During any period of two (2) consecutive years (not including any period prior to the execution of this Agreement), individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in Sections 2(b)(i), 2(b)(iii) or 2(b)(iv)) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the members of the Board;

iii. Corporate Transactions. The effective date of a merger or consolidation of the Company with any other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its ultimate parent, as applicable) more than 51% of the combined voting power of the voting securities of the surviving entity or its ultimate parent, as applicable, outstanding immediately after such merger or consolidation and with the power to elect at least a majority of the board of directors or other governing body of such surviving entity or its ultimate parent, as applicable;

iv. Liquidation or Sale of Assets. The approval by the stockholders of the Company of a complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets; and

v. Other Events. There occurs any other event of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or a response to any similar item on any similar schedule or form) promulgated under the Exchange Act (as defined below), whether or not the Company is then subject to such reporting requirement.

For purposes of this Section 2(b), the following terms shall have the following meanings:

(A) "**Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended from time to time.

(B) "**Person**" shall have the meaning as set forth in Sections 13(d) and 14(d) of the Exchange Act; provided, however, that Person shall exclude (i) the Company, (ii) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, and (iii) any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

(C) "**Beneficial Owner**" shall have the meaning given to such term in Rule 13d-3 under the Exchange Act; provided, however, that Beneficial Owner shall exclude any Person otherwise becoming a Beneficial Owner by reason of the stockholders of the Company approving a merger of the Company with another entity.

(D) "**Corporate Status**" describes the status of a person as a current or former director or officer of the Company or as a current or former director, manager, partner, officer, employee, agent, or trustee of any other entity or enterprise that such person is or was serving at the request of the Company.

(E) "**Disinterested Director**" shall mean a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(F) "**Enterprise**" shall mean the Company and any other corporation, limited liability company, partnership, joint venture, trust or other enterprise of which Indemnitee is or was serving at the request of the Company as a director, officer, trustee, partner, managing member, employee, agent or fiduciary.

(G) "**Expenses**" shall include all reasonable attorneys' fees, retainers, court costs, transcript costs, fees of experts and other professionals, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, any federal, state, local or foreign taxes imposed on Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement, ERISA excise taxes and penalties, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding. Expenses also shall include (i) Expenses incurred in connection with any appeal resulting from any Proceeding, including without limitation the premium, security for, and other costs relating to any cost bond, supersedeas bond, or other appeal bond or its equivalent, and (ii) for purposes of Section 14(d) only, Expenses incurred by Indemnitee in connection with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement, by litigation or otherwise. The parties agree that for the purposes of any advancement of Expenses for which Indemnitee has made written demand to the Company in accordance with this Agreement, all Expenses included in such demand that are certified by affidavit of Indemnitee's counsel as being reasonable shall be presumed conclusively to be reasonable. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(H) "**Independent Counsel**" shall mean a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning the Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "**Independent Counsel**" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement. The Company agrees to pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(I) The term "**Proceeding**" shall include any threatened, pending or completed action, suit, claim, counterclaim, cross claim, arbitration, mediation, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative, legislative, or investigative (formal or informal) nature, including any appeal therefrom, in which Indemnitee was, is or will be involved as a party, potential party, non-party witness or otherwise by reason of the fact that Indemnitee is or was a director or officer of the Company, by reason of any action taken by him (or a failure to take action by him) or of any action (or failure to act) on his part while acting pursuant to his Corporate Status, in each case whether or not serving in such capacity at the time any liability or Expense is incurred for which indemnification, reimbursement, or advancement of Expenses can be provided under this Agreement. If the Indemnitee believes in good faith that a given situation may lead to or culminate in the institution of a Proceeding, this shall be considered a Proceeding under this paragraph.

(J) Reference to "**other enterprise**" shall include employee benefit plans; references to "**fines**" shall include any excise tax assessed with respect to any employee benefit plan; references to "serving at the request of the Company" shall include any service as a director, officer, employee or agent of the Company which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in manner "not opposed to the best interests of the Company" as referred to in this Agreement.

Section 3. Indemnity in Third-Party Proceedings. The Company shall indemnify Indemnitee in accordance with the provisions of this Section 3 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Expenses, judgments, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines and amounts paid in settlement) actually and reasonably incurred by Indemnitee or on his behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal Proceeding had no reasonable cause to believe that his conduct was unlawful. The parties hereto intend that this Agreement shall provide to the fullest extent permitted by law for indemnification in excess of that expressly permitted by statute, including, without limitation, any indemnification provided by the Certificate of Incorporation, the Bylaws, vote of its stockholders or disinterested directors or applicable law.

Section 4. Indemnity in Proceedings by or in the Right of the Company. The Company shall indemnify Indemnitee in accordance with the provisions of this Section 4 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 4, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Expenses actually and reasonably incurred by him or on his behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company. No indemnification for Expenses shall be made under this Section 4 in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudged by a court to be liable to the Company, unless and only to the extent that the Delaware Court of Chancery (the "Delaware Court") or any court in which the Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification for such Expenses as the Delaware Court or other court shall deem proper.

Section 5. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provisions of this Agreement, to the fullest extent permitted by applicable law and to the extent that Indemnitee is a party to (or a participant in) and is successful, on the merits or otherwise, in any Proceeding or in defense of any claim, issue or matter therein, in whole or in part, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or on his behalf in connection with or related to each successfully resolved claim, issue or

matter to the fullest extent permitted by law. For purposes of this Section and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

Section 6. Indemnification For Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the fullest extent permitted by applicable law and to the extent that Indemnitee is, by reason of his Corporate Status, a witness or otherwise asked to participate in any Proceeding to which Indemnitee is not a party, he shall be indemnified against all Expenses actually and reasonably incurred by him or on his behalf in connection therewith.

Section 7. Partial Indemnification. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of Expenses, but not, however, for the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

Section 8. Additional Indemnification.

(a) Notwithstanding any limitation in Sections 3, 4, or 5, the Company shall indemnify Indemnitee to the fullest extent permitted by applicable law if Indemnitee is a party to or threatened to be made a party to any Proceeding (including a Proceeding by or in the right of the Company to procure a judgment in its favor) against all Expenses, judgments, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines and amounts paid in settlement) actually and reasonably incurred by Indemnitee in connection with the Proceeding.

(b) For purposes of Section 8(a), the meaning of the phrase "to the fullest extent permitted by applicable law" shall include, but not be limited to:

i. to the fullest extent permitted by the provision of the DGCL that authorizes or contemplates additional indemnification by agreement, or the corresponding provision of any amendment to or replacement of the DGCL, and

ii. to the fullest extent authorized or permitted by any amendments to or replacements of the DGCL adopted after the date of this Agreement that increase the extent to which a corporation may indemnify its officers and directors.

Section 9. Exclusions. Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnification payment in connection with any claim made against Indemnitee:

(a) (for which payment has actually been made to or on behalf of Indemnitee under any insurance policy or other indemnity provision, except with respect to any excess beyond the amount paid under any insurance policy or other indemnity provision; or

(b) for (i) an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Exchange Act (as defined in Section 2(b) hereof) or similar provisions of state statutory law or common law, or (ii) any reimbursement of the Company by the Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by the Indemnitee from the sale of securities of the Company, as required in each case under the Exchange Act (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "**Sarbanes-Oxley Act**"), or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act); or

(c) except as provided in Section 14(d) of this Agreement, in connection with any Proceeding (or any part of any Proceeding) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees or other indemnitees, unless (i) the

Board authorized the Proceeding (or any part of any Proceeding) prior to its initiation or (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law.

Section 10. Advances of Expenses. Notwithstanding any provision of this Agreement to the contrary (other than Section 14(d)), the Company shall advance, to the extent not prohibited by law, the Expenses incurred by Indemnitee in connection with any Proceeding (or any part of any Proceeding) not initiated by Indemnitee, and such advancement shall be made within thirty (30) days after the receipt by the Company of a statement or statements requesting such advances from time to time, whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free. Advances shall be made without regard to Indemnitee's ability to repay the Expenses and without regard to Indemnitee's ultimate entitlement to indemnification under the other provisions of this Agreement. In accordance with Section 14(d), advances shall include any and all reasonable Expenses incurred pursuing an action to enforce this right of advancement, including Expenses incurred preparing and forwarding statements to the Company to support the advances claimed. The Indemnitee shall qualify for advances upon the execution and delivery to the Company of this Agreement, which shall constitute an undertaking providing that the Indemnitee undertakes to repay the amounts advanced (without interest) to the extent that it is ultimately determined that Indemnitee is not entitled to be indemnified by the Company. No other form of undertaking shall be required other than the execution of this Agreement. This Section 10 shall not apply to any claim made by Indemnitee for which indemnity is excluded pursuant to Section 9.

Section 11. Procedure for Notification and Defense of Claim.

(a) Indemnitee shall notify the Company in writing of any matter with respect to which Indemnitee intends to seek indemnification or advancement of Expenses hereunder as soon as reasonably practicable following the receipt by Indemnitee of written notice thereof. The written notification to the Company shall include a description of the nature of the Proceeding and the facts underlying the Proceeding. To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification following the final disposition of such Proceeding. The omission by Indemnitee to notify the Company hereunder will not relieve the Company from any liability which it may have to Indemnitee hereunder or otherwise than under this Agreement, and any delay in so notifying the Company shall not constitute a waiver by Indemnitee of any rights under this Agreement. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board in writing that Indemnitee has requested indemnification.

(b) The Company will be entitled to participate in the Proceeding at its own expense.

Section 12. Procedure Upon Application for Indemnification.

(a) Upon written request by Indemnitee for indemnification pursuant to Section 11(a), a determination, if required by applicable law, with respect to Indemnitee's entitlement thereto shall be made in the specific case: (i) if a Change in Control shall have occurred, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee; or (ii) if a Change in Control shall not have occurred, (A) by a majority vote of the Disinterested Directors, even though less than a quorum of the Board, (B) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors, even though less than a quorum of the Board, (C) if there are no such Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee or (D) if so directed by the Board, by the stockholders of the Company; and, if it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten (10) days after such determination. Indemnitee shall cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any costs or Expenses (including attorneys' fees and disbursements) incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom. The

Company promptly will advise Indemnitee in writing with respect to any determination that Indemnitee is or is not entitled to indemnification, including a description of any reason or basis for which indemnification has been denied.

(b) In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 12(a) hereof, the Independent Counsel shall be selected as provided in this Section 12(b). If a Change in Control shall not have occurred, the Independent Counsel shall be selected by the Board, and the Company shall give written notice to Indemnitee advising him of the identity of the Independent Counsel so selected. If a Change in Control shall have occurred, the Independent Counsel shall be selected by Indemnitee (unless Indemnitee shall request that such selection be made by the Board, in which event the preceding sentence shall apply), and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either event, Indemnitee or the Company, as the case may be, may, within ten (10) days after such written notice of selection shall have been given, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "**Independent Counsel**" as defined in Section 2 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or the Delaware Court has determined that such objection is without merit. If, within twenty (20) days after the later of submission by Indemnitee of a written request for indemnification pursuant to Section 11(a) hereof and the final disposition of the Proceeding, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition the Delaware Court for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by such court or by such other person as such court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 12(a) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 14(a) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

Section 13. Presumptions and Effect of Certain Proceedings.

(a) In making a determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall, to the fullest extent not prohibited by law, presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 11(a) of this Agreement, and the Company shall, to the fullest extent not prohibited by law, have the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption. Neither the failure of the Company (including by its directors or Independent Counsel) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company (including by its directors or Independent Counsel) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(b) Subject to Section 14(e), if the person, persons or entity empowered or selected under Section 12 of this Agreement to determine whether Indemnitee is entitled to indemnification shall not have made a determination within sixty (60) days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification shall, to the fullest extent not prohibited by law, be deemed to have been made and Indemnitee shall be entitled to such indemnification, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law; provided, however, that such 60-day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if the person, persons or entity making the determination with respect to entitlement to indemnification in good faith requires such additional time for the obtaining or evaluating of documentation and/or information relating thereto; and provided, further, that the foregoing provisions of this Section 13(b) shall not apply (i) if the determination of entitlement to indemnification is to be made by the stockholders pursuant to Section 12(a) of this Agreement and if (A) within fifteen (15) days after receipt by the Company of the request for such determination the Board has resolved to submit such determination to the stockholders for their consideration at an annual meeting thereof to be held within

seventy-five (75) days after such receipt and such determination is made thereat, or (B) a special meeting of stockholders is called within fifteen (15) days after such receipt for the purpose of making such determination, such meeting is held for such purpose within sixty (60) days after having been so called and such determination is made thereat, or (ii) if the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 12(a) of this Agreement.

(c) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his conduct was unlawful.

(d) For purposes of any determination of good faith, Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Enterprise, including financial statements, or on information supplied to Indemnitee by the directors or officers of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise or on information or records given or reports made to the Enterprise by an independent certified public accountant or by an appraiser or other expert selected with the reasonable care by the Enterprise. The provisions of this Section 13(d) shall not be deemed to be exclusive or to limit in any way the other circumstances in which the Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement.

(e) The knowledge and/or actions, or failure to act, of any director, officer, trustee, partner, managing member, fiduciary, agent or employee of the Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

Section 14. Remedies of Indemnitee.

(a) Subject to Section 14(e), in the event that (i) a determination is made pursuant to Section 12 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 10 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 12(a) of this Agreement within ninety (90) days after receipt by the Company of the request for indemnification, (iv) payment of indemnification is not made pursuant to Section 5, 6 or 7 or the last sentence of Section 12(a) of this Agreement within ten (10) days after receipt by the Company of a written request therefor, (v) payment of indemnification pursuant to Section 3, 4 or 8 of this Agreement is not made within ten (10) days after a determination has been made that Indemnitee is entitled to indemnification, or (vi) in the event that the Company or any other person takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or Proceeding designed to deny, or to recover from, the Indemnitee the benefits provided or intended to be provided to the Indemnitee hereunder, Indemnitee shall be entitled to an adjudication by a court of his entitlement to such indemnification or advancement of Expenses. Alternatively, Indemnitee, at his option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Indemnitee shall commence such proceeding seeking an adjudication or an award in arbitration within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 14(a); provided, however, that the foregoing clause shall not apply in respect of a proceeding brought by Indemnitee to enforce his rights under Section 5 of this Agreement. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 12(a) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 14 shall be conducted in all respects as a de novo trial, or arbitration, on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 14, the Company shall have the burden of proving Indemnitee is not

(c) If a determination shall have been made pursuant to Section 12(a) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 14, absent (i) a misstatement by Indemnitee of a material

fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) The Company shall, to the fullest extent not prohibited by law, be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 14 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement. It is the intent of the Company that, to the fullest extent permitted by law, the Indemnitee not be required to incur legal fees or other Expenses associated with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement by litigation or otherwise because the cost and expense thereof would substantially detract from the benefits intended to be extended to the Indemnitee hereunder. The Company shall, to the fullest extent permitted by law, indemnify Indemnitee against any and all Expenses and, if requested by Indemnitee, shall (within ten (10) days after receipt by the Company of a written request therefor) advance, to the extent not prohibited by law, such Expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advance of Expenses from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company if, in the case of indemnification, Indemnitee is wholly successful on the underlying claims; if Indemnitee is not wholly successful on the underlying claims, then such indemnification shall be only to the extent Indemnitee is successful on such underlying claims or otherwise as permitted by law, whichever is greater.

(e) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement of Indemnitee to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding.

Section 15. Non-exclusivity; Survival of Rights; Insurance; Subrogation.

(a) The rights of indemnification and to receive advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Certificate of Incorporation, the Bylaws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in Delaware law, whether by statute or judicial decision, permits greater indemnification or advancement of Expenses than would be afforded currently under the Certificate of Incorporation and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, officers, employees, or agents of the Enterprise, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, officer, employee or agent under such policy or policies. If, at the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company has director and officer liability insurance in effect, the Company shall give prompt notice of such claim or of the commencement of a Proceeding, as the case may be, to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

(c) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(d) The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable (or for which advancement is provided hereunder) hereunder if and to the extent that

Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

(e) The Company's obligation to indemnify or advance Expenses hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, trustee, partner, managing member, fiduciary, employee or agent of any other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement of Expenses from such other corporation, limited liability company, partnership, joint venture, trust or other enterprise.

Section 16. Duration of Agreement. This Agreement shall continue until and terminate upon the later of: (a) ten (10) years after the date that Indemnitee shall have ceased to serve as a [director] [or] [officer] of the Company or (b) one (1) year after the final termination of any Proceeding then pending in respect of which Indemnitee is granted rights of indemnification or advancement of Expenses hereunder and of any proceeding commenced by Indemnitee pursuant to Section 14 of this Agreement relating thereto. The indemnification and advancement of expenses rights provided by or granted pursuant to this Agreement shall be binding upon and be enforceable by the parties hereto and their respective successors and assigns (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company), shall continue as to an Indemnitee who has ceased to be a director, officer, employee or agent of the Company or of any other Enterprise, and shall inure to the benefit of Indemnitee and his or her spouse, assigns, heirs, devisees, executors and administrators and other legal representatives.

Section 17. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 18. Enforcement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as a director or officer of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director or officer of the Company.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof, including without limitation any previous indemnification agreements, which are hereby terminated in full; provided, however, that this Agreement is a supplement to and in furtherance of the Certificate of Incorporation, the Bylaws and applicable law, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

Section 19. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement nor shall any waiver constitute a continuing waiver.

Section 20. Notice by Indemnitee. Indemnitee agrees promptly to notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification or advancement of Expenses covered hereunder.

The failure of Indemnitee to so notify the Company shall not relieve the Company of any obligation which it may have to the Indemnitee under this Agreement or otherwise.

Section 21. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if (a) delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, (b) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed, (c) mailed by reputable overnight courier and receipted for by the party to whom said notice or other communication shall have been directed or (d) sent by facsimile transmission, with receipt of oral confirmation that such transmission has been received:

(a) If to Indemnitee, at the address indicated on the signature page of this Agreement, or such other address as Indemnitee shall provide to the Company.

(b) If to the Company to:

DermTech, Inc.
11099 N. Torrey Pines Road, Suite 100
La Jolla, CA 92037
Attention: Chief Financial Officer

or to any other address as may have been furnished to Indemnitee by the Company.

Section 22. Contribution. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company, on the one hand, and Indemnitee, on the other hand, as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Company (and its other directors, officers, employees and agents), on the one hand, and Indemnitee, on the other hand, in connection with such event(s) and/or transaction(s).

Section 23. Applicable Law and Consent to Jurisdiction. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 14(a) of this Agreement, the Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Delaware Court, and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) appoint, to the extent such party is not otherwise subject to service of process in the State of Delaware, irrevocably the Corporation Trust Center as its agent in the State of Delaware as such party's agent for acceptance of legal process in connection with any such action or proceeding against such party with the same legal force and validity as if served upon such party personally within the State of Delaware, (iv) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (v) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

Section 24. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

Section 25. Miscellaneous. Use of the masculine pronoun shall be deemed to include usage of the feminine pronoun where appropriate. The headings of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

[*The remainder of this page is intentionally left blank.*]

The parties executed this Agreement as of the day and year first set forth above.

DERMTECH, INC.

By: _____

Name: John Dobak

Title: Chief Executive Officer

INDEMNITEE

_____

Name:

Address:

_____

_____

Exhibit 10.11

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (this "Agreement"), dated as of August 29, 2019, is made and entered into by and among Constellation Alpha Capital Corp., a Delaware corporation (the "Company," and prior to the Company's domestication (the "Domestication") as a Delaware corporation, the "BVI Company"), and the undersigned parties listed under the heading "Holders" on the signature page hereto (each such party, together with any person or entity who hereafter becomes a party to this Agreement pursuant to Section 6.2 of this Agreement, a "Holder" and collectively the "Holders").

WHEREAS, certain of the Holders are acquiring an aggregate of 11,509,461 shares of common stock (the "Merger Shares") of the Company, par value $0.0001 per share (the "Common Stock") in exchange for their outstanding shares of capital stock of DermTech, Inc., a Delaware corporation ("DermTech"), on or about the date hereof, pursuant to that certain Agreement and Plan of Merger (the "Merger Agreement"), dated as of May 29, 2019, by and among the BVI Company, DT Merger Sub, Inc., a Delaware corporation, and DermTech, whereby Merger Sub will merge with and into DermTech, with DermTech surviving as a wholly owned subsidiary of the Company (the "Merger");

WHEREAS, certain of the Holders are acquiring an aggregate of 6,153,847 shares of Common Stock (the "PIPE Common Shares") and 1,231 shares of Series A Preferred Stock of the Company, which are convertible into an aggregate of 1,231,000 shares Common Stock (the "Underlying PIPE Common Shares"), in a private placement among the Company and such Holders, pursuant to subscription agreements previously entered into with such Holders; and

WHEREAS, two of the Holders, Centripetal LLC and Cowen Investments II LLC, currently hold (i) an aggregate of 1,460,221 shares of Common Stock the ("Insider Shares"), (ii) rights to receive an aggregate of 56,125 shares of Common Stock (the "Rights Shares"), and (iii) warrants to purchase an aggregate of 140,313 shares of Common Stock (the shares of Common Stock underlying the warrants, the "Warrant Shares").

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. DEFINITIONS. The following capitalized terms used herein have the following meanings:

"Adverse Disclosure" is defined in Section 3.5.

"Agreement" is defined in the preamble to this Agreement.

"Block Trade" means an offering and/or sale of Registrable Securities by any Holder on a block trade or underwritten basis (whether firm commitment or otherwise) without substantial marketing efforts prior to pricing, including, without limitation, a same day trade, overnight trade or similar transaction.

"Domestication" is defined in the preamble to this Agreement.

"Merger Agreement" is defined in the recitals to this Agreement.

"Merger Shares" is defined in the recitals to this Agreement.

"Merger Share Holders" means the Holders of the Merger Shares and only with respect to and to the extent of such Holders' ownership of Merger Shares.

"PIPE Common Shares" is defined in the recitals to this Agreement.

"PIPE Shares" means the PIPE Common Shares and the Underlying PIPE Common Shares, together.

"PIPE Share Holders" means the Holders of the PIPE Shares and only with respect to and to the extent of such Holders' ownership of PIPE Shares.

"Business Day" means a day other than Saturday, Sunday or other day on which commercial banks in New York, New York are authorized or required by law to close.

"Change of Control" means the transfer (whether by tender offer, merger, stock purchase, consolidation or other similar transaction), in one transaction or a series of related transactions, to a person or group of affiliated persons of the Company's voting securities if, after such transfer, such person or group of affiliated persons would hold more than 50% of outstanding voting securities of the Company (or surviving entity) or would otherwise have the power to control the board of directors of the Company or to direct the operations of the Company.

"Commission" means the Securities and Exchange Commission, or any other federal agency then administering the Securities Act or the Exchange Act.

"Common Stock" is defined in the recitals to this Agreement.

"Company" is defined in the preamble to this Agreement.

"Demand Registration" is defined in Section 2.2.1.

"Demand Requesting Holder" is defined in Section 2.2.1.

"Demanding Holders" is defined in Section 2.2.1.

"Effectiveness Deadline" is defined in Section 2.1.1.

"Effectiveness Period" is defined in Section 3.1.3.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission promulgated thereunder, all as the same shall be in effect at the time.

"Form S-3" is defined in Section 2.1.1.

"Holder Indemnified Party" is defined in Section 4.1.

"Holders" is defined in the preamble to this Agreement.

"Indemnified Party" is defined in Section 4.3.

"Indemnifying Party" is defined in Section 4.3.

"Insider Shares" is defined in the recitals to this Agreement.

"Maximum Number of Shares" is defined in Section 2.2.4.

"Merger" is defined in the recitals to this Agreement.

"Misstatement" is defined in Section 3.1.13.

"New Registration Statement" is defined in Section 2.1.4.

"Notices" is defined in Section 6.2.

"Piggy-Back Registration" is defined in Section 2.3.1.

"Pro Rata" is defined in Section 2.2.4.

"Prospectus" means the prospectus included in any Registration Statement, as supplemented by any and all prospectus supplements and as amended by any and all post-effective amendments and including all material incorporated by reference in such prospectus.

"Register," "Registered" and "Registration" mean a registration effected by preparing and filing a Registration Statement or similar document in compliance with the requirements of the Securities Act, and the applicable rules and regulations promulgated thereunder, and such Registration Statement becoming effective.

"Registrable Securities" means the Merger Shares, PIPE Shares, Insider Shares, Rights Shares, Warrant Shares and any warrants, shares of capital stock or other securities of the Company issued as a dividend or other distribution with respect to or in exchange for or in replacement of any of such shares or as the result of any split, combination of shares, recapitalization, merger, consolidation or other reorganization (collectively, the "Underlying Shares"). The Underlying Shares shall cease to be Registrable Securities when: (a) a Registration Statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been sold, transferred, disposed of or exchanged in accordance with such Registration Statement; (b) such securities shall have been otherwise transferred, new certificates for them not bearing a legend restricting further transfer shall have been delivered by the Company and subsequent public distribution of them shall not require registration under the Securities Act; (c) such securities shall have ceased to be outstanding; (d) such securities have been sold to, or through, a broker, dealer or underwriter in a public distribution or in another public securities transaction pursuant to Rule 144; or (e) such securities may be sold pursuant to Rule 144 and not subject to any volume or manner of sale limitations imposed thereunder.

"Registration Statement" means any registration statement filed by the Company with the Commission in compliance with the Securities Act and the rules and regulations promulgated thereunder for a public offering and sale of Common Stock or Registrable Securities, including the Prospectus included in such registration statement, amendments (including post-effective amendments) and supplements to such registration statement, and all exhibits to and all material incorporated by reference in such registration statement (other than a registration statement on Form S-4 or Form S-8, or their successors).

"Requesting Holder" is defined in Section 2.1.5(a).

"Resale Shelf Registration Statement" is defined in Section 2.1.1.

"Rights Shares" is defined in the recitals to this Agreement.

"Rule 144" means Rule 144 promulgated under the Securities Act.

"SEC Guidance" is defined in Section 2.1.4.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations of the Commission promulgated thereunder, all as the same shall be in effect at the time.

"Selling Holders" means any Holder electing to sell any of its Registrable Securities in a Registration.

"Underlying PIPE Common Shares" is defined in the recitals to this Agreement.

"Underwriter" means a securities dealer who purchases any Registrable Securities as principal in an underwritten offering and not as part of such dealer's market-making activities.

"Underwritten Takedown" shall mean an underwritten public offering of Registrable Securities pursuant to the Resale Shelf Registration Statement or such other Registration Statement filed by the Company pursuant to Section 2.1, as amended or supplemented, including, without limitation, a Block Trade.

"Warrant Shares" is defined in the recitals to this Agreement.

2. REGISTRATION RIGHTS.

2.1 Resale Shelf Registration Rights.

2.1.1 Registration Statement Covering Resale of Registrable Securities. The Company shall prepare and file or cause to be prepared and filed with the Commission, no later than forty-five (45) days following the consummation of the Merger (the "Filing Deadline"), a Registration Statement for an offering to be made on a continuous basis pursuant to Rule 415 of the Securities Act registering the resale from time to time by Holders of all of the Registrable Securities held by Holders (the "Resale Shelf Registration Statement"). The Resale Shelf Registration Statement shall be on Form S-3 ("Form S-3") or, if Form S-3 is not then available to the Company, on Form S-1 or such other appropriate form permitting Registration of such Registrable Securities for resale by such Holders. The Company shall use commercially reasonable efforts to cause the Resale Shelf Registration Statement to be declared effective as soon as possible after filing, but in no event later sixty (60) days following the Filing Deadline (the "Effectiveness Deadline"); provided, that the Effectiveness Deadline shall be extended to ninety (90) days after the Filing Deadline if the Resale Shelf Registration Statement is reviewed by, and receives comments from, the Commission. Once effective, the Company shall use commercially reasonable efforts to keep the Resale Shelf Registration Statement continuously effective and to be supplemented and amended to the extent necessary to ensure that such Resale Shelf Registration Statement is available or, if not available, to ensure that another Registration Statement is available, under the Securities Act at all times until the expiration of the Effectiveness Period. The Resale Shelf Registration Statement filed with the Commission pursuant to this subsection 2.1.1 shall contain a prospectus in such form as to permit any Holder to sell such Registrable Securities pursuant to Rule 415 under the Securities Act (or any successor or similar provision adopted by the Commission then in effect) at any time beginning on the effective date for such Resale Shelf Registration Statement (subject to any applicable lock-up restrictions), and shall provide that such Registrable Securities may be sold pursuant to any method or combination of methods legally available to, and requested by, Holders.

2.1.2 Notification and Distribution of Materials. The Company shall notify the Holders in writing of the effectiveness of the Resale Shelf Registration Statement as soon as practicable, and in any event within two (2) Business Days after the Resale Shelf Registration Statement becomes effective, and shall furnish to them, without charge, such number of copies of the Resale Shelf Registration Statement (including any amendments, supplements and exhibits), the Prospectus contained therein (including each preliminary prospectus and all related amendments and supplements) and any documents incorporated by reference in the Resale Shelf Registration Statement or such other documents as the Holders may reasonably request in order to facilitate the sale of the Registrable Securities in the manner described in the Resale Shelf Registration Statement.

2.1.3 Amendments and Supplements. Subject to the provisions of Section 2.1.1 above, the Company shall promptly prepare and file with the Commission from time to time such amendments and supplements to the Resale Shelf Registration Statement and Prospectus used in connection therewith as may be necessary to keep the Resale Shelf Registration Statement effective and to comply with the provisions of the Securities Act with respect to the disposition of all the Registrable Securities during the Effectiveness Period. If any Resale Shelf Registration Statement filed pursuant to Section 2.1.1 is filed on Form S-3 and thereafter the Company becomes ineligible to use Form S-3 for secondary sales, the Company shall promptly notify the Holders of such ineligibility and use its best efforts to file a shelf registration on Form S-1 or other appropriate form as promptly as practicable to replace the shelf registration statement on Form S-3 and have such replacement Resale Shelf Registration Statement declared effective as promptly as practicable and to cause such replacement Resale Shelf Registration Statement to remain effective, and to be supplemented and amended to the extent necessary to ensure that such Resale Shelf Registration Statement is available or, if not available, that another Resale Shelf Registration Statement is available, for the resale of all the Registrable Securities held by the Holders until all such Registrable Securities have ceased to be Registrable Securities; provided, however, that at any time the Company once again becomes eligible to use Form S-3, the Company shall cause such replacement Resale Shelf Registration Statement to be amended, or shall file a new replacement Resale Shelf Registration Statement, such that the Resale Shelf Registration Statement is once again on Form S-3.

2.1.4 Notwithstanding the registration obligations set forth in this Section 2.1, in the event the Commission informs the Company that all of the Registrable Securities cannot, as a result of the application of Rule 415, be registered for resale as a secondary offering on a single registration statement, the Company agrees to promptly (i) inform each of the Holders thereof and use its commercially reasonable efforts to file amendments to the Resale Shelf Registration Statement as required by the Commission and/or (ii) withdraw the Resale Shelf Registration Statement and file a new registration statement (a "New Registration Statement"), on Form S-3, or if Form S-3 is not then available to the Company for such registration statement, on such other form available to register for resale the Registrable Securities as a secondary offering. Notwithstanding any other provision of this Agreement, if any publicly-available written or oral guidance, comments, requirements or requests of the Commission staff (the "SEC Guidance") sets forth a limitation of the number of Registrable Securities permitted to be registered on a particular Registration Statement as a secondary offering (and notwithstanding that the Company used diligent efforts to advocate with the Commission for the registration of all or a greater number of Registrable Securities), unless otherwise directed in writing by a Holder as to its Registrable Securities, the number of Registrable Securities to be registered on such Registration Statement will be reduced on a pro rata basis based on the total number of Registrable Securities held by the Holders, subject to a determination by the Commission that certain Holders must be reduced first based on the number of Registrable Securities held by such Holders. In the event the Company amends the Resale Shelf Registration Statement or files a New Registration Statement, as the case may be, under clauses (i) or (ii) above, the Company will use its commercially reasonable efforts to file with the Commission, as promptly as allowed by Commission or SEC Guidance provided to the Company or to registrants of securities in general, one or more registration statements on Form S-3 or such other form available to register for resale those Registrable Securities that were not registered for resale on the Resale Shelf Registration Statement, as amended, or the New Registration Statement.

2.1.5 Demand Takedown.

(a) If the Company shall receive a request from the Holders of at least 2,877,365 Merger Shares constituting Registrable Securities or the Holders of at least 1,846,212 PIPE Shares constituting Registrable Securities, provided that, unless the request relates to the sale of all remaining Registrable Securities held by such Holders, the estimated market value of the Registrable Securities is at least $500,000 (the requesting Holder(s) shall be referred to herein as the "Requesting Holder") that the Company effect an Underwritten Takedown of all or any portion of the Requesting Holder's Registrable Securities, and specifying the intended method of disposition thereof (which, for the avoidance of doubt, may be an underwritten Block Trade), then the Company shall promptly give notice of such requested Underwritten Takedown (each such request shall be referred to herein as a "Demand Takedown") within five (5) Business Days after receiving such Demand Takedown to the other Holders and thereupon shall use its commercially reasonable efforts to effect, as expeditiously as possible, the offering in such Underwritten Takedown of:

(i) subject to the restrictions set forth in Section 2.2.4, all Registrable Securities for which the Requesting Holder has requested such offering under Section 2.1.5(a), and

(ii) subject to the restrictions set forth in Section 2.2.4, all other Registrable Securities that any Selling Holders have requested the Company to offer by request received by the Company within seven (7) Business Days after such Holders receive the Company's notice of the Demand Takedown, all to the extent necessary to permit the disposition (in accordance with the intended methods thereof as aforesaid) of the Registrable Securities so to be offered.

(b) Promptly after the expiration of the seven (7) Business Day-period referred to in Section 2.1.5(a)(ii), the Company will notify all Selling Holders of the identities of the other Selling Holders and the number of shares of Registrable Securities requested to be included therein.

(c) The Company shall only be required to effectuate one Underwritten Takedown within any three (3) month period.

(d) If the managing underwriter in an Underwritten Takedown advises the Company and the Requesting Holder and the Selling Holders that, in its view, the number of shares of Registrable Securities requested to be included in such underwritten offering exceeds the largest number of shares that can be sold without

having an adverse effect on such offering, including the price at which such shares can be sold, the shares included in such Underwritten Takedown will be reduced by the Registrable Securities held by the Selling Holders (applied on a pro rata basis based on the total number of Registrable Securities held by such Holders, subject to a determination by the Commission that certain Holders must be reduced first based on the number of Registrable Securities held by such Holders).

2.1.6 Registrations effected pursuant to this Section 2.1 shall not be counted as Demand Registrations effected pursuant to Section 2.2.

2.2 Demand Registration.

2.2.1 Request for Registration. At any time and from time to time on or after sixty (60) days following the consummation of the Merger, the holders of a majority-in-interest of the Merger Shares held by the Merger Share Holders or the holders of a majority-in-interest of the PIPE Shares held by the PIPE Share Holders (in either case, the "Demanding Holders") may make a written demand for Registration under the Securities Act of all or part of their Registrable Securities (a "Demand Registration"). Any demand for a Demand Registration shall specify the number of Registrable Securities proposed to be sold and the intended method(s) of distribution thereof. The Company will within ten (10) days of the Company's receipt of the Demand Registration notify all Holders of Registrable Securities of the demand, and each Holder of Registrable Securities who wishes to include all or a portion of such Holder's Registrable Securities in the Demand Registration (each, a "Demand Requesting Holder") shall so notify the Company within ten (10) days after the receipt by the holder of the notice from the Company. Upon any such request, the Demanding Holders and the Demand Requesting Holders shall be entitled to have their Registrable Securities included in the Demand Registration, subject to Section 2.2.4 and the provisos set forth in Section 3.1.1, to be effected by the Company as soon as reasonably practicable, but in no event later than 60 days after receipt of such Demand Registration. The Company shall not be obligated to effect more than an aggregate of two (2) Demand Registrations under this Section 2.2.1.

2.2.2 Effective Registration. A Registration will not count as a Demand Registration until the Registration Statement filed with the Commission with respect to such Demand Registration has been declared effective and the Company has complied with all of its obligations under this Agreement with respect thereto; provided, however, that if, after such Registration Statement has been declared effective, the offering of Registrable Securities pursuant to a Demand Registration is interfered with by any stop order or injunction of the Commission or any other governmental agency or court, the Registration Statement with respect to such Demand Registration will be deemed not to have been declared effective, unless and until, (i) such stop order or injunction is removed, rescinded or otherwise terminated, and (ii) a majority-in-interest of the Demanding Holders who initiated such Demand Registration thereafter affirmatively elect to continue the offering and notify the Company in writing, but in no event later than five (5) days of such election.

2.2.3 Underwritten Offering. If a majority-in-interest of the Demanding Holders who initiate a Demand Registration so elect and such holders so advise the Company as part of their written demand for a Demand Registration, the offering of such Registrable Securities pursuant to such Demand Registration shall be in the form of an underwritten offering (which, for the avoidance of doubt, may be an underwritten Block Trade). In such event, the right of any holder to include its Registrable Securities in such Registration shall be conditioned upon such holder's participation in such underwriting and the inclusion of such holder's Registrable Securities in the underwriting to the extent provided herein. All Demanding Holders proposing to distribute their securities through such underwriting shall enter into an underwriting agreement in reasonable and customary form with the Underwriter or Underwriters selected for such underwriting by a majority-in-interest of the holders initiating the Demand Registration.

2.2.4 Reduction of Offering. If the managing Underwriter or Underwriters for a Demand Registration that is to be an underwritten offering, in good faith, advises the Company, the Demanding Holders and the Demand Requesting Holders that the dollar amount or number of shares of Registrable Securities which the Demanding Holders and Demand Requesting Holders (if any) desire to sell, taken together with all other shares of Common Stock or other securities which the Company desires to sell and the shares of Common Stock, if any, as to which Registration has been requested pursuant to registration rights held by other stockholders of the Company who desire to sell, exceeds the maximum dollar amount or maximum number of shares that can be sold in such

offering without adversely affecting the proposed offering price, the timing, the distribution method, or the probability of success of such offering (such maximum dollar amount or maximum number of shares, as applicable, the "Maximum Number of Shares"), then the Company shall include in such Registration: (i) the Registrable Securities as to which Demand Registration has been requested by the Demanding Holders and Demand Requesting Holders (if any) (pro rata in accordance with the number of shares that each such Demanding Holder and Demand Requesting Holder (if any) has requested be included in such Registration, regardless of the number of shares held by each such Demanding Holder (such proportion is referred to herein as "Pro Rata")) that can be sold without exceeding the Maximum Number of Shares; (ii) to the extent that the Maximum Number of Shares has not been reached under the foregoing clause (i), the shares of Common Stock or other securities that the Company desires to sell that can be sold without exceeding the Maximum Number of Shares and (iii) to the extent that the Maximum Number of Shares have not been reached under the foregoing clauses (i) and (ii), the shares of Common Stock or other securities for the account of other persons that the Company is obligated to Register pursuant to written contractual arrangements with such persons and that can be sold without exceeding the Maximum Number of Shares.

2.2.5 Withdrawal. A Demanding Holder, a Demand Requesting Holder or a Requesting Holder may elect to withdraw all or a portion of its Registrable Securities included in a Demand Registration or an Underwritten Takedown for any reason or no reason at all by giving written notice to the Company and/or the Underwriter or Underwriters of their request to withdraw prior to the effectiveness of the Registration Statement filed with the Commission with respect to such Demand Registration. If the majority-in-interest of the Demanding Holders withdraws from a proposed offering relating to a Demand Registration, then such Registration shall not count as a Demand Registration provided for in this Section 2.2.

2.3 Piggy-Back Registration.

2.3.1 Piggy-Back Rights. If at any time on or after the date hereof the Company proposes to file a Registration Statement under the Securities Act with respect to an offering of equity securities, or securities or other obligations exercisable or exchangeable for, or convertible into, equity securities, by the Company for its own account or for stockholders of the Company for their account (or by the Company and by stockholders of the Company including, without limitation, pursuant to Section 2.2), other than a Registration Statement (i) filed in connection with any employee stock option or other benefit plan, (ii) for an exchange offer or offering of securities solely to the Company's existing stockholders, (iii) for an offering of debt that is convertible into equity securities of the Company or (iv) for a dividend reinvestment plan, then the Company shall (x) give written notice of such proposed filing to the holders of Registrable Securities as soon as practicable but in no event less than ten (10) days (or in the case of a Block Trade, five (5) Business Days) before the anticipated filing date, which notice shall describe the amount and type of securities to be included in such offering, the intended method(s) of distribution, and the name of the proposed managing Underwriter or Underwriters, if any, of the offering, and (y) offer to the holders of Registrable Securities in such notice the opportunity to Register the sale of such number of shares of Registrable Securities as such holders may request in writing within five (5) Business Days following receipt of such notice (a "Piggy-Back Registration"). The Company shall, in good faith, cause such Registrable Securities to be included in such Registration and shall use its commercially reasonable efforts to cause the managing Underwriter or Underwriters of a proposed underwritten offering to permit the Registrable Securities requested to be included in a Piggy-Back Registration on the same terms and conditions as any similar securities of the Company and to permit the sale or other disposition of such Registrable Securities in accordance with the intended method(s) of distribution thereof. All holders of Registrable Securities proposing to distribute their securities through a Piggy-Back Registration that involves an Underwriter or Underwriters shall enter into an underwriting agreement in reasonable and customary form with the Underwriter or Underwriters selected for such Piggy-Back Registration.

2.3.2 Reduction of Offering. If the managing Underwriter or Underwriters for a Piggy-Back Registration that is to be an underwritten offering advises the Company and the Holders of Registrable Securities that the dollar amount or number of shares of Common Stock which the Company desires to sell, taken together with shares of Common Stock, if any, as to which Registration has been demanded pursuant to separate written contractual arrangements with persons or entities other than the Holders of Registrable Securities hereunder, the Registrable Securities as to which Registration has been requested under this Section 2.3, and the shares of Common Stock, if any, as to which Registration has been requested pursuant to the written contractual piggy-back registration

rights of other stockholders of the Company, exceeds the Maximum Number of Shares, then the Company shall include in any such Registration:

(a) If the Registration is undertaken for the Company's account: (A) the shares of Common Stock or other securities that the Company desires to sell for its own account that can be sold without exceeding the Maximum Number of Shares; (B) to the extent that the Maximum Number of Shares has not been reached under the foregoing clause (A), the shares of Common Stock or other securities, if any, comprised of Registrable Securities, as to which Registration has been requested pursuant to the applicable written contractual Piggy-Back Registration rights of Merger Share Holders pursuant to Section 2.3.1, Pro Rata, that can be sold without exceeding the Maximum Number of Shares; (C) to the extent that the Maximum Number of Shares has not been reached under the foregoing clauses (A) and (B), the shares of Common Stock or other securities, if any, comprised of Registrable Securities, as to which Registration has been requested pursuant to the applicable written contractual Piggy-Back Registration rights of PIPE Share Holders pursuant to Section 2.3.1, Pro Rata, that can be sold without exceeding the Maximum Number of Shares; and (D) to the extent that the Maximum Number of Shares has not been reached under the foregoing clauses (A), (B) and (C), the shares of Common Stock or other securities for the account of other persons that the Company is obligated to Register pursuant to written contractual piggy-back registration rights with such persons and that can be sold without exceeding the Maximum Number of Shares; and

(b) If the Registration is a "demand" registration undertaken at the demand of persons or entities other than the holders of Registrable Securities, (A) the shares of Common Stock or other securities for the account of the demanding persons that can be sold without exceeding the Maximum Number of Shares; (B) to the extent that the Maximum Number of Shares has not been reached under the foregoing clause (A), the shares of Common Stock or other securities, if any, comprised of Registrable Securities, as to which Registration has been requested pursuant to the applicable written contractual Piggy-Back Registration rights of Holders under Section 2.3.1, Pro Rata, that can be sold without exceeding the Maximum Number of Shares; (C) to the extent that the Maximum Number of Shares has not been reached under the foregoing clauses (A) and (B), the shares of Common Stock or other securities that the Company desires to sell for its own account that can be sold without exceeding the Maximum Number of Shares; and (D) to the extent that the Maximum Number of Shares has not been reached under the foregoing clauses (A), (B) and (C), the shares of Common Stock or other securities for the account of other persons that the Company is obligated to Register pursuant to written contractual arrangements with such persons, that can be sold without exceeding the Maximum Number of Shares.

2.3.3 Withdrawal. Any Holder of Registrable Securities may elect to withdraw such Holder's request for inclusion of Registrable Securities in any Piggy-Back Registration by giving written notice to the Company of such request to withdraw prior to the effectiveness of the Registration Statement. The Company (whether on its own good faith determination or as the result of a withdrawal by persons making a demand pursuant to written contractual obligations) may withdraw a Registration Statement at any time prior to the effectiveness of the Registration Statement in connection with a Piggy-Back Registration. Notwithstanding any such withdrawal, the Company shall pay all expenses incurred by the holders of Registrable Securities in connection with such Piggy-Back Registration as provided in Section 3.2.

2.3.4 Unlimited Piggy-Back Registration Rights. For purposes of clarity, any Registration effected pursuant to Section 2.3 hereof shall not be counted as a Registration pursuant to a Demand Registration effected under Section 2.2 hereof.

3. REGISTRATION PROCEDURES.

3.1 Filings; Information. Whenever the Company is required to effect the Registration of any Registrable Securities pursuant to Section 2, the Company shall use its commercially reasonable efforts to effect the Registration and sale of such Registrable Securities in accordance with the intended method(s) of distribution thereof as expeditiously as practicable, and in connection with any such request:

3.1.1 Filing Registration Statement. The Company shall, as expeditiously as possible and in any event within sixty (60) days after receipt of a request for a Demand Registration pursuant to Section 2.1, prepare and file with the Commission a Registration Statement on Form S-3, if then available to the Company for such Registration, or if Form S-3 is not then available to the Company for such Registration, then on any other form for which the Company then qualifies and which counsel for the Company shall deem appropriate and which form shall be available for the sale of all Registrable Securities to be Registered thereunder in accordance with the intended method(s) of distribution thereof, and shall use its best efforts to cause such Registration Statement to become and remain effective for the period required by Section 3.1.3; provided, however, that the Company shall have the right to defer any Demand Registration for up to sixty (60) days, and any Piggy-Back Registration for such period as may be applicable to deferment of any Demand Registration to which such Piggy-Back Registration relates, in each case if the Company shall furnish to the holders a certificate signed by the Chairman of the Board of Directors or President of the Company stating that Adverse Disclosure would be required to be set forth in such Registration Statement.

3.1.2 Copies. The Company shall, at least five (5) Business Days prior to filing a Registration Statement or Prospectus, or any amendment or supplement thereto, furnish without charge to the holders of Registrable Securities included in such Registration, copies of such Registration Statement as proposed to be filed, each amendment and supplement to such Registration Statement (in each case including all exhibits thereto and documents incorporated by reference therein), the Prospectus included in such Registration Statement (including each preliminary prospectus), and such other documents as the holders of Registrable Securities included in such Registration may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such holders. The Company shall not file any Registration Statement or Prospectus, or amendment or supplement thereto, to which a Holder of Registrable Securities included in such Registration shall have reasonably objected on the grounds that any portion(s) of such Registration Statement or Prospectus or supplement or amendment thereto does not comply in all material respects with the applicable requirements of the Securities Act or the rules and regulations thereunder.

3.1.3 Amendments and Supplements. The Company shall prepare and file with the Commission such amendments, including post-effective amendments, and supplements to such Registration Statement and the Prospectus used in connection therewith as may be necessary to keep such Registration Statement effective and in compliance with the provisions of the Securities Act until all Registrable Securities and other securities covered by such Registration Statement have been disposed of in accordance with the intended method(s) of distribution set forth in such Registration Statement or such securities have been withdrawn (the "Effectiveness Period").

3.1.4 Notification. After the filing of a Registration Statement, the Company shall promptly, and in no event more than two (2) Business Days after such filing, notify the holders of Registrable Securities included in such Registration Statement of such filing, and shall further notify such holders promptly and confirm such advice in writing in all events within two (2) Business Days of the occurrence of any of the following: (i) when such Registration Statement becomes effective; (ii) when any post-effective amendment to such Registration Statement becomes effective; (iii) the issuance or threatened issuance by the Commission of any stop order (and the Company shall take all actions required to prevent the entry of such stop order or to remove it if entered); and (iv) any request by the Commission for any amendment or supplement to such Registration Statement or any Prospectus relating thereto or for additional information or of the occurrence of an event requiring the preparation of a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of the securities covered by such Registration Statement, such prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and promptly make available to the holders of Registrable Securities included in such Registration Statement any such supplement or amendment; except that before filing with the Commission a Registration Statement or prospectus or any amendment or supplement thereto, including documents incorporated by reference, the Company shall furnish to the holders of Registrable Securities included in such Registration Statement and to the legal counsel for any such holders, copies of all such documents proposed to be filed sufficiently in advance of filing to provide such holders and legal counsel with a reasonable opportunity to review such documents and comment thereon, and the Company shall not file any Registration Statement or prospectus or amendment or supplement thereto, including documents incorporated by reference, to which such holders or their legal counsel shall reasonably object.

3.1.5 Securities Laws Compliance. The Company shall use its commercially reasonable efforts to (i) register or qualify the Registrable Securities covered by the Registration Statement under such securities or "blue sky" laws of such jurisdictions in the United States as the holders of Registrable Securities included in such Registration Statement (in light of their intended plan of distribution) may request and to keep such registration or qualification in effect for so long as such Registration Statement remains in effect and (ii) take such action necessary to cause such Registrable Securities covered by the Registration Statement to be Registered with or approved by such other governmental authorities or securities exchanges, including the Nasdaq Capital Market, as may be necessary by virtue of the business and operations of the Company and do any and all other acts and things that may be necessary or advisable to enable the holders of Registrable Securities included in such Registration Statement to consummate the disposition of such Registrable Securities in such jurisdictions; provided, however, that the Company shall not be required to qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this paragraph or subject itself to taxation in any such jurisdiction.

3.1.6 Agreements for Disposition. The Company shall enter into customary agreements (including, if applicable, an underwriting agreement in reasonable and customary form) and take such other actions as are reasonably required in order to expedite or facilitate the disposition of such Registrable Securities. The representations, warranties and covenants of the Company in any underwriting agreement which are made to or for the benefit of any Underwriters, to the extent applicable, shall also be made to and for the benefit of the holders of Registrable Securities included in such Registration Statement, and the representations, warranties and covenants of the holders of Registrable Securities included in such registration statement in any underwriting agreement which are made to or for the benefit of any Underwriters, to the extent applicable, shall also be made to and for the benefit of the Company.

3.1.7 Cooperation. The principal executive officer of the Company, the principal financial officer of the Company, the principal accounting officer of the Company and all other officers and members of the management of the Company shall cooperate fully in any offering of Registrable Securities hereunder, which cooperation shall include, without limitation, the preparation of the Registration Statement with respect to such offering and all other offering materials and related documents, and participation in meetings with Underwriters, attorneys, accountants and potential investors.

3.1.8 Selection of Underwriters. In connection with any Registration effected by or at the direction of Holders pursuant to this Agreement, the Selling Holders holding a majority in interest of the Registrable Securities requested to be sold in any Registration shall have the right to select an Underwriter or Underwriters in connection with such Registration, which Underwriter or Underwriters shall be reasonably acceptable to the Company. In connection with a Registration pursuant to this Agreement, the Company shall enter into customary agreements (including an underwriting agreement in reasonable and customary form) and take such other actions as are reasonably required in order to expedite or facilitate the disposition of the Registrable Securities in such Registration, including, if necessary, the engagement of a "qualified independent underwriter" in connection with the qualification of the underwriting arrangements with the Financial Industry Regulatory Authority, Inc.

3.1.9. Opinions and Comfort Letters. The Company shall furnish to each holder of Registrable Securities included in any Registration Statement a signed counterpart, addressed to such holder, of (i) any opinion of counsel to the Company delivered to any Underwriter and (ii) any comfort letter from the Company's independent public accountants delivered to any Underwriter.

3.1.11. Listing. The Company shall use its commercially reasonable efforts to cause all Registrable Securities included in any Registration to be listed on such exchanges or otherwise designated for trading in the same manner as similar securities issued by the Company are then listed or designated or, if no such similar securities are then listed or designated, in a manner satisfactory to the holders of a majority of the Registrable Securities included in such Registration.

3.1.12. Transfer Agent. The Company shall provide a transfer agent and registrar for all such Registrable Securities no later than the effective date of the Registration Statement.

3.1.13. Misstatements. The Company shall notify the holders at any time when a prospectus relating to such Registration Statement is required to be delivered under the Securities Act, of the happening of any

event as a result of which the prospectus included in such Registration Statement, as then in effect, includes an untrue statement of a material fact or an omission to state a material fact required to be stated in a Registration Statement or Prospectus, or necessary to make the statements therein in the light of the circumstances under which they were made not misleading (a "Misstatement"), and then to correct such Misstatement.

3.2 Registration Expenses. The Company shall bear all costs and expenses incurred in connection with any Registration Statement or Prospectus required to be filed pursuant to this Agreement, and any amendment or supplement relating thereto, and all expenses incurred in performing or complying with its other obligations under this Agreement, whether or not the Registration Statement becomes effective, including, without limitation: (i) all Registration and filing fees and fees of any securities exchange on which the Common Stock is then listed; (ii) fees and expenses of compliance with securities or "blue sky" laws (including fees and disbursements of counsel for the Underwriters in connection with blue sky qualifications of the Registrable Securities); (iii) printing, messenger, telephone and delivery expenses; (iv) the Company's internal expenses (including, without limitation, all salaries and expenses of its officers and employees); (v) the fees and expenses incurred in connection with the listing of the Registrable Securities as required by Section 3.1.11; (vi) Financial Industry Regulatory Authority fees; (vii) fees and disbursements of counsel for the Company and fees and expenses for independent certified public accountants retained by the Company (including the expenses or costs associated with the delivery of any opinions or comfort letters requested pursuant to Section 3.1.9); (viii) the fees and expenses of any special experts retained by the Company in connection with such Registration; and (ix) the fees and expenses of one legal counsel selected by the holders of a majority-in-interest of the Registrable Securities included in such Registration not to exceed $35,000 in the aggregate. The Company shall have no obligation to pay any underwriting discounts or selling commissions attributable to the Registrable Securities being sold by the holders thereof, which underwriting discounts or selling commissions shall be borne by such holders. Additionally, in an underwritten offering, all selling stockholders and the Company shall bear the expenses of the underwriter pro rata in proportion to the respective amount of shares each is selling in such offering.

3.3 Information. The holders of Registrable Securities shall use reasonable best efforts to provide such information as may reasonably be requested by the Company, or the managing Underwriter, if any, in connection with the preparation of any Registration Statement, including amendments and supplements thereto, in order to effect the Registration of any Registrable Securities under the Securities Act pursuant to Section 2 and in connection with the Company's obligation to comply with federal and applicable state securities laws.

3.4 Requirements for Participation in Underwritten Offerings. No person may participate in any underwritten offering for equity securities of the Company pursuant to a Registration initiated by the Company hereunder unless such person (i) agrees to sell such person's securities on the basis provided in any underwriting arrangements approved by the Company and (ii) completes and executes all customary questionnaires, indemnities, lock-up agreements, underwriting agreements and other customary documents as may be reasonably required under the terms of such underwriting arrangements.

3.5 Suspension of Sales; Adverse Disclosure. Upon receipt of written notice from the Company that a Registration Statement or prospectus contains a Misstatement or of the happening of any event of the kind described in Section 3.1.4(iv), each of the Holders shall forthwith discontinue disposition of Registrable Securities until it has received copies of a supplemented or amended prospectus correcting the Misstatement (it being understood that the Company hereby covenants to prepare and file such supplement or amendment as soon as practicable after the time of such notice), or until it is advised in writing by the Company that the use of the prospectus may be resumed. If the filing, initial effectiveness or continued use of a Registration Statement in respect of any Registration at any time would require the Company to make an Adverse Disclosure (as defined below) or would require the inclusion in such Registration Statement of financial statements that are unavailable to the Company for reasons beyond the Company's control, the Company may, upon giving prompt written notice of such action to the Holders, delay the filing or initial effectiveness of, or suspend use of, such Registration Statement for the shortest period of time, but in no event more than sixty (60) days, determined in good faith by the Company to be necessary for such purpose; provided, however, that the Company may not delay or suspend the Registration Statement on more than two (2) occasions or for more than sixty (60) consecutive calendar days or for more than ninety (90) total calendar days during any twelve-month period. In the event the Company exercises its rights under the preceding sentence, the Holders agree to suspend, as promptly as practicable after their receipt of the notice referred to above, their use of the Prospectus relating to any Registration in connection with any sale or offer to sell Registrable Securities. The

Company shall immediately notify the Holders of the expiration of any period during which it exercised its rights under this Section 3.5. "Adverse Disclosure" shall mean any public disclosure of material non-public information, which disclosure, in the good faith judgment of the board of directors of the Company, after consultation with counsel to the Company, (i) would be required to be made in any Registration Statement or Prospectus in order for the applicable Registration Statement or Prospectus not to contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein (in the case of any prospectus and any preliminary prospectus, in the light of the circumstances under which they were made) not misleading, (ii) would not be required to be made at such time if the Registration Statement were not being filed, and (iii) the Company has a bona fide business purpose for not making such information public.

3.6 Other Covenants and Obligations. As long as any Holder shall own Registrable Securities: (a) except as required by the Exchange Act, the Company will not file any Registration Statement or Prospectus included therein or any other filing or document with the Commission which refers to any Holder of Registrable Securities as a selling securityholder by name or otherwise without the prior written approval of such Holder, such approval to not be unreasonably conditioned, withheld or delayed; (b) the Company, at all times while it shall be reporting under the Exchange Act, covenants to use commercially reasonable efforts to file timely (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Company after the date hereof pursuant to Sections 13(a) or 15(d) of the Exchange Act; (c) the Company further covenants that it shall take such further action as any holder may reasonably request, all to the extent required from time to time to enable such Holder to sell shares of the Common Stock held by such Holder without Registration under the Securities Act within the limitation of the exemptions provided by Rule 144 promulgated under the Securities Act, including providing any legal opinions; and (d) upon the request of any Holder, the Company shall deliver to such Holder a written certification of a duly authorized officer as to whether it has complied with the requirements set forth in the foregoing clauses (b) and (c).

4. INDEMNIFICATION AND CONTRIBUTION.

4.1 Indemnification by the Company. The Company agrees to indemnify and hold harmless each Holder of Registrable Securities, and each of their respective officers, employees, affiliates, directors, partners, members, equityholders, attorneys, advisors and agents, and each person or entity, if any, who controls (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) each Holder of Registrable Securities (each, a "Holder Indemnified Party"), to the fullest extent permitted by applicable law, from and against any expenses, losses, judgments, actions, claims, proceedings (whether commenced or threatened), damages, liabilities or costs (including, without limitation, reasonable attorneys' fees), whether joint or several (collectively, "Losses"), as incurred, arising out of or based upon any Misstatement contained in any Registration Statement under which the sale of such Registrable Securities was Registered under the Securities Act, any preliminary Prospectus, final Prospectus or summary Prospectus contained in such Registration Statement, or any amendment or supplement to such Registration Statement, preliminary Prospectus, final Prospectus or summary Prospectus, or any violation by the Company of the Securities Act or any rule or regulation promulgated thereunder applicable to the Company and relating to action or inaction required of the Company in connection with any such Registration; and the Company shall promptly reimburse the Holder Indemnified Party for any legal and any other expenses reasonably incurred, as incurred, by such Holder Indemnified Party in connection with investigating and defending any such Losses, except, with respect to any Holder of Registrable Securities, to the extent such Holder of Registrable Securities is liable to indemnify the Company for such Losses pursuant to Section 4.2. The Company also shall indemnify any Underwriter of the Registrable Securities, their officers, affiliates, directors, partners, members and agents and each person who controls such Underwriter on substantially the same basis as that of the indemnification provided above in this Section 4.1.

4.2 Indemnification by Holders of Registrable Securities. Each Selling Holder of Registrable Securities will, in the event that any Registration is being effected under the Securities Act pursuant to this Agreement of any Registrable Securities held by such Selling Holder and the Company has required all Selling Holders to provide such an undertaking on the same terms, indemnify and hold harmless the Company, each of its directors and officers and each underwriter (if any), and each other Selling Holder and each other person, if any, who controls another Selling Holder or such underwriter within the meaning of the Securities Act, against any Losses, insofar as such Losses arise out of or are based upon any Misstatement contained in any Registration Statement under which the sale of such Registrable Securities was Registered under the Securities Act, any preliminary Prospectus, final Prospectus or

summary Prospectus contained in the Registration Statement, or any amendment or supplement thereto, if the Misstatement was made in reliance upon and in conformity with information furnished in writing to the Company by such Selling Holder expressly for use therein, and shall reimburse the Company, its directors and officers, and each other Selling Holder for any legal or other expenses reasonably incurred by any of them in connection with investigation or defending any such Loss. Each Selling Holder's indemnification obligations hereunder shall be several and not joint and shall be proportional to and limited to the amount of any net proceeds actually received by such Selling Holder in connection with the sale of Registrable Securities under a Registration Statement from which such Losses arise. Each Selling Holder of Registrable Securities shall indemnify any Underwriter of the Registrable Securities, their officers, affiliates, directors, partners, members and agents and each person who controls such Underwriter to the same extent as provided in the foregoing with respect to indemnification of the Company.

4.3 Conduct of Indemnification Proceedings. Promptly after receipt by any person of any notice of any Loss in respect of which indemnity may be sought pursuant to Section 4.1 or 4.2, such person (the "Indemnified Party") shall, if a claim in respect thereof is to be made against any other person for indemnification hereunder, notify such other person (the "Indemnifying Party") in writing of the Loss; provided, however, that the failure by the Indemnified Party to notify the Indemnifying Party shall not relieve the Indemnifying Party from any liability which the Indemnifying Party may have to such Indemnified Party hereunder, except and solely to the extent the Indemnifying Party is materially prejudiced by such failure. If the Indemnified Party is seeking indemnification with respect to any claim or action brought against the Indemnified Party, then the Indemnifying Party shall be entitled to participate in such claim or action, and, to the extent that it wishes, jointly with all other Indemnifying Parties, to assume control of the defense thereof with counsel satisfactory to the Indemnified Party. After notice from the Indemnifying Party to the Indemnified Party of its election to assume control of the defense of such claim or action, the Indemnifying Party shall not be liable to the Indemnified Party for any legal or other expenses subsequently incurred by the Indemnified Party in connection with the defense thereof other than reasonable costs of investigation; provided, however, that in any action in which both the Indemnified Party and the Indemnifying Party are named as defendants, the Indemnified Party shall have the right to employ separate counsel (but no more than one such separate counsel, in addition to local counsel) to represent the Indemnified Party and its controlling persons who may be subject to liability arising out of any claim in respect of which indemnity may be sought by the Indemnified Party against the Indemnifying Party, with the fees and expenses of such counsel to be paid by such Indemnifying Party if, based upon the written opinion of counsel of such Indemnified Party, representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, consent to entry of judgment or effect any settlement of any claim or pending or threatened proceeding in respect of any Losses for which the Indemnified Party seeks indemnification hereunder if such settlement or judgment includes any non-monetary remedies, requires an admission of fault or culpability on the part of the Indemnified Party or does not include an unconditional release from all liability of the Indemnified Party in respect of such Losses.

4.4 Contribution.

4.4.1 If the indemnification provided for in the foregoing Sections 4.1, 4.2 and 4.3 is unavailable to any Indemnified Party in respect of any Loss referred to herein, then each such Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Loss in such proportion as is appropriate to reflect the relative fault of the Indemnified Parties and the Indemnifying Parties in connection with the actions or omissions which resulted in such Loss. The relative fault of any Indemnified Party and any Indemnifying Party shall be determined by reference to, among other things, whether the Misstatement relates to information supplied by such Indemnified Party or such Indemnifying Party (in the case of a Holder, such Misstatement was made in reliance upon and in conformity with information furnished in writing to the Company by such Holder expressly for use therein) and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such Misstatement.

4.4.2 The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 4.4 were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding Section 4.4.1. The amount paid or payable by an Indemnified Party as a result of any Loss referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses incurred by such Indemnified Party in connection with investigating or defending any such action or claim. Notwithstanding the

provisions of this Section 4.4, no Holder of Registrable Securities shall be required to contribute any amount in excess of the dollar amount of the net proceeds (after payment of any underwriting fees, discounts, commissions or taxes) actually received by such Holder from the sale of Registrable Securities which gave rise to such contribution obligation. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

4.5 Survival. The indemnification provided for under this Agreement shall remain in full force and effect regardless of any investigation made by or on behalf of the Indemnified Party or any officer, director or controlling person of such Indemnified Party and shall survive the transfer of securities.

5. RULE 144. The Company covenants that it shall timely file any reports required to be filed by it under the Securities Act and the Exchange Act and shall take such further action as may be required or as the holders of Registrable Securities may reasonably request, all to the extent required from time to time to enable such holders to sell Registrable Securities without Registration under the Securities Act within the limitation of the exemptions provided by Rule 144 under the Securities Act, as such rules may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission.

6. MISCELLANEOUS.

6.1 Assignment; No Third Party Beneficiaries. This Agreement and the rights, duties and obligations of the Company hereunder may not be assigned or delegated by the Company in whole or in part. This Agreement and the rights, duties and obligations of the Holders of Registrable Securities hereunder may be freely assigned or delegated by such Holder of Registrable Securities in conjunction with and to the extent of any transfer of Registrable Securities by any such Holder. This Agreement and the provisions hereof shall be binding upon and shall inure to the benefit of each of the parties and the permitted assigns of the applicable holder of Registrable Securities. This Agreement is not intended to confer any rights or benefits on any persons that are not party hereto other than as expressly set forth in Article 4 and this Section 6.1. No assignment by any party hereto of such party's rights, duties and obligations hereunder shall be binding upon or obligate the Company unless and until the Company shall have received (i) written notice of such assignment and (ii) the written agreement of the assignee, in a form reasonably satisfactory to the Company, to be bound by the terms and provisions of this Agreement (which may be accomplished by an addendum or certificate of joinder to this Agreement).

6.2 Notices. All notices, demands, requests, consents, approvals or other communications (collectively, "Notices") required or permitted to be given hereunder or which are given with respect to this Agreement shall be in writing and shall be personally served, delivered by reputable air courier service with charges prepaid, or transmitted by hand delivery, e-mail, telegram, telex or facsimile, addressed as set forth below, or to such other address as such party shall have specified most recently by written notice. Notice shall be deemed given on the date of service or transmission if personally served or transmitted by telegram, telex or facsimile; provided, that if such service or transmission is not on a Business Day or is after normal business hours, then such notice shall be deemed given on the next Business Day. Notice otherwise sent as provided herein shall be deemed given on the next Business Day following timely delivery of such notice to a reputable air courier service with an order for next-day delivery.

To the Company:

11099 N. Torrey Pines Road, #100
La Jolla, California 92037
Telephone: (858) 291-7505
Attention: Steven Kemper
Email: skemper@dermtech.com

with a copy to:

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.
3580 Carmel Mountain Road, Suite 300
San Diego, California 92130
Telephone No.: (858) 314-1515
Attention: Jeremy Glaser
Email: JDGlaser@mintz.com

To all Holders at such addresses as set forth beneath such Holder's signature on the signature page hereto.

6.3 Severability. This Agreement shall be deemed severable, and the invalidity or unenforceability of any term or provision hereof shall not affect the validity or enforceability of this Agreement or of any other term or provision hereof. Furthermore, in lieu of any such invalid or unenforceable term or provision, the parties hereto intend that there shall be added as a part of this Agreement a provision as similar in terms to such invalid or unenforceable provision as may be possible that is valid and enforceable.

6.4 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which taken together shall constitute one and the same instrument.

6.5 Entire Agreement. This Agreement (including all agreements entered into pursuant hereto and all certificates and instruments delivered pursuant hereto and thereto) constitute the entire agreement of the parties with respect to the subject matter hereof and supersede all prior and contemporaneous agreements, representations, understandings, negotiations and discussions between the parties, whether oral or written, with respect to the subject matter hereof.

6.6 Modifications and Amendments. Upon the written consent of the Company and the Holders of at least a majority in interest of the Registrable Securities at the time in question, compliance with any of the provisions, covenants and conditions set forth in this Agreement may be waived, or any of such provisions, covenants or conditions may be amended or modified; provided, however, that notwithstanding the foregoing, any amendment hereto or waiver hereof that adversely affects one holder of Registrable Securities, solely in its capacity as a holder of the shares of Common Stock of the Company, in a manner that is materially different from the other Holders of Registrable Securities (in such capacity) shall require the consent of the Holder so affected. No course of dealing between any holders of Registrable Securities or the Company and any other party hereto or any failure or delay on the part of a holder of Registrable Securities or the Company in exercising any rights or remedies under this Agreement shall operate as a waiver of any rights or remedies of any holder of Registrable Securities or the Company. No single or partial exercise of any rights or remedies under this Agreement by a party shall operate as a waiver or preclude the exercise of any other rights or remedies hereunder or thereunder by such party. Notwithstanding the foregoing, Sections 2.1.5, 2.2.1 and 2.3.2 and the definitions of "Merger Share Holders" and "PIPE Share Holders" herein shall not be amended without the written consent of the holders of a majority-in-interest of the Merger Shares held by the Merger Share Holders and the holders of a majority-in-interest of the PIPE Shares held by the PIPE Share Holders.

6.7 Titles and Headings. Titles and headings of sections of this Agreement are for convenience only and shall not affect the construction of any provision of this Agreement.

6.8 Waivers and Extensions. Any party to this Agreement may waive any right, breach or default which such party has the right to waive, provided that such waiver will not be effective against the waiving party unless it is in writing, is signed by such party, and specifically refers to this Agreement. Waivers may be made in advance or after the right waived has arisen or the breach or default waived has occurred. Any waiver may be conditional. No waiver of any breach of any agreement or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof nor of any other agreement or provision herein contained. No waiver or extension of time for performance of any obligations or acts shall be deemed a waiver or extension of the time for performance of any other obligations or acts.

6.9 Remedies Cumulative. In the event that the Company fails to observe or perform any covenant or agreement to be observed or performed under this Agreement, the applicable holder of Registrable Securities may proceed to protect and enforce its rights by suit in equity or action at law, whether for specific performance of any term contained in this Agreement or for an injunction against the breach of any such term or in aid of the exercise of any power granted in this Agreement or to enforce any other legal or equitable right, or to take any one or more of such actions, without being required to post a bond. None of the rights, powers or remedies conferred under this Agreement shall be mutually exclusive, and each such right, power or remedy shall be cumulative and in addition to any other right, power or remedy, whether conferred by this Agreement or now or hereafter available at law, in equity, by statute or otherwise.

6.10 Governing Law. This Agreement shall be governed by, interpreted under, and construed in accordance with the internal laws of the State of New York applicable to agreements made and to be performed within the State of New York, without giving effect to any choice-of-law provisions thereof that would compel the application of the substantive laws of any other jurisdiction.

6.11 Waiver of Trial by Jury. Each party hereby irrevocably and unconditionally waives the right to a trial by jury in any action, suit, counterclaim or other proceeding (whether based on contract, tort or otherwise) arising out of, connected with or relating to this Agreement, the transactions contemplated hereby, or the actions of the Holders in the negotiation, administration, performance or enforcement hereof.

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be executed and delivered by their duly authorized representatives as of the date first written above.

COMPANY:

CONSTELLATION ALPHA CAPITAL CORP., a Delaware corporation

By: /s/ Rajiv Shukla
Name: Rajiv Shukla
Title: Chairman & CEO

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be executed and delivered by their duly authorized representatives as of the date first written above.

HOLDER:

CENTRIPETAL, LLC

By: /s/ Rajiv Shukla
Name: Rajiv Shukla
Title: Managing Member

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be executed and delivered by their duly authorized representatives as of the date first written above.

HOLDER:

COWEN INVESTMENTS II LLC

By: /s/ Christopher Weekes
Name: Christopher Weekes
Title: Managing Director

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be executed and delivered by their duly authorized representatives as of the date first written above.

HOLDER:

RTW MASTER FUND, LTD.

By: /s/ Roderick Wong
Name: Roderick Wong, M.D.
Title: Director

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be executed and delivered by their duly authorized representatives as of the date first written above.

HOLDER:

RTW INNOVATION MASTER FUND, LTD.

By: /s/ Roderick Wong
Name: Roderick Wong, M.D.
Title: Director

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be executed and delivered by their duly authorized representatives as of the date first written above.

HOLDER:

/s/ Gary Jacobs
Gary Jacobs

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be executed and delivered by their duly authorized representatives as of the date first written above.

HOLDER:

JACOBS INVESTMENT COMPANY LLC

By: /s/ Gary Jacobs
Name: Gary Jacobs
Title: Managing Member

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be executed and delivered by their duly authorized representatives as of the date first written above.

HOLDER:

JACOBS FAMILY TRUST DATED 11-9-99

By: /s/ Gary Jacobs
Name: Gary Jacobs
Title: Trustee

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be executed and delivered by their duly authorized representatives as of the date first written above.

HOLDER:

PAULSON DERMTECH INVESTMENT LLC

By: /s/ Alex Winks
Name: Alex Winks
Title: President of the Managing Member

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be executed and delivered by their duly authorized representatives as of the date first written above.

HOLDER:

PAULSON DERMTECH INVESTMENT II LLC

By: /s/ Alex Winks
Name: Alex Winks
Title: President of the Managing Member

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be executed and delivered by their duly authorized representatives as of the date first written above.

HOLDER:

PAULSON DERMTECH INVESTMENT III LLC

By: /s/ Alex Winks
Name: Alex Winks
Title: President of the Managing Member

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be executed and delivered by their duly authorized representatives as of the date first written above.

HOLDER:

IRWIN & JOAN JACOBS TRUST DATED 6-2-80

/s/ Irwin Jacobs
Irwin Jacobs, Trustee

/s/ Joan Jacobs
Joan Jacobs, Trustee

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be executed and delivered by their duly authorized representatives as of the date first written above.

HOLDER:

/s/ Scott R. Pancoast
Scott R. Pancoast

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be executed and delivered by their duly authorized representatives as of the date first written above.

HOLDER:

/s/ Matthew Posard
Matthew Posard

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be executed and delivered by their duly authorized representatives as of the date first written above.

HOLDER:

/s/ Herm Rosenman
Herm Rosenman

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be executed and delivered by their duly authorized representatives as of the date first written above.

HOLDER:

/s/ Gene Salkind
Gene Salkind, M.D.

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be executed and delivered by their duly authorized representatives as of the date first written above.

HOLDER:

/s/ Cynthia Collins
Cynthia Collins

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be executed and delivered by their duly authorized representatives as of the date first written above.

HOLDER:

/s/ John Dobak
John Dobak, M.D.

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be executed and delivered by their duly authorized representatives as of the date first written above.

HOLDER:

/s/ Steven Kemper
Steven Kemper CPA, MBA, MS
Address:

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be executed and delivered by their duly authorized representatives as of the date first written above.

HOLDER:

/s/ Todd Wood
Todd Wood

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be executed and delivered by their duly authorized representatives as of the date first written above.

HOLDER:

/s/ Burkhard Jansen
Burkhard Jansen, M.D.

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be executed and delivered by their duly authorized representatives as of the date first written above.

HOLDER:

/s/ Zuxu Yao

Zuxu Yao, Ph.D.

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be executed and delivered by their duly authorized representatives as of the date first written above.

HOLDER:

FARALLON CAPITAL (AM) INVESTORS, L.P.
By: Farallon Partners, L.L.C., its General Partner

By: /s/ Philip Dryfuss

Name: Philip Dryfuss
Title: Managing Member

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be executed and delivered by their duly authorized representatives as of the date first written above.

HOLDER:

FARALLON CAPITAL F5 MASTER I, L.P.
By: Farallon F5 (GP), L.L.C., its General Partner

By: /s/ Philip Dryfuss

Name: Philip Dryfuss
Title: Managing Member

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be executed and delivered by their duly authorized representatives as of the date first written above.

HOLDER:

FARALLON CAPITAL INSTITUTIONAL PARTNERS, L.P.
By: Farallon Partners, L.L.C., its General Partner

By: /s/ Philip Dryfuss
Name: Philip Dryfuss
Title: Managing Member

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be executed and delivered by their duly authorized representatives as of the date first written above.

HOLDER:

FARALLON CAPITAL INSTITUTIONAL PARTNERS II, L.P.
By: Farallon Partners, L.L.C., its General Partner

By: /s/ Philip Dryfuss
Name: Philip Dryfuss
Title: Managing Member

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be executed and delivered by their duly authorized representatives as of the date first written above.

HOLDER:

FARALLON CAPITAL INSTITUTIONAL PARTNERS III, L.P.
By: Farallon Partners, L.L.C., its General Partner

By: /s/ Philip Dryfuss
Name: Philip Dryfuss
Title: Managing Member

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be executed and delivered by their duly authorized representatives as of the date first written above.

HOLDER:

FARALLON CAPITAL OFFSHORE INVESTORS II, L.P.
By: Farallon Partners, L.L.C., its General Partner

By: /s/ Philip Dryfuss
Name: Philip Dryfuss
Title: Managing Member

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be executed and delivered by their duly authorized representatives as of the date first written above.

HOLDER:

FARALLON CAPITAL PARTNERS, L.P.
By: Farallon Partners, L.L.C., its General Partner

By: /s/ Philip Dryfuss
Name: Philip Dryfuss
Title: Managing Member

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be executed and delivered by their duly authorized representatives as of the date first written above.

HOLDER:

FOUR CROSSINGS INSTITUTIONAL PARTNERS V, L.P.
By: Farallon Institutional (GP) V, L.L.C., its General Partner

By: /s/ Philip Dryfuss
Name: Philip Dryfuss
Title: Managing Member

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be executed and delivered by their duly authorized representatives as of the date first written above.

HOLDER:

VICTORY RS SCIENCE AND TECHNOLOGY FUND

By: /s/ Christopher Dyer
Name: Christopher Dyer
Title: President

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be executed and delivered by their duly authorized representatives as of the date first written above.

HOLDER:

HLM VENTURE PARTNERS IV, L.P.

By: /s/ Enrico Picozza
Name: Enrico Picozza
Title: Partner

[Signature Page to Registration Rights Agreement]

Exhibit 10.28

AMENDMENT NUMBER 1 TO THE DEFERRED UNDERWRITING FEE ASSIGNMENT AGREEMENT

Cowen and Company, LLC
As Representative of the several Underwriters
c/o Cowen and Company, LLC
1221 Avenue of the Americas
New York, New York 10020

September 4, 2019

Re: Deferred Underwriting Fee Assignment Agreement

Ladies and Gentlemen:

Reference is made to that certain deferred underwriting fee assignment agreement (the "***Fee Agreement***"), dated May 29, 2019, by and among DermTech, Inc. (formerly known as Constellation Alpha Capital Corp.), a Delaware corporation ("***DermTech***"), DermTech Operations, Inc. (formerly known as DermTech, Inc.), a Delaware corporation ("***DermTech Operations***"), and Cowen and Company, LLC ("***Cowen***"), acting as representative of the underwriters (the "***Underwriters***") named in Schedule A to that certain Underwriting Agreement, dated as of June 19, 2017. Capitalized terms used herein and not defined shall have the meanings ascribed to them in the Fee Agreement.

Cowen, DermTech, and DermTech Operations hereby agree to amend the Fee Agreement as follows:

1. Paragraph 2 is hereby amended and restated in its entirety as follows:

> "The parties acknowledge that, on the date of the Closing (as defined below), the Company wired to Cowen, on behalf of the Underwriters, $825,000 (the "***Closing Fee***"). If the Merger has consummated and Constellation has raised at least an additional $15,000,000 (the "***Post-Closing Proceeds***") pursuant to proceeds received from one or more equity financings consummated after the closing of the Merger (the "***Closing***") and by the twelve (12) month anniversary of the Closing (the "***Anniversary Date***"), then the Company shall pay to the Underwriters a cash fee equal to $2,187,500 minus the Closing Fee, or $1,362,500 (the "***New Cash Fee***"), in its entirety, within one (1) week of the Anniversary Date. For the avoidance of doubt, the Post-Closing Proceeds shall not include any proceeds received in any financing consummated prior to or simultaneous with the Closing."

2. Paragraph 3 is hereby amended and restated in its entirety as follows:

> "If the Merger has consummated and Constellation has failed to raise the Post-Closing Proceeds by the Anniversary Date, then the Company shall pay to the Underwriters a cash fee equal to 50% of the New Cash Fee, or $681,250 (the "**50% New Cash Fee**"), within one (1) week of the Anniversary Date. With respect to the remaining balance of $681,250 of the New Cash Fee (the "**Remaining Balance**"), Cowen may elect to extend the Company's payment deadline to a future date to be determined at that time, at which point the Remaining Balance shall be due and payable. If Cowen does not make such an election within two (2) weeks of the Anniversary Date, then the Company shall, in lieu of the Company paying the Remaining Balance in cash, cause Constellation to issue to the Underwriters a number of shares of Constellation's common stock having an aggregate value equal to the Remaining Balance, assuming a price per share equal to the then Fair Market Value (as defined below) of Constellation's common stock (the "**Alternative Equity Payment**"). "**Fair Market Value**" shall mean Constellation's 60-day volume-weighted average price on the last trading day before Constellation's issuance of the Alternative Equity Payment, subject to any limitation imposed by stock exchange rules."

All other terms and conditions of the Fee Agreement shall remain in full force and effect.

This Amendment Number 1 to the Fee Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New York. This Amendment Number 1 to the Fee Agreement may be executed and delivered (including by facsimile transmission or by electronic transmission) in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

[Signature Pages Follow]

DERMTECH, INC.

By: /s/ John Dobak
Name: John Dobak
Title Chief Executive Officer

DERMTECH OPERATIONS, INC.

By: /s/ John Dobak
Name: John Dobak
Title: Chief Executive Officer

Acknowledged and Agreed:

COWEN AND COMPANY, LLC

By: /s/ Christopher Weekes
Name: Christopher Weekes
Title: Managing Director

[Signature Page to Amendment Number 1 to Deferred Underwriting Fee Assignment Agreement]

AIR COMMERCIAL REAL ESTATE ASSOCIATION

STANDARD MULTI-TENANT OFFICE LEASE - NET

1. **Basic Provisions ("Basic Provisions").**

1.1 **Parties: This Lease ("Lease"), dated for reference purposes only** January 25, 2013, is made by and between AG/Touchstone TP, LLC, a Delaware limited liability company

("**Lessor**") **and** DermTech International, a California corporation ("*" means "see Addendum")

("**Lessee**"), (collectively the "**Parties**", or individually a "**Party**").

1.2(a) **Premises:** That certain portion of the Project (as defined below), known as Suite Number(s), 100, first floor(s), consisting of approximately 8,497 rentable square feet ("**Premises**"). The Premises are located at: 11099 North Torrey Pines Road in the City of San Diego (La Jolla), County of San Diego, State of California, with zip code 92037. In addition to Lessee's rights to use and occupy the Premises as hereinafter specified, Lessee shall have non-exclusive rights to the Common Areas (as defined in Paragraph 2.7 below) as hereinafter specified, but shall not have any rights to the roof, the exterior walls, the area above the dropped ceilings, or the utility raceways of the building containing the Premises ("**Building**") or to any other buildings in the Project. The Premises, the Building, the Common Areas, the land upon which they are located, along with all other buildings and improvements thereon, are herein collectively referred to as the "**Project**." The Project consists of approximately 92,479 rentable square feet. (See also Paragraph 2)

1.2(b) **Parking:** * unreserved and * reserved vehicle parking spaces at a monthly cost of $* per unreserved space and $* per reserved space. (See Paragraph 2.6)

1.3 **Term:** see Addendum years and see Addendum months ("**Original Term**") commencing see Addendum ("**Commencement Date**") and ending see Addendum ("**Expiration Date**"). (See also Paragraph 3)

1.4 **Early Possession:** If the Premises are available Lessee may have non-exclusive possession of the Premises commencing * ("**Early Possession Date**"). (See also Paragraphs 3.2 and 3.3)

1.5 **Base Rent:** $14,150.00 per month ("**Base Rent**)", payable on the first day of each month commencing on the Commencement Date. (See also Paragraph 4)

☐ If this box is checked, there are provisions in this Lease for the Base Rent to be adjusted. See Paragraph N/A

1.6 **Lessee's Share of Operating Expenses:** 9 and 19/100 percent (9.19%) ("**Lessee's Share**"). In the event that that size of the Premises and/or the Project are modified during the term of this Lease, Lessor shall recalculate Lessee's Share to reflect such modification.

1.7 **Base Rent and Other Monies Paid Upon Execution:**

(a) **Base Rent:** $14,150.00 for the period first full month after the Commencement Date .

(b) **Operating Expenses:** $9,350.00 for the period .

(c) **Security Deposit:** $40,000 ("**Security Deposit**"). (See also Paragraph 5)

(d) **Parking:** $0.00 for the period .

(e) **Other:** $ for .

(f) **Total Due Upon Execution of this Lease:** $63,500.

1.8 **Agreed Use:** *

. (See also Paragraph 6)

1.9 **Insuring Party.** Lessor is the "**Insuring Party**". (See also Paragraph 8)

1.10 **Real Estate Brokers:** (See also Paragraph 15)

(a) Representation: The following real estate brokers (the "**Brokers**") and brokerage relationships exist in this transaction (check applicable boxes):

☐ _____ represents Lessor exclusively ("**Lessor's Broker**");
☐ _____ represents Lessee exclusively ("**Lessee's Broker**"); or
☐ _____ represents both Lessor and Lessee ("**Dual Agency**").

(b) Payment to Brokers: Upon execution and delivery of this Lease by both Parties, Lessor shall pay to the Brokers for the brokerage services rendered by the Brokers the fee agreed to in a separate written agreement.

1.11 **Guarantor.** The obligations of the Lessee under this Lease shall be guaranteed by N/A ("**Guarantor**"). (See also Paragraph 37)

1.12 **Business Hours for the Building:** * a.m. to * p.m., Mondays through Fridays (except Building Holidays) and * a.m. to * p.m. on Saturdays (except Building Holidays). "**Building Holidays**" shall mean the dates of observation of New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, and _____.

1.13 **Lessor Supplied Services.** Notwithstanding the provisions of Paragraph 11.1, Lessor is NOT obligated to provide the following within the Premises:

☑ Janitorial services inside premises.
☐ Electricity
☐ Other (specify):_____

1.14 **Attachments.** Attached hereto are the following, all of which constitute a part of this Lease:
☑ an Addendum consisting of Paragraphs 1.2 through 53;
☑ a plot plan depicting the Premises;
☑ a current set of the Rules and Regulations;
☐ a Work Letter;
☐ a janitorial schedule;
☐ other (specify): _____

_____.

2. **Premises.**

2.1 **Letting.** Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Premises, for the term, at the rental, and upon all of the terms, covenants and conditions set forth in this Lease. While the approximate square footage of the Premises may have been used in the marketing of the Premises for purposes of comparison, the Base Rent stated herein is NOT tied to square footage and is not subject to adjustment should the actual size be determined to be different. **Note: Lessee is advised to verify the actual size prior to executing this Lease.**

2.2 **Condition.** Lessor shall deliver the Premises to Lessee in a clean condition on the Commencement Date or the Early Possession Date, whichever first occurs ("**Start Date**"), and warrants that (1) the existing electrical, plumbing, fire sprinkler, lighting, heating, ventilating and air conditioning systems ("**HVAC**"), and all other items which the Lessor is obligated to construct pursuant to the Work Letter attached hereto, if any, other than those constructed by Lessee, shall be in good operating condition on said date and shall continue to be in good operating condition for 180 days following such date, (2) the structural elements of the roof, bearing walls and foundation of the Unit shall be free of material defects, and (3) to Lessor's actual knowledge, the Premises do not contain hazardous levels of any mold or fungi defined as toxic under applicable state or federal law.

2.3 **Compliance.** Lessor warrants that to the best of its knowledge the improvements comprising the Premises and the Common Areas comply with the building codes that were in effect at the time that each such improvement, or portion thereof, was constructed, and also with all applicable laws, covenants or restrictions of record, regulations, and ordinances ("**Applicable Requirements**") in effect when the improvements were constructed. Said warranty does not apply to the use to which Lessee will put the Premises, modifications which may be required by the Americans with Disabilities Act or any similar laws as a result of Lessee's use (see Paragraph 49), or to any Alterations or Utility Installations (as defined in Paragraph 7.3(a)) made or to be made by Lessee. **NOTE: Lessee is responsible for determining whether or not the zoning and other Applicable Requirements are appropriate for Lessee's Intended use, and acknowledges that past uses of the Premises may no longer be allowed**. If the Premises do not comply with said warranty, Lessor shall, except as otherwise provided, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, rectify the same. If the Applicable Requirements are hereafter changed so as to require during the term of this Lease the construction of an addition to or an alteration of the Premises,

or the reinforcement or other physical modification of the Premises **("Capital Expenditure")**, Lessor and Lessee shall allocate the cost of such work as follows:

(a) Subject to Paragraph 2.3(c) below, if such Capital Expenditures are required as a result of the specific and unique use of the Premises by Lessee as compared with uses by tenants in general, Lessee shall be fully responsible for the cost thereof, provided, however that if such Capital Expenditure is required during the last 2 years of this Lease and the cost thereof exceeds 6 months' Base Rent, Lessee may instead terminate this Lease unless Lessor notifies Lessee, in writing, within 10 days after receipt of Lessee's termination notice that Lessor has elected to pay the difference between the actual cost thereof and the amount equal to 6 months' Base Rent. If Lessee elects termination, Lessee shall immediately cease the use of the Premises which requires such Capital Expenditure and deliver to Lessor written notice specifying a termination date at least 90 days thereafter. Such termination date shall, however, in no event be earlier than the last day that Lessee could legally utilize the Premises without commencing such Capital Expenditure.

(b) If such Capital Expenditure is not the result of the specific and unique use of the Premises by Lessee (such as, governmentally mandated seismic modifications), then Lessor shall pay for such Capital Expenditure and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease or any extension thereof, on the date that on which the Base Rent is due, an amount equal to 1/144th of the portion of such costs reasonably attributable to the Premises. Lessee shall pay Interest on the balance but may prepay its obligation at any time. If, however, such Capital Expenditure is required during the last 2 years of this Lease or if Lessor reasonably determines that it is not economically feasible to pay its share thereof, Lessor shall have the option to terminate this Lease upon 90 days prior written notice to Lessee unless Lessee notifies Lessor, in writing, within 10 days after receipt of Lessor's termination notice that Lessee will pay for such Capital Expenditure. If Lessor does not elect to terminate, and fails to tender its share of any such Capital Expenditure, Lessee may advance such funds and deduct same, with Interest, from Rent until Lessor's share of such costs have been fully paid. If Lessee is unable to finance Lessor's share, or if the balance of the Rent due and payable for the remainder of this Lease is not sufficient to fully reimburse Lessee on an offset basis, Lessee shall have the right to terminate this Lease upon 30 days written notice to Lessor.

(c) Notwithstanding the above, the provisions concerning Capital Expenditures are intended to apply only to non-voluntary, unexpected, and new Applicable Requirements. If the Capital Expenditures are instead triggered by Lessee as a result of an actual or proposed change in use, change in intensify of use, or modification to the Premises then, and in that event, Lessee shall either: (i) immediately cease such changed use or intensity of use and/or take such other steps as may be necessary to eliminate the requirement for such Capital Expenditure, or (ii) complete such Capital Expenditure at its own expense. Lessee shall not have any right to terminate this Lease.

2.4 **Acknowledgements.** Lessee acknowledges that (a) It has been given an opportunity to inspect and measure the Premises, (b) It has been advised by Lessor and/or Brokers to satisfy itself with respect to the size and condition of the Premises (including but not limited to the electrical, HVAC and fire sprinkler systems, security, environmental aspects, and compliance with Applicable Requirements), and their suitability for Lessee's intended use, (c) Lessee has made such investigation as it deems necessary with reference to such matters and assumes all responsibility therefor as the same relate to its occupancy of the Premises, (d) it is not relying on any representation as to the size of the Premises made by Brokers or Lessor, (e) the square footage of the Premises was not material to Lessee's decision to lease the Premises and pay the Rent stated herein, and (f) neither Lessor, Lessor's agents, nor Brokers have made any oral or written representations or warranties with respect to said matters other than as set forth in this Lease. In addition, Lessor acknowledges that: (i) Brokers have made no representations, promises or warranties concerning Lessee's ability to honor the Lease or suitability to occupy the Premises, and (ii) it is Lessor's sole responsibility to investigate the financial capability and/or suitability of all proposed tenants.

2.5 **Lessee as Prior Owner/Occupant.**

2.6 **Vehicle Parking.** So long as Lessee is not in default, and subject to the Rules and Regulations attached hereto, and as established by Lessor from time to time, Lessee shall be entitled to rent and use the number of parking spaces specified in Paragraph 1.2(b) at no additional charge.

(a) If Lessee commits, permits or allows any of the prohibited activities described in the Lease or the rules then in effect, then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove or tow away the vehicle involved and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

(b)

2.7 **Common Areas - Definition.** The term **"Common Areas"** is defined as all areas and facilities outside the Premises and within the exterior boundary line of the Project and interior utility raceways and installations within the Premises that are provided and designated by the Lessor from time to time for the general non-exclusive use of Lessor, Lessee and other tenants of the Project and their respective employees, suppliers, shippers, customers, contractors and invitees, including, but not limited to, common entrances, lobbies, corridors, stairwells, public restrooms, elevators, parking areas, loading and unloading areas, trash areas, roadways, walkways, driveways and landscaped areas.

2.8 **Common Areas - Lessee's Rights.** Lessor grants to Lessee, for the benefit of Lessee and its employees, suppliers, shippers, contractors, customers and invitees, during the term of this Lease, the non-exclusive right to use, in common with others entitled to such use, the Common Areas as they exist from time to time, subject to any rights, powers, and privileges reserved by Lessor under the terms hereof or under the terms of any rules and regulations or restrictions governing the use of the Project. Under no circumstances shall the right herein granted to use the Common Areas be deemed to include the right to store any property, temporarily or permanently, in the Common Areas. Any such storage shall be permitted only by the prior written consent of Lessor or Lessor's designated agent, which consent may be revoked at any time. In the event that any unauthorized storage shall occur then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove the property and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

2.9 **Common Areas - Rules and Regulations.** Lessor or such other person(s) as Lessor may appoint shall have the exclusive control and management of the Common Areas and shall have the right, from time to time, to adopt, modify, amend and enforce reasonable rules and regulations **("Rules and Regulations")** for the management, safety, care, and cleanliness of the grounds, the parking and unloading of vehicles and the preservation of good order, as well as for the convenience of other occupants or tenants of the Building and the Project and their invitees. The Lessee agrees to abide by and conform to all such Rules and Regulations, and shall use its best efforts to cause its employees, suppliers, shippers, customers, contractors and invitees to so abide and conform. Lessor shall not be responsible to Lessee for the non-compliance with said Rules and Regulations by other tenants of the Project.

2.10 **Common Areas - Changes.** Lessor shall have the right, in Lessor's sole discretion, from time to time:

(a) To make changes to the Common Areas, including, without limitation, changes in the location, size, shape and number of

the lobbies, windows, stairways, air shafts, elevators, escalators, restrooms, driveways, entrances, parking spaces, parking areas, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas, walkways and utility raceways;

(b) To close temporarily any of the Common Areas for maintenance purposes so long as reasonable access to the Premises remains available;

(c) To designate other land outside the boundaries of the Project to be a part of the Common Areas;

(d) To add additional buildings and improvements to the Common Areas;

(e) To use the Common Areas while engaged in making additional improvements, repairs or alterations to the Project, or any portion thereof; and

(f) To do and perform such other acts and make such other changes in, to or with respect to the Common Areas and Project as Lessor may, in the exercise of sound business judgment, deem to be appropriate.

3. **Term.**

3.1 **Term.** The Commencement Date, Expiration Date and Original Term of this Lease are as specified in Paragraph 1.3.

3.2 **Early Possession.**

3.3 **Delay in Possession.** Lessor agrees to use its best commercially reasonable efforts to deliver possession of the Premises to Lessee by the Target Commencement Date. If, despite said efforts, Lessor is unable to deliver possession by such date, Lessor shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease or change the Expiration Date. Lessee shall not, however, be obligated to pay Rent or perform its other obligations until Lessor delivers possession of the Premises and any period of rent abatement that Lessee would otherwise have enjoyed shall run from the date of delivery of possession and continue for a period equal to what Lessee would otherwise have enjoyed under the terms hereof, but minus any days of delay caused by the acts or omissions of Lessee. If possession is not delivered within 60 days after the Target Commencement Date, as the same may be extended under the terms of any Work Letter executed be Parties, Lessee may, at its option, by notice in writing within 10 days after the end of such 60 day period, cancel this Lease, in which event the Parties shall be discharged from all obligations hereunder. If such written notice is not received by Lessor within said 10 day period, Lessee's right to cancel shall terminate. If possession of the Premises is not delivered within 120 days after the Target Commencement Date, this Lease shall terminate unless other agreements are reached between Lessor and Lessee, in writing.

3.4 **Lessee Compliance.** Lessor shall not be required to deliver possession of the Premises to Lessee until Lessee compiles with its obligation to provide evidence of insurance (Paragraph 8.5). Pending delivery of such evidence, Lessee shall be required to perform all of its obligations under this Lease from and after the Start Date, including the payment of Rent, notwithstanding Lessor's election to withhold possession pending receipt of such evidence of insurance. Further, if Lessee is required to perform any other conditions prior to or concurrent with the Start Date, the Start Date shall occur but Lessor may elect to withhold possession until such conditions are satisfied.

4. **Rent**.

4.1. **Rent Defined.** All monetary obligations of Lessee to Lessor under the terms of this Lease (except for the Security Deposit) are deemed to be rent ("**Rent**").

4.2 **Operating Expenses.** Lessee shall pay to Lessor during the term hereof, in addition to the Base Rent, Lessee's Share of all Operating Expenses, as hereinafter defined, during each calendar year of the term of this Lease, in accordance with the following provisions:

(a) **"Operating Expenses"** include all costs incurred by Lessor relating to the ownership and operation of the Project, calculated as if the Project was at least 95% occupied, including, but not limited to, the following:

(i) The operation, repair, and maintenance in neat, clean, safe, good order and condition, of the following:

(aa) The Common Areas, including their surfaces, coverings, decorative items, carpets, drapes and window coverings, and including parking areas, loading and unloading areas, trash areas, roadways, sidewalks, walkways, stairways, parkways, driveways, landscaped areas, striping, bumpers, irrigation systems, Common Area lighting facilities, building exteriors and roofs, fences and gates;

(bb) All heating, air conditioning, plumbing, electrical systems, life safety equipment, communication systems and other equipment used in common by, or for the benefit of, lessees or occupants of the Project, including elevators and escalators, tenant directories, fire detection systems including sprinkler system maintenance and repair.

(cc) All other areas and improvements that are within the exterior boundaries of the Project but outside of the Premises and/or any other space occupied by a tenant.

(ii) The cost of trash disposal, janitorial and security services, pest control services, and the costs of any environmental inspections;

(iii) The cost of any other service to be provided by Lessor that is elsewhere in this Lease stated to be an "Operating Expense";

(iv) The cost of the premiums for the insurance policies maintained by Lessor pursuant to paragraph 8 and any deductible portion of an insured loss concerning the Building or the Common Areas;

(v) The amount of the Real Property Taxes payable by Lessor pursuant to paragraph 10;

(vi) The cost of water, sewer, gas, electricity, and other publicly mandated services not separately metered;

(vii) Labor, salaries, and applicable fringe benefits and costs, materials, supplies and tools, used in maintaining and/or cleaning the Project and accounting fees attributable to the operation of the Project;

(viii) The cost to replace equipment or capital components such as the roof, foundations, or exterior walls, the cost to replace a Common Area capital improvement, such as the parking lot paving, elevators or fences, and/or the cost of any capital improvement to the Building or the Project not covered under the provisions of Paragraph 2.3. Provided however, that if such equipment or capital component has a useful life for accounting purposes of 5 years or more that Lessor shall allocate the cost of any such capital improvement over a 12 year period and Lessee shall not be required to pay more than Lessee's Share of 1/144th of the cost of such capital improvement in any given month;

(ix) The cost to replace equipment or improvements that have a useful life for accounting purposes of 5 years or less.

(x)

(b) Any item of Operating Expense that is specifically attributable to the Premises, the Building or to any other building in the

Project or to the operation, repair and maintenance thereof, shall be allocated entirely to such Premises, Building, or other building. However, any such item that is not specifically attributable to the Building or to any other building or to the operation, repair and maintenance thereof, shall be equitably allocated by Lessor to all buildings in the Project.

(c) The inclusion of the improvements, facilities and services set forth in Subparagraph 4.2(a) shall not be deemed to impose an obligation upon Lessor to either have said improvements or facilities or to provide those services unless the Project already has the same, Lessor already provides the services, or Lessor has agreed elsewhere in this Lease to provide the same or some of them.

(d) Lessee's Share of Operating Expenses is payable monthly on the same day as the Base Rent is due hereunder. The amount of such payments shall be based on Lessor's estimate of the Operating Expenses. Within 60 days after written request (but not more than once each year) Lessor shall deliver to Lessee a reasonably detailed statement showing Lessee's Share of the actual Operating Expenses for the preceding year. If Lessee's payments during such year exceed Lessee's Share, Lessor shall credit the amount of such over-payment against Lessee's future payments. If Lessee's payments during such year were less than Lessee's Share, Lessee shall pay to Lessor the amount of the deficiency within 10 days after delivery by Lessor to Lessee of the statement.

(e) Operating Expenses shall not include any expenses paid by any tenant directly to third parties, or as to which Lessor is otherwise reimbursed by any third party, other tenant, or by insurance proceeds.

4.3 **Payment**. Lessee shall cause payment of Rent to be received by Lessor in lawful money of the United States, without offset or deduction (except as specifically permitted in this Lease), on or before the day on which it is due. In the event that any invoice prepared by Lessor is inaccurate such inaccuracy shall not constitute a waiver and Lessee shall be obligated to pay the amount set forth in this Lease. Rent for any period during the term hereof which is for less than one full calendar month shall be prorated based upon the actual number of days of said month. Payment of Rent shall be made to Lessor at its address stated herein or to such other persons or place as Lessor may from time to time designate in writing. Acceptance of a payment which is less than the amount then due shall not be a waiver of Lessor's rights to the balance of such Rent, regardless of Lessor's endorsement of any check so stating. In the event that any check, draft, or other instrument of payment given by Lessee to Lessor is dishonored for any reason, Lessee agrees to pay to Lessor the sum of $25 in addition to any Late Charge and Lessor, at its option, may require all future Rent be paid by cashier's check. Payments will be applied first to accrued late charges and attorney's fees, second to accrued interest, then to Base Rent and Operating Expenses, and any remaining amount to any other outstanding charges or costs.

5. **Security Deposit.** Lessee shall deposit with Lessor upon execution hereof the Security Deposit as security for Lessee's faithful performance of its obligations under this Lease. If Lessee fails to pay Rent, or otherwise Defaults under this Lease, Lessor may use, apply or retain all or any portion of said Security Deposit for the payment of any amount already due Lessor, for Rents which will be due in the future, and/or to reimburse or compensate Lessor for any liability, expense, loss or damage which Lessor may suffer or incur by reason thereof. If Lessor uses or applies all or any portion of the Security Deposit, Lessee shall within 10 days after written request therefor deposit monies with Lessor sufficient to restore said Security Deposit to the full amount required by this Lease. Lessor shall not be required to keep the Security Deposit separate from its general accounts. Within 30 days after the expiration or termination of this Lease, Lessor shall return that portion of the Security Deposit not used or applied by Lessor. No part of the Security Deposit shall be considered to be held in trust, to bear interest or to be prepayment for any monies to be paid by Lessee under this Lease.

6. **Use.**

6.1 **Use.** Lessee shall use and occupy the Premises only for the Agreed Use, or any other legal use which is reasonably comparable thereto, and for no other purpose. Lessee shall not use or permit the use of the Premises in a manner that is unlawful, creates damage, waste or a nuisance, or that disturbs occupants of or causes damage to neighboring premises or properties. Other than guide, signal and seeing eye dogs, Lessee shall not keep or allow in the Premises any pets, animals, birds, fish, or reptiles. Lessor shall not unreasonably withhold or delay its consent to any written request for a modification of the Agreed Use, so long as the same will not impair the structural integrity of the improvements of the Building, will not adversely affect the mechanical, electrical, HVAC, and other systems of the Building, and/or will not affect the exterior appearance of the Building. If Lessor elects to withhold consent, Lessor shall within 7 days after such request give written notification of same, which notice shall include an explanation of Lessor's objections to the change in the Agreed Use.

6.2 **Hazardous Substances.**

(a) **Reportable Uses Require Consent.**

(b) **Duty to Inform Lessor**.
(c) **Lessee Remediation**.
(d) **Lessee Indemnification**.
(e) **Lessor Indemnification**.
(f) **Investigations and Remediations**.
(g) **Lessor Termination Option**.

6.3 **Lessee's Compliance with Applicable Requirements**.

6.4 **Inspection; Compliance**.

7. **Maintenance; Repairs, Utility Installations; Trade Fixtures and Alterations**.

7.1 **Lessee's Obligations**. Notwithstanding Lessor's obligation to keep the Premises in good condition and repair, Lessee shall be responsible for payment of the cost thereof to Lessor as additional rent for that portion of the cost of any maintenance and repair of the Premises, or any equipment (wherever located) that serves only Lessee or the Premises, to the extent such cost is attributable to causes beyond normal wear and tear. Lessee shall be responsible for the cost of painting, repairing or replacing wall coverings, and to repair or replace any improvements within the Premises. Lessor may, at its option, upon reasonable notice, elect to have Lessee perform any particular such maintenance or repairs the cost of which is otherwise Lessee's responsibility hereunder.

7.2 **Lessor's Obligations**. Subject to the provisions of Paragraphs 2.2 (Condition), 2.3 (Compliance), 4.2 (Operating Expenses), 6 (Use), 7.1 (Lessee's Obligations), 9 (Damage or Destruction) and 14 (Condemnation), Lessor, subject to reimbursement pursuant to Paragraph 4.2, shall keep in good order, condition and repair the foundations, exterior walls, structural condition of interior bearing walls, exterior roof, fire sprinkler system, fire alarm and/or smoke detection systems, fire hydrants, and the Common Areas. Lessee expressly waives the benefit of any statute now or

hereafter in effect to the extent it is inconsistent with the terms of this Lease.

7.3 **Utility Installations; Trade Fixtures; Alterations**.

(a) **Definitions**. The term "Utility Installations" refers to all floor and window coverings, air lines, vacuum lines, power panels, electrical distribution, security and fire protection systems, communication cabling, lighting fixtures, HVAC equipment, and plumbing in or on the Premises. The term "**Trade Fixtures**" shall mean Lessee's machinery and equipment that can be removed without doing material damage to the Premises. The term "**Alterations**" shall mean any modification of the improvements, other than Utility Installations or Trade Fixtures, whether by addition or deletion. "**Lessee Owned Alterations and/or Utility Installations**" are defined as Alterations and/or Utility Installations made by Lessee that are not yet owned by Lessor pursuant to Paragraph 7.4(a).

(b) **Consent**. Lessee shall not make any Alterations or Utility Installations to the Premises without Lessor's prior written consent. Lessee may, however, make non-structural Alterations or Utility Installations to the Interior of the Premises (excluding the roof) without such consent but upon notice to Lessor, as long as they are not visible from the outside, do not involve puncturing, relocating or removing the roof, ceilings, floors or any existing walls, will not affect the electrical, plumbing, HVAC, and/or life safety systems, and the cost thereof in each instance does not exceed $10,000. Notwithstanding the foregoing. Lessee shall not make or permit any roof penetrations and/or install anything on the roof without the prior written approval of Lessor. Lessor may, as a precondition to granting such approval, require Lessee to utilize a contractor chosen and/or approved by Lessor. Any Alterations or Utility Installations that Lessee shall desire to make and which require the consent of the Lessor shall be presented to Lessor in written form with detailed plans. Consent shall be deemed conditioned upon Lessee's: (i) acquiring all applicable governmental permits, (ii) furnishing Lessor with copies of both the permits and the plans and specifications prior to commencement of the work, and (iii) compliance with all conditions of said permits and other Applicable Requirements in a prompt and expeditious manner. Any Alterations or Utility Installations shall be performed in a workmanlike manner with good and sufficient materials. Lessee shall promptly upon completion furnish Lessor with as-built plans and specifications. For work which costs an amount in excess of one month's Base Rent, Lessor may condition its consent upon Lessee providing a lien and completion bond in an amount equal to 150% of the estimated cost of such Alteration or Utility Installation and/or upon Lessee's posting an additional Security Deposit with Lessor.

(c) **Liens; Bonds**. Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use on the Premises, which claims are or may be secured by any mechanic's or materialmen's lien against the Premises or any interest therein. Lessee shall give Lessor not less than 10 days notice prior to the commencement of any work in, on or about the Premises, and Lessor shall have the right to post notices of non-responsibility. If Lessee shall contest the validity of any such lien, claim or demand, then Lessee shall, at its sole expense defend and protect itself, Lessor and the Premises against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof. If Lessor shall require, Lessee shall furnish a surety bond in an amount equal to 150% of the amount of such contested lien, claim or demand, indemnifying Lessor against liability for the same. If Lessor elects to participate in any such action, Lessee shall pay Lessor's attorneys' fees and costs.

7.4 **Ownership; Removal; Surrender; and Restoration**.

(a) **Ownership**. Subject to Lessor's right to require removal or elect ownership as hereinafter provided, all Alterations and Utility Installations made by Lessee shall be the property of Lessee, but considered a part of the Premises. Lessor may, at any time, elect in writing to be the owner of all or any specified part of the Lessee Owned Alterations and Utility Installations. Unless otherwise instructed per paragraph 7.4(b) hereof, all Lessee Owned Alterations and Utility Installations shall, at the expiration or termination of this Lease, become the property of Lessor and be surrendered by Lessee with the Premises.

(b) **Removal**. By delivery to Lessee of written notice from Lessor not earlier than 90 and not later than 30 days prior to the end of the term of this Lease, Lessor may require that any or all Lessee Owned Alterations or Utility Installations be removed by the expiration or termination of this Lease. Lessor may require the removal at any time of all or any part of any Lessee Owned Alterations or Utility Installations made without the required consent.

(c) **Surrender; Restoration**. Lessee shall surrender the Premises by the Expiration Date or any earlier termination date, with all of the improvements, parts and surfaces thereof clean and free of debris, and in good operating order, condition and state of repair, ordinary wear and tear excepted. "Ordinary wear and tear" shall not include any damage or deterioration that would have been prevented by good maintenance practice. Lessee shall repair any damage occasioned by the installation, maintenance or removal of Trade Fixtures, Lessee owned Alterations and/or Utility Installations, furnishings, and equipment as well as the removal of any storage tank installed by or for Lessee. Trade Fixtures shall remain the property of Lessee and shall be removed by Lessee. Any personal property of Lessee not removed on or before the Expiration Date or any earlier termination date shall be deemed to have been abandoned by Lessee and may be disposed of or retained by Lessor as Lessor may desire. The failure by Lessee to timely vacate the Premises pursuant to this Paragraph 7.4(c) without the express written consent of Lessor shall constitute a holdover under the provisions of Paragraph 26 below.

8. **Insurance; Indemnity**.

8.1 **Insurance Premiums**. The cost of the premiums for the insurance policies maintained by Lessor pursuant to paragraph 8 are included as Operating Expenses (see paragraph 4.2 (a)(iv)). Said costs shall include increases in the premiums resulting from additional coverage related to requirements of the holder of a mortgage or deed of trust covering the Premises, Building and/or Project, increased valuation of the Premises, Building and/or Project, and/or a general premium rate increase. Said costs shall not, however, include any premium increases resulting from the nature of the occupancy of any other tenant of the Building.

8.2 **Liability Insurance.**

(a) **Carried by Lessee**. Lessee shall obtain and keep in force a Commercial General Liability policy of insurance protecting Lessee and Lessor as an additional insured against claims for bodily injury, personal injury and property damage based upon or arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than $1,000,000 per occurrence with an annual aggregate of not less than $2,000,000. Lessee shall add Lessor as an additional insured by means of an endorsement at least as broad as the Insurance Service Organization's "Additional Insured-Managers or Lessors of Premises" Endorsement. The policy shall not contain any intra-insured exclusions as between insured persons or organizations, but shall include coverage for liability assumed under this Lease as an "**Insured contract**" for the performance of Lessee's indemnity obligations under this Lease. The limits of said insurance shall not, however, limit the liability of Lessee nor relieve Lessee of any obligation hereunder. Lessee shall provide an

endorsement on its liability policy(ies) which provides that its insurance shall be primary to and not contributory with any similar insurance carried by Lessor, whose insurance shall be considered excess insurance only.

(b) **Carried by Lessor**. Lessor shall maintain liability insurance as described in Paragraph 8.2(a), in addition to, and not in lieu of, the insurance required to be maintained by Lessee. Lessee shall not be named as an additional insured therein.

8.3 **Property Insurance - Building, Improvements and Rental Value**.

(a) **Building and Improvements.** Lessor shall obtain and keep in force a policy or policies of insurance in the name of Lessor, with loss payable to Lessor, any ground-lessor, and to any Lender insuring loss or damage to the Building and/or Project. The amount of such insurance shall be equal to the full insurable replacement cost of the Building and/or Project, as the same shall exist from time to time, or the amount required by any Lender, but in no event more than the commercially reasonable and available insurable value thereof. Lessee Owned Alterations and Utility Installations, Trade Fixtures, and Lessee's personal property shall be insured by Lessee not by Lessor. If the coverage is available and commercially appropriate, such policy or policies shall insure against all risks of direct physical loss or damage (except the perils of flood and/or earthquake unless required by a Lender), including coverage for debris removal and the enforcement of any Applicable Requirements requiring the upgrading, demolition, reconstruction or replacement of any portion of the Premises as the result of a covered loss. Said policy or policies shall also contain an agreed valuation provision in lieu of any coinsurance clause, waiver of subrogation, and inflation guard protection causing an increase in the annual property insurance coverage amount by a factor of not less than the adjusted U.S. Department of Labor Consumer Price Index for All Urban Consumers for the city nearest to where the Premises are located. If such insurance coverage has a deductible clause, the deductible amount shall not exceed a commercially reasonable amount.

(b) **Rental Value**. Lessor shall also obtain and keep in force a policy or policies in the name of Lessor with loss payable to Lessor and any Lender, insuring the loss of the full Rent for one year with an extended period of indemnity for an additional 180 days ("Rental Value Insurance"). Said insurance shall contain an agreed valuation provision in lieu of any coinsurance clause, and the amount of coverage shall be adjusted annually to reflect the projected Rent otherwise payable by Lessee, for the next 12 month period.

(c) **Adjacent Premises**. Lessee shall pay for any increase in the premiums for the property insurance of the Building and for the Common Areas or other buildings in the Project if said increase is caused by Lessee's acts, omissions, use or occupancy of the Premises.

(d) **Lessee's Improvements**. Since Lessor is the Insuring Party, Lessor shall not be required to insure Lessee Owned Alterations and Utility Installations unless the item in question has become the property of Lessor under the terms of this Lease.

8.4 **Lessee's Property; Business Interruption Insurance; Worker's Compensation Insurance**.

(a) **Property Damage.** Lessee shall obtain and maintain insurance coverage on all of Lessee's personal property, Trade Fixtures, and Lessee Owned Alterations and Utility Installations. Such insurance shall be full replacement cost coverage with a deductible of not to exceed $1,000 per occurrence. The proceeds from any such insurance shall be used by Lessee for the replacement of personal property, Trade Fixtures and Lessee Owned Alterations and Utility Installations. Lessee shall provide Lessor with written evidence that such insurance is in force.

(b) **Business Interruption**. Lessee shall obtain and maintain loss of income and extra expense insurance in amounts as will reimburse Lessee for direct or indirect loss of earnings attributable to all perils commonly insured against by prudent lessees in the business of Lessee or attributable to prevention of access to the Premises as a result of such perils.

(c) **Worker's Compensation Insurance**. Lessee shall obtain and maintain Workers Compensation insurance in such amount as may be required by Applicable Requirements.

(d) **No Representation of Adequate Coverage**. Lessor makes no representation that the limits or forms of coverage of insurance specified herein are adequate to cover Lessee's property, business operations or obligations under this Lease.

8.5 **Insurance Policies.** Insurance required herein shall be by companies maintaining during the policy term a "General Policyholders Rating" of at least A-, VII, as set forth in the most current issue of "Best's Insurance Guide", or such other rating as may be required by a Lender. Lessee shall not do or permit to be done anything which invalidates the required insurance policies. Lessee shall, prior to the Start Date, deliver to Lessor certified copies of policies of such insurance or certificates with copies of the required endorsements evidencing the existence and amounts of the required insurance. No such policy shall be cancelable or subject to modification except after 30 days prior written notice to Lessor. Lessee shall, at least 10 days prior to the expiration of such policies, furnish Lessor with evidence of renewals or "insurance binders" evidencing renewal thereof, or Lessor may order such insurance and charge the cost thereof to Lessee, which amount shall be payable by Lessee to Lessor upon demand. Such policies shall be for a term of at least one year, or the length of the remaining term of this Lease, whichever is less. If either Party shall fail to procure and maintain the insurance required to be carried by it, the other Party may, but shall not be required to, procure and maintain the same.

8.6 **Waiver of Subrogation**. Without affecting any other rights or remedies, Lessee and Lessor each hereby release and relieve the other, and waive their entire right to recover damages against the other, for loss of or damage to its property arising out of or incident to the perils required to be insured against herein. The effect of such releases and waivers is not limited by the amount of insurance carried or required, or by any deductibles applicable hereto. The Parties agree to have their respective property damage insurance carriers waive any right to subrogation that such companies may have against Lessor or Lessee, as the case may be, so long as the insurance is not invalidated thereby.

8.7 **Indemnity**. Except for Lessor's negligence or willful misconduct, and subject to the waiver of subrogation above, Lessee shall indemnify, protect, defend and hold harmless the Premises, Lessor and its agents, Lessor's master or ground lessor, partners and Lenders, from and against any and all claims, loss of rents and/or damages, liens, judgments, penalties, attorneys' and consultants' fees, expenses and/or liabilities arising out of, involving, or in connection with, the use and/or occupancy of the Premises by Lessee. If any action or proceeding is brought against Lessor by reason of any of the foregoing matters, Lessee shall upon notice defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor and Lessor shall cooperate with Lessee in such defense. Lessor need not have first paid any such claim in order to be defended or indemnified.

8.8 **Exemption of Lessor and Its Agents from Liability**. Notwithstanding the negligence or breach of this Lease by Lessor or its agents, neither Lessor nor its agents shall be liable under any circumstances for: (i) injury or damage to the person or goods, wares, merchandise or other property of Lessee, Lessee's employees, contractors, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, indoor air quality, the presence of mold or from the breakage, leakage, obstruction or other defects of pipes, fire sprinklers, wires, appliances, plumbing, HVAC or lighting fixtures, or from any other cause, whether the said injury or damage results from conditions arising upon the Premises or upon other portions of the Building, or from other sources or places, (ii) any damages arising from any act or neglect of any other tenant of Lessor or from the failure of Lessor or its agents to enforce the provisions of any other lease in the Project, or (iii) injury to Lessee's business or for any loss of income or profit therefrom. Instead, it is intended that Lessee's sole recourse in the event of such damages or Injury be to file a claim on the insurance policy(ies) that Lessee is required to maintain pursuant to the provisions of paragraph 8.

8.9 **Failure to Provide Insurance**. Lessee acknowledges that any failure on its part to obtain or maintain the insurance required

herein will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain.

9. **Damage or Destruction**.

9.1 **Definitions**.

(a) "**Premises Partial Damage**" shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations, which can reasonably be repaired in 3 months or less from the date of the damage or destruction, and the cost thereof does not exceed a sum equal to 6 month's Base Rent. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(b) "**Premises Total Destruction**" shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which cannot reasonably be repaired in 3 months or less from the date of the damage or destruction and/or the cost thereof exceeds a sum equal to 6 month's Base Rent. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(c) "**Insured Loss**" shall mean damage or destruction to improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which was caused by an event required to be covered by the insurance described in Paragraph 8.3(a), irrespective of any deductible amounts or coverage limits involved.

(d) "**Replacement Cost**" shall mean the cost to repair or rebuild the improvements owned by Lessor at the time of the occurrence to their condition existing immediately prior thereto, including demolition, debris removal and upgrading required by the operation of Applicable Requirements, and without deduction for depreciation.

(e)

9.2 **Partial Damage Insured Loss**. If a Premises Partial Damage that is an Insured Loss occurs, then Lessor shall, at Lessor's expense, repair such damage (but not Lessee's Trade Fixtures or Lessee Owned Alterations and Utility Installations) as soon as reasonably possible and this Lease shall continue in full force and effect; provided, however, that Lessee shall, at Lessor's election, make the repair of any damage or destruction the total cost to repair of which is $5,000 or less, and, in such event, Lessor shall make any applicable insurance proceeds available to Lessee on a reasonable basis for that purpose. Notwithstanding the foregoing, if the required insurance was not in force or the insurance proceeds are not sufficient to effect such repair, the Insuring Party shall promptly contribute the shortage in proceeds as and when required to complete said repairs. In the event, however, such shortage was due to the fact that, by reason of the unique nature of the improvements, full replacement cost insurance coverage was not commercially reasonable and available, Lessor shall have no obligation to pay for the shortage in insurance proceeds or to fully restore the unique aspects of the Premises unless Lessee provides Lessor with the funds to cover same, or adequate assurance thereof, within 10 days following receipt of written notice of such shortage and request therefor. If Lessor receives said funds or adequate assurance thereof within said 10 day period, the party responsible for making the repairs shall complete them as soon as reasonably possible and this Lease shall remain in full force and effect. If such funds or assurance are not received, Lessor may nevertheless elect by written notice to Lessee within 10 days thereafter to: (i) make such restoration and repair as is commercially reasonable with Lessor paying any shortage in proceeds, in which case this Lease shall remain in full force and effect, or (ii) have this Lease terminate 30 days thereafter. Lessee shall not be entitled to reimbursement of any funds contributed by Lessee to repair any such damage or destruction. Premises Partial Damage due to flood or earthquake shall be subject to Paragraph 9.3, notwithstanding that there may be some insurance coverage, but the net proceeds of any such insurance shall be made available for the repairs if made by either Party.

9.3 **Partial Damage Uninsured Loss**. If a Premises Partial Damage that is not an Insured Loss occurs, unless caused by a negligent or willful act of Lessee (in which event Lessee shall make the repairs at Lessee's expense). Lessor may either: (i) repair such damage as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) terminate this Lease by giving written notice to Lessee within 30 days after receipt by Lessor of knowledge of the occurrence of such damage. Such termination shall be effective 60 days following the date of such notice. In the event Lessor elects to terminate this Lease, Lessee shall have the right within 10 days after receipt of the termination notice to give written notice to Lessor of Lessee's commitment to pay for the repair of such damage without reimbursement from Lessor. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days after making such commitment. In such event this Lease shall continue in full force and effect, and Lessor shall proceed to make such repairs as soon as reasonably possible after the required funds are available. If Lessee does not make the required commitment, this Lease shall terminate as of the date specified in the termination notice.

9.4 **Total Destruction**. Notwithstanding any other provision hereof, if a Premises Total Destruction occurs, this Lease shall terminate 60 days following such Destruction. If the damage or destruction was caused by the gross negligence or willful misconduct of Lessee, Lessor shall have the right to recover Lessor's damages from Lessee, except as provided in Paragraph 8.6.

9.5 **Damage Near End of Term**. If at any time during the last 6 months of this Lease there is damage for which the cost to repair exceeds one month's Base Rent, whether or not an Insured Loss, Lessor may terminate this Lease effective 60 days following the date of occurrence of such damage by giving a written termination notice to Lessee within 30 days after the date of occurrence of such damage. Notwithstanding the foregoing, if Lessee at that time has an exercisable option to extend this Lease or to purchase the Premises, then Lessee may preserve this Lease by, (a) exercising such option and (b) providing Lessor with any shortage in insurance proceeds (or adequate assurance thereof) needed to make the repairs on or before the earlier of (i) the date which is 10 days after Lessee's receipt of Lessor's written notice purporting to terminate this Lease, or (ii) the day prior to the date upon which such option expires. If Lessee duly exercises such option during such period and provides Lessor with funds (or adequate assurance thereof) to cover any shortage in insurance proceeds, Lessor shall, at Lessor's commercially reasonable expense, repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect. If Lessee fails to exercise such option and provide such funds or assurance during such period, then this Lease shall terminate on the date specified in the termination notice and Lessee's option shall be extinguished.

9.6 **Abatement of Rent; Lessee's Remedies**.

(a) **Abatement**. In the event of Premises Partial Damage or Premises Total Destruction for which Lessee is not responsible under this Lease, the Rent payable by Lessee for the period required for the repair, remediation or restoration of such damage shall be abated in proportion to the degree to which Lessee's use of the Premises is impaired, but not to exceed the proceeds received from the Rental Value insurance. All other obligations of Lessee hereunder shall be performed by Lessee, and Lessor shall have no liability for any such

damage, destruction, remediation, repair or restoration except as provided herein.

(b) **Remedies**. If Lessor shall be obligated to repair or restore the Premises and does not commence, in a substantial and meaningful way, such repair or restoration within 90 days after such obligation shall accrue, Lessee may, at any time prior to the commencement of such repair or restoration, give written notice to Lessor and to any Lenders of which Lessee has actual notice, of Lessee's election to terminate this Lease on a date not less than 60 days following the giving of such notice. If Lessee gives such notice and such repair or restoration is not commenced within 30 days thereafter, this Lease shall terminate as of the date specified in said notice. If the repair or restoration is commenced within such 30 days, this Lease shall continue in full force and effect. "Commence" shall mean either the unconditional authorization of the preparation of the required plans, or the beginning of the actual work on the Premises, whichever first occurs.

9.7 **Termination; Advance Payments**. Upon termination of this Lease pursuant to Paragraph 9, an equitable adjustment shall be made concerning advance Base Rent and any other advance payments made by Lessee to Lessor. Lessor shall, in addition, return to Lessee so much of Lessee's Security Deposit as has not been, or is not then required to be, used by Lessor.

10. **Real Property Taxes**.

10.1 **Definitions**. As used herein, the term "**Real Property Taxes**" shall include any form of assessment; real estate, general, special, ordinary or extraordinary, or rental levy or tax (other than inheritance, personal income or estate taxes); improvement bond; and/or license fee imposed upon or levied against any legal or equitable interest of Lessor in the Project, Lessor's right to other income therefrom, and/or Lessor's business of leasing, by any authority having the direct or indirect power to tax and where the funds are generated with reference to the Project address and where the proceeds so generated are to be applied by the city, county or other local taxing authority of a jurisdiction within which the Project is located. Real Property Taxes shall also include any tax, fee, levy, assessment or charge, or any increase therein: (i) imposed by reason of events occurring during the term of this Lease, including but not limited to, a change in the ownership of the Project, (ii) a change in the improvements thereon, and/or (iii) levied or assessed on machinery or equipment provided by Lessor to Lessee pursuant to this Lease.

10.2 **Payment of Taxes**. Except as otherwise provided in Paragraph 10.3, Lessor shall pay the Real Property Taxes applicable to the Project, and said payments shall be included in the calculation of Operating Expenses in accordance with the provisions of Paragraph 4.2.

10.3 **Additional Improvements**. Operating Expenses shall not include Real Property Taxes specified in the tax assessor's records and work sheets as being caused by additional improvements placed upon the Project by other lessees or by Lessor for the exclusive enjoyment of such other lessees. Notwithstanding Paragraph 10.2 hereof, Lessee shall, however, pay to Lessor at the time Operating Expenses are payable under Paragraph 4.2, the entirety of any increase in Real Property Taxes if assessed solely by reason of Alterations, Trade Fixtures or Utility Installations placed upon the Premises by Lessee or at Lessee's request or by reason of any alterations or improvements to the Premises made by Lessor subsequent to the execution of this Lease by the Parties.

10.4 **Joint Assessment**. If the Building is not separately assessed, Real Property Taxes allocated to the Building shall be an equitable proportion of the Real Property Taxes for all of the land and improvements Included within the tax parcel assessed, such proportion to be determined by Lessor from the respective valuations assigned in the assessor's work sheets or such other information as may be reasonably available. Lessor's reasonable determination thereof, in good faith, shall be conclusive.

10.5 **Personal Property Taxes**. Lessee shall pay prior to delinquency all taxes assessed against and levied upon Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all personal property of Lessee contained in the Premises. When possible, Lessee shall cause its Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the real property of Lessor. If any of Lessee's said property shall be assessed with Lessor's real property, Lessee shall pay Lessor the taxes attributable to Lessee's property within 10 days after receipt of a written statement setting forth the taxes applicable to Lessee's property.

11. **Utilities and Services**.

11.1 **Services Provided by Lessor**. * Lessor shall provide heating, ventilation, air conditioning, reasonable amounts of electricity for normal lighting and office machines, water for reasonable and normal drinking and lavatory use in connection with laboratory and office, and Janitorial services to the Common Area.

11.2 **Services Exclusive to Lessee**. Lessee shall pay for all water, gas, heat, light, power, telephone and other utilities and services specially or exclusively supplied and/or metered exclusively to the Premises or to Lessee, together with any taxes thereon. If a service is deleted by Paragraph 1.13 and such service is not separately metered to the Premises, Lessee shall pay at Lessor's option, either Lessee's Share or a reasonable proportion to be determined by Lessor of all charges for such jointly metered service.

11.3 **Hours of Service**. Said services and utilities shall be provided during times set forth in Paragraph 1.12. Utilities and services required at other times shall be subject to advance request and reimbursement by Lessee to Lessor of the cost thereof.*

11.4 **Excess Usage by Lessee**. Lessee shall not make connection to the utilities except by or through existing outlets and shall not install or use machinery or equipment in or about the Premises that uses excess water, lighting or power, or suffer or permit any act that causes extra burden upon the utilities or services, including but not limited to security and trash services, over standard office or laboratory usage for the Project. Lessor shall require Lessee to reimburse Lessor for any excess expenses or costs that may arise out of a breach of this subparagraph by Lessee. Lessor may, in its sole discretion, install at Lessee's expense supplemental equipment and/or separate metering applicable to Lessee's excess usage or loading.

11.5 **Interruptions**. There shall be no abatement of rent and Lessor shall not be liable in any respect whatsoever for the inadequacy, stoppage, interruption or discontinuance of any utility or service due to riot, strike, labor dispute, breakdown, accident, repair or other cause beyond Lessor's reasonable control or in cooperation with governmental request or directions.

12. **Assignment and Subletting**.

12.1 **Lessor's Consent Required**.

(a) Lessee shall not voluntarily or by operation of law assign, transfer, mortgage or encumber (collectively, "**assign or assignment**") or sublet all or any part of Lessee's interest in this Lease or in the Premises without Lessor's prior written consent, which consent shall not be unreasonably withheld, conditioned, or delayed.

(b)

(c)

(d) An assignment or subletting without consent shall, at Lessor's option, be a Default curable after notice per Paragraph 13.1(c), or a noncurable Breach without the necessity of any notice and grace period. If Lessor elects to treat such unapproved assignment or subletting as a noncurable Breach, Lessor may either: (i) terminate this Lease, or (ii) upon 30 days written notice, increase the monthly Base Rent to 110% of the Base Rent then in effect. Further, in the event of such Breach and rental adjustment, (i) the purchase price of any option to purchase the Premises held by Lessee shall be subject to similar adjustment to 110% of the price previously in effect, and (ii) all fixed and nonfixed rental adjustments scheduled during the remainder of the Lease term shall be increased to 110% of the scheduled adjusted rent.

(e) Lessee's remedy for any breach of Paragraph 12.1 by Lessor shall be limited to compensatory damages and/or injunctive relief.

(f) Lessor may reasonably withhold consent to a proposed assignment or subletting if Lessee is in Default at the time consent is requested.

(g) Notwithstanding the foregoing, allowing a de minimis portion of the Premises, ie. 20 square feet or less, to be used by a third party vendor in connection with the installation of a vending machine or payphone shall not constitute a subletting.

12.2 **Terms and Conditions Applicable to Assignment and Subletting**.

(a) Regardless of Lessor's consent, no assignment or subletting shall: (i) be effective without the express written assumption by such assignee or sublessee of the obligations of Lessee under this Lease, (ii) release Lessee of any obligations hereunder, or (iii) alter the primary liability of Lessee for the payment of Rent or for the performance of any other obligations to be performed by Lessee.

(b) Lessor may accept Rent or performance of Lessee's obligations from any person other than Lessee pending approval or disapproval of an assignment. Neither a delay in the approval or disapproval of such assignment nor the acceptance of Rent or performance shall constitute a waiver or estoppel of Lessor's right to exercise its remedies for Lessee's Default or Breach.

(c) Lessor's consent to any assignment or subletting shall not constitute a consent to any subsequent assignment or subletting.

(d) In the event of any Default or Breach by Lessee, Lessor may proceed directly against Lessee, any Guarantors or anyone else responsible for the performance of Lessee's obligations under this Lease, including any assignee or sublessee, without first exhausting Lessor's remedies against any other person or entity responsible therefor to Lessor, or any security held by Lessor.

(e) Each request for consent to an assignment or subletting shall be in writing, accompanied by information relevant to Lessor's determination as to the financial and operational responsibility and appropriateness of the proposed assignee or sublessee, including but not limited to the intended use and/or required modification of the Premises, if any, together with a fee of $500 as consideration for Lessor's considering and processing said request. Lessee agrees to provide Lessor with such other or additional information and/or documentation as may be reasonably requested. (See also Paragraph 36)

(f) Any assignee of, or sublessee under, this Lease shall, by reason of accepting such assignment, entering into such sublease, or entering into possession of the Premises or any portion thereof, be deemed to have assumed and agreed to conform and comply with each and every term, covenant, condition and obligation herein to be observed or performed by Lessee during the term of said assignment or sublease, other than such obligations as are contrary to or inconsistent with provisions of an assignment or sublease to which Lessor has specifically consented to in writing.

(g) Lessor's consent to any assignment or subletting shall not transfer to the assignee or sublessee any Option granted to the original Lessee by this Lease unless such transfer is specifically consented to by Lessor in writing. (See Paragraph 39.2)

12.3 **Additional Terms and Conditions Applicable to Subletting**. The following terms and conditions shall apply to any subletting by Lessee of all or any part of the Premises and shall be deemed included in all subleases under this Lease whether or not expressly incorporated therein:

(a) Lessee hereby assigns and transfers to Lessor all of Lessee's interest in all Rent payable on any sublease, and Lessor may collect such Rent and apply same toward Lessee's obligations under this Lease; provided, however, that until a Breach shall occur in the performance of Lessee's obligations, Lessee may collect said Rent. In the event that the amount collected by Lessor exceeds Lessee's then outstanding obligations any such excess shall be refunded to Lessee. Lessor shall not, by reason of the foregoing or any assignment of such sublease, nor by reason of the collection of Rent, be deemed liable to the subleasee for any failure of Lessee to perform and comply with any of Lessee's obligations to such sublessee. Lessee hereby irrevocably authorizes and directs any such sublessee, upon receipt of a written notice from Lessor stating that a Breach exists in the performance of Lessee's obligations under this Lease, to pay to Lessor all Rent due and to become due under the sublease. Sublessee shall rely upon any such notice from Lessor and shall pay all Rents to Lessor without any obligation or right to inquire as to whether such Breach exists, notwithstanding any claim from Lessee to the contrary.

(b) In the event of a Breach by Lessee, Lessor may, at its option, require sublessee to attorn to Lessor, in which event Lessor shall undertake the obligations of the sublessor under such sublease from the time of the exercise of said option to the expiration of such sublease; provided, however, Lessor shall not be liable for any prepaid rents or security deposit paid by such sublessee to such sublessor or for any prior Defaults or Breaches of such sublessor.

(c) Any matter requiring the consent of the sublessor under a sublease shall also require the consent of Lessor.

(d) No sublessee shall further assign or sublet all or any part of the Premises without Lessor's prior written consent.

(e) Lessor shall deliver a copy of any notice of Default or Breach by Lessee to the sublessee, who shall have the right to cure the Default of Lessee within the grace period, if any, specified in such notice. The sublessee shall have a right of reimbursement and offset from and against Lessee for any such Defaults cured by the sublessee.

13. **Default; Breach; Remedies**.

13.1 **Default; Breach**. * A "Default" is defined as a failure by the Lessee to comply with or perform any of the terms, covenants, conditions or Rules and Regulations under this Lease. A "**Breach**" is defined as the occurrence of one or more of the following Defaults, and the failure of Lessee to cure such Default within any applicable grace period:

(a) The abandonment of the Premises; or the vacating of the Premises without providing a commercially reasonable level of security, or where the coverage of the property insurance described in Paragraph 8.3 is jeopardized as a result thereof, or without providing reasonable assurances to minimize potential vandalism.

(b) The failure of Lessee to make any payment of Rent or any Security Deposit required to be made by Lessee hereunder, whether

to Lessor or to a third party, when due, to provide reasonable evidence of insurance or surety bond, or to fulfill any obligation under this Lease which endangers or threatens life or property, where such failure continues for a period of 3 business days following written notice to Lessee. THE ACCEPTANCE BY LESSOR OF A PARTIAL PAYMENT OF RENT OR SECURITY DEPOSIT SHALL NOT CONSTITUTE A WAIVER OF ANY OF LESSOR'S RIGHTS, INCLUDING LESSOR'S RIGHT TO RECOVER POSSESSION OF THE PREMISES.

(c) The failure of Lessee to allow Lessor and/or its agents access to the Premises or the commission of waste, act or acts constituting public or private nuisance, and/or an illegal activity on the Premises by Lessee, where such actions continue for a period of 3 business days following written notice to Lessee.

(d) The failure by Lessee to provide (i) reasonable written evidence of compliance with Applicable Requirements, (ii) the service contracts, (iii) the rescission of an unauthorized assignment or subletting, (iv) an Estoppel Certificate or financial statements, (v) a requested subordination, (vi) evidence concerning any guarantee and/or Guarantor, (vii) any document requested under Paragraph 41, (viii) material data safety sheets (MSDS), or (ix) any other documentation or information which Lessor may reasonably require of Lessee under the terms of this Lease, where any such failure continues for a period of 10 days following written notice to Lessee.

(e) A Default by Lessee as to the terms, covenants, conditions or provisions of this Lease, or of the rules adopted under Paragraph 2.9 hereof, other than those described in subparagraphs 13.1(a), (b), (c) or (d), above, where such Default continues for a period of 30 days after written notice; provided, however, that if the nature of Lessee's Default is such that more than 30 days are reasonably required for its cure, then it shall not be deemed to be a Breach if Lessee commences such cure within said 30 day period and thereafter diligently prosecutes such cure to completion.

(f) The occurrence of any of the following events: (i) the making of any general arrangement or assignment for the benefit of creditors; (ii) becoming a "**debtor**" as defined in 11 U.S.C. § 101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within 60 days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within 30 days; or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within 30 days; provided, however, in the event that any provision of this subparagraph (e) is contrary to any applicable law, such provision shall be of no force or effect, and not affect the validity of the remaining provisions.

(g) The discovery that any financial statement of Lessee or of any Guarantor given to Lessor was materially false.

(h) If the performance of Lessee's obligations under this Lease is guaranteed: (i) the death of a Guarantor, (ii) the termination of a Guarantor's liability with respect to this Lease other than in accordance with the terms of such guaranty, (iii) a Guarantor's becoming insolvent or the subject of a bankruptcy filing, (iv) a Guarantor's refusal to honor the guaranty, or (v) a Guarantor's breach of its guaranty obligation on an anticipatory basis, and Lessee's failure, within 60 days following written notice of any such event, to provide written alternative assurance or security, which, when coupled with the then existing resources of Lessee, equals or exceeds the combined financial resources of Lessee and the Guarantors that existed at the time of execution of this Lease.

13.2 **Remedies**. If Lessee fails to perform any of its affirmative duties or obligations, within 10 days after written notice (or in case of an emergency, without notice), Lessor may, at its option, perform such duty or obligation on Lessee's behalf, including but not limited to the obtaining of reasonably required bonds, insurance policies, or governmental licenses, permits or approvals. Lessee shall pay to Lessor an amount equal to 115% of the costs and expenses incurred by Lessor in such performance upon receipt of an invoice therefor. In the event of a Breach, Lessor may, with or without further notice or demand, and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such Breach:

(a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession to Lessor. In such event Lessor shall be entitled to recover from Lessee: (i) the unpaid Rent which had been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that the Lessee proves could have been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that the Lessee proves could be reasonably avoided; and (iv) any other amount necessary to compensate Lessor for all the detriment proximately caused by the Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including but not limited to the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorneys' fees, and that portion of any leasing commission paid by Lessor in connection with this Lease applicable to the unexpired term of this Lease. The worth at the time of award of the amount referred to in provision (iii) of the immediately preceding sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of the District within which the Premises are located at the time of award plus one percent. Efforts by Lessor to mitigate damages caused by Lessee's Breach of this Lease shall not waive Lessor's right to recover damages under Paragraph 12. If termination of this Lease is obtained through the provisional remedy of unlawful detainer, Lessor shall have the right to recover in such proceeding any unpaid Rent and damages as are recoverable therein, or Lessor may reserve the right to recover all or any part thereof in a separate suit. If a notice and grace period required under Paragraph 13.1 was not previously given, a notice to pay rent or quit, or to perform or quit given to Lessee under the unlawful detainer statute shall also constitute the notice required by Paragraph 13.1. In such case, the applicable grace period required by Paragraph 13.1 and the unlawful detainer statute shall run concurrently, and the failure of Lessee to cure the Default within the greater of the two such grace periods shall constitute both an unlawful detainer and a Breach of this Lease entitling Lessor to the remedies provided for in this Lease and/or by said statute.

(b) Continue the Lease and Lessee's right to possession and recover the Rent as it becomes due, in which event Lessee may sublet or assign, subject only to reasonable limitations. Acts of maintenance, efforts to relet, and/or the appointment of a receiver to protect the Lessor's interests, shall not constitute a termination of the Lessee's right to possession.

(c) Pursue any other remedy now or hereafter available under the laws or judicial decisions of the state wherein the Premises are located. The expiration or termination of this Lease and/or the termination of Lessee's right to possession shall not relieve Lessee from liability under any indemnity provisions of this Lease as to matters occurring or accruing during the term hereof or by reason of Lessee's occupancy of the Premises.

13.3 **Inducement Recapture**. Any agreement for free or abated rent or other charges, or for the giving or paying by Lessor to or for Lessee of any cash or other bonus, inducement or consideration for Lessee's entering into this Lease, all of which concessions are hereinafter referred to as "**Inducement Provisions**", shall be deemed conditioned upon Lessee's full and faithful performance of all of the terms, covenants and conditionsof this Lease. Upon Breach of this Lease by Lessee, any such inducement Provision shall automatically be deemed deleted from this Lease and of no further force or effect, and any rent, other charge, bonus, inducement or consideration theretofore abated, given or paid by Lessor under such an Inducement Provision shall be immediately due and payable by Lessee to Lessor, notwithstanding any subsequent cure of said Breach by Lessee. The acceptance by Lessor of rent or the cure of the Breach which initiated the operation of this paragraph shall not be deemed a waiver by Lessor of the provisions of this paragraph unless specifically so stated in writing by Lessor at the time of such acceptance.

13.4 **Late Charges**. Lessee hereby acknowledges that late payment by Lessee of Rent will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed upon Lessor by any Lender. Accordingly, if any Rent shall not be received by Lessor

within 5 days after such amount shall be due, then, without any requirement for notice to Lessee, Lessee shall Immediately pay to Lessor a one-time late charge equal to 10% of each such overdue amount or $100, whichever is greater. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of such late payment. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's Default or Breach with respect to such overdue amount, nor prevent the exercise of any of the other rights and remedies granted hereunder. In the event that a late charge is payable hereunder, whether or not collected, for 3 consecutive installments of Base Rent, then notwithstanding any provision of this Lease to the contrary, Base Rent shall, at Lessor's option, become due and payable quarterly in advance.

13.5 **Interest**. Any monetary payment due Lessor hereunder, other than late charges, not received by Lessor, when due as to scheduled payments (such as Base Rent) or within 30 days following the date on which It was due for non-scheduled payment, shall bear Interest from the date when due, as to scheduled payments, or the 31st day after it was due as to non-scheduled payments. The interest ("Interest") charged shall be computed at the rate of 10% per annum but shall not exceed the maximum rate allowed by law. Interest is payable In addition to the potential late charge provided for in Paragraph 13.4.

13.6 **Breach by Lessor**.

(a) **Notice of Breach**. Lessor shall not be deemed in breach of this Lease unless Lessor fails within a reasonable time to perform an obligation required to be performed by Lessor. For purposes of this Paragraph, a reasonable time shall be 30 days after receipt by Lessor, and any Lender whose name and address shall have been furnished Lessee in writing for such purpose, of written notice specifying wherein such obligation of Lessor has not been performed; provided, however, that if the nature of Lessor's obligation Is such that more than 30 days are reasonably required for its performance, then Lessor shall not be in breach if performance Is commenced within such 30 day period and thereafter diligently pursued to completion.

(b) **Performance by Lessee on Behalf of Lessor**. In the event that neither Lessor nor Lender cures said breach within 30 days after receipt of said notice, or if having commenced said cure they do not diligently pursue it to completion, then Lessee may elect to cure said breach at Lessee's expense and offset from Rent the actual and reasonable cost to perform such cure, provided, however, that such offset shall not exceed an amount equal to the greater of one month's Base Rent or the Security Deposit, reserving Lessee's right to seek reimbursement from Lessor for any such expense in excess of such offset. Lessee shall document the cost of said cure and supply said documentation to Lessor.

14. **Condemnation**. If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (collectively "**Condemnation**"), this Lease shall terminate as to the part taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than 10% of the rentable floor area of the Premises, or more than 25% of Lessee's Reserved Parking Spaces, If any, are taken by Condemnation, Lessee may, at Lessee's option, to be exercised In writing within 10 days after Lessor shall have given Lessee written notice of such taking (or in the absence of such notice, within 10 days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. If Lessee does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the Base Rent shall be reduced in proportion to the reduction in utility of the Premises caused by such Condemnation. Condemnation awards and/or payments shall be the property of Lessor, whether such award shall be made as compensation for diminution in value of the leasehold, the value of the part taken, or for severance damages; provided, however, that Lessee shall be entitled to any compensation paid by the condemn or for Lessee's relocation expenses, loss of business goodwill and/or Trade Fixtures, without regard to whether or not this Lease Is terminated pursuant to the provisions of this Paragraph. All Alterations and Utility Installations made to the Premises by Lessee, for purposes of Condemnation only, shall be considered the property of the Lessee and Lessee shall be entitled to any and all compensation which is payable therefor. In the event that this Lease is not terminated by reason of the Condemnation, Lessor shall repair any damage to the Premises caused by such Condemnation.

15. **Brokerage Fees**.

15.1 **Additional Commission**.

15.2 **Assumption of Obligations**.

15.3 **Representations and indemnities of Broker Relationships**. Lessee and Lessor each represent and warrant to the other that it has had no dealings with any person, firm, broker or finder (other than the Brokers, if any) in connection with this Lease, and that no one other than said named Brokers is entitled to any commission or finder's foe in connection herewith. Lessee and Lessor do each hereby agree to indemnify, protect, defend and hold the other harmless from and against liability for compensation or charges which may be claimed by any such unnamed broker, finder or other similar party by reason of any dealings or actions of the indemnifying Party, including any costs, expenses, attorneys' fees reasonably incurred with respect thereto.

16. **Estoppel Certificates**.

(a) Each Party (as "**Responding Party**"**)** shall within 10 business days after written notice from the other Party (the "Requesting Party") execute, acknowledge and deliver to the Requesting Party a statement in writing in form similar to the then most current "Estoppel Certificate" form published by the AIR Commercial Real Estate Association, plus such additional information, confirmation and/or statements as may be reasonably requested by the Requesting Party.

(b) If the Responding Party shall fail to execute or deliver the Estoppel Certificate within such 10 day period, the Requesting Party may execute an Estoppel Certificate stating that: (i) the Lease is In full force and effect without modification except as may be represented by the Requesting Party, (ii) there are no uncured defaults in the Requesting Party's performance, and (iii) if Lessor is the Requesting Party, not more than one month's rent has been paid in advance. Prospective purchasers and encumbrancers may rely upon the Requesting Party's Estoppel Certificate, and the Responding Party shall be estopped from denying the truth of the facts contained in said Certificate.

(c) If Lessor desires to finance, refinance, or sell the Premises, or any part thereof, Lessee and all Guarantors shall within 10 days after written notice from Lessor deliver to any potential lender or purchaser designated by Lessor such financial statements as may be reasonably required by such lender or purchaser, including but not limited to Lessee's financial statements for the past 3 years. All such financial statements shall

be received by Lessor and such lender or purchaser in confidence and shall be used only for the purposes herein set forth.

17. **Definition of Lessor**. The term "**Lessor**" as used herein shall mean the owner or owners at the time in question of the fee title to the Premises, or, if this is a sublease, of the Lessee's interest in the prior lease. In the event of a transfer of Lessor's title or interest in the Premises or this Lease, Lessor shall deliver to the transferee or assignee (in cash or by credit) any unused Security Deposit held by Lessor. Upon such transfer or assignment and delivery of the Security Deposit, as aforesaid, the prior Lessor shall be relieved of all liability with respect to the obligations and/or covenants under this Lease thereafter to be performed by the Lessor. Subject to the foregoing, the obligations and/or covenants in this Lease to be performed by the Lessor shall be binding only upon the Lessor as hereinabove defined.

18. **Severability**. The invalidity of any provision of this Lease, as determined by a court of competent Jurisdiction, shall in no way affect the validity of any other provision hereof.

19. **Days**. Unless otherwise specifically indicated to the contrary, the word "**days**" as used in this Lease shall mean and refer to calendar days.

20. **Limitation on Liability**. The obligations of Lessor under this Lease shall not constitute personal obligations of Lessor or its partners, members, directors, officers or shareholders, and Lessee shall look to the Project, and to no other assets of Lessor, for the satisfaction of any liability of Lessor with respect to this Lease, and shall not seek recourse against Lessor's partners, members, directors, officers or shareholders, or any of their personal assets for such satisfaction.

21. **Time of Essence**. Time is of the essence with respect to the performance of all obligations to be performed or observed by the Parties under this Lease.

22. **No Prior or Other Agreements; Broker Disclaimer**. This Lease contains all agreements between the Parties with respect to any matter mentioned herein, and no other prior or contemporaneous agreement or understanding shall be effective. Lessor and Lessee each represents and warrants to the Brokers that it has made, and is relying solely upon, its own investigation as to the nature, quality, character and financial responsibility of the other Party to this Lease and as to the use, nature, quality and character of the Premises. Brokers have no responsibility with respect thereto or with respect to any default or breach hereof by either Party.

23. **Notices**.

23.1 **Notice Requirements**. All notices required or permitted by this Lease or applicable law shall be in writing and may be delivered in person (by hand or by courier) or may be sent by regular, certified or registered mail or U.S. Postal Service Express Mail, with postage prepaid, or by facsimile transmission, and shall be deemed sufficiently given if served in a manner specified in this Paragraph 23. The addresses noted adjacent to a Party's signature on this Lease shall be that Party's address for delivery or mailing of notices. Either Party may by written notice to the other specify a different address for notice, except that upon Lessee's taking possession of the Premises, the Premises shall constitute Lessee's address for notice. A copy of all notices to Lessor shall be concurrently transmitted to such party or parties at such addresses as Lessor may from time to time hereafter designate in writing.

23.2 **Date of Notice**. Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, the postmark thereon. If sent by regular mail the notice shall be deemed given 72 hours after the same is addressed as required herein and mailed with postage prepaid. Notices delivered by United States Express Mail or overnight courier that guarantees next day delivery shall be deemed given 24 hours after delivery of the same to the Postal Service or courier. Notices transmitted by facsimile transmission or similar means shall be deemed delivered upon telephone confirmation of receipt (confirmation report from fax machine is sufficient), provided a copy is also delivered via delivery or mail. If notice is received on a Saturday, Sunday or legal holiday, It shall be deemed received on the next business day.

24. **Waivers**.

(a) No waiver by either party of the Default or Breach of any term, covenant or condition hereof by the other party, shall be deemed a waiver of any other term, covenant or condition hereof, or of any subsequent Default or Breach of the same or of any other term, covenant or condition hereof. Lessor's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of lessor's consent to, or approval of, any subsequent or similar act by Lessee, or be construed as the basis of an estoppel to enforce the provision or provisions of this Lease requiring such consent.

(b) The acceptance of Rent by Lessor shall not be a waiver of any Default or Breach by Lessee. Any payment by Lessee may be accepted by Lessor on account of moneys or damages due Lessor, notwithstanding any qualifying statements or conditions made by Lessee in connection therewith, which such statements and/or conditions shall be of no force or effect whatsoever unless specifically agreed to in writing by Lessor at or before the time of deposit of such payment.

(c) THE PARTIES AGREE THAT THE TERMS OF THIS LEASE SHALL GOVERN WITH REGARD TO ALL MATTERS RELATED THERETO AND HEREBY WAIVE THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE TO THE EXTENT THAT SUCH STATUTE IS INCONSISTENT WITH THIS LEASE.

25. **Disclosures Regarding The Nature of a Real Estate Agency Relationship**.

(a) When entering into a discussion with a real estate agent regarding a real estate transaction, a Lessor or Lessee should from the outset understand what type of agency relationship or representation it has with the agent or agents in the transaction. Lessor and Lessee acknowledge being advised by the Brokers in this transaction, as follows:

(i) ***Lessor's Agent.*** A Lessor's agent under a listing agreement with the Lessor acts as the agent for the Lessor only. A Lessor's agent or subagent has the following affirmative obligations: ***To the Lessor:*** A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessor. ***To the Lessee and the Lessor:*** a. Diligent exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(ii) ***Lessee's Agent***. An agent can agree to act as agent for the Lessee only. In these situations, the agent is not the Lessor's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Lessor. An agent acting only for a Lessee has the following affirmative obligations. ***To the Lessee:*** A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessee. ***To the Lessee and the Lessor:*** a. Diligent exercise of reasonable skills and care in performance of the agent's duties, b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(iii) ***Agent Representing Both Lessor and Lessee.*** A real estate agent, either acting directly or through one or more associate licenses, can legally be the agent of both the Lessor and the Lessee in a transaction, but only with the knowledge and consent of both the Lessor and the Lessee. In a dual agency situation, the agent has the following affirmative obligations to both the Lessor and the Lessee: a. A fiduciary

duty of utmost care, integrity, honesty and loyalty in the dealings with either Lessor or the Lessee, b. Other duties to the Lessor and the Lessee as stated above in subparagraphs (i) or (ii). In representing both Lessor and Lessee, the agent may not without the express permission of the respective Party, disclose to the other Party that the Lessor will accept rent in an amount less than that indicated in the listing or that the Lessee is willing to pay a higher rent than that offered. The above duties of the agent in a real estate transaction do not relieve a Lessor or Lessee from the responsibility to protect their own interests. Lessor and Lessee should carefully read all agreements to assure that they adequately express their understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

(b)

(c) Lessor and Lessee agree to identify to Brokers as "Confidential" any communication or information given Brokers that is considered by such Party to be confidential.

26. **No Right To Holdover**. Lessee has no right to retain possession of the Premises or any part thereof beyond the expiration or termination of this Lease. In the event that Lessee holds over, then the Base Rent shall be increased to 150% of the Base Rent applicable immediately preceding the expiration or termination. Nothing contained herein shall be construed as consent by Lessor to any holding over by Lessee.

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

28. **Covenants and Conditions; Construction of Agreement**. All provisions of this Lease to be observed or performed by Lessee are both covenants and conditions. In construing this Lease, all headings and titles are for the convenience of the Parties only and shall not be considered a part of this Lease. Whenever required by the context, the singular shall include the plural and vice versa. This Lease shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

29. **Binding Effect; Choice of Law**. This Lease shall be binding upon the Parties, their personal representatives, successors and assigns and be governed by the laws of the State in which the Premises are located. Any litigation between the Parties hereto concerning this Lease shall be initiated in the county in which the Premises are located.

30. **Subordination; Attornment; NonDisturbance**.

30.1 **Subordination**. This Lease and any Option granted hereby shall be subject and subordinate to any ground lease, mortgage, deed of trust, or other hypothecation or security device (collectively, "**Security Device**"), now or hereafter placed upon the Premises, to any and all advances made on the security thereof, and to all renewals, modifications, and extensions thereof. Lessee agrees that the holders of any such Security Devices (in this Lease together referred to as "**Lender**") shall have no liability or obligation to perform any of the obligations of Lessor under this Lease. Any Lender may elect to have this Lease and/or any Option granted hereby superior to the lien of its Security Device by giving written notice thereof to Lessee, whereupon this Lease and such Options shall be deemed prior to such Security Device, notwithstanding the relative dates of the documentation or recordation thereof.

30.2 **Attornment**. In the event that Lessor transfers title to the Premises, or the Premises are acquired by another upon the foreclosure or termination of a Security Device to which this Lease is subordinated (i) Lessee shall, subject to the non-disturbance provisions of Paragraph 30.3, attorn to such new owner, and upon request, enter into a new lease, containing all of the terms and provisions of this Lease, with such new owner for the remainder of the term hereof, or, at the election of the new owner, this Lease will automatically become a new lease between Lessee and such new owner, and (ii) Lessor shall thereafter be relieved of any further obligations hereunder and such new owner shall assume all of Lessor's obligations, except that such new owner shall not: (a) be liable for any act or omission of any prior lessor or with respect to events occurring prior to acquisition of ownership; (b) be subject to any offsets or defenses which Lessee might have against any prior lessor, (c) be bound by prepayment of more than one month's rent, or (d) be liable for the return of any security deposit paid to any prior lessor.

30.3 **NonDisturbance**. With respect to Security Devices entered into by Lessor after the execution of this Lease, Lessee's subordination of this Lease shall be subject to receiving a commercially reasonable non-disturbance agreement (a "**NonDisturbance Agreement**") from the Lender which Non-Disturbance Agreement provides that Lessee's possession of the Premises, and this Lease, including any options to extend the term hereof, will not be disturbed so long as Lessee is not in Breach hereof and attorns to the record owner of the Premises.

30.4 **Self-Executing**. The agreements contained in this Paragraph 30 shall be effective without the execution of any further documents; provided, however, that, upon written request from Lessor or a Lender in connection with a sale, financing or refinancing of the Premises, Lessee and Lessor shall execute such further writings as may be reasonably required to separately document any subordination, attornment and/or Non-Disturbance Agreement provided for herein.

31. **Attorneys' Fees**. If any Party brings an action or proceeding involving the Premises founded in contract the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term, "**Prevailing Party**" shall include, without limitation, a Party who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred. In addition, Lessor shall be entitled to attorneys' fees, costs and expenses incurred in the preparation and service of notices of Default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such Default or resulting Breach ($200 is a reasonable minimum per occurrence for such services and consultation).

32. **Lessor's Access; Showing Premises; Repairs**. Lessor and Lessor's agents shall have the right to enter the Premises at any time, in the case of an emergency, and otherwise at reasonable times after reasonable prior notice for the purpose of showing the same to prospective purchasers, lenders, or tenants, and making such alterations, repairs, improvements or additions to the Premises as Lessor may deem necessary or desirable and the erecting, using and maintaining of utilities, services, pipes and conduits through the Premises and/or other premises as long as there is no material adverse effect to Lessee's use of the Premises. All such activities shall be without abatement of rent or liability to Lessee. In addition, Lessor shall have the right to retain keys to the Premises and to unlock all doors in or upon the Premises other than to files, vaults and safes, and in the case of emergency to enter the Premises by any reasonably appropriate means, and any such entry shall not be deemed a forcible or unlawful entry or detainer of the Premises or an eviction. Lessee waives any charges for damages or injuries or interference with Lessee's property or business in connection therewith.

33. **Auctions**. Lessee shall not conduct, nor permit to be conducted, any auction upon the Premises without Lessor's prior written consent. Lessor shall not be obligated to exercise any standard of reasonableness in determining whether to permit an auction.

34. **Signs**. Lessor may place on the Premises ordinary "For Sale" signs at any time and ordinary "For Lease" signs during the last 6 months of the term hereof. Lessor may not place any sign on the exterior of the Building that covers any of the windows of the Premises. Except for ordinary "For Sublease" signs which may be placed only on the Premises, Lessee shall not place any sign upon the Project without Lessor's prior written consent. All signs must comply with all Applicable Requirements.

35. **Termination; Merger**. Unless specifically stated otherwise in writing by Lessor, the voluntary or other surrender of this Lease by Lessee, the mutual termination or cancellation hereof, or a termination hereof by Lessor for Breach by Lessee, shall automatically terminate any sublease or lesser estate in the Premises; provided, however, that Lessor may elect to continue any one or all existing subtenancies. Lessor's failure within 10 days following any such event to elect to the contrary by written notice to the holder of any such lesser interest, shall constitute Lessor's election to have such event constitute the termination of such interest.

36. **Consents**. Except as otherwise provided herein, wherever in this Lease the consent of a Party is required to an act by or for the other Party, such consent shall not be unreasonably withheld or delayed. Lessor's actual reasonable costs and expenses (including but not limited to architects', attorneys', engineers' and other consultants' fees) incurred in the consideration of, or response to, a request by Lessee for any Lessor consent, including but not limited to consents to an assignment, a subletting or the presence or use of a Hazardous Substance, shall be paid by Lessee upon receipt of an invoice and supporting documentation therefor. Lessor's consent to any act, assignment or subletting shall not constitute an acknowledgment that no Default or Breach by Lessee of this Lease exists, nor shall such consent be deemed a waiver of any then existing Default or Breach, except as may be otherwise specifically stated in writing by Lessor at the time of such consent. The failure to specify herein any particular condition to Lessor's consent shall not preclude the imposition by Lessor at the time of consent of such further or other conditions as are then reasonable with reference to the particular matter for which consent is being given. In the event that either Party disagrees with any determination made by the other hereunder and reasonably requests the reasons for such determination, the determining party shall furnish its reasons in writing and in reasonable detail within 10 business days following such request.

37. **Guarantor**.

37.1 **Execution**. The Guarantors, if any, shall each execute a guaranty in the form most recently published by the AIR Commercial Real Estate Association.

37.2 **Default**. It shall constitute a Default of the Lessee if any Guarantor fails or refuses, upon request to provide: (a) evidence of the execution of the guaranty, including the authority of the party signing on Guarantor's behalf to obligate Guarantor, and in the case of a corporate Guarantor, a certified copy of a resolution of its board of directors authorizing the making of such guaranty, (b) current financial statements, (c) an Estoppel Certificate, or (d) written confirmation that the guaranty is still in effect.

38. **Quiet Possession**. Subject to payment by Lessee of the Rent and performance of all of the covenants, conditions and provisions on Lessee's part to be observed and performed under this Lease, Lessee shall have quiet possession and quiet enjoyment of the Premises during the term hereof.

39. **Options**. If Lessee is granted an Option, as defined below, then the following provisions shall apply.

39.1 **Definition**. "**Option**" shall mean; (a) the right to extend or reduce the term of or renew this Lease or to extend or reduce the term of or renew any lease that Lessee has on other property of Lessor; (b) the right of first refusal or first offer to lease either the Premises or other property of Lessor; (c) the right to purchase, the right of first offer to purchase or the right of first refusal to purchase the Premises or other property of Lessor.

39.2 **Options Personal To Original Lessee**. Any Option granted to Lessee in this Lease is personal to the original Lessee, and cannot be assigned or exercised by anyone other than said original Lessee and only while the original Lessee is in full possession of the Premises and, if requested by Lessor, with Lessee certifying that Lessee has no intention of thereafter assigning or subletting.

39.3 **Multiple Options**. In the event that Lessee has any multiple Options to extend or renew this Lease, a later Option cannot be exercised unless the prior Options have been validly exercised.

39.4 **Effect of Default on Options**.

(a) Lessee shall have no right to exercise an Option: (i) during the period commencing with the giving of any notice of Default and continuing until said Default is cured, (ii) during the period of time any Rent is unpaid (without regard to whether notice thereof is given Lessee), (iii) during the time Lessee is in Breach of this Lease, or (iv) in the event that Lessee has been given 3 or more notices of separate Default, whether or not the Defaults are cured, during the 12 month period immediately preceding the exercise of the Option.

(b) The period of time within which an Option may be exercised shall not be extended or enlarged by reason of Lessee's inability to exercise an Option because of the provisions of Paragraph 39.4(a).

(c) An Option shall terminate and be of no further force or effect, notwithstanding Lessee's due and timely exercise of the Option, if, after such exercise and prior to the commencement of the extended term or completion of the purchase, (i) Lessee fails to pay Rent for a period of 30 days after such Rent becomes due (without any necessity of Lessor to give notice thereof), or (ii) if Lessee commits a Breach of this Lease.

40. **Security Measures**. Lessee hereby acknowledges that the Rent payable to Lessor hereunder does not include the cost of guard service or other security measures, and that Lessor shall have no obligation whatsoever to provide same. Lessee assumes all responsibility for the protection of the Premises, Lessee, its agents and invitees and their property from the acts of third parties. In the event however, that Lessor should elect to provide security services, then the cost thereof shall be an Operating Expense.

41. **Reservations**.

(a) Lessor reserves the right: (i) to grant, without the consent or joinder of Lessee, such easements, rights and dedications that Lessor deems necessary, (ii) to cause the recordation of parcel maps and restrictions, (iii) to create and/or install new utility raceways, so long as such easements, rights, dedications, maps, restrictions, and utility raceways do not unreasonably interfere with the use of the Premises by Lessee. Lessor may also: change the name, address or title of the Building or Project upon at least 90 days prior written notice; provide and install, at Lessee's expense, Building standard graphics on the door of the Premises and such portions of the Common Areas as Lessor shall reasonably deem appropriate; grant to any lessee the exclusive right to conduct any business as long as such exclusive right does not conflict with any rights expressly given herein; and to place such signs, notices or displays as Lessor reasonably deems necessary or advisable upon the roof, exterior of the Building or the Project or on pole signs in the Common Areas. Lessee agrees to sign any documents reasonably requested by Lessor to effectuate such rights. The obstruction of Lessee's view, air, or light by any structure erected in the vicinity of the Building, whether by Lessor or third parties, shall in no way affect this Lease or impose any liability upon Lessor.

(b)

(c) Lessee shall not: (i) use a representation (photographic or otherwise) of the Building or Project or their name(s) in connection with Lessee's business; or (ii) suffer or permit anyone, except in emergency, to go upon the roof of the Building.

42. **Performance Under Protest**. If at any time a dispute shall arise as to any amount or sum of money to be paid by one Party to the other under the provisions hereof, the Party against whom the obligation to pay the money is asserted shall have the right to make payment "under protest" and such payment shall not be regarded as a voluntary payment and there shall survive the right on the part of said Party to institute suit for recovery of such sum. If it shall be adjudged that there was no legal obligation on the part of said Party to pay such sum or any part thereof, said Party shall be entitled to recover such sum or so much thereof as it was not legally required to pay. A Party who does not initiate suit for the recovery of sums paid "under protest" with 6 months shall be deemed to have waived its right to protest such payment.

43. **Authority; Multiple Parties; Execution**.

(a) If either Party hereto is a corporation, trust, limited liability company, partnership, or similar entity, each individual executing this Lease on behalf of such entity represents and warrants that he or she is duly authorized to execute and deliver this Lease on its behalf. Each Party shall, within 30 days after request, deliver to the other Party satisfactory evidence of such authority.

(b) If this Lease is executed by more than one person or entity as "Lessee", each such person or entity shall be jointly and severally liable hereunder. It is agreed that any one of the named Lessees shall be empowered to execute any amendment to this Lease, or other document ancillary thereto and bind all of the named Lessees, and Lessor may rely on the same as if all of the named Lessees had executed such document.

(c) This Lease may be executed by the Parties in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

44. **Conflict**. Any conflict between the printed provisions of this Lease and the typewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions.

45. **Offer**. Preparation of this Lease by either party or their agent and submission of same to the other Party shall not be deemed an offer to lease to the other Party. This Lease is not intended to be binding until executed and delivered by all Parties hereto.

46. **Amendments**. This Lease may be modified only in writing, signed by the Parties in interest at the time of the modification. As long as they do not materially change Lessee's obligations hereunder, Lessee agrees to make such reasonable non-monetary modifications to this Lease as may be reasonably required by a Lender in connection with the obtaining of normal financing or refinancing of the Premises.

47. **Waiver of Jury Trial. THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING INVOLVING THE PROPERTY OR ARISING OUT OF THIS AGREEMENT.**

48. **Arbitration of Disputes**. An Addendum requiring the Arbitration of all disputes between the Parties and/or Brokers arising out of this Lease ☑ is ☐ is not attached to this Lease.

49. **Americans with Disabilities Act**. Since compliance with the Americans with Disabilities Act (ADA) is dependent upon Lessee's specific use of the Premises, Lessor makes no warranty or representation as to whether or not the Premises comply with ADA or any similar legislation. In the event that Lessee's use of the Premises requires modifications or additions to the Premises in order to be in ADA compliance, Lessee agrees to make any such necessary modifications and/or additions at Lessee's expense.

LESSOR AND LESSEE HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN, AND BY THE EXECUTION OF THIS LEASE SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE COMMERCIALLY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LESSOR AND LESSEE WITH RESPECT TO THE PREMISES.

ATTENTION: NO REPRESENTATION OR RECOMMENDATION IS MADE BY THE AIR COMMERCIAL REAL ESTATE ASSOCIATION OR BY ANY BROKER AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS LEASE OR THE TRANSACTION TO WHICH IT RELATES. THE PARTIES ARE URGED TO:

1. SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS LEASE.

2. RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PREMISES. SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING AND SIZE OF THE PREMISES, THE STRUCTURAL INTEGRITY, THE CONDITION OF THE ROOF AND OPERATING SYSTEMS, COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT AND THE SUITABILITY OF THE PREMISES FOR LESSEE'S INTENDED USE.

WARNING: IF THE PREMISES ARE LOCATED IN A STATE OTHER THAN CALIFORNIA, CERTAIN PROVISIONS OF THE LEASE MAY NEED TO BE REVISED TO COMPLY WITH THE LAWS OF THE STATE IN WHICH THE PREMISES ARE LOCATED.

The parties hereto have executed this Lease at the place and on the dates specified above their respective signatures.

Executed at: LA JOLLA, CA
On: 1/27/13

By LESSOR:

AG/Touchstone TP, LLC,
a Delaware limited liability company

By: Touchstone Investments, Inc.,
a California corporation

Title: Its Manager

By: /s/ Gregory Erickson
Name Printed: Gregory Erickson
Title: President
Address: *

Telephone:(__)
Facsimile:(__)
Email:
Email:
Federal ID No.

Executed at:
On:

By LESSEE:

DermTech International,
a California corporation

By: /s/ John Dobak
Name Printed: John Dobak
Title: CEO

By:
Name Printed:

Title:
Address: *

Telephone:(__)
Facsimile:(__)
Email:
Email:
Federal ID No.

LESSOR'S BROKER:

Attn:
Title:
Address:

Telephone: (__)
Facsimile: (__)
Email:
Federal ID No.
Broker/Agent DRE License #:

LESSEE'S BROKER:

Attn:
Title:
Address:

Telephone:(__)
Facsimile:(__)
Email:
Federal ID No.
Broker/Agent DRE License #:

NOTICE: These forms are often modified to meet changing requirements of law and Industry needs. Always write or call to make sure you are utilizing the most current form: AIR Commercial Real Estate Association, 800 W 6th Street, Suite 800, Los Angeles, CA 90017. Telephone No. (213) 687-8777. Fax No.: (213) 687-8616.

RULES AND REGULATIONS FOR
STANDARD OFFICE LEASE

Dated: January 25, 2013

By and Between AG/Touchstone TP, LLC, and DermTech International

GENERAL RULES

1. Lessee shall not suffer or permit the obstruction of any Common Areas, including driveways, walkways and stairways.
2. Lessor reserves the right to refuse access to any persons Lessor in good faith Judges to be a threat to the safety and reputation of the Project and its occupants.
3. Lessee shall not make or permit any noise or odors that annoy or interfere with other lessees or persons having business within the Project.
4. Lessee shall not keep animals or birds within the Project, and shall not bring bicycles, motorcycles or other vehicles into areas not designated as authorized for same.
5. Lessee shall not make, suffer or permit litter except in appropriate receptacles for that purpose.
6. Lessee shall not alter any lock or install new or additional locks or bolts.
7. Lessee shall be responsible for the inappropriate use of any toilet rooms, plumbing or other utilities. No foreign substances of any kind are to be inserted therein.
8. Lessee shall not deface the walls, partitions or other surfaces of the Premises or Project.
9. Lessee shall not suffer or permit anything in or around the Premises or Building that causes excessive vibration or floor loading in any part of the Project.
10. Furniture, significant freight and equipment shall be moved into or out of the building only with the Lessor's knowledge and consent, and subject to such reasonable limitations, techniques and timing, as may be designated by Lessor. Lessee shall be responsible for any damage to the Office Building Project arising from any such activity.
11. Lessee shall not employ any service or contractor for services or work to be performed in the Building, except as approved by Lessor.
12. Lessor reserves the right to close and lock the Building on days and times other than Building Hours. If Lessee uses the Premises during such periods, Lessee shall be responsible for securely locking any doors it may have opened for entry.
13. Lessee shall return all keys at the termination of its tenancy and shall be responsible for the cost of replacing any keys that are lost.
14. No window coverings, shades or awnings shall be installed or used by Lessee.
15. No Lessee, employee or invitee shall go upon the roof of the Building.
16. Lessee shall not suffer or permit smoking or carrying of lighted cigars or cigarettes in areas reasonably designated by Lessor or by applicable governmental agencies as non-smoking areas.
17. Lessee shall not use any method of heating or air conditioning other than as provided by Lessor.
18. Lessee shall not install, maintain or operate any vending machines upon the Premises without Lessor's written consent.
19. The Premises shall not be used for lodging or manufacturing, cooking or food preparation, other than microwave and coffee maker.
20. Lessee shall comply with all safety, fire protection and evacuation regulations established by Lessor or any applicable governmental agency.
21. Lessor reserves the right to waive any one of these roles or regulations, and/or as to any particular Lessee, and any such waiver shall not constitute a waiver of any other rule or regulation or any subsequent application thereof to such Lessee.
22. Lessee assumes all risks from theft or vandalism and agrees to keep its Premises locked as may be required.
23. Lessor reserves the right to make such other reasonable rules and regulations as it may from time to time deem necessary for the appropriate operation and safety of the Project and its occupants. Lessee agrees to abide by these and such rules and regulations.

PARKING RULES

1. Parking areas shall be used only for parking by vehicles no longer than full size, passenger automobiles herein called "Permitted Size Vehicles." Vehicles other than Permitted Size Vehicles are herein referred to as "Oversized Vehicles."
2. Lessee shall not permit or allow any vehicles that belong to or are controlled by Lessee or Lessee's employees, suppliers, shippers, customers, or invitees to be loaded, unloaded, or parked in areas other than those designated by Lessor for such activities.
3. Parking stickers or identification devices shall be the property of Lessor and be returned to Lessor by the holder thereof upon termination of the holder's parking privileges. Lessee will pay such replacement charge as is reasonably established by Lessor for the loss of such devices.
4. Lessor reserves the right to refuse the sale of monthly identification devices to any person or entity that willfully refuses to comply with the applicable rules, regulations, laws and/or agreements.

5. Lessor reserves the right to relocate all or a part of parking spaces from floor to floor, within one floor, and/or to reasonably adjacent offsite location(s), and to reasonably allocate them between compact and standard size spaces, as long as the same compiles with applicable laws, ordinances and regulations.

6. Users of the parking area will obey all posted signs and park only in the areas designated for vehicle parking.

7. Unless otherwise instructed, every person using the parking area is required to park and lock his own vehicle. Lessor will not be responsible for any damage to vehicles, injury to persons or loss of property, all of which risks are assumed by the party using the parking area.

8. Validation, if established, will be permissible only by such method or methods as Lessor and/or its licensee may establish at rates generally applicable to visitor parking.

9. The maintenance, washing, waxing or cleaning of vehicles in the parking structure or Common Areas is prohibited.

10. Lessee shall be responsible for seeing that all of its employees, agents and invitees comply with the applicable parking rules, regulations, laws and agreements.

11. Lessor reserves the right to modify these rules and/or adopt such other reasonable and non-discriminatory rules and regulations as it may deem necessary for the proper operation of the parking area.

12. Such parking use as is herein provided is intended merely as a license only and no bailment is intended or shall be created hereby.

Addendum to Lease

This Addendum, dated January 25, 2013, constitutes an addendum to that certain Standard Multi-Tenant Office Lease—Net **("the Lease")** dated January 25, 2013, by and between (1) AG/Touchstone TP, LLC, a Delaware limited liability company **("Lessor")**, and (2) DermTech International, a California corporation ("**Lessee**"). Defined (capitalized) terms used in this Addendum shall have the same meanings as in the Lease. Lessor and Lessee hereby supplement and amend the Lease as follows, and in the event of a conflict between the terms of the Lease and the terms of this Addendum, the terms of this Addendum shall prevail.

1.2 Premises. As used herein, **"the Building"** means the building commonly known as 11099 North Torrey Pines Road, San Diego, California 92037. The **"Premises"** consists of approximately **8,497** rentable square feet on the first floor of the Building and is commonly known as **Suite 100**. The location of the Premises is generally depicted on Exhibit 1 attached hereto. In connection with this Lease, Lessee shall have the right to use, at no additional cost, **24 unreserved parking spaces** in the Common Area. The Building, the land owned by Lessor on which the Building is situated, and all other improvements on such land are herein referred to as **"the Project."** The Project is part of a multi-parcel subdivision **("the Office Center")** on which other office buildings are situated. The other buildings in the Office Center are not owned by Lessor. The Office Center is subject to that certain Reciprocal Easement Agreement recorded June 30, 1988, as Document No. 88-223085, as amended by the First Amendment to Reciprocal Easement Agreement recorded December 30, 1988. Such agreements are herein collectively referred to as **"the REA."**

1.3 Term. The Original Term of this Lease shall commence on the Commencement Date (defined below) and expire on the date **("the Expiration Date")** that is (l) eight months after the Commencement Date if the Commencement Date is the first day of a calendar month or (2) eight months after the first day of the calendar month after the Commencement Date if the Commencement Date is other than the first day of a calendar month. As used herein, **"Commencement Date"** shall mean the date on which Lessor achieves Substantial Completion (defined below) of Lessor's Work (defined below). As used herein, **"the Target Commencement Date"** shall mean the date that is 35 days after the date of this Lease.

1.8 Agreed Use. Lessee's Agreed Use is research and development and related laboratory, office, and administrative uses, as permitted by applicable zoning and, subject to Lessor's consent, any other use permitted under Applicable Requirements.

1.12 Business Hours for the Building. Lessee shall have access to the Premises 24 hours per day, seven days per week; however, Lessor may, by use of electronic access cards or similar devices, restrict access to the Building at all times other than Business Hours. As used herein, the term **"Business Hours"** shall mean 8:00 a.m. to 6:00 p.m. Monday through Friday (excluding Building Holidays) and 9:00 a.m. to 1:00 p.m. on Saturdays (excluding Building Holidays). As used herein, the term **"Building Holidays"** shall mean the dates of the observation of New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, and any other holidays now or in the future customarily recognized as holidays for private sector businesses. At the time Lessee takes possession of the Premises, Lessor

shall furnish to Lessee, at Lessor's cost, a sufficient number of electronic access cards for Lessee's employees. Access cards for subsequently hired employees or replacement access cards for Lessee's current employees shall be issued by Lessor subject to Lessor's then current reasonable fee.

2.10 Common Areas. Lessee acknowledges and agrees that (1) the portion of the Project depicted on Exhibit 3 attached hereto is referred to as "**the Excluded Area**," (2) although the Excluded Area is part of the legal lot and tax parcel that comprise the Project, the Excluded Area is not part of the Common Area, and (3) Lessor may subdivide, use, and/or develop the Excluded Area, as Lessor may, in Lessor's sole discretion, determine. Lessor shall not exercise Lessor's reserved rights to make changes to the Common Area in a manner that materially and adversely affects Lessee's use of the Premises, excluding dust, noise, and similar interference during periods of construction, provided that the construction is diligently pursued in a reasonable manner. Lessor reserves the right to allocate parking spaces as reserved for use by other tenants of the Project.

4.2.1 Included Operating Expenses—REA. In addition to the items listed in Paragraph 4.2(a) of the Lease, Operating Expenses shall include expenses assessed to Lessor under the REA.

4.2.2 Excluded Operating Expenses. Operating Expenses do not include the following:

4.2.2.1 Any fines, penalty charges, or interest incurred by Lessor due to violation of any Applicable Requirements or late payment.

4.2.2.2 Costs related to casualty or as a result of condemnation, construction defect or code violation.

4.2.2.3 Expenses incurred in connection with the services provided to others but not to Lessee.

4.2.2.4 Expenses incurred in connection with leasing, drafting, or enforcing leases in the Project, such as, but not limited to, (1) real estate broker's commission, (2) accounting, legal, architectural, space planning, or engineering fees, or (3) advertising or promotions costs.

4.2.2.5 Repairs and maintenance necessary because of negligence or willful misconduct of other tenants, their officers, agents, employees, invitees, licensees, and those parties working through or under those tenants.

4.2.2.6 Costs for alterations of other tenants' premises prior to and during duration of leases.

4.2.2.7 Interest and principal payment on mortgages, ground leases and other debt costs.

4.2.2.8 Management fees; however, Lessee shall be obligated to pay the separate management fee described below.

4.2.3 Audit Rights. Lessor shall keep complete and accurate records in accordance with good bookkeeping and accounting practices regarding all Operating Expenses. Lessee shall have the right to audit such records for each calendar year during the Term by notifying Lessor within 12 months following the later of the end of each such calendar year or 120 days after Lessor has furnished Lessee a statement of such actual Operating Expenses. If an audit reveals that Lessor has overcharged Lessee for Operating Expenses, Lessor shall refund the amount overcharged within 10 days after such determination has been made. If Lessor has overcharged Lessee by more than 5 percent of Lessee's Share of Operating Expenses for a calendar year, Lessor shall refund the overcharged amount and, in addition, shall pay the costs of Lessee's audit related to such calendar year.

4.2.4 Management Fee. In lieu of including management costs (i.e., fees paid to third-party managers or Lessor's direct costs for self-managing the Project) in Operating Expenses and paying Lessee's Share thereof, commencing on the Commencement Date and continuing through the Term, Lessee shall pay to Lessor monthly on the first day of each calendar month as Additional Rent a separate management fee equal to 3.5 percent of the then current monthly Base Rent and Tenant's Share of Operating Expenses.

4.2.5 Allocation of Real Property Taxes. In addition to the above exclusions, Operating Expenses shall not include Real Property Taxes attributable to the Excluded Area. If the Excluded Area is not assessed as a separate tax parcel, then the Real Property Taxes attributable to the Excluded Area shall be deemed to mean the sum of (1)10 percent of the assessed land value of the Project and (2) 100 percent of the assessed value of improvements subsequently constructed by Lessor on the Excluded Area.

4.2.6 Deductible Responsibility. With respect to all policies of insurance maintained by Lessor pursuant to this Lease, the policies shall have claim deductible amounts that are commercially reasonable and generally consistent with prudent commercial practices of lessors in San Diego County as such practices may change from time to time during the term of this Lease. Lessee's obligation with respect to payment of any deductible amount under Lessor's liability, fire and/or casualty policies of insurance shall be as follows:

4.2.6.1 If the damage or destruction is caused by a negligent or intentional act or omission by Lessee or Lessee's agents, employees, or contractors or otherwise arises out of the operation of Lessee's business and/or occupancy of the Premises, Lessee shall pay the full deductible amount.

4.2.6.2 If the damage or destruction is caused by a negligent or intentional act or omission by another lessee of the Building or such other lessee's agents, employees or contractors or otherwise arises out of the operation of such other lessee's business and/or such other lessee's occupancy of another portion of the Building, such other lessee shall pay the full deductible amount, Lessee shall have no responsibility or liability therefor, and such amount shall not be included as an element of Operating Expenses.

4.2.6.3 If the damage or destruction arises from any cause other than a cause described in Sections 4.2.6.1 or 4.2.6.2, the deductible amount shall be an item of Operating Expenses, and Lessee shall pay Lessee's pro rata share in accordance with the terms of this Lease.

6.2 Hazardous Materials. In addition to the provisions of Paragraph 2.2 of the Lease, Lessor represents and warrants that Lessor has no actual knowledge of the presence on the Premises of any Hazardous Materials stored or maintained in violation of Applicable Requirements. Lessor shall indemnify, defend, protect, and hold harmless Lessee, Lessee's agents, contractors, stockholders, directors, successors, representatives, and assigns from and against, all losses, costs, claims, liabilities, and damages in connection with any Hazardous Material (1) present prior to the Commencement Date in, on, or about the Project or the soil, improvements, groundwater, or surface water thereof or (2) released after the Commencement Date on, in, or about the Project by Lessor or Lessor's employees, agents, or contractors.

6.2.1 Definition of Hazardous Materials. As used herein, the term **"Hazardous Materials"** means any hazardous or toxic substance, material or waste that is or becomes regulated by any local governmental authority, California, or the United States government. The term **"Hazardous Materials"** includes, without limitation, any material or substance that is (i) defined as a "hazardous waste," "extremely hazardous waste," or "restricted hazardous waste" under Section 25515 or 25117 or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law), (ii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 2, Chapter 6.8 (Carpenter-Presly-Tanner Hazardous Materials Account Act), (iii) defined as a "Hazardous Materials," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials), (iv) petroleum, (v) asbestos, (vi) listed under Article 9 and defined as hazardous or extremely hazardous pursuant to Article 11 of Title 22 of the California Administrative Code, Division 4, Chapter 20, (vii) designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. section 1317), (viii) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource Conversation and Recovery Act, 42 U.S.C. section 6901, et seq. (42 U.S.C section 6903), (ix) defined as "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. section 9601, et seq. (42 U.S.C. section 9601), or (x) any other material, substance, product or compound for which Lessee must obtain a license or permit from California Department of Health Services or similar federal, state, or local agency lawfully to use or store such material, substance, product or compound anywhere in the Project. Any references in the Lease to Hazardous Substances shall be deemed to mean Hazardous Materials, as defined above.

6.2.2 Prohibition/Compliance. Lessee shall not cause or permit Lessee's agents, employees, or contractors to bring, keep, or use in or about the Project any Hazardous Materials in violation of Applicable Requirements. If Lessee breaches the obligation stated in the preceding sentence, then Lessee shall indemnify, defend and hold harmless Lessor, its agents and contractors from any and all claims, judgments, damages, penalties, fines, costs, liabilities,

or losses (including, without limitation, diminution in value of the Premises, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises, damages arising from any adverse impact on marketing of space in the Premises and sums paid in settlement of claims, attorney's fees, consultant's fees and expert's fees) to the extent arising as a result of such breach; however, the foregoing indemnification obligation shall not cover losses and damages to the extent caused by Lessor's negligence, willful misconduct or breach of this Lease. Lessee's indemnification obligation includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal, or restoration work required by any federal, state or local governmental agency or political subdivision because of Hazardous Materials present in the air, soil or ground water above on or under the Project. Without limiting the foregoing, if the presence of any Hazardous Materials on the Premises, the Project, or any adjacent property, caused by Lessee's employees, agents, or contractors results in any unlawful contamination of the Premises, the Project, or adjacent property, Lessee shall promptly take all actions at its sole expense as are necessary to ensure that, with respect to such unlawful contamination, the Premises, the Project, and any adjacent property meets all Applicable Requirements in effect now or in the future, including Applicable Requirements by any governmental agency or imposed by any governmental order or court having jurisdiction over the Premises, the Project, or any adjacent property, provided that Lessor's approval of such action shall first be obtained, which approval shall not unreasonably be withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Premises.

6.2.3 Business. Lessor acknowledges that this Paragraph 6.2 does not prohibit Lessee from operating its business in the Premises as described in Paragraph 1.8 above. Lessee may operate its business according to the custom of the industry so long as the use or presence of Hazardous Materials is strictly and properly monitored according to all Applicable Requirements and pursuant to and in compliance with all required licenses, approvals, and permits. As a material inducement to Lessor to allow Lessee to use Hazardous Materials in connection with its business, Lessee agrees to deliver to Lessor prior to the Commencement Date a list identifying each type of Hazardous Materials to be present on the Premises and setting forth any and all governmental approvals, licenses, or permits required in connection with the presence of such Hazardous Materials on the Premises **("Hazardous Materials List").** Lessee shall deliver to Lessor upon Lessor's written request an updated Hazardous Materials List. Lessee shall deliver to Lessor true and correct copies of the following documents (hereinafter referred to as the **"Documents")** relating to the handling, storage, disposal and emission of Hazardous Materials prior to the Commencement Date or, if unavailable at that time, concurrent with the receipt from or submission to a governmental agency: licenses, permits, approvals, reports and correspondence, storage and management plans, notice of violations of any laws, plans relating to the installation of any storage tanks to be installed in or under the Project (provided that said installation of tanks shall be permitted only after Lessor has given Lessee its written consent to do so, which consent may be withheld in Lessor's sole and absolute discretion), and all closure plans or any other documents required by any and all federal, state and local governmental agencies and authorities for any storage tanks installed in, on, or under the Project for the closure of any such tanks. Lessee is not required, however, to provide Lessor with any portion(s) of the Documents containing information of a proprietary nature that do not contain a reference to any Hazardous Materials or hazardous activities.

6.2.4 Inspection/Compliance. Lessor and Lessor's Lender and consultants shall have the right to enter into the Premises at any time in the case of an emergency, the determination of which shall require Lessor to be reasonable, and otherwise at reasonable times with reasonable notice (of at least 48 hours) for the purpose of inspecting the condition of the Premises and for verifying compliance by Lessee with this Lease, provided that Lessor and its agents or employees comply with Lessee's risk management policies (which may include having such person escorted at all times by an employee of Lessee and having such person execute Lessee's non-disclosure/confidentiality agreement). In addition, except in the case of emergencies, Lessor agrees to reasonably reschedule any entry upon the Premises made in accordance with this Lease if Lessee notifies Lessor in writing that the proposed entry will materially and adversely affect Lessee's business operations. Lessor shall use reasonable efforts to provide Lessee with notice in the event of an emergency. In the event of any entry by Lessor onto the Premises, Lessor shall be subject to Lessee's reasonable security requirements and shall use its best efforts not to interfere with the conduct of Lessee's business. Lessor shall pay the cost of any such inspections, unless a material violation by Lessee is found to exist or be imminent, or the inspection is requested or ordered of Lessee by a governmental authority and Lessee has failed to adequately respond. In such case, Lessee shall, upon request, reimburse Lessor for the reasonable cost of such inspections, provided that such inspection is directly related to the violation or contamination.

6.2.5 Clearances Required upon Surrender. At the time Lessee surrenders possession of the Premises following expiration of the term or termination of this Lease, Lessee shall deliver to Lessor written evidence that (1) Lessee has obtained from all appropriate governmental agencies approval of decontamination of the Premises and decommissioning of any licenses, permits, or approvals received by Lessee pertaining to Hazardous Materials used or stored by Lessee at the Project (collectively, **"Surrender Approvals")** and (2) Lessee has removed from the Project all Hazardous Materials brought onto the Project by or for Lessee or Lessee's employees, agents, or contractors. Lessee shall be deemed to be a holdover tenant if (1) Lessee has not obtained all Surrender Approvals at the time Lessee surrenders possession and (2) Lessor may not lawfully allow occupancy of the Premises without such Surrender Approvals (e.g., if (1) Lessee used radioactive materials in the Premises pursuant to a license or permit issued by an agency of California and (2) at the time Lessee surrendered possession, the agency had not approved the Premises to be occupied by another tenant until the license or permit was fully decommissioned, then Lessee would be deemed to be a holdover tenant until the agency decommissioned the license and allowed the Premises to be re-occupied).

8.7 Lessor's Indemnity. Except for Lessee's negligence or willful misconduct or breach of the Lease and subject to the waiver of subrogation contained in Paragraph 8.6 of the Lease, Lessor shall indemnify, protect, defend, and hold harmless Lessee and Lessee's agents, partners and lenders from and against any and all claims and/or damages, liens, judgments, penalties, attorneys' and consultants' fees, expenses and/or liabilities to the extent arising out of, involving or in connection with Lessor's ownership and operation of the Project to the extent due to the negligence, willful misconduct or breach of the Lease by Lessor.

9.6 Lessee's Remedies. In addition to the remedies in Paragraph 9.6 of the Lease, Lessee shall have the right to terminate this Lease following Premises Partial Damage under the following circumstances:

9.6.1 If the Premises or the Building suffers damage from a casualty, then Lessee may terminate this Lease if (l) the damage materially impairs Lessee's use of the Premises and (2) either (i) the reasonably estimated time to repair the damage exceeds 180 days or (ii) Lessor has failed to complete Lessor's repair work within the Repair Period (defined below) and such failure continues for 30 days following delivery by Lessee to Lessor of written notice that Lessee elects to terminate this Lease if Lessor's repair work is not completed within 30 days after delivery of the notice. As used herein, the term **"Repair Period"** shall mean the longer of (1) a period commencing on the date of the casualty and expiring 180 days thereafter or (2) a period commencing on the date of the casualty and expiring on the date Lessor has specified in a written notice delivered to Lessee as Lessor's estimate of the reasonable time to repair; however, if, within 60 days following the date of the casualty, Lessor fails to deliver to Lessee a written notice that specifies Lessor's estimate of the reasonable time to repair, then the Repair Period shall be for 180 days following the date of the casualty. In the case of termination when the reasonably estimated time to repair exceeds 180 days, Lessee must deliver to Lessor written notice of Lessee's election to terminate within 30 days following the date of Lessee's receipt from Lessor of written notice that the reasonably estimated time to repair exceeds 180 days and such termination shall be effective upon Lessor's receipt of the notice or such later date specified in the notice not exceeding 90 days after Lessor's receipt of the notice. In the case of termination when Lessor has not completed Lessor's repair work within the Repair Period, Lessee must deliver Lessee's 30-day notice prior to Lessors completion of Lessor's repair work and termination shall be effective upon expiration of the 30-day period.

9.6.2 If at any time during the last six months of this Lease the Premises is damaged and (1) such damage materially affects Lessee's use of the Premises, and (2) the cost of repair exceeds two months' Base Rent then Lessee may terminate this Lease following the occurrence of such damage by giving a written termination notice to Lessor within 30 days after the date of occurrence of such damage. If Lessee elects to terminate this Lease as allowed under the preceding sentence, then (l) such termination shall be effective as of the date Lessee specifies in such notice and (2) the obligations of the Parties under this Lease shall be the same as if this Lease naturally expired on the date of such termination.

10.1 Real Property Taxes. The definition of Real Property Taxes includes use taxes that may subsequently imposed by the city of San Diego or other governmental entity with respect to Rent paid under this Lease; however, with respect to such use taxes or other Real Property Taxes that are assessed with reference to the amount of Rent paid to Lessor, Lessee shall pay 100 percent of such taxes attributable to Rent paid by Lessee, and such taxes shall not be included in Operating Expenses.

11.1 Services Provided by Lessor. In addition to its obligations provided in Paragraph 11.1 of the Lease, Lessor shall provide DI water, e-power and vacuum services to the Premises in amounts and at levels that are reasonably required for the operation of a laboratory facility.

11.3 Hours of Service. All utility services to the Premises shall be provided on a 24-hours-per-day, 7-days-per-week basis.

11.5 Service Interruption. Notwithstanding any provision of the Lease to the contrary and subject to force majeure, if Lessee is prevented from using the Premises, or any portion thereof, for three consecutive business days as a result of any failure by Landlord to provide the services required by Paragraph 11, then Rent shall be abated or reduced, as the case may be, after expiration of such three-day period for such time that Lessee continues to be so prevented from using the Premises, or portion thereof, in the proportion that the rentable area of the portion of the Premises that Lessee is prevented from using bears to the total rentable area of the Premises.

12.1 Permitted Lease Assignments. As used in this Lease, the definition of an assignment shall include (1) a transfer of more than 50 percent of the ownership interests (shares, partnership interests, membership interests, etc.) of Lessee, (2) Lessee's merger or consolidation with another entity, and/or (3) a sale of substantially all of Lessee's assets. Notwithstanding the foregoing, however, Lessor's consent shall not be required for an assignment of this Lease (i) to any person(s) or entity that controls, is controlled by, or is under common control with Lessee, (ii) to any entity resulting from the merger, acquisition, consolidation, or other reorganization with Lessee, whether or not Lessee is the surviving entity, (iii) to any person or legal entity that acquires all or substantially all of the assets or stock of Lessee (each of the foregoing is hereinafter referred to as a **"Tenant Affiliate"),** provided that before such assignment shall be effective, (a) the Tenant Affiliate shall deliver to Lessor a written document by which the Tenant Affiliate assumes the obligations of Lessee under this Lease if the transaction involves an actual assignment of this Lease (e.g., if this Lease is assigned in connection with a sale of Lessee's assets), (b) Lessor shall be given written notice of such assignment, including a copy of the document(s) that evidence the assignment, and (c) the use of the Premises by the Tenant Affiliate shall be as set forth in Paragraph 1.8 above. The term "control" means possession, directly or indirectly, of the power to direct or cause the direction of the management, affairs, and policies of anyone, whether through the ownership of voting securities, by contract, or otherwise.

12.2 Lessor's Consent to Assignment or Subletting/Excess Rent. Except in connection with a transfer or assignment to a Tenant Affiliate, Lessor shall have 20 days following receipt by Lessor of the documents to be reviewed in connection with the proposed assignment or subletting within which to provide to Lessee written notice of Lessor's approval or disapproval. Any request for Lessor's consent to an assignment or subletting (other than to a Tenant Affiliate) shall be accompanied by appropriate financial information pertaining to the proposed assignee or sublessee, including a financial statement (consisting of balance sheet and income and expense statement for the preceding 12 months, certified as accurate by the proposed assignee or sublessee) and tax returns for the preceding two tax years. For transfers other than to a Tenant Affiliate, Lessee shall pay to Lessor, as additional Rent, if and when received by Lessee, 50 percent of all Excess Rent (defined below) received by Lessee for (l) the assignment of this Lease or (2) subleasing the Premises if 25 percent or more of the floor area of the Premises is occupied by subtenants. As used herein, the term **"Excess Rent"** means the amount that the assignee or subtenant is to pay to Lessee in excess of the Rent due under this Lease, whether such payment shall

be in the form of an increased monthly or annual rental, lump sum payment in consideration of the assignment or sublease or consideration of any other form, including a sale of goodwill and/or a covenant not to compete or payment for furniture, fixtures or inventory in an amount in excess of the reasonable value thereof after first deducting the reasonable costs incurred by Lessee in obtaining the assignment or sublease, including, without limitation, reasonable brokerage commissions, reasonable costs of leasehold improvements made by Lessee, legal fees, and any other concessions reasonably required to induce the subtenant or assignee. If Excess Rent is being determined for subtenant(s) that occupy(ies) less than all of the Premises, then Excess Rent shall be the difference between (1) the amount of the rent and other amounts paid by the subtenant and (2) the amount of Rent due under this Lease multiplied by a fraction, the numerator of which is the floor area of the Premises occupied by the subtenant(s) and the denominator of which is the total floor area of the Premises.

23. Notices. Any notice described in Paragraph 13.1 of the lease to establish the existence of a Breach shall be in lieu of (not in addition to) any notice required by statute to initiate a special proceeding for unlawful detainer. As an alternative to the means of service of notices described in Paragraph 23 of this Lease, any notices required to be served as a condition precedent to the initiation of a special proceeding for unlawful detainer (including any notices under Paragraph 13.1 of this Lease) may be served in accordance with California law pertaining to service of such notices. With respect to all notices, the Parties acknowledge and agree that, in addition to the manner of delivery provided in Paragraph 23.1 of this Lease, notices may be delivered by FedEx or other similar overnight delivery service that provides evidence of receipt. If notice is delivered by FedEx or such other overnight delivery service, the notice shall be deemed delivered as of the date shown by the evidence of receipt (or the first business day thereafter if the day of receipt is not a business day). The Parties' addresses for notice and delivery of Rent are:

Notices to Lessor:	Allan Sternberg Angelo, Gordon & Co.
and:	Greg Erickson Touchstone Investments
Rent to Lessor:	AG/Touchstone TP, LLC
Notices to Lessee:	DermTech International 11099 North Torrey Pines Road, Suite 100 La Jolla, California 92037

31. Attorney's Fees. Lessor shall be entitled to recover reasonable attorney's fees incurred in connection with (1) any hearing or motion for assumption or rejection of this Lease under Title 11 of the United States Code and (2) any hearing or adversary proceedings related to this Lease in any bankruptcy case filed by or against Lessor.

34. Signage. Lessor shall, at Lessee's cost, provide Lessee with standard lobby and directional signage. Lessee may, at Lessee's expense, place on the primary entrance door to the Premises Lessee's name and logo.

50. Arbitration. If (1) either Party to this Lease asserts against the other Party a claim or cross-claim that relates to this Lease, the Premises, or the Project, whether such claim is founded upon contract, tort, or equity, and (2) the amount in controversy with respect to such claim exceeds the then current jurisdictional limit of Small Claims Court or the primary relief sought by the claimant is not relief that may be awarded in Small Claims Court (e.g., injunctive relief), such claim or cross-claim shall be submitted to arbitration, and in connection with such arbitration, the following shall apply:

50.1 The arbitration shall be conducted by a single arbitrator. The arbitrator shall be selected by the Parties; however, if after 10 days the Parties cannot agree upon the selection of an arbitrator, the arbitrator shall be selected pursuant to the Code of Civil Procedure sections 1280, et seq.

50.2 The venue for the arbitration shall be in San Diego County, California.

50.3 The parties shall have the right to conduct full discovery.

50.4 Pending issuance of the arbitrator's award, the Parties shall equally pay all fees and administrative expenses charged by the arbitrator. Following issuance of the arbitrator's award, the arbitrator may, in the arbitrator's discretion, award to the prevailing Party the amount incurred by the prevailing Party for the arbitrator's fees and administrative expenses.

50.5 After issuance of the arbitrator's award, either Party may file a petition to have the award entered as a judgment.

Notwithstanding the foregoing, this paragraph shall not apply to (1) any civil action commenced by Lessor for unlawful or forcible detainer against Lessee and/or any other occupants of the Premises (i.e., if Lessor sues Lessee to recover possession of the Premises in a civil action for unlawful detainer, the arbitration provision shall not apply) or (2) any action that may be initiated and determined in Small Claims Court.

51. Delivery of Financial Statements. For purposes of this Lease, **"Principal Market"** means the NASD Over The Counter Bulletin Board, NASDAQ Global Market, American Stock Exchange or New York Stock Exchange (whichever of the foregoing is at the time the principal trading exchange or market for the stock of Lessee). If Lessee is not listed or quoted on a Principal Market and (1) Lessor is in the process of selling or refinancing the Building or (2) Lessor is obligated under loan documents executed by Lessor to deliver tenant

financial statements to Lessor's lender, Lessee shall, within 20 days following Lessor's written request therefor (but not more than once per year), deliver to Lessor Lessee's most recently prepared financial statement as maintained by Lessee for the period commencing at the beginning of the then current fiscal year; however, Lessee's obligation to deliver Lessee's financial statement shall be subject to Lessee's receipt from Lessor of a writing signed by Lessor and Lessor's lender or the prospective buyer or lender, as the case may be, agreeing that the information contained in Lessee's financial statement shall be confidential. As used herein, the term **"financial statement"** shall mean a detailed balance sheet and detailed statement of income and expenses prepared in accordance with generally accepted accounting principles and otherwise in the manner Lessee customarily prepares such documents.

52. Lessor's Work. Lessor has caused to be prepared a schematic space plan **("the Space Plan")** pertaining to the proposed interior improvements to be constructed in the Premises. A copy of the Space Plan is attached hereto as Exhibit 1. The work to be installed in the Premises shown in the Space Plan and the narrative description contained in Exhibit 2 is herein referred to as **"Lessor's Work."** Lessor shall, pursuant to a written contract **("the Improvement Contract"),** engage the services of a contractor **("Contractor")** to construct and install Lessor's Work in the Premises in an expeditious, diligent and workmanlike manner.

52.1 Payment For Lessor's Work. Lessor shall pay for the costs of accomplishing Lessor's Work, and in no event shall Lessee have an obligation to contribute to such costs.

52.2 Substantial Completion. Once commenced, Lessor shall diligently proceed to achieve Substantial Completion of Lessor's Work and deliver to Lessee vacant possession of the Premises by the Target Commencement Date. As used herein, the term **"Substantial Completion"** shall mean that Lessor shall have substantially completed Lessor's Work, with the exception of minor punch list items that do not materially impede Lessee's moving into the Premises for Lessee's use and occupancy of the Premises. Following Substantial Completion, repair and/or replacement of any portion of Lessor's Work shall be subject to the other provisions of this Lease regarding maintenance and repair of the Premises; however, if any portion of Lessor's Work that requires repair or replacement is covered by a guaranty or warranty by the Contractor, a subcontractor and/or a material supplier, Lessor shall assign to Lessee such guaranty or warranty. In addition to (1) any warranties or guaranties issued by the Contractor, subcontractors, or material suppers relating to Lessor's Work and (2) Lessor's warranty in Paragraph 2.2 of the Lease, Lessor warrants that Lessor's Work shall be free from material defects for a period of one year following the date of Substantial Completion.

52.3 Lessee's Access. While Contractor is performing Lessor's Work, Lessee's contractors shall have reasonable access to the Premises, at no cost and without payment of any Rent, including Base Rent or Operating Expenses, to install Lessee's cables, security system, fixtures, and equipment; however, Lessee's contractors shall not impede Contractor's completion of Lessor's Work.

53. Interpretation. Except as the context may otherwise require, references to **"the Lease"** shall mean the Standard Multi-Tenant Office Lease—Net dated January 25, 2013, by and

between Lessee and Lessor, and **"this Lease"** shall mean collectively (l) the Lease and all exhibits attached thereto and (2) this Addendum.

Lessor:

AG/Touchstone TP, LLC,
a Delaware limited liability company

By Touchstone Investments, Inc.,
a California corporation, its manager

By /s/ Gregory Erickson
Gregory Erickson, President

Lessee:

DermTech International,
a California corporation

By /s/ John Dobak
Print name John Dobak
Title CEO

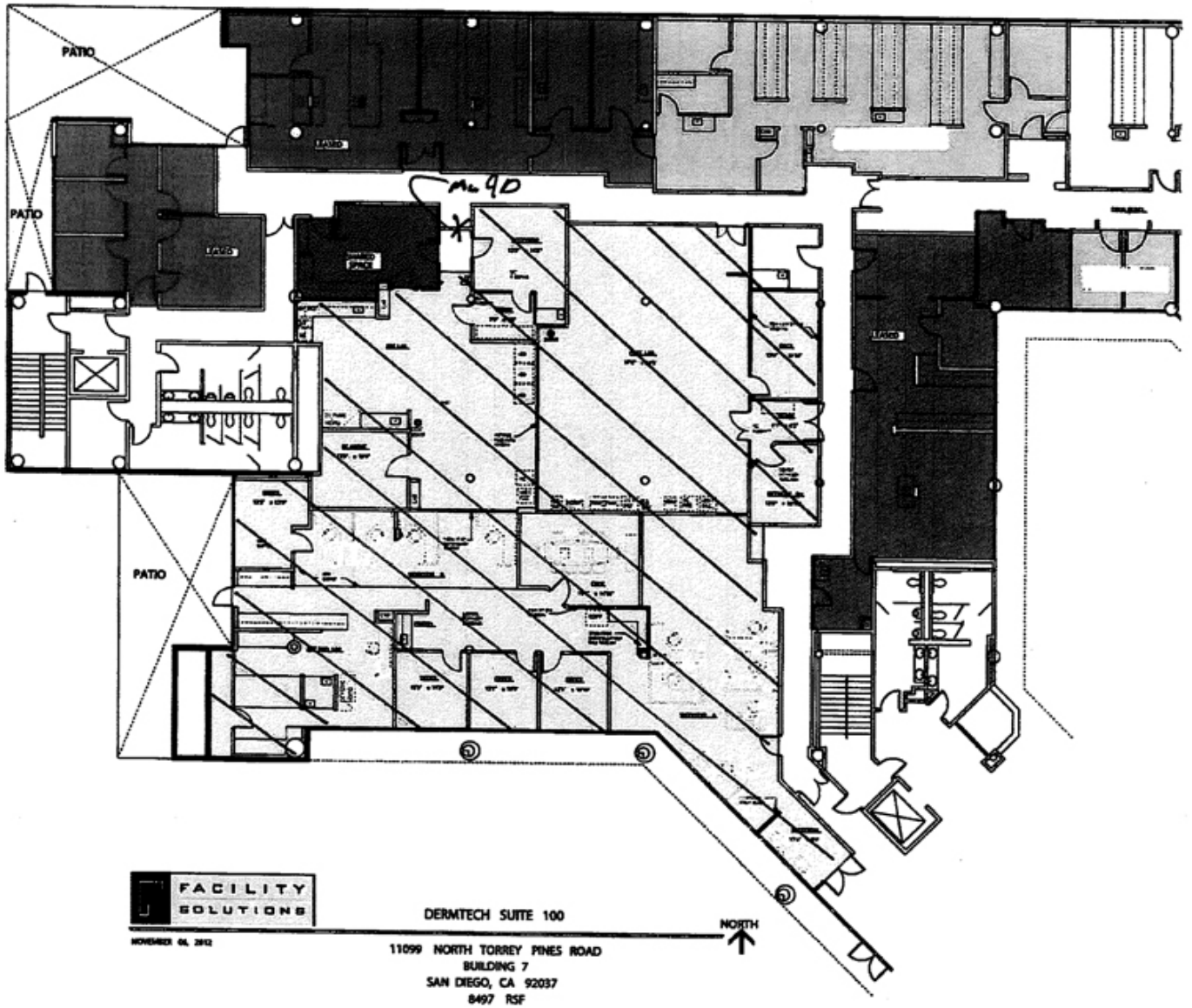
Schedule of Exhibits

Exhibit 1	Diagram Depicting the Premises/Space Plan
Exhibit 2	Narrative Description of Lessor's Work
Exhibit 3	Diagram of the Excluded Area

Exhibit I

Diagram Depicting the Premises/Space Plan

Exhibit 1



FACILITY SOLUTIONS

NOVEMBER 06, 2012

DERMTECH SUITE 100

11099 NORTH TORREY PINES ROAD
BUILDING 7
SAN DIEGO, CA 92037
8497 RSF

OFFICE = 51%
LAB = 49%

Exhibit 2

Narrative Description of Lessor's Work

1. Demo walls in the pre-lab area, cold box, and rear wall of post-lab, copy area
2. Add walls, pre-post lab separation, corporate/R&D separation, gowning areas
3. Electrical along new wall in reagent room
4. Showers
5. Windows: conference room, pre-lab wall, offices
6. Reception glass
7. Pass-through
8. Close off door to glassware washroom
9. No door needed along the back wall of post-lab
10. Controlled access to pre- and post-lab (electronic key)

Exhibit 2

Exhibit 3

Diagram of Excluded Space

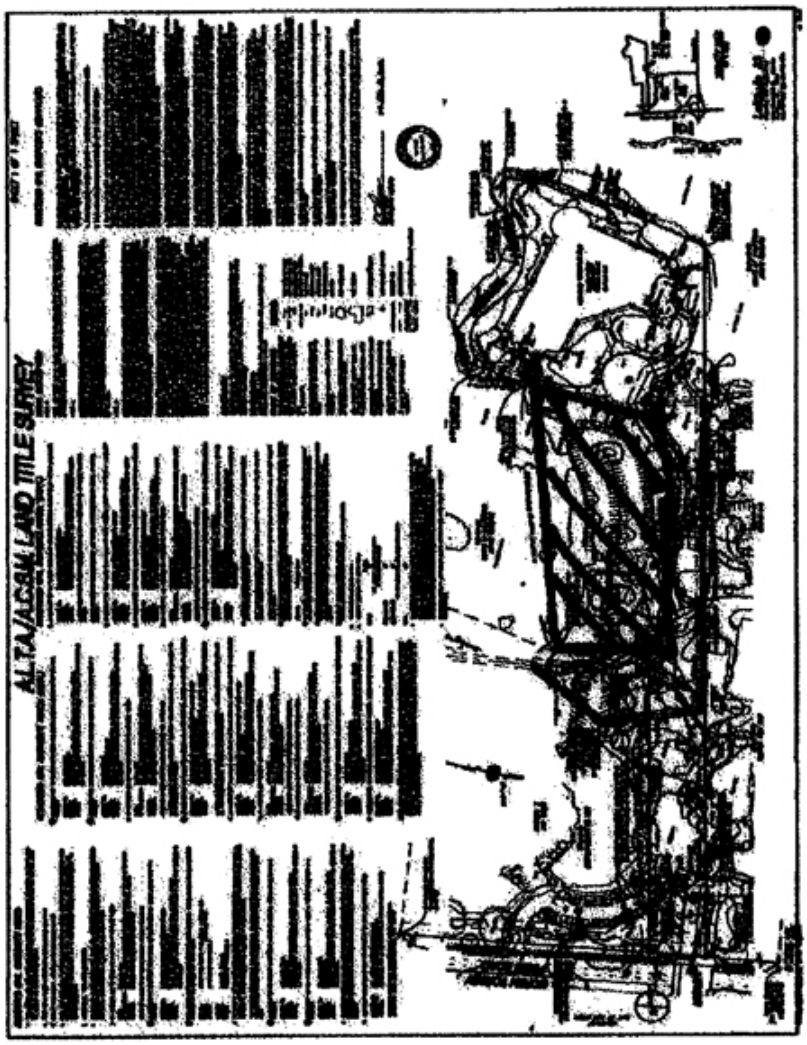


Exhibit 3

FIRST AMENDMENT TO STANDARD RENTAL LEASE, STORAGE LEASE AND SIGNAGE LEASE TO EXPAND and EXTEND TERM

THIS FIRST AMENDMENT TO STANDARD RENTAL LEASE, STORAGE LEASE AND SIGNAGE LEASE (this "Amendment") is made and entered into as of the of January 30, 2014 by and between AG/Touchstone TP, LLC., a ("Lessor") and DermTech International, a California corporation ("Lessee").

Recitals

A. Lessor and Lessee are the original parties to that certain Standard Rental Office Lease, dated as of January 25, 2013, (the "Lease") for the certain premises commonly known as 11099 North Torrey Pines Road, Suite 100, San Diego, CA 92037 (the "Premises") see attached Exhibit A. In addition to the Lease there are separate agreements signage and storage at the Property.

B. Lessor and Lessee are the original parties to that certain Storage Lease, dated as of April 15, 2013 (the "Storage Lease"), and that certain Signage Lease, dated as of April 15, 2013 (the "Signage Lease").

C. Lessor and Lessee now desire to amend and modify certain terms and conditions of the Lease, Storage Lease and Signage Lease as further set forth below. Unless otherwise expressly provided, all defined terms used in this Amendment shall have the same meanings given to them in the Lease.

Agreements

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

1. **Expansion:** Suite 130 in the amount of 1,092 rentable square feet, (the "Expansion Space"). Total new square footage leased in suite 100 and 130 shall be 9,589 rentable square feet, the Premises. The Expansion Space consist of four offices and one conference room at the northwest corner of the Property on the ground floor as depicted in Exhibit A.

2. **Term:** The Term shall be extended by thirty-seven (37) months commencing on January 1, 2014, the Commencement Date and expire on January 31, 2017. The respective terms of the Signage Lease and the Storage Lease are hereby extended to be coterminous with the Term of the Lease, unless either is sooner terminated pursuant to its terms.

3. **Base Monthly Rental Amount:** Effective on the Commencement Date the Base Monthly Rental shall be $14,150 for month 1, $27,329 per month, months 2 thru 13 $28,149 per month, months 14 thru 25 and $28,995 per month, months 26 thru 37 of the Term. The Storage and Signage Lease rent is in addition to the Base Monthly Rental above pursuant to the terms of those respective Leases.

4. **Option to Extend.** Lessee shall have the option to extend the term of this Lease for an additional thirty-six (36) months ("Extension Term") beginning upon the expiration of this Term as extended by Paragraph 2 above, provided that Lessee is not in default at the time of exercise of the option beyond applicable notice and cure periods and Lessee gives Lessor written notice of its intention to exercise this option to extend at least nine months prior to expiration the Term. Upon giving the extension notice, the Lease shall be extended without execution or delivery of any other document, with the same force and effect as if the Extension Term had originally been included in the Term. All of the terms, covenants and conditions of the Lease shall continue in full force and effect during the Term, except that the Base Rent to be paid by Lessee to Lessor during the Extension Term shall be the greater of (1) $29,865/month ("the Guaranteed Minimum Rent") or (2) Market Rental Rate (defined below).As used herein, the term "Market Rental Rate" shall mean the rate that is prevailing as of the commencement of the first year of the Extension Term for comparable space in a comparable building

in the Torrey Pines area, taking into consideration the size and age of and improvements in the Premises, the three-year term of the Extension Term, and other relevant factors. Market Rental Rate shall be determined as follows:

4.1 By mutual agreement between Lessor and Lessee evidenced in a writing signed by each and mutually delivered or

4.2 If Lessor and Lessee have not agreed upon the Market Rental Rate Five months prior to the commencement of the first Lease Year of the Extension Term, then either Lessor or Lessee may submit the issue of Market Rental Rate to determination by arbitration. The venue for the arbitration shall be San Diego County and, with respect to the conduct of the arbitration, the following shall apply:

4.2.1 At least three weeks in advance of the date for the commencement of the arbitration hearing, Lessor and Lessee shall exchange with each other (1) the name, address, and qualifications of any appraiser, broker, or other expert intended to be called at the time of the arbitration (each, an "Expert"), (2) any reports and/or data relied upon by the Expert in connection with forming an opinion as to Market Rental Rate, and (3) a statement as to each party's determination of the Market Rental Rate ("MRR Statement") (i.e., Lessor shall give to Lessee Lessor's determination of the Market Rental Rate and vice-versa).

4.2.2 For a period of 10 days following the exchange of the MRR Statements, either party may accept the Market Rental Rate stated in the other party's MRR Statement, and, in such event, the accepted amount will become the Rent for the Extension Term (e.g., if Lessor delivered to Lessee timely written notice of acceptance of Lessee's determination of Market Rental Rate as provided in Lessee's MRR Statement, then the amount shown on Lessee's MRR Statement would become the Rent for the Extension Term).

4.2.3 If neither party accepts the other party's determination of Market Rental Rate, then the arbitration shall be conducted before a single arbitrator pursuant to Code of Civil Procedure sections 1280 et seq. At least five days prior to the date set for the hearing for the arbitration, each party shall (1) make available for an oral deposition any Expert whose testimony is expected to be given at the time of the arbitration and (2) deliver to the other party all exhibits that are intended to be entered into evidence at the time of the arbitration.

4.2.4 Except as provided below, each party shall bear its own attorney's and Expert's fees. Except as provided below, each party shall share equally any administrative fees and the reasonable hourly fees owed to the arbitrator. Notwithstanding the foregoing, if the amount of the Market Rental Rate stated in Lessee's MRR Statement is less than 95 percent of the Market Rental Rate determined by the arbitrator, then the arbitrator may, in the arbitrator's discretion, assess against Lessee costs incurred by Lessor in connection with the arbitration, including, without limitation, reasonable attorney's fees, Expert's fees, arbitrator's fees and administration fees. If the amount of the Market Rental Rate stated in Lessor's MRR Statement is greater than 105 percent of the Market Rental Rate determined by the arbitrator, then the arbitrator may, in the arbitrator's discretion, assess against the Lessor costs incurred by Lessee in connection with the arbitration, including, without limitation, reasonable attorney's fees, Expert's fees, arbitrator's fees and administration fees.

4.2.5 Pending determination of the Market Rental Rate for the Extension Term, Lessee shall pay to Lessor monthly Rent in an amount equal to the Guaranteed Minimum Rent increased by 3%. If the Market Rental Rate is greater than the Guaranteed Minimum Rent, then, within 30 days following the arbitrator's decision determining the amount of the Market Rental Rate, Lessee shall pay to Lessor the difference between (1) the Base Rent that should have been paid during the Extension Term based upon the Market Rental Rate and (2) the actual amount of the Base Rent paid by Lessee during the Extension Term.

4.2.6 The Base Rent for each subsequent Lease Year of the Extension Term will be equal to the amount derived by multiplying the Base Rent for the prior Lease Year of the Extension Term by 1.03. By way of example, if the Base Rent for the first Lease Year of the Extension Term

were determined to be $31,000, the Base Rent for the second and third Lease Years of the Extension Term would be $31,930 and $32,889.

4.2.7 As used herein, the term "Lease Year" shall mean each 12-month period commencing on the Commencement Date if the Commencement Date is the first day of a calendar month, but otherwise on the first day of the calendar month immediately next following the calendar month in which the Commencement Date occurs, and ending on the last day of the twelfth month thereafter; however, the first Lease Year shall include any partial month in which the Commencement Date occurs if the Commencement Date occurs on a day other than the first day of the month.

4.2.8 The Option is personal to the Lessee and any Tenant Affiliate and may not be assigned or transferred (other than to a Tenant Affiliate) without the Lessor's written consent.

5. **Lessee's Share of Operating Expenses:** Effective on the Commencement Date, Lessee's Share of Operating Expenses shall be increased to 10.4%.

6. **Lessor's Work:** Lessor shall provide tenant improvements as mutually agreed to by the Parties in the Premises in an amount not to exceed $20,000. The completion of the Lessor's Work shall not affect the Commencement Date. Lessor shall cause to be prepared an estimate of the total cost of the Lessor's Work (the "Cost Estimate"). Notwithstanding anything to the contrary herein, if the Cost Estimate exceeds $20,000, Lessee's obligation to pay for the cost of the Lessor's Work shall be limited to the amount by which the Cost Estimate exceeds Lessor's $20,000 contribution, and Lessor shall be solely liable for any costs in excess of the Cost Estimate. Upon Lessee's approval of the Cost Estimate, Lessee shall deposit with the Lessor the amount over $20,000. By way of example, if the Cost Estimate is $30,000 and it is approved by Lessee, than Lessee shall deposit $10,000 with Lessor for its share of the tenant improvements.

7. **Notice Address:** The Notice Address for Lessor and Touchstone Investments is changed to [●].

8. **Excluded Operating Expenses.** "Operating Expenses" shall not include and Lessee shall in no event have any obligation to perform or to pay directly, or to reimburse Lessor for, all or any portion of the following: (a) costs incurred in connection with the presence of any Hazardous Material, except to the extent caused by the release or emission of the Hazardous Material in question by Lessee; (b) earthquake insurance deductibles. As used in this section, "Hazardous Material" shall mean any material that is now or hereafter regulated by any governmental authority which poses a hazard to the environment or human health.

9. **Waiver of Subrogation.** The words "Without affecting any other right or remedies" in the first sentence of Section 8.6 of the Lease shall be deleted and replaced with the words "Notwithstanding anything to the contrary in this Lease".

10. **Late Charges.** The words "5 days" in the third sentence of Section 13.4 shall be deleted and replaced with the words "5 business days".

11. **Miscellaneous.** This Amendment is the final expression of, and contains the entire agreement between, the parties hereto with respect to the subject matter hereof, and this Amendment supersedes all prior agreements, communications or understandings, written or verbal, relating to the subject matter hereof. To the extent that any terms or conditions of this Amendment are inconsistent with any terms or conditions of the Lease, the terms and conditions of this Amendment shall prevail and control. Except as expressly amended or modified in this Amendment, the terms and conditions of the Lease shall remain unchanged and in full force and effect.

[signature page to follow]

IN WITNESS WHEREOF, Lessor and Lessee have entered into this First Amendment as of the date first above written.

LESSOR:

By: AG Touchstone TP, LLC
a Delaware limited liability company

By: AG TP Parent, LP
a Delaware limited liability company, its sole member

By: Touchstone Investments, Inc., a California corporation

ITS: Authorized Signatory

By: /s/ Gregory A. Erickson

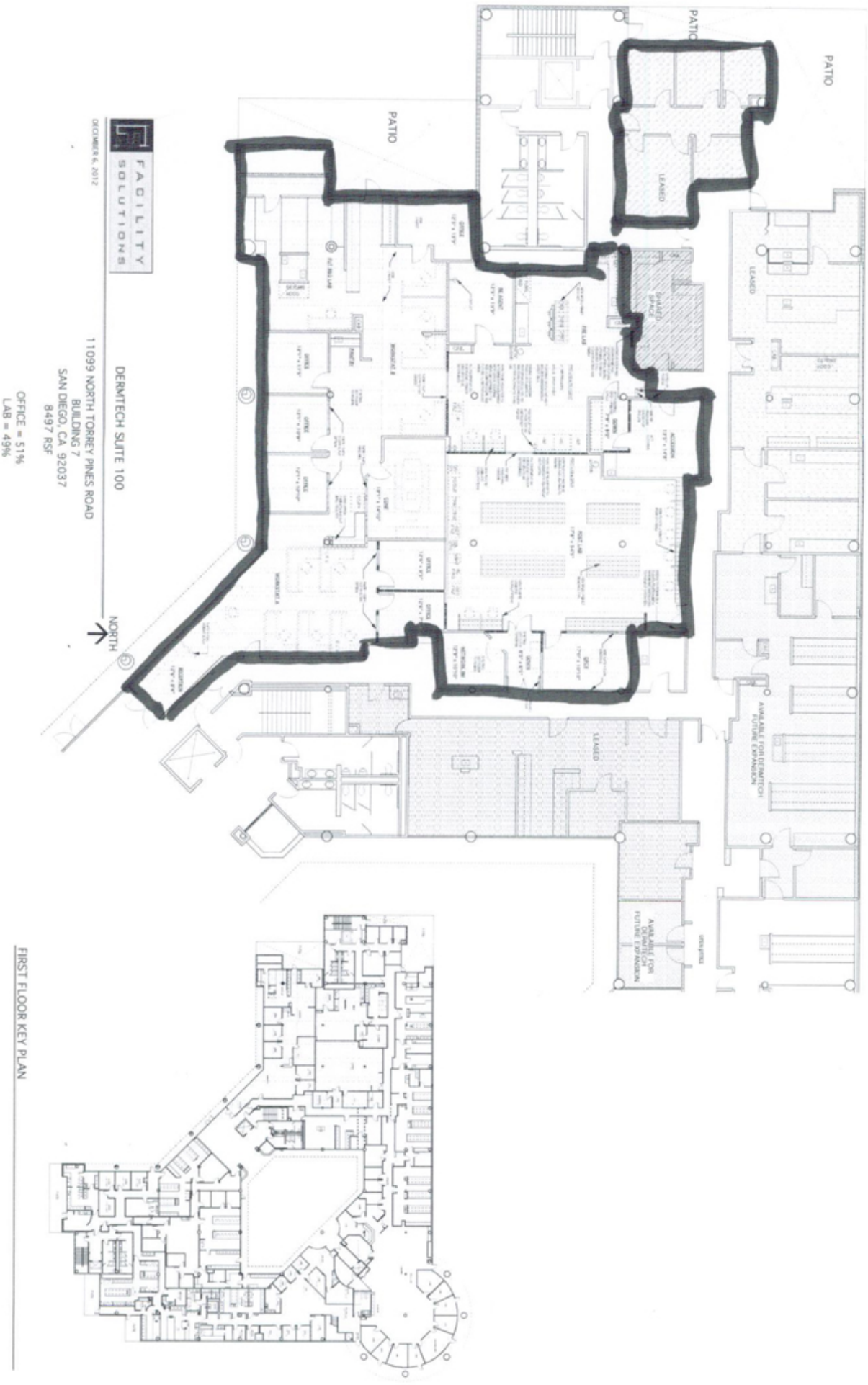
NAME: Gregory A. Erickson
TITLE: President

LESSEE:
DermTech International, a California corporation

/s/ John Dobak
NAME: John Dobak
TITLE: President/CEO

EXHIBIT A

Premises



ASSIGNMENT, CONSENT TO ASSIGNMENT, AND SECOND AMENDMENT TO STANDARD MULTI-LESSEE OFFICE LEASE - NET

This ASSIGNMENT, CONSENT TO ASSIGNMENT, AND SECOND AMENDMENT TO STANDARD MULTI-LESSEE OFFICE LEASE - NET ("**Second Amendment**") is made and entered into as of November 21, 2016, by and between HCP TORREY PINES, LLC, a Delaware limited liability company ("**Lessor**"), DERMTECH INTERNATIONAL, a California corporation ("**Original Lessee**"), and DERMTECH, INC., a Delaware corporation ("**Lessee**"). Lessor, Original Lessee and Lessee are collectively referred to herein as the "**Parties**."

R E C I T A L S :

A. Lessor (as successor-in-interest to AG/Touchstone TP, LLC, a Delaware limited liability company) and Lessee are parties to that certain Standard Multi-Lessee Office Lease-Net dated January 25, 2013 (the "**Original Lease**"), as amended by that certain Addendum to Lease dated January 25, 2013 (the "**Addendum**"), as further amended by that certain First Amendment to Standard Rental Lease, Storage Lease and Signage Lease to Expand and Extend Term dated January 30, 2014 (the "**First Amendment**," and together with the Original Lease and Addendum, collectively, the "**Lease**"), whereby Lessor leases to Lessee, and Lessee leased from Lessor, that certain 9,589 rentable square feet of space commonly known as Suites 100 and 130 (collectively, the "**Premises**") and located on the first (1st) floor of that certain building located at 11099 North Torrey Pines Road, San Diego, California (the "**Building**").

B. Lessor (as successor-in-interest to AG/Touchstone TP, LLC, a Delaware limited liability company) and Original Lessee are parties to that certain Signage Lease dated April 15, 2013 (the "**Signage Lease**").

C. Original Lessee desires to assign its right, title and interest in, to and under the Lease and the Signage Lease to Lessee, and Lessee desires to accept such assignment (the "**Assignment**"), and Original Lessee and Lessee desire to obtain Lessor's consent thereto. Lessor is willing to consent to the Assignment upon and subject to all of the terms and conditions hereinafter set forth.

D. The Parties also desire to extend the term of the Lease and the Signage Lease and to otherwise amend the Lease as hereinafter provided.

A G R E E M E N T :

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

1. **Capitalized Terms**. All capitalized terms when used herein shall have the same meaning as is given such terms in the Lease unless expressly superseded by the terms of this Second Amendment.

2. **Assignment of Lease**. Effective as of the date of this Second Amendment (the "**Assignment Date**") Original Lessee shall assign to Lessee all of its right, title and interest in, to and under the Lease and the Signage Lease (including all of Original Lessee's right, title, and interest in and to any prepaid Rent as paid by Original Lessee pursuant to the Lease), and Lessee hereby agrees to accept the Assignment, assume all of Original Lessee's obligations under the Lease, and be bound by all of the provisions thereof and to perform all of the obligations of the lessee thereunder from and after the Assignment Date. Notwithstanding the Assignment or Lessor's consent thereto, Original Lessee shall remain fully liable for the performance of all obligations of the lessee under the Lease, as amended hereby, which arise and accrue on or before the Assignment Date. Original Lessee and Lessee hereby covenant that each will, at any time and from time to time upon request by the other, and without the assumption of any additional liability thereby, execute and deliver such further documents and do such further acts as such party may reasonably request in order to fully effect the purpose of this Assignment. The terms of this Assignment shall be binding upon, and shall inure to the benefit of, the Parties and their respective successors, transferees and assigns.

3. **Lessor Consent to Assignment**. Lessor hereby consents to the Assignment on the terms and conditions set forth in Section 2, above. This Second Amendment shall not constitute a consent to any subsequent subletting or assignment and shall not relieve Lessee or any person claiming under or through Lessee of the obligation to obtain the consent of Lessor, pursuant to Section 12.1 of the Original Lease, to any future assignment or sublease. In the event of any default of Lessee under the Lease, as amended hereby, Lessor may proceed directly against Lessee, any guarantors or anyone else liable under the Lease without first exhausting Lessor's remedies against any other person or entity liable thereon to Lessor.

4. **Second Extended Term**. The Lease is currently scheduled to expire on January 31, 2017. Notwithstanding the foregoing, Lessor and Lessee hereby agree to extend the term of the Lease by five (5) years and two (2) months (the "**Second Extended Term**"), to March 31, 2022. The respective term of the Signage Lease is hereby extended to be coterminous with the Second Extended Term, unless sooner terminated pursuant to its terms.

5. **Condition of Premises**. Except as expressly set forth in the Work Letter attached hereto as **Exhibit A** (the "**Work Letter**"), Lessor shall not be obligated to provide or pay for any improvement work or services related to the improvement of the Premises, and Lessee shall continue to accept the Premises in its presently existing, "as-is" condition. For purposes of Section 1938 of the California Civil Code, Lessor hereby discloses to Lessee, and Lessee hereby acknowledges, that the Premises have not undergone inspection by a Certified Access Specialist (CASp). As required by Section 1938(e) of the California Civil Code, Lessor hereby states as follows: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or Lessee from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of

the lessee or Lessee, if requested by the lessee or Lessee. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises." In furtherance of the foregoing, Lessor and Lessee hereby agree as follows: (a) any CASp inspection requested by Lessee shall be conducted, at Lessee's sole cost and expense, by a CASp approved in advance by Lessor; and (b) subject to Section 1 of the Work Letter, Lessee, at its cost, shall be responsible for making any repairs within the Premises to correct violations of construction-related accessibility standards as disclosed by the CASp inspection; and, if anything done by or for Lessee in its use or occupancy of the Premises shall require repairs to the Building (outside the Premises) to correct violations of construction-related accessibility standards as disclosed by the CASp inspection, then Lessee shall, at Lessor's option, either perform such repairs at Lessee's sole cost and expense or reimburse Lessor upon demand, for the cost to Lessor of performing such repairs.

6. **Rent**.

6.1. **Base Rent**. Prior to the Second Extended Term, Lessee shall continue to pay Base Rent for the Premises in accordance with the terms of the Lease. Commencing on February 1, 2017, and continuing throughout the Second Extended Term, Lessee shall pay to Lessor monthly installments of Base Rent for the Premises as follows.

Period During Second Extended Term	Annual Base Rent	Monthly Installment of Base Rent	Monthly Base Rent per Rentable Square Foot
February 1, 2017 – January 31, 2018	$379,724.40	$31,643.70	$3.30
February 1, 2018 – January 31, 2019	$391,116.12	$32,593.01	$3.40
February 1, 2019 – January 31, 2020	$402,849.60	$33,570.80	$3.50
February 1, 2020 – January 31, 2021	$414,935.04	$34,577.92	$3.61
February 1, 2021 – January 31, 2022	$427,383.12	$35,615.26	$3.71
February 1, 2022 – March 31, 2022	$440,204.64	$36,683.72	$3.83

6.2. **Additional Rent**. During the Second Extended Term, Lessee shall continue to pay Lessee's Share of Operating Expenses and all other amounts associated with Lessee's use of the Premises in accordance with the terms of the Lease.

6.3. **Base Rent Abatement**. Provided that Lessee is not then in default of the Lease (as hereby amended), then during the twelfth (12th) month of the Second Extended Term (the "**Rent Abatement Period**"), Lessee shall not be obligated to pay any Base Rent otherwise attributable to the Premises during such Rent Abatement Period (the "**Base Rent Abatement**"). Lessor and Lessee acknowledge that the amount of the Base Rent Abatement equals $31,643.70. Lessee acknowledges and agrees that the foregoing Base Rent Abatement has been granted to Lessee as additional consideration for entering into this Second Amendment, and for agreeing to pay the Rent and performing the terms and conditions otherwise required under the Lease (as hereby amended). If Lessee shall be in default under the Lease (as hereby amended) at any time prior to the expiration of the Rent Abatement Period and shall fail to cure such default within the notice and cure period, if any, permitted for cure pursuant to the Lease (as hereby amended), or if the Lease (as hereby amended) is terminated for any reason, other than as the result of a Lessor default or an event casualty or condemnation, then, in addition to any other remedies Lessor may have under the Lease (as hereby amended), the dollar amount of the unapplied portion of the Base Rent Abatement as of the date of such default or termination shall be converted to a credit to be applied to the Base Rent applicable at the end of the Second Extended Term and Lessee shall be required to pay Base Rent for the Premises in full during the Rent Abatement Period.

6.4. **Additional Base Rent Abatement**. In the event that Lessee notifies Lessor that Lessee has received at least Five Million and No/100 Dollars ($5,000,000.00) in additional equity capital at any time after the mutual execution of this Second Amendment, and such notification includes proof of such additional funding reasonably acceptable to Lessor (e.g., bank and/or investment account statements; provided that such accounts shall not include any cash deposits held by Lessee which are a subterfuge by Lessee in order to satisfy this condition), then Lessee shall not be obligated to pay any Base Rent otherwise attributable to the Premises during a one (1) month period (the "**Additional Rent Abatement Period**") selected by Lessor within the twelve (12) month period following the delivery of evidence of such funding commitments to Lessor (the "**Additional Base Rent Abatement**"). If Base Rent is to be abated pursuant to the terms of this Section 6.4 and prior to the expiration of the Additional Rent Abatement Period Lessee shall be in default under the Lease (as hereby amended), and shall fail to cure such default within the notice and cure period, if any, permitted for cure pursuant to the Lease (as hereby amended), or if the Lease (as hereby amended) is terminated for any reason, other than as the result of a Lessor default or an event casualty or condemnation, then, in addition to any other remedies Lessor may have under the Lease (as hereby amended), the dollar amount of the unapplied portion of the Additional Base Rent Abatement as of the date of such default or termination shall be converted to a credit to be applied to the Base Rent applicable at the end of the Second Extended Term and Lessee shall be required to pay Base Rent for the Premises in full during the Additional Rent Abatement Period.

7. **Broker**. Lessor and Lessee hereby warrant to each other that they have had no dealings with any real estate broker or agent in connection with the negotiation of this Second Amendment other than CBRE, Inc., representing Lessor, and Hughes Marino, representing Lessee (collectively, the "**Brokers**"), and that they know of no other real estate broker or agent who is entitled to a commission in connection with this Second Amendment. Each party agrees to indemnify and defend the other party against and hold the other party harmless from any and all claims, demands, losses, liabilities, lawsuits, judgments, and costs and expenses (including,

without limitation, reasonable attorneys' fees) with respect to any leasing commission or equivalent compensation alleged to be owing on account of the indemnifying party's dealings with any real estate broker or agent, other than the Brokers, occurring by, through, or under the indemnifying party. The terms of this section shall survive the expiration or earlier termination of this Second Amendment.

8. **Security Deposit**. Notwithstanding anything in the Lease to the contrary, the Security Deposit held by Lessor pursuant to the Lease, as amended hereby, shall equal Fifty Thousand and No/100 Dollars ($50,000.00) (the "**Increased Security Deposit**"). Lessor and Lessee acknowledge that, in accordance with Paragraph 5 of the Original Lease, Original Lessee has previously delivered the sum of Forty Thousand and No/100 Dollars ($40,000.00) (the "**Existing Security Deposit**") to Lessor as security for the faithful performance by Original Lessee of the terms, covenants and conditions of the Lease. Concurrently with Lessee's execution of this Second Amendment, Lessee shall deposit with Lessor an amount equal to Ten Thousand and No/100 Dollars ($10,000.00) to be held by Lessor as a part of the Increased Security Deposit. To the extent that the total amount held by Lessor at any time as security for the Lease, as hereby amended, is less than Fifty Thousand and No/100 Dollars ($50,000.00), Lessee shall pay the difference to Lessor within ten (10) days following Lessee's receipt of notice thereof from Lessor. Lessee hereby waives the provisions of Section 1950.7 of the California Civil Code and all other provisions of law, now or hereafter in effect, which (i) establish the time frame by which a landlord must refund a security deposit under a lease, and/or (ii) provide that a landlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of rent, to repair damage caused by a tenant or to clean the premises, it being agreed that Lessor may, in addition, claim those sums reasonably necessary to compensate Lessor for any loss or damage caused by Lessee's default of the Lease, as amended, including, but not limited to, all damages or rent due upon termination of this Lease pursuant to Section 1951.2 of the California Civil Code.

9. **Management Fee**. Paragraph 4.2.4 of the Addendum is hereby deleted and replaced with "In lieu of including management costs (i.e., fees paid to third-party managers or Lessor's direct costs for self-managing the Project) in Operating Expenses and paying Lessee's Share thereof, commencing on the Commencement Date and continuing through the Term, Lessee shall pay to Lessor monthly on the first day of each calendar month as Additional Rent a separate management fee equal to 3 percent of the then current monthly Base Rent and Lessee's Share of Operating Expenses not taking into account any abatement of Base Rent pursuant to Sections 6.3 and 6.4, above."

10. **Confidentiality**. Lessor and Lessee acknowledge that the content of the Lease, as amended by this Second Amendment, and any related documents are confidential information. Lessor and Lessee shall keep such confidential information strictly confidential and shall not disclose such confidential information to any person or entity other than Lessor's and Lessee's respective financial, legal, and space planning consultants, and shall not make any public announcement, press release or other public disclosure regarding the Lease, as amended by this Second Amendment, without the other party's consent (provided that the foregoing shall not prohibit Lessor from making disclosures to its shareholders, on earnings calls or other reasonably similar disclosures). Notwithstanding the foregoing, Lessor or Lessee may disclose the terms of this Lease, as amended by this Second Amendment, and any of the other matters described in this Section as follows without violating the confidentiality provision contained in this Section: (i)

such disclosures to existing or prospective lenders, purchasers, title companies, appraisers, and other third persons as may reasonably be necessary in order to conduct its business relating to the Premises and the Building in a commercially reasonable manner; (ii) privileged communications including communications with counsel, accountants, and advisors; (iii) such disclosures as may be necessary or required by any governmental or regulatory authorities; (iv) such disclosures as may be required by law or by subpoena or any other similar court order or discovery request in any civil or criminal; (v) such disclosures as may be reasonably required to enforce the terms of this Lease, as amended by this Second Amendment, or any rights and remedies under this Lease, as amended by this Second Amendment,; and (vi) to the extent that disclosure is mandated by applicable law, the Securities Exchange Commission or the rules of any stock exchange upon which Lessee's (or Lessee's parent's) shares are from time to time traded.

11. **Conflict; No Further Modification**. In the event of any conflict between the Lease and this Second Amendment, the terms of this Second Amendment shall prevail. Except as set forth in this Second Amendment, all of the terms and provisions of the Lease shall apply with respect to the Premises and shall remain unmodified and in full force and effect.

IN WITNESS WHEREOF, this Second Amendment has been executed as of the day and year first above written.

"**LESSOR**"

HCP TORREY PINES, LLC,
a Delaware limited liability company

By: /s/ Jonathan Bergschneider
Name: Jonathan Bergschneider
Its: EVP

"**ORIGINAL LESSEE**"

DERMTECH INTERNATIONAL,
A California corporation

By: /s/ S. Kemper
Name: S. Kemper
Its: CFO

"**LESSEE**"

DERMTECH, INC.,
a Delaware corporation

By: /s/ S. Kemper
Name: S. Kemper
Its: CFO

EXHIBIT A
WORK LETTER

This Work Letter shall set forth the terms and conditions relating to the construction of the improvements in the Premises. This Work Letter is essentially organized chronologically and addresses the issues of the construction of the Premises, in sequence, as such issues will arise during the actual construction of the Premises. All references in this Work Letter to Articles or Sections of "the Amendment" shall mean the relevant portion of the Second Amendment to which this Work Letter is attached as **Exhibit A** and of which this Work Letter forms a part. All references in this Work Letter to Articles or Sections of "the Lease" shall mean the relevant portion of the Lease. All references in this Work Letter to Articles or Sections of "this Work Letter" shall mean the relevant portion of Articles 1 through 6 of this Work Letter.

ARTICLE 1

IMPROVEMENTS

Lessor has established or may establish specifications for certain Building standard components to be used in the construction of the "Improvements" (as that term is defined below) in the Premises. The quality of the Improvements shall be materially consistent with the quality of such Building standards, provided that Lessor may, at Lessor's option, require the Improvements to comply with certain Building standards. Lessor may make changes to said specifications for Building standards from time to time, which changes shall only be applicable to the Premises after the completion of the Improvements.

Using Building standard materials, components and finishes, in a good and workmanlike manner, Lessor shall cause the installation and/or construction of the improvements in the Premises (the "**Improvements**") pursuant to that certain space plan and basis of design attached to this Second Amendment as **Exhibit B** (the "**Space Plan**"). Lessee shall make no changes, additions or modifications to the Improvements or the Space Plan or require the installation of any "Non-Conforming Improvements" (as that term is defined in Article 2 of this Work Letter), without the prior written consent of Lessor, which consent may be withheld in Lessor's sole discretion if such change or modification would directly or indirectly delay the substantial completion of the Improvements or impose any additional costs (unless Lessee agrees to bear such additional costs). Notwithstanding the foregoing or any contrary provision of this Second Amendment, all Improvements shall be deemed Lessor's property under the terms of the Lease (as amended) and Lessee shall neither be required to remove the Improvements nor any other Alterations or Utility Installations that are currently within the Premises at the expiration or earlier termination of the Lease. In addition, to the extent that any code compliance upgrades are required in the Premises or Common Areas in order to allow Lessee to obtain a certificate of occupancy, or its legal equivalent, for the Premises for research and development and related laboratory, office, and administrative uses assuming normal and customary office occupancy density, Lessor, at Lessor's sole cost and expense (i.e., not to be included in Operating Expenses) shall cause the Common Areas and the Premises to comply with applicable building codes and other governmental laws and ordinances, and regulations related to handicap access, which were enacted and enforced as of the date of this Second Amendment.

ARTICLE 2

OTHER IMPROVEMENTS; IMPROVEMENTS CHANGE

As more particularly set forth in Article 1 above and subject to all of the other terms and conditions of this Work Letter, Lessor shall, at Lessor's sole cost and expense, be responsible for the construction of the Building standard Improvements identified on the Space Plan. Notwithstanding anything to the contrary contained herein including, without limitation, the items identified in the Final Working Drawings (as that term is defined in Section 3.3, below), Lessee shall be responsible for the cost of all items not identified on the Space Plan and/or any items requiring other than Building standard materials, components or finishes (collectively, the "**Non-Conforming Improvements**"). In the event Lessee desires such Non-Conforming Improvements, Lessee shall deliver written notice (the "**Change Notice**") of the same to Lessor, setting forth in detail the Non-Conforming Improvements (the "**Improvements Change**"). Lessor shall, within five (5) business days following receipt of a Change Notice related to an Improvements Change, either (i) approve the Improvements Change, or (ii) disapprove the Improvements Change. In the event that Improvements Change is approved, and incorporated in the Final Working Drawings or the Improvements, any additional costs which arise in connection with such Improvements Change shall be paid by Lessee to Lessor, in advance, upon Lessor's request (including but not limited to all costs incurred by Lessor in connection with its review of the Change Notice and any related documents) (all such costs shall collectively be referred to as the "**Change Amount**"). Any such amounts required to be paid by Lessee shall be disbursed by Lessor prior to any Lessor provided funds for the costs of construction of the Improvements. In the event Lessee fails to pay the Change Amount, then Lessor may, at its option, cease work in the Premises until such time as Lessor receives payment of such portion of the Change Amount.

ARTICLE 3

CONSTRUCTION DRAWINGS

3.1 Selection of Architect/Construction Drawings. To the extent deemed reasonably necessary by Lessor, Lessor shall retain the architect/space planner designated by Lessor (the "**Architect**") to prepare the "Construction Drawings," as that term is defined in this Section 3.1. To the extent deemed reasonably necessary by Lessor, Lessor shall retain the engineering consultants designated by Lessor (the "**Engineers**") to prepare all plans and engineering working drawings relating to the structural, mechanical, electrical, plumbing, HVAC, lifesafety, and sprinkler work of the Improvements. The plans and drawings to be prepared by Architect and the Engineers hereunder shall be known collectively as the "**Construction Drawings**." Lessor's review of the Construction Drawings as set forth in this Section 3, shall be for its sole purpose and shall not imply Lessor's review of the same, or obligate Lessor to review the same, for quality, design, Code compliance or other like matters.

3.2 Intentionally Omitted.

3.3 Final Working Drawings. Within five (5) days following the full execution and delivery of this Lease by Lessor and Lessee, Lessee shall cooperate and coordinate with the Architect and the Engineers in order to allow the Architect and Engineers to complete the

architectural and engineering drawings for the Premises based on the Space Plan, and which drawings shall be consistent with, and a logical extension of, the Space Plan. The final architectural working drawings shall be in a form to allow subcontractors to bid on the work and to obtain all applicable permits (collectively, the "**Final Working Drawings**").

3.4 Permits. The Final Working Drawings shall be approved by Lessor (the "**Approved Working Drawings**") within five (5) business days of receipt and prior to the commencement of the construction of the Improvements. Lessor shall submit the Approved Working Drawings to the appropriate municipal authorities for all applicable building and other permits necessary to allow "Contractor," as that term is defined in Section 4.1, below, to commence and fully complete the construction of the Improvements (the "**Permits**"). No changes, modifications or alterations in the Approved Working Drawings may be made without the prior written consent of Lessor, provided that Lessor may withhold its consent, in its sole discretion, to any change in the Approved Working Drawings if such change would directly or indirectly delay the substantial completion of the Premises, or otherwise materially increase the costs of the Improvements (unless Lessee agrees to bear such increased cost). Any such foregoing cost increases shall also be deemed a component of the Change Amount.

3.5 Electronic Approvals. Notwithstanding any provision to the contrary contained in the Lease (as amended) or this Work Letter, Lessor may, in Lessor's sole and absolute discretion, transmit or otherwise deliver any of the approvals required under this Work Letter via electronic mail to Lessee's representative identified in Section 6.2 of this Work Letter, or by any of the other means identified in Paragraph 23 of the Addendum.

ARTICLE 4

LESSEE'S AGENTS

4.1 Contractor. A contractor designated by Lessor ("**Contractor**") shall construct the Improvements.

4.2 Intentionally Omitted.

4.3 Construction of Improvements by Contractor under the Supervision of Lessor.

4.3.1 Change Amount. Within ten (10) days following a demand therefor from Lessor, Lessee shall deliver to Lessor the amount of the Change Amount. The Change Amount shall be disbursed by Lessor towards the costs of the Improvements, as reasonably determined by Lessor. In the event that any revisions, changes, or substitutions shall be made to the Construction Drawings or the Improvements at Lessee's request, any additional costs which arise in connection with such revisions, changes or substitutions or any other additional costs shall be paid by Lessee to Lessor immediately upon Lessor's request as an addition to the Change Amount. In addition, if any Non-Conforming Improvements shall require alterations in the Base Building (as contrasted with the Improvements), and if Lessor in its sole and exclusive discretion agrees to any such alterations, and notifies Lessee of the need and cost for such alterations, then Lessee shall pay the cost of such required changes in advance upon receipt of notice thereof. Lessee shall pay all direct architectural and/or engineering fees in connection therewith, plus five percent (5%) of such direct

costs for Lessor's servicing and overhead. In the event that Lessee fails to deliver the Change Amount as provided in this Section 4.3.1, then Lessor may, at its option, cease work in the Premises until such time as Lessor receives payment of the Change Amount.

4.3.2 Lessor's Retention of Contractor. Lessor shall independently retain Contractor to construct the Improvements in accordance with the Approved Working Drawings and Lessor shall supervise the construction by Contractor.

4.3.3 Contractor's Warranties and Guaranties. Lessor hereby assigns to Lessee all warranties and guaranties by the Contractor relating to the Improvements, and Lessee hereby waives all claims against Lessor relating to or arising out of the design and construction of the Improvements and/or Non-Conforming Improvements.

4.4 Lessee's Agents. Lessee hereby protects, defends, indemnifies and holds Lessor harmless for any loss, claims, damages or delays arising from the actions of Lessee's space planner/architect and/or any separate contractors, subcontractors or consultants on the Premises or in the Building.

ARTICLE 5

LESSEE'S OCCUPANCY OF PREMISES DURING CONSTRUCTION

Lessee hereby acknowledges that, notwithstanding Lessee's occupancy of the Premises during the construction of the Improvements by Lessor, Lessor shall be permitted to construct the Improvements during normal business hours, without any obligation to pay overtime or other premiums. To the extent that, in Lessor's reasonable opinion, the construction of the Improvements require the temporary relocation or other movement of furniture, fixtures or equipment located in the Premises (the "**FF&E**"), Lessee shall, upon request by Lessor, temporarily relocate and/or move such FF&E at Lessee's sole cost and expense. Lessee hereby agrees that the construction of the Improvements shall in no way constitute a constructive eviction of Lessee nor entitle Lessee to any abatement of rent payable pursuant to the Lease. Lessor shall have no responsibility or for any reason be liable to Lessee for any direct or indirect injury to or interference with Lessee's business arising from the construction of the Improvements, nor shall Lessee be entitled to any compensation or damages from Lessor for loss of the use of the whole or any part of the Premises or of Lessee's personal property or improvements resulting from the construction of the Improvements or Lessor's actions in connection with the construction of the Improvements, or for any inconvenience or annoyance occasioned by the construction of the Improvements or Lessor's actions in connection with the construction of the Improvements; provided however, Lessor hereby agrees to use commercially reasonable efforts to minimize the disruption caused to Lessee by the construction of the Improvements.

ARTICLE 6

MISCELLANEOUS

6.1 Intentionally Omitted.

6.2 Lessee's Representative. Lessee has designated Steve Kemper as its sole representative with respect to the matters set forth in this Work Letter (whose e-mail address for the purposes of this Work Letter is skemper@dermtech.com), who, until further notice to Lessor, shall have full authority and responsibility to act on behalf of the Lessee as required in this Work Letter.

6.3 Lessor's Representative. Lessor has designated Jeffrey P. Sobczyk as "**Project Manager**" (whose e-mail address for the purposes of this Work Letter is [●], who shall be responsible for the implementation of all Improvements to be performed by Lessor in the Premises. With regard to all matters involving such Improvements, Lessee shall communicate with the Project Manager rather than with the Contractor. Lessor shall not be responsible for any statement, representation or agreement made between Lessee and the Contractor or any subcontractor. It is hereby expressly acknowledged by Lessee that such Contractor is not Lessor's agent and has no authority whatsoever to enter into agreements on Lessor's behalf or otherwise bind Lessor. The Project Manager will furnish Lessee with notices of substantial completion, cost estimates for above standard Improvements, Lessor's approvals or disapprovals of all documents to be prepared pursuant to this Work Letter and changes thereto.

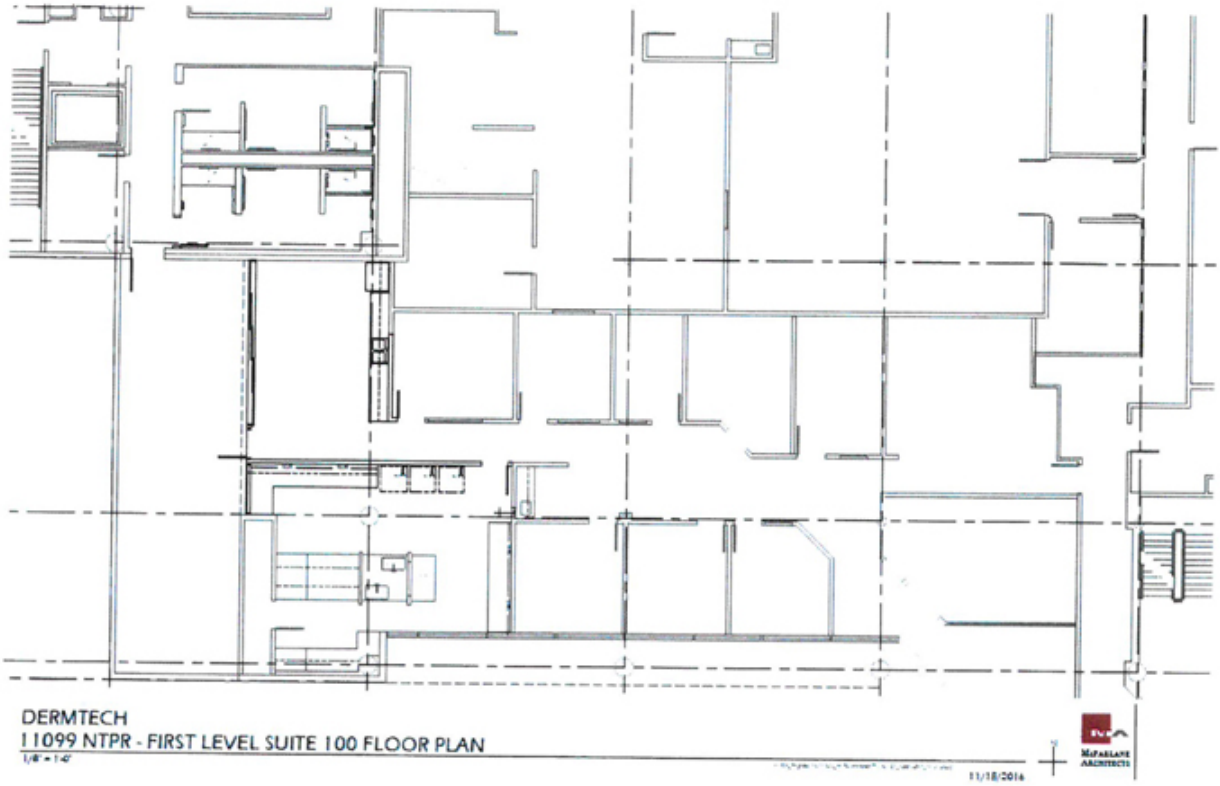
6.4 Lessee's Agents. To the extent necessary to maintain labor harmony, all subcontractors, laborers, materialmen, and suppliers retained directly by Lessee shall all be union labor in compliance with the master labor agreements existing between trade unions and the Southern California Chapter of the Associated General Contractors of America.

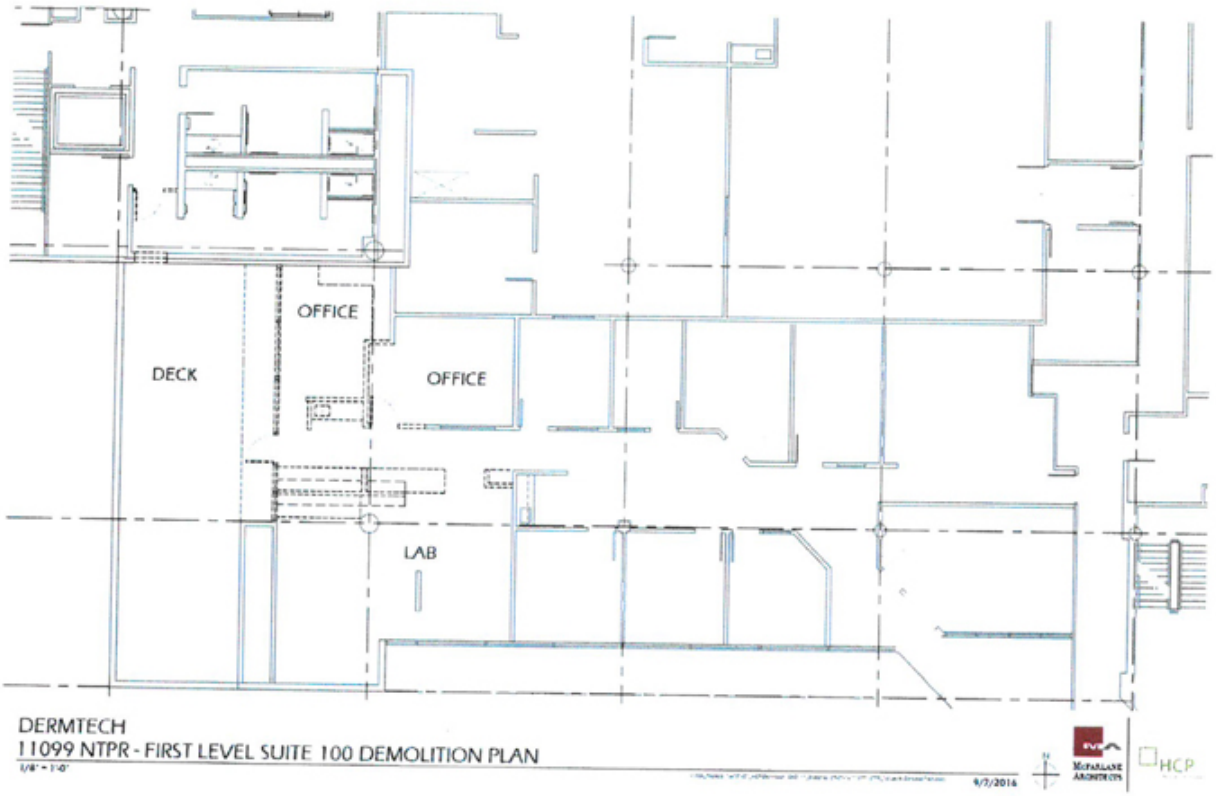
6.5 Time of the Essence in this Work Letter. Unless otherwise indicated, all references herein to a "number of days" shall mean and refer to calendar days. In all instances where Lessee or Lessor is required to approve or deliver an item, if no written notice of approval is given or the item is not delivered within the stated time period, at Lessor's or Lessee's sole option (as the case may be), at the end of such period the item shall automatically be deemed approved or delivered by Lessee or Lessor (as the case may be) and the next succeeding time period shall commence.

6.6 Lessee's Lease Default. Notwithstanding any provision to the contrary contained in the Lease (as amended) or this Work Letter, if any default by Lessee under the Lease (as amended) or this Work Letter (including, without limitation, any failure by Lessee to fund in advance the costs for any Non-Conforming Improvements) occurs, then (i) in addition to all other rights and remedies granted to Lessor pursuant to the Lease (as amended), Lessor shall have the right to cause the cessation of construction of the Improvements (in which case, Lessee shall be responsible for any delay in the substantial completion of the Improvements and any costs occasioned thereby), and (ii) all other obligations of Lessor under the terms of the Lease (as amended) and this Work Letter shall be forgiven until such time as such default is cured pursuant to the terms of this Lease.

Exhibit B

Space Plan




OFFICE
DECK
OFFICE
LAB
DERMTECH
11099 NTPR - FIRST LEVEL SUITE 100 DEMOLITION PLAN
1/8" = 1'-0"
9/7/2016
HCP

BASIS OF DESIGN

11099 N. Torrey Pines Road, First Floor – Dermtech
Expansion of Break Room and Remodel of Lab and Office Areas

11/14/2016

Based on floor plan by McFarlane Architects dated 11/9/16.

A. Existing Conference Room
   1. Demo and remove built in credenza/millwork
   2. Patch and repair drywall at former millwork area, prime and paint
   3. Rubber base, carpet tiles to match existing (alternate to replace carpet tiles throughout new office area)
   4. All furniture, fixtures and equipment to be provided and installed by Tenant.

B. Existing Office Area
   1. Re-frame office opening, relocate door, repair replace ceiling grid as necessary and provide replacement tiles by Armstrong or equivalent for any ceiling tiles damaged during construction. New grid height wall to accommodate expanded break room and new dimension of office, rubber base, carpet tiles to match existing (add alternate to replace carpet tiles throughout new office area), existing light fixtures to be re-switched and relocated as necessary.
   2. All furniture, fixtures and equipment to be provided and installed by Tenant.

C. New Break Room
   1. Remove existing flooring, sink and millwork and relocate plumbing per plan.
   2. Install VCT tile flooring and rubber base (Armstrong or equivalent), plastic laminate upper and lower cabinets with solid surface countertops, stainless steel double-basin sink with single faucet, space in millwork to accommodate refrigerator and dishwasher including plumbing.
   3. Removal of existing storefront windows at new breakroom location and installation of new sliding/stacking door system at location more specifically defined on approved floor plans. Patch and repair patio tile as required; match existing.
   4. Frame, drywall, prime and paint over any exposed exterior finishes within footprint of new breakroom area only. New interior ceiling area will receive ceiling grid and tile to match existing. Relocate sprinkler drops as needed.
   5. Refrigerator provided by Tenant, dishwasher provided by Tenant. Both installed by Landlord as part of the Landlord scope.

D. Patio Door
   1. Cut in and supply new exterior storefront door assembly at location noted on approved plans.
   2. Patch and repair patio tile as required; match existing

E. Existing restrooms and adjacent hallway
   1. Re-frame new restroom opening, relocate door, repair, patch, prime and paint drywall at affected areas. Reframe and refinish ceiling as required at new restroom door area. Relocate sprinkler drops as needed.
   2. Relocate existing restroom signage and fixtures as required to accommodate new door location.

F. Laboratory

1. Relocate emergency shower (location within lab TBD by Tenant) and repair ceiling tile at affected area with matching office spec.
2. Relocate existing Tenant refrigerators within existing Dermtech space (location TBD) and relocate existing emergency power accordingly (location TBD by Tenant).
3. Demolish existing north wall and install new grid-height finished wall at location noted on approved floor plans.
4. Supply new door, frame and hardware at location noted on approved plans. Match existing office spec.
5. At locations of demolition patch and repair existing VCT, ceiling grid and tiles with matching or complimentary spec (Armstrong or equivalent). Match existing office spec.
6. Relocate existing lab casework according to approved floor plan, replacing existing countertops with new (Chemsurf laminate or equivalent).
7. Install convenience power at former lab refrigerator location; coordinate outlet locations with relocated lab casework and Tenant.

MEP GUIDELINES:

- Must adhere to base building Standards and Basis of Design. Tenant select from Landlord's base Standards and colors.

EXCLUSIONS:

- New Title 24 Fixtures or Controls (unless code required). If code required at Landlord's sole cost.
- AV/IT racks and cabling
- TVs, projectors/projection screens
- Window coverings unless otherwise noted
- Furniture, including file cabinets
- Security System
- Communication System
- UPS System
- DAS System
- Tenant FF&E
- Ceiling service panels and specialty gas outlets/piping/gas manifolds unless otherwise noted
- Nitrogen sources and piping
  - Ice Makers
  - Incubators
- Signage, other than code required

THIRD AMENDMENT TO LEASE

This THIRD AMENDMENT TO LEASE ("**Third Amendment**") is made and entered into as of the 6th day of August, 2019, by and between HCP TORREY PINES, LLC, a Delaware limited liability company ("**Lessor**"), and DERMTECH, INC., a Delaware corporation ("**Lessee**").

R E C I T A L S :

A. Lessor (as successor-in-interest to AG/Touchstone TP, LLC, a Delaware limited liability company) and Lessee (as successor-in-interest to DERMTECH INTERNATIONAL, a California corporation) are parties to that certain Standard Multi-Lessee Office Lease - Net dated January 25, 2013 (the "**Original Lease**"), as amended by that certain Addendum to Lease dated January 25, 2013 (the "**Addendum**"), as further amended by that certain First Amendment to Standard Rental Lease, Storage Lease and Signage Lease to Expand and Extend Term dated January 30, 2014 (the "**First Amendment**"), and as further amended by that certain Assignment, Consent to Assignment, and Second Amendment to Standard Multi-Lessee Office Lease – Net (the "**Second Amendment**," and together with the Original Lease, Addendum and First Amendment, collectively, the "**Lease**"), whereby Lessor leases to Lessee, and Lessee leased from Lessor, that certain 9,589 rentable square feet of space commonly known as Suites 100 and 130 (collectively, the "**Existing Premises**") and located on the first (1st) floor of that certain building located at 11099 North Torrey Pines Road, San Diego, California (the "**Building**").

B. Lessor and Lessee desire (i) to expand the Existing Premises to include that certain space consisting of approximately 3,595 rentable square feet of space located on the second (2nd) floor of the Building (the "**Expansion Premises**"), as delineated on **Exhibit A** attached hereto and made a part hereof, and (ii) to make other modifications to the Lease, and in connection therewith, Lessor and Lessee desire to amend the Lease as hereinafter provided.

A G R E E M E N T :

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

1. **Capitalized Terms.** All capitalized terms when used herein shall have the same meaning as is given such terms in the Lease unless expressly superseded by the terms of this Third Amendment.

2. **Modification of Premises.** Effective as of the date that Lessor delivers the Expansion Premises to Lessee (the "**Expansion Commencement Date**"), Lessee shall lease from Lessor and Lessor shall lease to Lessee the Expansion Premises. Consequently, effective upon the Expansion Commencement Date, the Existing Premises shall be increased to include the Expansion Premises. The Term of Lessee's lease of the Expansion Premises shall expire conterminously with Lessee's lease of the Existing Premises on March 31, 2022. The period of time

commencing on the Expansion Commencement Date and terminating on March 31, 2022, shall be referred to herein as the "**Expansion Term.**" Lessor and Lessee hereby acknowledge that such addition of the Expansion Premises to the Existing Premises shall, effective as of the Expansion Commencement Date, increase the size of the Premises to approximately 13,184 rentable square feet. The Existing Premises and the Expansion Premises may hereinafter collectively be referred to as the "**Premises.**"

3. **Base Rent for Expansion Premises.** Commencing on the Expansion Commencement Date and continuing throughout the Expansion Term, Lessee shall pay to Lessor monthly installments of Base Rent, pursuant to the terms of the Lease, for the Expansion Premises as follows (the first "**Expansion Term Lease Year**" shall be the first full twelve (12) consecutive calendar months in addition to any partial calendar month at the beginning of the Expansion Term should the Expansion Commencement Date not fall on the first (1st) day of a calendar month, and each following "Expansion Term Lease Year" shall be the succeeding twelve (12) month period):

Expansion Term Lease Year	Annualized Base Rent	Monthly Installment of Base Rent	Monthly Base Rent per Rentable Square Foot
1	$166,089.00	$13,840.75	$3.85
2	$171,071.64	$14,255.97	$3.97
3 (partial year)	$176,203.80	$14,683.65	$4.08

On or before the Expansion Commencement Date, Lessee shall pay to Lessor the Base Rent payable for the Expansion Premises for the first full month of the Expansion Term.

3.1. **Option to Extend.** Section 4 of the First Amendment is hereby deleted and of no further force or effect.

4. **Lessee's Share of Operating Expenses for Expansion Premises.** Except as specifically set forth in this Section 4, commencing on the Expansion Commencement Date, and continuing throughout the Expansion Term, Lessee shall pay Lessee's Share of Operating Expenses in connection with the Expansion Premises in accordance with the terms of Article 4 of the Lease, provided that with respect to the calculation of Lessee's Share of Operating Expenses in connection with the Expansion Premises, Lessee's Share shall equal 3.89%.

5. **Brokers.** Lessor and Lessee hereby warrant to each other that they have had no dealings with any real estate broker or agent in connection with the negotiation of this Third Amendment other than Hughes Marino (representing Lessee) and CBRE, Inc. (representing Lessor) (collectively, the "**Brokers**"), and that they know of no other real estate broker or agent who is entitled to a commission in connection with this Third Amendment. Each party agrees to indemnify and defend the other party against and hold the other party harmless from any and all claims, demands, losses, liabilities, lawsuits, judgments, and costs and expenses (including, without limitation, reasonable attorneys' fees) with respect to any leasing commission or

equivalent compensation alleged to be owing on account of the indemnifying party's dealings with any real estate broker or agent other than the Brokers. The terms of this Section 5 shall survive the expiration or earlier termination of this Third Amendment.

6. **Security Deposit.** Notwithstanding anything in the Lease to the contrary, the Security Deposit held by Lessor pursuant to the Lease, as amended hereby, shall equal Seventy-One Thousand Three Hundred Ninety-Six and No/100 Dollars ($71,396.00). Lessor and Lessee acknowledge that, in accordance with Paragraph 5 of the Lease, Lessee has previously delivered the sum of Fifty Thousand and 00/100 Dollars ($50,000.00) (the "**Existing Security Deposit**") to Lessor as security for the faithful performance by Lessee of the terms, covenants and conditions of the Lease. Concurrently with Lessee's execution of this Third Amendment, Lessee shall deposit with Lessor an amount equal to Twenty-One Thousand Three Hundred Ninety-Six and No/100 Dollars ($21,396.00) to be held by Lessor as a part of the Security Deposit. To the extent that the total amount held by Lessor at any time as security for the Lease, as hereby amended, is less than Twenty-One Thousand Three Hundred Ninety-Six and No/100 Dollars ($21,396.00) , Tenant shall pay the difference to Landlord within ten (10) days following Tenant's receipt of notice thereof from Landlord.

7. **No Further Modification.** Except as set forth in this Third Amendment, all of the terms and provisions of the Lease shall apply with respect to the Premises and shall remain unmodified and in full force and effect. In the event of any conflict between the terms and conditions of the Lease, and the terms and conditions of this Third Amendment, the terms and conditions of this Third Amendment shall prevail.

IN WITNESS WHEREOF, this Third Amendment has been executed as of the day and year first above written.

"LESSOR"

HCP TORREY PINES, LLC
a Delaware limited liability company

By: /s/ Michael Dorris

Name: Michael Dorris

Its: Vice President

"LESSEE"

DERMTECH, INC.
a Delaware corporation

By: /s/ S. Kemper

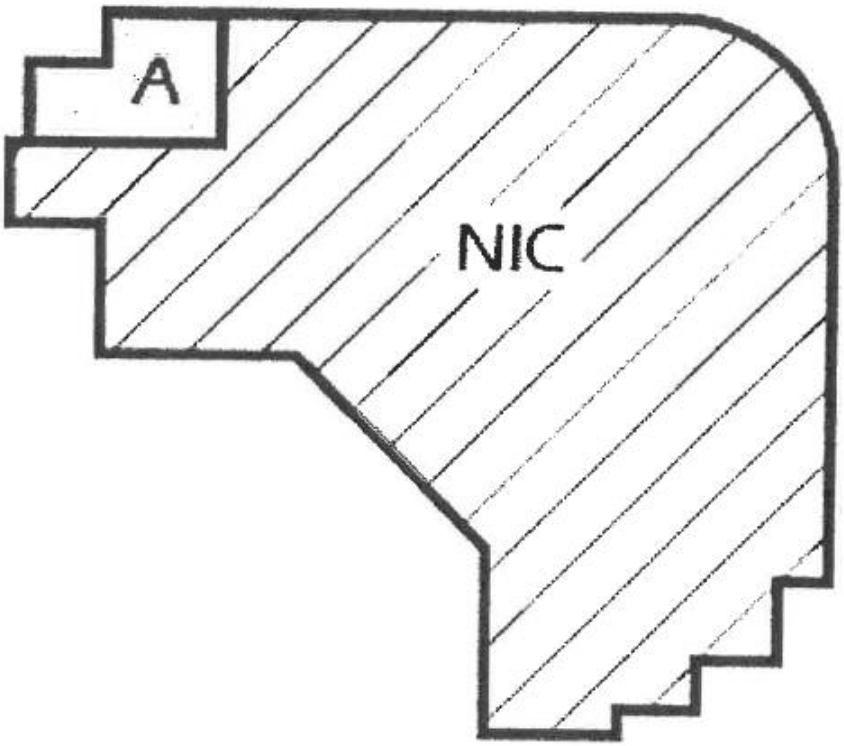
Name: S. Kemper

Its: CFO

EXHIBIT A

TORREY PINES CORPORATE CENTER

OUTLINE OF EXPANSION PREMISES



Subsidiary	**Jurisdiction of Incorporation**
DermTech Operations, Inc.	Delaware

Subsidiary	**Jurisdiction of Incorporation**
@Derma, Inc.	Delaware

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

The Board of Directors
DermTech, Inc.:

We consent to the incorporation by reference in the registration statement (No. 333-232181) on Form S-4/A of DermTech, Inc. (formerly known as Constellation Alpha Capital Corp.) of our report dated April 22, 2019, with respect to the balance sheets of DermTech, Inc. as of December 31, 2018 and 2017, and the related statements of operations and comprehensive loss, convertible preferred stock and stockholders' (deficit) equity, and cash flows for each of the years in the two-year period ended December 31, 2018, and the related notes (collectively, the "financial statements"), which report is incorporated by reference in the Form 8-K of DermTech, Inc. dated September 5, 2019. Our report dated April 22, 2019 contains an explanatory paragraph that states that the Company has suffered recurring losses from operations and has a net capital deficiency, which raise substantial doubt about its ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of that uncertainty.

/s/ KPMG LLP

San Diego, California
September 5, 2019

DERMTECH OPERATIONS, INC.

Interim Financial Statements

June 30, 2019 and 2018

DERMTECH OPERATIONS, INC.

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DERMTECH OPERATIONS, INC.
Unaudited Balance Sheets

		June 30, 2019	December 31, 2018
Assets			
Current assets:			
Cash and cash equivalents	$	2,121,857	4,752,579
Accounts receivable, net		437,481	579,961
Inventory		42,540	39,803
Prepaid expenses and other current assets		62,399	26,322
Total current assets		2,664,277	5,398,665
Property and equipment, net		188,609	214,867
Other assets		50,000	50,000
Total assets	$	2,902,886	5,663,532
Liabilities, Convertible Preferred Stock and Stockholders' (Deficit) Equity			
Current liabilities:			
Accounts payable	$	876,358	286,085
Accrued compensation		574,108	479,423
Accrued liabilities		934,491	286,059
Deferred revenue		1,138,004	1,552,229
Notes payable, current		516,270	—
Convertible notes payable, net		9,180,873	5,019,235
Derivative liability		3,374,343	2,879,774
Total current liabilities		16,594,447	10,502,805
Notes payable, noncurrent		—	516,270
Total liabilities		16,594,447	11,019,075
Commitments and contingencies			
Series C convertible preferred stock, $0.001 par value; 2,800,000 Series C shares authorized as of June 30, 2019 and December 31, 2018; 2,624,393 shares issued and outstanding at June 30, 2019 and December 31, 2018; $14,539,137 liquidation preference at June 30, 2019 and December 31, 2018		2,624	2,624
Stockholders' (deficit) equity:			
Common stock, $0.001 par value; 26,000,000 shares authorized as of June 30, 2019 and December 31, 2018; 4,709,148 and 4,644,983 shares issued and outstanding at June 30, 2019 and December 31, 2018		4,709	4,645
Additional paid-in capital		66,570,774	66,014,324
Accumulated deficit		(80,269,668)	(71,377,136)
Total stockholders' (deficit) equity		(13,694,185)	(5,358,167)
Total liabilities, convertible preferred stock and stockholders' (deficit) equity	$	2,902,886	5,663,532

See accompanying notes to financial statements.

DERMTECH OPERATIONS, INC.
Unaudited Statements of Operations and Comprehensive Loss

	Three months ended June 30,		Six months ended June 30,	
	2019	**2018**	**2019**	**2018**
Revenues:				
Contract revenue	$ 328,562	378,523	689,748	639,773
Assay revenue	284,654	299,697	519,947	532,269
Total revenues	613,216	678,220	1,209,695	1,172,042
Cost of revenues	685,888	687,560	1,320,478	1,350,366
Gross loss	(72,672)	(9,340)	(110,784)	(178,324)
Operating expenses:				
Sales and marketing	1,031,803	778,680	1,896,026	1,498,661
Research and development	517,876	548,213	1,089,951	1,067,078
General and administrative	1,705,949	912,596	3,234,614	1,781,933
Total operating expenses	3,255,628	2,239,489	6,220,592	4,347,671
Loss from operations	(3,328,300)	(2,248,829)	(6,331,376)	(4,525,995)
Other income (expense):				
Interest expense, net	(323,708)	(3,872)	(2,292,233)	(7,744)
Other expense	(39,701)	—	(224,346)	—
Total other income (expense)	(363,409)	(3,872)	(2,516,578)	(7,744)
Net loss and comprehensive loss	$ (3,691,709)	(2,252,701)	(8,847,954)	(4,533,739)
Weighted average shares outstanding used in computing net loss per share, basic and diluted	4,659,624	4,643,733	4,652,344	4,643,733
Net loss per common share outstanding, basic and diluted	$ (0.79)	(0.49)	(1.90)	(0.98)

See accompanying notes to financial statements.

DERMTECH OPERATIONS, INC.

Unaudited Statements of Convertible Preferred Stock and Stockholders' (Deficit) Equity

	Series C convertible preferred stock		Common stock		Additional paid-in capital	Accumulated deficit	Total stockholders' (deficit) equity
	Shares	Amount	Shares	Amount			
Balance, December 31, 2017	1,752,181	$ 1,752	4,643,733	$ 4,644	$ 60,560,797	$ (61,372,784)	$ (807,343)
Issuance of Series C preferred stock and common stock warrants at $5.54, net of $195,138 issuance costs	814,833	815	—	—	4,318,221	—	4,318,221
Stock-based compensation	—	—	—	—	226,337	—	226,337
Net loss	—	—	—	—	—	(2,281,038)	(2,281,038)
Balance, March 31, 2018	2,567,014	$ 2,567	4,643,733	$ 4,644	$ 65,105,355	$ (63,653,822)	$ 1,456,177
Issuance of Series C preferred stock and common stock warrants at $5.54, net of $99,509 issuance costs	57,379	57	—	—	218,313	—	218,313
Stock-based compensation	—	—	—	—	250,198	—	250,198
Net loss	—	—	—	—	—	(2,252,701)	(2,252,701)
Balance, June 30, 2018	2,624,393	$ 2,624	4,643,733	$ 4,644	$ 65,573,866	$ (65,906,523)	$ (328,013)

	Series C convertible preferred stock		Common stock		Additional paid-in capital	Accumulated deficit	Total stockholders' (deficit) equity
	Shares	Amount	Shares	Amount			
Balance, December 31, 2018	2,624,393	$ 2,624	4,644,983	$ 4,645	$ 66,014,324	$ (71,377,136)	$ (5,358,167)
Cumulative effect adjustment of accounting method change	—	—	—	—	—	(44,578)	(44,578)
Stock-based compensation	—	—	—	—	257,622	—	257,622
Net loss	—	—	—	—	—	(5,156,245)	(5,156,245)
Balance, March 31, 2019	2,624,393	$ 2,624	4,644,983	$ 4,645	$ 66,271,946	$ (76,577,959)	$ (10,301,368)
Cumulative effect adjustment of accounting method change	—	—	—	—	—	—	—
Issuance of common stock	—	—	64,165	64	41,170	—	41,234
Stock-based compensation	—	—	—	—	257,658	—	257,658
Net loss	—	—	—	—	—	(3,691,709)	(3,691,709)
Balance, June 30, 2019	2,624,393	$ 2,624	4,709,148	$ 4,709	$ 66,570,774	$ (80,269,668)	$ (13,694,185)

See accompanying notes to financial statements.

DERMTECH OPERATIONS, INC.
Unaudited Statements of Cash Flows

	Six months ended June 30,	
	2019	**2018**
Cash flows from operating activities:		
Net loss	$ (8,847,954)	(4,533,739)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	37,842	38,094
Stock-based compensation	515,280	476,535
Amortization of debt discount and issuance costs	1,831,861	
Change in fair value of derivative liability	224,346	—
Changes in operating assets and liabilities:		
Accounts receivable, net	142,480	69,880
Inventory	(2,737)	5,555
Prepaid expenses and other current assets	(36,077)	41,309
Accounts payable and accrued compensation	684,958	(303,384)
Accrued liabilities and deferred revenue	189,630	(169,127)
Net cash used in operating activities	(5,260,372)	(4,374,877)
Cash flows from investing activities:		
Purchases of property and equipment	(11,584)	(11,644)
Net cash used in investing activities	(11,584)	(11,644)
Cash flows from financing activities:		
Proceeds from convertible notes payable	2,600,000	—
Proceeds from sale of convertible preferred stock and common stock warrants, net of issuance costs	—	4,537,406
Proceeds from exercise of stock options	41,234	—
Net cash provided by financing activities	2,641,234	4,537,406
Net increase/(decrease) in cash and cash equivalents	(2,630,722)	150,885
Cash and cash equivalents, beginning of period	4,752,579	1,242,042
Cash and cash equivalents, end of period	$ 2,121,857	1,392,926
Non-cash investing and financing activities		
Debt discount and derivative liability at issuance of convertible notes payable	$ 270,223	—

See accompanying notes to financial statements.

(1) The Company and a Summary of its Significant Accounting Policies

(a) Nature of Operations

DermTech Operations, Inc. (formerly known as DermTech, Inc.) (the "Company") was incorporated in California on December 28, 1995 and re-incorporated in Delaware on May 15, 2014. The Company is an emerging growth molecular diagnostic company developing and marketing its Clinical Laboratory Improvement Amendments ("CLIA") laboratory services including molecular pathology tests to facilitate the diagnosis of dermatologic conditions including melanoma. The Company has developed a proprietary, non-invasive technique for sampling the surface layers of the skin using an adhesive patch in order to collect individual biological information for commercial applications in the medical diagnostic field.

On May 29, 2019, Constellation Alpha Capital Corp (NASDAQ: CNAC) ("Constellation"), a special purpose acquisition company, announced that it has executed a definitive agreement to merge with the Company.

Under the terms of the transaction, Constellation will domesticate its jurisdiction of incorporation from the British Virgin Islands to the State of Delaware and the Company will merge with a wholly-owned subsidiary of Constellation. All of the Company's outstanding capital stock will be converted into 16 million shares of newly issued Constellation common stock, less the number of shares of Constellation common stock that can be acquired or received pursuant to certain Company equity awards. In addition, Constellation has entered into subscription agreements with new health care focused institutional investors as well as certain existing investors in the Company to sell approximately 6.2 million shares of its common stock at a purchase price of $3.25 per share and 1,231 shares of Series A convertible preferred shares at a purchase price of $3,250 for an aggregate of $24 million in a private placement that will close in connection with the closing of the transaction.

The definitive agreement contains a minimum cash closing condition of $15 million, which Constellation expects to satisfy with proceeds from the private placement described above. The merger agreement further provides that the closing of the transaction is subject to approval by Constellation's shareholders and the satisfaction of other closing conditions.

(b) Basis of Presentation and Going Concern

These financial statements have been prepared in conformity with U.S. generally accepted accounting principles ("U.S. GAAP"), which contemplate continuation of the Company as a going concern. The Company has incurred net losses since the Company's formation and has an accumulated deficit of $80.3 million and a net capital deficiency of $13.7 million as of June 30, 2019 and does not have adequate cash on hand to fund operations for the next year. These conditions raise doubt about the Company's ability to continue as a going concern.

The Company has evaluated the expected cash requirements for a 12 month period from the issuance date of the financial statements through September 2020. Management intends to complete a strategic merger transaction to fund future operations. They believe this will be sufficient to provide the Company with the ability to continue, to support its planned operations and to continue developing and commercializing gene expression tests. There can be no assurances as to the availability of additional funding that may be available to the Company. If the Company is unable to obtain sufficient funding at acceptable terms, it may be forced to significantly curtail its operations, and the lack of sufficient funding may have a material adverse impact on the Company's ability to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

(c) Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses reported during the period. On an ongoing basis, management evaluates these estimates and judgments, including those related to

assay revenue, stock-based compensation, accounts receivable, derivative liability, the realization of deferred tax assets, and common and preferred stock valuations. Actual results may differ from those estimates.

(d) Cash and Cash Equivalents

The Company considers all highly liquid investments with remaining maturities of three months or less when purchased to be cash equivalents. The Company maintains its cash balances at banks and financial institutions. The balances are insured up to the legal limit. The Company maintains cash balances that may, at times, exceed this insured limit.

(e) Property and Equipment

Property and equipment is recorded at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets that range from two to five years. Leasehold improvements are depreciated over the shorter of the life of the lease or the asset. The Company recorded depreciation expense of $19,179 and $19,199 during the three months ended June 30, 2019 and 2018, respectively, and $37,842 and $38,094 during the six months ended June 30, 2019 and 2018, respectively. No property or equipment was disposed of during the three months or six months ended June 30, 2019 and 2018. The Company assesses its long-lived assets, consisting primarily of property and equipment, for impairment when material events and changes in circumstances indicate that the carrying value may not be recoverable. There were no impairment losses for the three months or six months ended June 30, 2019 and 2018.

(f) Research and Development

Costs incurred in connection with research and development activities are expensed as incurred. Research and development expenses consist of (i) employee-related expenses, including salaries, benefits, travel and stock compensation expense; (ii) facilities and other expenses, which include direct and allocated expenses for rent and maintenance of facilities and laboratory and other supplies.

The Company expenses all costs as incurred in connection with patent applications (including direct application fees, and the legal and consulting expenses related to making such applications) and such costs are included in general and administrative expenses.

(g) Concentration of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and cash equivalents. The Company maintains $1.9 million in a bank deposit account, as of June 30, 2019, that is in excess of the $250,000 insurance provided by the Federal Deposit Insurance Corporation in one federally insured financial institution. The Company has not experienced any losses in such accounts.

(h) Income Taxes

The Company provides for federal and state income taxes on the asset and liability approach which requires deferred tax assets and liabilities to be recognized based on temporary differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the temporary differences are expected to reverse.

Deferred tax assets are reduced by a valuation allowance when, in management’s opinion, it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. The Company’s valuation allowance is based on available evidence, including its current year and prior year operating losses, evaluation of positive and negative evidence with respect to certain specific deferred tax assets including evaluation sources of future taxable income to support the realization of the deferred tax assets. The Company has established a full valuation allowance on the deferred tax assets as of June 30, 2019 and December 31, 2018.

Current and deferred tax assets and liabilities are recognized based on the tax positions taken or expected to be taken in the Company’s income tax returns. U.S. GAAP requires that the tax benefits of an uncertain tax position

can only be recognized when it is more likely than not that the tax position will be sustained upon examination by the relevant taxing authority. Tax benefits related to tax positions that do not meet this criterion are not recognized in the financial statements.

The Company recognizes interest and penalties related to income tax matters in income tax expense.

(i) Revenue Recognition

The Company's revenue is generated from two revenue streams, Contract Revenue and Assay Revenue. The Company accounts for revenue in accordance with Accounting Standards Codification ("ASC") Topic 606, Revenue from Contracts with Customers ("ASC 606"). The core principle of ASC 606 is that the Company recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The ASC 606 revenue recognition model consists of the following five steps: (1) identify the contracts with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract and (5) recognize revenue when (or as) the entity satisfies a performance obligation.

The Company adopted ASC 606 on January 1, 2019, using the modified retrospective method and elected to utilize Practical Expedient 1 to apply the modified retrospective method to only contracts which were open as of January 1, 2019. Application of the modified retrospective method for the Company's contract revenue did require a cumulative effect adjustment upon adoption, which resulted in an adjustment of $44,578 to increase accumulated deficit and deferred revenue. Application of the modified retrospective method for the Company's assay revenue does not materially impact amounts previously reported by the Company, nor does it require a cumulative effect adjustment upon adoption, as the Company's method of recognizing revenue under ASC 606 was analogous to the method utilized immediately prior to adoption. Accordingly, there is no need for the Company to disclose the amount by which each financial statement line item was affected as a result of applying the new standard and an explanation of significant changes.

The Company recognizes revenue from its Contract and Assay goods and service in accordance with the core principles and key aspects considered by the Company include the following:

(a) Contract Revenue

Contract revenue is generated from the sale of CLIA laboratory services and adhesive sample collection kits to third party companies through contract research agreements. CLIA laboratory revenues result from providing gene expression tests to facilitate the development of drugs designed to treat dermatologic conditions. The provision of gene expression services may include sample collection using the Company's patented adhesive patch biopsy devices, assay development for research partners, ribonucleic acid ("RNA") isolation, expression, amplification and detection, including data analysis and reporting.

Contracts

As part of the Company's contract revenue, we have established contracts and work orders with all our big pharma partners that all fall under the scope of ASC 606.

Performance obligations

ASC 606 requires an entity to assess the goods or services promised in a contract and identify as a performance obligation each promise to transfer to the customer either a good or service (or a bundle of goods or services) that is distinct, or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer. Based upon review of existing contracts, a majority of our contract revenue contracts contain three performance obligations:

(1) Adhesive patch kits
(2) RNA extractions
(3) Certain project management fees

Many of our Contract Revenue contracts contain promises such as start-up activities and quality system setup fees, which are activities that we perform to fulfill the contract and they do not transfer any good or service to the customer. These promises encompass the administrative tasks associated with beginning and initiating a new project or study with a big pharma company. In accordance with ASC 606, an entity does not account for these activities as a promised good or service within the contract nor evaluate whether they are a performance obligations.

Transaction price

The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

The transaction prices of all our performance obligations are listed in each of our contracts on a per unit basis and are fixed based for the adhesive patch kits and RNA extractions. The project management fees are assessed based on a monthly service fee which range within the contracts depending on certain factors which include length of project and amount of kits or RNA extractions promised within the contract. The fixed and variable rates are materially consistent within all our contracts. Therefore, we utilize the prices listed in each of our contracts as the transaction price for each performance obligation.

In determining the transaction price, ASC 606 requires an entity to adjust the promised amount of consideration for the effects of the time value of money if the contract contains a significant financing component. All our contracts state fixed transaction prices for each deliverable associated with the contract and does not qualify for the significant financing component of ASC 606.

Allocate the transaction price

All of our contracts have a directly observable transaction price pertaining to each promised good or service. Those prices are consistent across all contracts for adhesive patch kits and RNA extractions, with the exception of our project management fees, which we believe encompass a sufficiently narrow range of prices that are dictated upon factors of each contract previously discussed above. Therefore, we rely on those transaction prices as the basis to allocate the stand-alone selling prices to the performance obligations of the contract.

Most of our contracts contain a discount that is allocated to all items within the contract, whether they are performance obligations or not. Those items that are not performance obligations (e.g. quality system setup and start up fees) have the associated discount allocated to the transaction prices of the performance obligations evenly.

Recognize Revenue

An entity should recognize revenue when (or as) it satisfies a performance obligation by transferring a promised good or service to a customer. A good or service is transferred when (or as) the customer obtains control of that good or service. The adhesive patch kits are recognized as point in time when shipped to the customer. The RNA extraction is recognized at a point in time when the extraction process is complete and the results are sent to the customer. We provide our project management service over the life of the contract, providing equal benefit to the customer throughout the life of the project or study. Therefore, the revenue related to our project management fees is recognized straight-line over the life contract.

Deferred Revenue and Remaining Performance Obligations

The Company records a deferred revenue liability if a customer pays consideration before the Company transfers a good or service to the customer. Deferred revenue primarily represents upfront milestone payments, for which consideration is received prior to goods/services are completed in the contract. Deferred revenue at June 30, 2019 and December 31, 2018 was $1.1 million and $1.6 million, respectively.

Remaining performance obligations include deferred revenue and amounts the Company expects to receive for goods and services that have not yet been delivered or provided under existing contracts. For contracts that have an original duration of one year or less, the Company has elected the practical expedient applicable to such contracts and does not disclose the remaining performance obligations at the end of each reporting period and when the Company expects to recognize this revenue. At June 30, 2019, the estimated revenue expected to be recognized in future periods related to performance obligations that are unsatisfied for executed contracts with an original duration of one year or more was approximately $3.3 million. The Company expects to recognize revenue on the majority of these remaining performance obligations over the next two to three years.

(b) Assay Revenue

The Company generates revenues from their Pigmented Lesion Assay ("PLA") and Nevome services it provides to dermatologists in various states throughout the United States to assist in a clinician's diagnosis of melanoma. The Company provides participating dermatologists with its adhesive sample collection kits to perform non-invasive skin biopsies of clinically ambiguous pigmented skin lesions on patients. Once the sample is collected by the dermatologists, it is returned to the Company's CLIA laboratory for analysis. The patient RNA and deoxyribonucleic acid ("DNA") is extracted from the adhesive patch collection kit and analyzed using gene expression technology to determine if the pigmented skin lesion contains certain genomic features indicative of melanoma. Upon completion of the gene expression analysis, a final report is drafted and provided to the dermatologists detailing the results of the pigmented skin lesion indicating whether the sample collected is indicative of melanoma or not.

Contracts

The Company's customer is the patient. However, the Company does not enter into a formal reimbursement contract with a patient, as formal reimbursement contracts are more commonly established with insurance payers. Accordingly, the Company establishes a contract with a patient in accordance with other customary business practices.

- Approval of a contract is established by the use of our adhesive patch kit on a patient by an ordering physician, which is then sent to our central lab for testing.
- We are obligated to perform our laboratory services upon receipt of a sample from a physician, and the patient and/or applicable payer are obligated to reimburse us for services rendered based on the patient's insurance benefits.
- Payment terms are a function of a patient's existing insurance benefits.
- Once we deliver a patient's test result to the ordering physician, we are legally able to collect payment and bill an insurer and/or patient, depending on payer contract status or patient insurance benefit status.
- Our consideration is deemed to be variable, and we consider collection of such consideration to be probable to the extent that it is unconstrained.

Performance obligations

A performance obligation is a promise in a contract to transfer a distinct good or service (or a bundle of goods or services) to the customer. The customer is able to order a PLA test. However, a Nevome test cannot be ordered separately from the PLA test and it is contingent on being run only when a PLA test comes back positive on a sample. The Nevome test would not qualify as a distinct service. Therefore, the PLA test is recognized as a single performance obligation and the Nevome test, if rendered, is bundled with the single PLA performance obligation.

Transaction price

The transaction price is the amount of consideration that the Company expects to collect in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, some sales taxes). The consideration expected from a contract with a customer may include fixed amounts, variable amounts, or both.

The consideration derived from the Company's contracts is deemed to be variable, though the variability is not explicitly stated in any contract. Rather, the implied variability is due to several factors, such as the amount of contractual adjustments, any patient co-payments, deductibles or patient compliance incentives, the existence of secondary payers and claim denials.

The Company estimates the amount of variable consideration using the expected value method, which represents the sum of probability-weighted amounts in a range of possible consideration amounts. When estimating the amount of variable consideration, the Company considers several factors, such as historical collections experience, patient insurance eligibility and payer reimbursement contracts.

The Company limits the amount of variable consideration included in the transaction price to the unconstrained portion of such consideration. In other words, the Company recognizes revenue up to the amount of variable consideration that is not subject to a significant reversal until additional information is obtained or the uncertainty associated with the additional payments or refunds is subsequently resolved. Differences between original estimates and subsequent revisions, including final settlements, represent changes in the estimate of variable consideration and are included in the period in which such revisions are made. Revenue recognized from changes in transaction prices was not material for the three and six months ended June 30, 2019 and 2018, respectively.

The Company monitors its estimates of transaction price to depict conditions that exist at each reporting date. If the Company subsequently determines that it will collect more consideration than it originally estimated for a contract with a patient, it will account for the change as an increase in the estimate of the transaction price (i.e., an upward revenue adjustment) in the period identified. Similarly, if the Company subsequently determines that the amount it expects to collect from a patient is less than it originally estimated, it will generally account for the change as a decrease in the estimate of the transaction price (i.e., a downward revenue adjustment), provided that such downward adjustment does not result in a significant reversal of cumulative revenue recognized.

When the Company does not have significant historical experience or that experience has limited predictive value, the constraint over estimates of variable consideration may result in no revenue being recognized upon delivery of a patient's test result to the ordering physician, with recognition, generally occurring at the date of cash receipt.

Allocate the transaction price

The entire transaction price is allocated entirely to the single performance obligation contained within the contract with a patient.

Recognize revenue

The Company's single performance obligation is satisfied at a point in time, and that point in time is defined as the date a patient's successful test result is delivered to the patient's ordering physician. The Company considers this date to be the time at which the patient obtains control of the final results of the promised test service.

If a Nevome test service is ordered and completed in conjunction with the Company's PLA service, then the Company will recognize revenue point in time upon the delivery of the both final reports to the physician. The delivery of the Company's Nevome test results is commonly after the Company's PLA results are delivered due to the circumstances of how the Company processes the Nevome test. However, this length in time is determined to not materially impact the final overall revenue recognition timing.

(c) Disaggregation of Revenue

The following tables present the Company's revenues disaggregated by revenue source during the three months ended June 30, 2019 and 2018, respectively, and during the six months ended June 30, 2019 and 2018, respectively:

	Three Months Ended June 30,	
	2019	2018
Assay Revenue		
PLA Test	284,654	299,697
Contract Revenue		
Adhesive patch kits	168,270	148,971
RNA Extractions	85,065	143,816
Project Management Fees	74,928	51,660
Other	300	34,076
	613,216	678,220

	Six Months Ended June 30,	
	2019	2018
Assay Revenue		
PLA Test	519,947	532,269
Contract Revenue		
Adhesive patch kits	335,151	219,497
RNA Extractions	200,276	252,166
Project Management Fees	152,602	98,985
Other	1,720	69,125
	1,209,695	1,172,042

(d) Contract Balances

The timing of revenue recognition, billings and cash collections results in billed accounts receivable and deferred revenue on the balance sheets.

Generally, contract revenue has a majority of contracts in which the Company receives a substantial up-front payments upon various milestones over the life of the contract. This results in deferred revenue and is relieved upon delivery of the applicable adhesive patch kits or RNA extraction results. Changes in accounts receivable and deferred revenue were not materially impacted by any other factors.

Deferred revenue balances are presented on our condensed consolidated balance sheets and was $1.1 million and $1.6 million as of June 30, 2019 and December 31, 2018, respectively.

(j) Accounts Receivable

Contract Accounts Receivable

Contract accounts receivable are recorded at the net invoice value and are not interest bearing. The Company considers receivables past due based on the contractual payment terms which range from 30 to 60 days. The Company reserves specific receivables if collectability is no longer reasonably assured, and as of June 30, 2019 and December 31, 2018, the Company did not maintain any reserve over contract receivables as they deal with large established credit worthy customers. The Company re-evaluates such reserves on a regular basis and

adjusts its reserves as needed. Once a receivable is deemed to be uncollectible, such balance is charged against the reserve. The Company recorded $155,898 and $295,784 of contract accounts receivable as of June 30, 2019 and December 31, 2018, respectively.

Assay Accounts Receivable

Due to the nature of the Company's assay revenue, it can take a significant amount of time to collect upon billed PLA services. The Company prepares an analysis on reimbursement collections and data obtained as of each financial reporting period to determine the amount of receivables to be recorded relating to PLA services performed in the applicable period. The Company accrues an allowance for doubtful accounts against its accounts receivable when it is probable that an account is not collectible, based on write off history, credit risk of specific accounts, aging analysis and other information available on specific accounts. The Company generally does not perform evaluations of customers' financial condition and generally does not require collateral. Accounts receivable are written off when all efforts to collect the balance have been exhausted. Historically, the Company's bad debt expense has not been significant. The allowance for doubtful accounts was not material as of June 30, 2019 and December 31, 2018. Adjustments for implicit price concessions attributable to variable consideration are incorporated into the measurement of the accounts receivable balances and are not part of the allowance for doubtful accounts.

(k) Freight and Shipping Costs

The Company records outbound freight and shipping costs for its contract and assay revenues in cost of revenues.

(l) Comprehensive Income (Loss)

Comprehensive loss is defined as a change in equity during a period from transactions and other events and circumstances from non-owner sources. The Company's comprehensive loss was the same as its reported net loss for all periods presented.

(m) Segment Reporting

Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision maker, or decision making group, in making decisions on how to allocate resources and assess performance. The Company views its operations and manages its business as one operating segment. All revenues have been generated in the United States and all assets are held in the United States.

(n) Net Loss Per Share

Basic and diluted net loss per common share is determined by dividing net loss applicable to common shareholders by the weighted average common shares outstanding during the period. Because there is a net loss attributable to common shareholders during the three months ended and six months ended June 30, 2019 and 2018, the outstanding common stock warrants, stock options, restricted stock units and preferred stock have been excluded from the calculation of diluted loss per common share because their effect would be anti-dilutive. Therefore, the weighted average shares used to calculate both basic and diluted loss per share are the same. Diluted net loss per common share for June 30, 2019 excludes the effect of anti-dilutive equity instruments including 2,624,393 shares of common stock issuable upon conversion of preferred stock, 1,113,875 shares of common stock issuable upon the exercise of outstanding common stock warrants and 2,698,242 shares of common stock issuable upon the exercise stock options and release of restricted stock units. Diluted net loss per common share for June 30, 2018 excludes the effect of anti-dilutive equity instruments including 2,624,393 shares of common stock issuable upon conversion of our preferred stock, 3,020,705 shares of common stock issuable upon the exercise of outstanding warrants and 1,717,560 shares of common stock issuable upon the exercise stock options and release of restricted stock units. The Company did not consider a two class method of earnings (loss) per share given that the Company's convertible participating securities do not participate in losses.

(o) Stock-Based Compensation

Compensation costs associated with stock option awards and other forms of equity compensation are measured at the grant-date fair value of the awards and recognized over the requisite service period of the awards on a straight-line basis.

The Company grants stock options to purchase common stock to employees with exercise prices equal to the fair market value of the underlying stock, as determined by the board of directors, management and outside valuation experts. The board of directors and outside valuation experts determine the fair value of the underlying stock by considering a number of factors, including historical and projected financial results, the risks the Company faced at the time, the preferences of the Company's debt holders and preferred stockholders, and the lack of liquidity of the Company's common stock.

The fair value of each stock option award is estimated using the Black-Scholes-Merton valuation model. Such value is recognized as expense over the requisite service period, net of estimated forfeitures, using the straight-line method. The expected term of options is based on the simplified method which defines the expected term as the average of the contractual term of the options and the weighted average vesting period for all option tranches. The expected volatility of stock options is based upon the historical volatility of a number of related publicly traded companies in similar stages of development. The risk-free interest rate is based on the average yield of U.S. Treasury securities with remaining terms similar to the expected term of the share-based awards. The assumed dividend yield was based on the Company's expectation of not paying dividends in the foreseeable future.

The Company accounts for stock options to non-employees using the fair value approach. The fair value of these options is measured using the Black-Scholes-Merton option pricing model, reflecting the same assumptions applied to employee options, other than expected life, which is assumed to be the remaining contractual life of the award. Options that are granted to employees have a requisite service period of four years. Equity instruments awarded to non-employees are periodically re-measured as the underlying awards vest unless the instruments are fully vested, immediately exercisable, and non-forfeitable on the date of grant.

Restricted stock units ("RSU") are considered restricted stock. The fair value of restricted stock is equal to the fair market value of the underlying stock, as determined by the board of directors, management and input from outside valuation experts. The Company recognizes stock-based compensation expense based on the fair value on a straight-line basis over the requisite service periods of the awards, taking into consideration estimated forfeitures. RSUs that are granted to employees have a requisite service period between two and four years.

The fair value of each option for employees was estimated on the date of grant using the following assumptions:

	Six months ended June 30,	
	2019	**2018**
Assumed risk-free interest rate	2.24 - 2.50%	2.46 - 2.94%
Assumed volatility	73.20%	78.16 - 78.25%
Expected option term	6.04 - 6.08 years	5.76 - 6.04 years
Expected dividend yield	—	—

The Company recorded stock-based compensation expense for employee options, RSUs, common stock warrants, and consultant options of $257,658 during the three months ended June 30, 2019, and $515,280 during the six months ended June 30, 2019. The total compensation cost related to non-vested awards not yet recognized at June 30, 2019 was $961,392, which is expected to be recognized on a straight-line basis over a weighted average term of 1.95 years.

(p) Fair Value Measurements

The Company uses a three-tier fair value hierarchy to prioritize the inputs used in the Company's fair value measurements. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets for identical assets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. The following table provide a summary of the assets and liabilities that are measured at fair value on a recurring basis as of June 30, 2019 and December 31, 2018:

Fair Value Measurements at Reporting Date Using

	June 30, 2019			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Liabilities:				
Derivative liability	$ -	$ -	$ 3,374,343	$ 3,374,343
Total liabilities	$ -	$ -	$ 3,374,343	$ 3,374,343

	December 31, 2018			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Liabilities:				
Derivative liability	$ -	$ -	$ 2,879,774	$ 2,879,774
Total liabilities	$ -	$ -	$ 2,879,774	$ 2,879,774

The fair value of the derivative liability was determined based on a probability weighted valuation model of the various embedded features of the Company's outstanding convertible debt. The fair value is subjective and is affected by changes in inputs to the valuation model including management's assumptions regarding estimates of timing and the probability of each embedded conversion feature occurring. An initial fair value valuation was performed at each date of issuance of the outstanding convertible debt and subsequently remeasured as of June 30, 2019. The accumulated change in fair value between the measurement dates was determined to be a $224,346 loss, which was recognized as other expense within the Statement of Operations. Changes in these assumptions can materially affect the fair value.

There were no other assets or liabilities that were measured at fair value on a recurring basis as of June 30, 2019 and December 31, 2018. The Company believes the carrying amount of cash and cash equivalents, accounts receivables, inventory, accounts payable and accrued expenses approximate their estimated fair values due to the short-term nature of these accounts.

(q) Derivative Liability

From time-to-time, the Company may issue convertible notes that contain embedded features that require derivative accounting including the determination of the fair value of the financial instruments at the execution of the contract and the change in such fair values through each reporting period until such time the liability is extinguished. The Company's convertible notes, as further discussed in Note 3, have embedded derivatives that required bifurcation from the host instrument.

(r) Accounting Pronouncement Recently Adopted

In March 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") 2016-09, "Compensation–Stock Compensation (Topic 718): Improvements to Employee Share Based Payment Accounting," which includes multiple provisions intended to simplify accounting for share based payments, including accounting for income taxes, classification on the statement of cash flows, accounting for forfeitures, and classification of awards as either liabilities or equity. This new standard was effective for interim and annual periods beginning January 1, 2018 and was adopted by the Company on this date. As a result of adoption, the Company will continue to estimate forfeitures as part of their stock-based compensation calculation. Much of the remaining accounting standard did not have a material impact on the Company's financial statements.

In May 2014, the FASB issued ASU 2014 09, "Revenue from Contracts with Customers (Topic 606)," superseded virtually all existing revenue guidance. Under this standard, an entity is required to recognize revenue upon transfer of promised goods or services to customers in an amount that reflects the expected consideration received in exchange for those goods or services. As such, an entity will use more judgment and make more estimates than under the former guidance. This standard should be applied retrospectively either to each prior reporting period presented in the financial statements, or only to the most current reporting period presented in the financial statements with a cumulative effect adjustment recorded in retained earnings. In March 2016, the FASB issued ASU 2016 08, "Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net)," which clarifies the principal versus agent guidance in the new revenue recognition standard. In April 2016, the FASB issued ASU 2016 10, "Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing," which clarifies the guidance on accounting for licenses of intellectual property ("IP") and identifying performance obligations in the new revenue recognition standard. In May 2016, the FASB issued ASU 2016 12, "Revenue from Contracts with Customers (Topic 606): Narrow Scope Improvements and Practical Expedients," which does not change the core principles of the guidance in Topic 606, but further clarifies and improves various narrow aspects of Topic 606. In December 2017, the FASB issued ASU 2016 20, "Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers," which clarifies the codification and corrects unintended application of Topic 606. These new standards are effective for interim and annual periods beginning after December 15, 2018 and early adoption is permitted.

The Company adopted the standard as of January 1, 2019 utilizing the modified retrospective approach. Further information regarding the standard is discussed in Note 1(i) Revenue Recognition. As a result of adoption, the Company made a $44,578 adjustment to accumulated deficit to account for prior year contract revenue amounts being lower under ASC 606. The Company noted no material impact associated with the adoption of ASC 606 on assay revenue.

(s) Accounting Pronouncements Issued But Not Yet Effective

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)," which requires lessees to generally recognize on the balance sheet operating and financing lease liabilities and corresponding right-of-use assets, and to recognize on the income statement the expenses in a manner similar to current practice. In July 2018, the FASB issued ASU 2018-10, "Codification Improvements to Topic 842, Leases" and ASU 2018-11, "Leases (Topic 842): Targeted Improvements", which improves the clarity of the new lease standard and corrects unintended application of the guidance. In December 2018, the FASB issued ASU 2018-20, "Narrow-Scope Improvements for Lessors", which increases transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing transactions. In March 2019, the FASB issued ASU 2019-01, "Lease (Topic 842): Codification Improvements", which increases transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and

disclosing essential information about leasing transactions. This new standard is effective for interim and annual periods beginning January 1, 2020 and early adoption is permitted. The Company is currently evaluating the impact of this standard on its financial statements.

In June 2019, the FASB issued ASU 2018-07, "Compensation-Stock Compensation (Topic 718) – Improvements to Nonemployee Share-Based Payment Accounting", which simplifies accounting for nonemployee share-based payment transactions resulting from expanding the scope of Topic 718, Compensation—Stock Compensation, to include share-based payment transactions for acquiring goods and services from nonemployees. This new standard is effective for interim and annual periods beginning December 15, 2019 and early adoption is permitted. The Company is currently evaluating the impact of this standard on its financial statements.

In August 2018, the FASB issued ASU 2018-13, "Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement", which modified the disclosure requirements on fair value measurements in Topic 820, Fair Value Measurement, based on the concepts in the Concepts Statement, including the consideration of costs and benefits. This new standard is effective for interim and annual periods beginning December 15, 2019 and early adoption is permitted. The Company is currently evaluating the impact of this standard on its financial statements.

(2) Balance Sheet Details

Balance sheet details are as follows:

	June 30, 2019	December 31, 2018
Prepaid expenses and other current assets:		
Prepaid insurance	$ 31,827	$ 1,848
Prepaid trade shows	9,600	18,836
Other current assets	20,972	5,637
	$ 62,399	$ 26,322
Property and equipment, gross:		
Laboratory equipment	$ 317,747	$ 314,238
Computer equipment and software	6,747	2,626
Furniture and fixtures	33,813	33,813
Leasehold improvements	18,478	14,522
	376,784	365,199
Less accumulated depreciation	(188,175)	(150,333)
	$ 188,609	$ 214,867

	June 30, 2019	December 31, 2018
Accrued Liabilities:		
Accrued consulting services	$ 149,765	$ 23,041
Accrued interest	624,684	164,313
Deferred rent	79,165	84,792
Other accrued expenses	80,877	13,913
	$ 934,491	$ 286,059
Accrued compensation:		
Accrued paid time off	$ 272,327	$ 233,689
Accrued bonus and deferred compensation	301,780	245,735
	$ 574,108	$ 479,423

(3) Debt

Wilson, Sonsini, Goodrich & Rosati Note

On January 7, 2016, the Company converted $566,270 of its accounts payable due to Wilson, Sonsini, Goodrich & Rosati (the Company's general legal counsel) into a three year promissory note bearing 3% interest and maturing on January 7, 2019, or earlier under certain circumstances. There are no principal payments due until the note reaches maturity. On October 25, 2017, the Company amended and restated its promissory note with Wilson, Sonsini, Goodrich & Rosati by paying down $50,000 on the principal balance of the note while extending its maturity date to January 7, 2020, or earlier under certain circumstances at a continued interest rate of 3%. The Company recorded $3,872 of interest expense relating to this note payable during the three months end June 30, 2019 and 2018, and $7,744 six months ended June 30, 2019 and 2018.

2018 Convertible Bridge Notes

From August to November 2018, the Company issued $6.8 million aggregate principal amount of convertible bridge notes ("2018 Bridge Notes"), resulting in $6.6 million in net proceeds. The 2018 Bridge Notes carry a 10% interest rate and mature on March 31, 2019. Since the 2018 Bridge Notes were not paid or converted by March 31, 2019, the interest rate increased to 15%. The Company intends to let these 2018 Bridge Notes accrue at 15% interest until they are converted by one of the methods discussed below.

The 2018 Bridge Notes are subject to automatic conversion into equity securities of the Company at the closing of a single or series of related capital raising transactions in which the Company issues equity securities with aggregate gross proceeds to the Company of at least $20 million ("Qualified Financing") that occurs on or prior to the maturity date. Upon automatic conversion of these 2018 Bridge Notes, the note holders shall be entitled to receive shares of the Company's equity securities equal to the quotient obtained by dividing the unpaid principal amount of these 2018 Bridge Notes plus interest accrued but unpaid by the lesser of:

1) the lowest price per share of the new stock paid in the Qualified Financing by investors multiplied by 70%.

2) the price per share obtained by dividing $45 million by the Company's fully-diluted capitalization immediately prior to such Qualified Financing assuming exercise or conversion of all outstanding options and issuance of all outstanding restricted stock unit awards, including all shares of common stock reserved and available for future grant under any equity incentive plan of the Company, and/or any equity incentive or similar plan to be created or increased in connection with the Qualified Financing, but excluding any shares issuable upon exercise of the Company's outstanding common stock warrants or conversion of the 2018 Bridge Notes.

In the event the Company consummates, on or before the Maturity Date, an equity financing pursuant to which it sells shares of equity in a transaction that does not constitute a Qualified Financing, then the note holders shall have the option, but not the obligation, to elect to treat such equity financing as a Qualified Financing on the same terms set forth.

In addition, the note holders may elect to convert at any time all of the outstanding principal balance under these 2018 Bridge Notes, together with any accrued but unpaid interest into shares of the Company's Series C Preferred Stock ("Optional Conversion"). Upon Optional Conversion of these notes, the note holders shall be entitled to receive a number of shares of the Company's Series C Preferred Stock equal to the quotient obtained by dividing the unpaid principal amount of these notes plus interest accrued but unpaid by $5.54, subject to adjustment upon certain events. The note holders will also receive common stock warrants, in substantially the same form as the common stock warrants issued to any purchasers of the Company's Convertible Series C Preferred Stock.

In the event of a Change of Control (as defined in the 2018 Bridge Note agreements) transaction prior to the payment in full or conversion of these 2018 Bridge Notes, then the note holders may elect to either:

1) effect the Optional Conversion feature, as discussed above.

2) demand payment of the outstanding principal amount and the current accrued but unpaid interest of these 2018 Bridge Notes ("Base Amount") plus an amount equal to the Base Amount multiplied by a specified percentage,

Several of the embedded features of the 2018 Bridge Notes were identified as meeting the criteria of a derivative and ultimately bifurcated from the host contract. The Company accounted for this by separating the derivative component of the 2018 Bridge Notes as a derivative liability on the balance sheet. The Company assigned a value to the debt component of the 2018 Bridge Notes equal to the difference between the estimated fair value of the 2018 Bridge Notes with and without the conversion features, which resulted in the Company recording the 2018 Bridge Notes at a discount. The total debt discount amount as of the respective date of issuance of the 2018 Bridge Notes was determined to be $2.5 million. The Company amortized the debt discount over the contractual life (i.e., March 31, 2019) of the 2018 Bridge Notes as additional non-cash interest expense utilizing the effective interest method. At each financial reporting period, the Company remeasures the fair value of the embedded features bifurcated from the 2018 Bridge Notes (i.e., the derivative liability) and changes in the fair value is recognized in earnings. As of three months ended and six months ended June, 2019 and 2018, the Company recognized losses of $36,322 and $0, respectively, and $220,967 and $0, respectively, on the change in fair value of the derivative liability recognized as other expense on the Statement of Operations.

The following table summarizes information about the liability components the Company's 2018 Bridge Notes:

2018 Bridge Notes	**June 30, 2019**	**December 31, 2018**
Principal amount outstanding	$ 6,800,000	$ 6,800,000
Unamortized discount and issuance costs	-	(1,780,765)
Total current convertible notes payable, net	$ 6,800,000	$ 5,019,235

On May 23, 2019, the Company and the various convertible 2018 Bridge Note holders agreed to amend the outstanding convertible notes that were issued in the last of half of 2018. As part of the amendment, the maturity dates of the notes were extended to the earliest of (i) September 24, 2019; (ii) the occurrence of an Event of Default; (iii) the consummation of a liquidation or dissolution of the Company (iv) a Liquidation Transaction; or (v) the consummation of a merger with or into Constellation Alpha Capital Corp. or any of its subsidiaries.

In addition, immediately prior to the consummation of a Company merger with or into Constellation Alpha Capital Corp. or any of its subsidiaries substantially on the terms contemplated as of the date hereof on or before September 24, 2019 (a "Qualifying Merger"), the outstanding principal amount of and all accrued but unpaid interest on each of the convertible notes shall automatically be converted into shares of the Company's common stock at a price per

share equal to 70% of the Merger Consideration. The "Merger Consideration" means (i) the lesser of $3.75 and (ii) the offering price per share of the PIPE transaction to be consummated concurrently with the consummation of the Qualifying Merger multiplied by the Conversion Ratio. The "Conversion Ratio" means the quotient resulting from dividing 16,000,000 by the number of fully diluted shares of the Company as of immediately after the conversion of the notes.

This new embedded Qualifying Merger feature of the 2018 Bridge Notes was identified as meeting the criteria of a derivative and ultimately bifurcated from the host contract with the previously identified embedded features that met the criteria of being a derivative. In addition, this amendment was accounted for as a debt modification of the existing 2018 Bridge Notes.

2019 Convertible Bridge Notes

Between June 5th and June 10th, 2019, the Company issued additional convertible bridge notes (the 2019 Bridge Notes") to existing investors for aggregate gross proceeds of $2.6 million. These convertible bridge notes carry an interest rate of 10% and mature after the earliest to occur of: (i) September 25, 2019; (ii) the occurrence of an Event of Default; (iii) the consummation of a liquidation or dissolution of the Company; (iv) a Liquidation Transaction; or (v) the consummation of a merger of the Company with DT Merger Sub, Inc., a subsidiary of Constellation Alpha Capital Corp., in accordance with the Agreement and Plan of Merger, dated as of May 29, 2019.

The unpaid principal amount of these convertible bridge notes together with any interest accrued but unpaid thereon, shall automatically be converted into shares of the Company's common stock immediately prior to the consummation of a Qualifying Merger. Upon the conversion of these notes, the note holders shall be entitled to receive a number of shares of the Company's common stock equal to the quotient obtained by dividing (i) the unpaid principal amount of these notes plus interest accrued but unpaid thereon, by (1) if the Qualifying Merger consummates prior to the maturity date, the lesser of (x) $3.37 and (y) 90% of the Merger Consideration (as defined below), or (2) if the Qualifying Merger consummates on or after the maturity date, the lesser of (x) $2.62 and (y) 70% of the Merger Consideration. The "Merger Consideration" means the offering price per share of the PIPE transaction between Constellation and the investors thereto, to be consummated substantially concurrently with the consummation of the Qualifying Merger, multiplied by the Conversion Ratio (as defined below). The "Conversion Ratio" means the quotient resulting from dividing 16,000,000 by the number of the Company's fully diluted shares immediately prior to the consummation of the Qualifying Merger, assuming exercise of all outstanding options, issuance of all common stock underlying outstanding restricted stock unit awards, exercise of all outstanding warrants, and conversion of all outstanding convertible promissory notes, including these notes and any other note of substantially the same form, but excluding all shares of the Company's common stock reserved and available for future grant under any equity incentive or similar plan of the Company, and in each case as adjusted for stock splits, combinations and similar transactions, all calculated in accordance with the final allocation schedule to be delivered in connection with the Qualifying Merger.

In addition to the Qualifying Merger feature, the 2019 Bridge Notes were issued with the same embedded features as 2018 Bridge Notes, as discussed above, prior to the May 23, 2019 amendment. Several of the embedded features of the 2019 Bridge Notes were identified as meeting the criteria of a derivative and ultimately bifurcated from the host contract. The Company accounted for this by separating the derivative component of the 2019 Bridge Notes as a derivative liability on the balance sheet. The Company assigned a value to the debt component of the 2019 Bridge Notes equal to the difference between the estimated fair value of the 2019 Bridge Notes with and without the conversion features, which resulted in the Company recording the 2019 Bridge Notes at a discount. The total debt discount amount as of the respective date of issuance of the 2019 Bridge Notes was determined to be $270,223. The Company is amortizing the debt discount over the contractual life (i.e., September 25, 2019) of the 2019 Bridge Notes as additional non-cash interest expense utilizing the effective interest method. At each financial reporting period, the Company remeasures the fair value of the embedded features bifurcated from the 2019 Bridge Notes (i.e., the derivative liability) and changes in the fair value is recognized in earnings. For the three and six months ended June, 2019 and 2018, the Company recognized losses of $3,379 and $0, respectively, and $3,379 and $0, respectively, on the change in fair value of the derivative liability recognized as other expense on the Statement of Operations and Comprehensive Loss.

The following table summarizes information about the liability components the Company's 2019 Bridge Notes:

2019 Bridge Notes	June 30, 2019	December 31, 2018
Principal amount outstanding	$ 2,600,000	$ -
Unamortized discount and issuance costs	(219,127)	-
Total current convertible notes payable, net	$ 2,380,873	$ -

(4) Stockholders' Equity

(a) Classes of Stock

The Company amended its Delaware certificate of incorporation in August 2016 authorizing the Company to issue 28,800,000 shares in two classes, common and preferred. The Company can issue up to 26,000,000 shares of common stock and 2,800,000 shares of preferred stock. The Company's Series C Convertible Preferred Stock is the only preferred stock that is currently outstanding. Both classes of stock have a par value of $0.001 per share.

(b) Series C Convertible Preferred Stock Financing

In an effort to raise additional capital, the Company set forth a Series C Convertible Preferred Stock private offering in August of 2016 for a total offering amount of $15 million at a price per share of $5.54. The Company engaged a registered placement agent to assist in marketing and selling of preferred units. Investors that purchase at least $1 million of Series C Convertible Preferred Stock in a single closing receive a three year warrant to purchase common shares at an exercise price of $5.54 in the amount equal to 20% of shares of Series C Preferred Stock purchased. During 2017, 964,007 shares of Series C Convertible Preferred Stock were issued for gross cash proceeds of $5.3 million, reduced by issuance costs of $406,872. In addition, 176,908 common stock warrants were issued with this offering, exclusive of compensatory warrants issued to the placement agent. During 2018, 872,212 shares of Series C Convertible Preferred Stock were issued for gross cash proceeds of $4.8 million, reduced by issuance costs of $294,647. In addition, 172,440 common stock warrants were issued with this offering, exclusive of compensatory warrants issued to the placement agent.

On May 23, 2019, the Company agreed to an amendment with the Series C Convertible Preferred Stockholders that upon the consummation of a merger with or into Constellation Alpha Capital Corp. or any of its subsidiaries on or before September 24, 2019, the outstanding Series C Convertible Preferred Stock would convert into common stock at a one to one ratio in accordance with the Company's Amended and Restated Certificate of Incorporation.

Preferred Dividends

Preferred Series C shareholders are entitled to non-cumulative dividends at a rate of 6% per share of the initial purchase price when and if declared by the board of directors. Any additional dividends shall be distributed to the common shareholders.

Preferred Liquidation Preference

Series C Convertible Preferred Stock is entitled to a per share liquidation preference equal to the initial purchase price plus declared but unpaid dividends. In the event of a liquidation transaction, Preferred Series C shareholders shall be entitled to receive prior and in preference to any distribution to common stock shareholders.

Redemption

Series C Convertible Preferred Stock does not contain any mandatory redemption features. The Company's convertible preferred stock has been classified as temporary equity in the accompanying balance sheets in accordance with authoritative guidance for the classification and measurement of potentially redeemable securities whose redemption is based upon certain change in control events outside of the Company's control, including liquidation, sale or transfer of control of the Company. The Company has determined not to adjust the carrying values of the convertible preferred stock to the liquidation preferences of such shares because of the uncertainty of whether or when such events would occur.

Conversion

Series C Convertible Preferred Stock is convertible into common stock at a rate calculated by dividing the initial purchase price by the conversion price. The initial conversion price is equal to the initial purchase price. Under this conversion feature, each share of Series C Convertible Preferred Stock is convertible at the option of the holder or shall automatically be converted into fully paid, non-assessable shares of common stock at the then effective conversion price for such share immediately upon the earlier of (i) the closing of a public offering of the Company's common stock involving aggregate proceeds of at least $15 million prior to underwriting discounts, commissions and other expense, and a per share price of at least $11.08 (as adjusted for stock splits, stock dividends, reclassifications and the like); or (ii) the date specified by vote or written consent of the holders of a majority of the then outstanding shares of Series C Convertible Preferred Stock voting together as a single class.

For any future issuances of Series C Convertible Preferred Stock, the conversion price will be adjusted if the Series C Convertible Preferred Stock is issued under certain circumstances at a per share consideration less than the conversion price. The new conversion price shall be determined by multiplying the conversion price then in effect by a fraction, the numerator of which shall be the number of shares of common stock outstanding immediately prior to such issuance plus the number of shares of common stock that the aggregate consideration received by the Company for such issuance would purchase at such conversion price; and the denominator of which shall be the number of shares of outstanding common stock plus the number of shares of such additional stock.

Voting Rights

Each holder of common stock is entitled to one vote per share held. Each holder of Series C Convertible Preferred Stock is entitled to the number of votes equal to the number of common shares into which their holdings could be converted. Pursuant to the terms of a voting agreement, preferred and common stockholders shall vote together as a single class on an as-if-converted basis on all matters including the election of all members of the board of directors.

(c) Stock-Based Compensation

The Company adopted the DermTech, Inc. 2010 Stock Option Plan (the "2010 Plan") in 2010, which provides for the granting of incentive and non-statutory stock options and restricted stock purchase rights and bonus awards. Under the 2010 Plan, incentive and non-statutory stock options may be granted at not less than 100% of the fair market value of the Company's common stock on the date of grant. For incentive stock options granted to a ten percent shareholder under the 2010 Plan, the exercise price shall not be less than 110% of the fair market value of a share of stock on the effective date of grant. The Company initially reserved 1.8 million shares of common stock for issuance to employees, non-employee directors and consultants of the Company. The 2010 Plan includes a provision which annually increases the amount of common stock reserved for issuance under the 2010 Plan. The reserved shares for issuance increased 0 and 350,000 for the three months ended June 30, 2019 and twelve months ended December 31, 2018, respectively. The contractual term of options granted under the 2010 Plan is ten years. Vesting provisions vary based on the specific terms of the individual option awards. 0.2 million and 1.2 million options remain available for future grant under the 2010 Plan as of June 30, 2019 and December 31, 2018, respectively.

Warrants to purchase common stock were issued to executive officers in lieu of certain stock options. The common stock warrants have a ten year life and are exercisable at $0.63 per common share. The common stock

warrants vest monthly over a four year period. Outstanding executive common stock warrants totaled 38,430 at both June 30, 2019 and December 31, 2018.

Common Stock Reserved for Future Issuance

Common stock reserved for future issuance consists of the following at June 30, 2019 and December 31, 2018:

	June 30, 2019	December 31, 2018
Warrants to purchase common stock	1,113,875	2,027,520
Stock options issued and outstanding	1,896,591	921,265
Restricted stock units issued and outstanding	801,651	801,651
Authorized for future option grants	211,766	1,187,092
	4,023,883	4,937,528

(5) Income Taxes

The Company has reported net losses since inception and therefore, the minimum provision for state income taxes has been recorded. The federal statutory rates was 21% at June 30, 2019 and December 31, 2018, respectively, and the effective income tax rate for the Company's provision for income taxes was 0% at June 30, 2019, and December 31, 2018, respectively.

The utilization of NOL and tax credit carryforwards to offset future taxable income may be subject to an annual limitation as a result of ownership changes that have occurred previously or may occur in the future. Under Sections 382 and 383 of the Internal Revenue Code ("IRC"), a corporation that undergoes an ownership change may be subject to limitations on its ability to utilize its pre-change NOLs and other tax attributes otherwise available to offset future taxable income and/or tax liability. An ownership change is defined as a cumulative change of 50% or more in the ownership positions of certain stockholders during a rolling three-year period. The Company has not completed a formal study to determine if any ownership changes within the meaning of IRC Section 382 and 383 have occurred. If an ownership change has occurred, the Company's ability to use its NOL and tax credit carryforwards may be restricted, which could require the Company to pay federal or state income taxes earlier than would be required if such limitations were not in effect.

The Company conducts intensive research and experimentation activities, generating research tax credits for federal and state purposes under IRC Section 41. The Company has not performed a formal study validating these credits claimed in the tax returns. Once a study is prepared, the amount of research and development ("R&D") tax credits available could vary from what was originally claimed on the tax returns.

During the fiscal year 2018 and 2019, the Company issued convertible bridge notes that required bifurcation of embedded derivatives for financial statement purposes. As such, deferred taxes were established for both the host instrument and the bifurcated embedded derivatives. Although the deferred tax balances offset at issuance, they will differ as the bifurcated embedded derivatives will be marked to fair value on an ongoing basis while the debt discount will be accounted for under the effective interest method.

On December 22, 2017, the President of the United States signed into law the Tax Cuts and Jobs Act ("Tax Act"). The legislation significantly changed U.S. tax law by, among other things, reducing the US federal corporate tax from 35% to 21%. We re-measured our deferred tax assets and liabilities based on the rates at which they are expected to reverse in the future, which is generally 21% plus state and local tax. The Company recorded a decrease related to our federal deferred tax assets and liabilities of $6,812,000 as a result of the tax rate decrease, with a corresponding adjustment to our valuation allowance, in fiscal year 2017.

Due to the net operating loss carryforwards, the U.S. federal and state returns are open to examination for all years since inception.

(6) Commitments and Contingencies

Operating Leases

In January 2013, the Company entered into a non-cancelable lease agreement for its operating facilities. In January 2014, the Company signed an amendment to the lease to extend the term through January 2017. In November 2016, the Company signed a second amendment to the lease to extend the term through March 2022. The Company records rent expense on a straight line basis over the life of the lease and the difference between the average rent expense and cash payments for rent is recorded as deferred rent and is included in accrued liabilities on the balance sheet.

Rent and associated common area maintenance expense totaled $145,776 and $156,145 and $298,348 and $312,289 during the three months ended June 30, 2019 and 2018, respectively, and during the six months ended June 30, 2019 and 2018.

Future minimum lease payments for the operating leases for the operating facilities as of June 30, 2019 are:

2019	201,425
2020	413,928
2021	426,346
2022	108,983
	$ 1,150,681

Legal Proceedings

The Company is not involved in any material legal proceedings.

(7) Retirement Plan

The Company has a Section 401(k) retirement plan covering all employees. The Company does not offer a contribution percentage match.

(8) Related Party Transactions

There were no related party transactions identified as of and for the six months ended June 30, 2019. During 2018, we compensated a director $30,000 for consulting services that he provided to our sales and marketing department. There were no other related party transactions identified in 2019 or 2018.

(9) Subsequent Events

Completion of the Business Combination

DermTech, Inc. ("DermTech") announced on September 3, 2019 that it completed its previously announced business combination with Constellation (the "Business Combination"). As a result of the Business Combination, the previous Company stockholders own a controlling interest in DermTech. Shortly following the completion of the Business Combination, DermTech changed its name from Constellation Alpha Capital Corp. to DermTech, Inc., and effected a one-for-two reverse stock split of its common stock. As of August 30, 2019, DermTech's common stock and certain of its warrants began trading on the Nasdaq Capital Market under the ticker symbols "DMTK" and "DMTKW," respectively.

The Business Combination was funded through proceeds received from the completion of a private placement transaction immediately prior to the Business Combination at a split-adjusted price of $6.50 per common share, and cash remaining in Constellation's trust account after giving effect to stockholder redemptions. As a result of the Business Combination, DermTech has access to approximately $29 million of gross capital, exceeding the $15 million closing cash requirement previously announced.

Immediately following the completion of the Business Combination, all of Constellation's officers and directors resigned. The Company's senior management has been appointed to serve in their current roles at DermTech, and all

of the members of the Company's board have been appointed to DermTech's board. In particular, Dr. John Dobak, CEO of the Company, will serve as CEO of DermTech, and Matthew Posard, Chairman of the Company's board, will serve as Chairman of DermTech's board. In addition, Enrico Picozza of HLM Venture Partners has been appointed as a director of DermTech's board.

Additional Headquarter Lease

On August 6, 2019, the Company executed an amendment to their existing headquarter lease located in Torrey Pines, California with their landlord. As part of the amendment, the Company has agreed to expand its existing headquarter lease space to include approximately 3,595 in new square footage. The lease of this new space coincides with the existing term of the Company's headquarter lease, which expires on March 31, 2022.

The Company considered subsequent events through September 5, 2019, the date the financial statements were available to be issued.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

Introduction

On August 29, 2019, DT Merger Sub, Inc., a Delaware corporation ("Merger Sub"), a wholly owned subsidiary of Constellation Alpha Capital Corp., ("Constellation"), completed its merger ("Business Combination") with and into DermTech, Inc., a private Delaware corporation ("DermTech"). The Business Combination was effected pursuant to the Agreement and Plan of Merger, dated as of May 29, 2019 (as amended, the "Merger Agreement") by and among Constellation, DermTech and Merger Sub. Shortly before the Merger, DermTech changed its name to DermTech Operations, Inc. Shortly following the Merger, Constellation changed its name to DermTech, Inc.

The following unaudited pro forma condensed combined balance sheet as of June 30, 2019 combines the unaudited historical balance sheet of Constellation as of June 30, 2019 with the unaudited historical balance sheet of DermTech as of June 30, 2019, giving effect to the Business Combination as if it had been consummated as of that date.

The following unaudited pro forma condensed combined income statement combines the unaudited historical statement of operations of Constellation for the quarter ended June 30, 2019 with the unaudited historical statement of operations of DermTech for the quarter ended June 30, 2019, giving effect to the Business Combination as if it had occurred as of the beginning of the earliest period presented.

The following unaudited pro forma condensed combined income statement combines the audited historical statement of operations of Constellation for the year ended March 31, 2019 with the audited historical statement of operations of DermTech for the year ended December 31, 2018, giving effect to the Business Combination as if it had occurred as of the beginning of the earliest period presented.

The historical financial information of Constellation was derived from the audited financial statements of Constellation for the year ended March 31, 2019 and unaudited financial statement of Constellation for the quarter ended June 30, 2019, included in the Registration Statement on Form S-4 (File No. 333-232181), as amended (the "Registration Statement") and Constellation's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission (the "SEC") on August 13, 2019, respectively. The historical financial information of DermTech was derived from the audited financial statements of DermTech for the year ended December 31, 2018 and the unaudited financial statements of DermTech for the three and six months ended June 30, 2019, included elsewhere in this filing. This information should be read together with Constellation's and DermTech's audited and unaudited financial statements and related notes, the sections titled "*Constellation's Management's Discussion And Analysis Of Financial Condition And Results Of Operations*" and *"DermTech Management's Discussion And Analysis Of Financial Condition And Results Of Operations*" included in the Registration Statement, the section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" included elsewhere in this filing and other financial information included elsewhere in this filing.

Description of the Business Combination

Pursuant to the Merger Agreement, all DermTech outstanding shares were canceled and converted automatically, into the right to receive an aggregate of sixteen million (16,000,000) shares of Constellation Common Stock minus the total number of shares of Constellation Common Stock that can be acquired or received pursuant to the DermTech options, restricted stock units and warrants, as set forth on the Allocation Schedule to the Merger Agreement (the "Merger Consideration"), and each holder of DermTech shares received the right to receive the number of shares of Constellation Common Stock set forth opposite such holder's name as set forth on the Allocation Schedule to the Merger Agreement. In connection with the Business Combination, Constellation entered into Subscription Agreements with investors to purchase an aggregate of 6,153,847 shares of Constellation common stock, for a purchase price of $3.25 per share and 1,231 shares of Constellation Series A Convertible Preferred Stock for a purchase price of $3,250 per share, in a private placement in which Constellation raised an aggregate of approximately $24,000,000.

Accounting for the Business Combination

The Business Combination will be accounted for as a reverse merger in accordance with U.S. GAAP. Under this method of accounting, Constellation will be treated as the "acquired" company for financial reporting purposes. This

determination was primarily based on DermTech's shareholders expecting to have a majority of the voting power of the combined company, DermTech comprising the ongoing operations of the combined entity, DermTech comprising a majority of the governing body of the combined company, and DermTech's senior management comprising the senior management of the combined company. Accordingly, for accounting purposes, the Business Combination will be treated as the equivalent of DermTech issuing stock for the net assets of Constellation, accompanied by a recapitalization. The net assets of Constellation will be stated at historical cost, with no goodwill or other intangible assets recorded. Operations prior to the Business Combination will be those of DermTech.

Basis of Pro Forma Presentation

The historical financial information has been adjusted to give pro forma effect to events that are related and/or directly attributable to the Business Combination, are factually supportable and, in the case of the unaudited pro forma income statement, are expected to have a continuing impact on the results of the combined company. The unaudited pro forma condensed combined financial information is for illustrative purposes only. The financial results may have been different had the companies always been combined. You should not rely on the unaudited pro forma condensed combined financial information as being indicative of the historical results that would have been achieved had the companies always been combined or the future results that the combined company will experience. DermTech and Constellation have not had any historical relationship prior to the Business Combination. Accordingly, no pro forma adjustments were required to eliminate activities between the companies.

The unaudited pro forma condensed combined financial information has been prepared assuming redemptions of 1,187,532 shares of Constellation ordinary shares into cash, which is assumed to be the most likely outcome to occur. This presentation assumes that Constellation stockholders exercise their redemption rights with respect to a maximum of 1,187,532 ordinary shares upon consummation of the Business Combination at a redemption price of approximately $10.47 per share. Included in the shares outstanding and weighted average shares outstanding as presented in the pro forma condensed combined financial statements are 13,045,476 shares of common stock to be issued to DermTech stockholders and 6,153,847 shares of common stock to be issued to the PIPE investors. In addition, the pro forma financial statements have been prepared assuming a 1 for 2 reverse stock split that occurred at the close of the Business Combination.

As a result of the Business Combination, it is assumed that all Constellation stockholders will elect to redeem their shares for cash. As a result of the max redemption of Constellation shareholders, DermTech will own approximately 59.11%, Constellation will own approximately 13.01% and the PIPE investors will own approximately 27.88% of Constellation common stock to be outstanding immediately after the Business Combination, based on the number of shares of Constellation common stock outstanding as of June 30, 2019.

BALANCE SHEETS
June 30, 2019

	A	B			
	DermTech	Constellation	Pro Forma Adjustments		Pro Forma Balance Sheet
Assets					
Current assets:					
Cash and cash equivalents	$ 2,121,857	15,282	(116,154)	**1**	
			(100,000)	**9**	
			20,000,000	**10**	
			4,000,000	**12**	25,920,985
Accounts receivable, net	437,481	-			437,481
Inventory	42,540	-			42,540
Prepaid expenses and other current assets	62,399	45,750			108,149
Total current assets	2,664,277	61,032	23,783,846		26,509,155
Marketable securities held in Trust Account	-	12,432,054	(12,432,054)	**2**	-
Property and equipment, net	188,609	-			188,609
Other assets	50,000	-			50,000
Total assets	$ 2,902,886	12,493,086	11,351,792		26,747,764
Liabilities and Stockholders' (Deficit) Equity					
Current liabilities:					
Accounts payable and accrued expenses	$ 1,810,849	2,353,005	(100,000)	**9**	4,063,854
Advances from related parties	-	116,154	(116,154)	**1**	-
Accrued compensation	574,108	-			574,108
Deferred revenue	1,138,004	-			1,138,004
Current notes payable	516,270	-			516,270
Current convertible notes payable, net	9,180,873	-	(9,180,873)	**3**	-
Derivative liability	3,374,343	-	(3,374,343)	**4**	-
Total current liabilities	16,594,447	2,469,159	(12,771,370)		6,292,236
Deferred underwriting fees	-	4,312,500	(2,187,500)	**6**	2,125,000
Total liabilities	16,594,447	6,781,659	(14,958,870)		8,417,236
Commitments and Contingencies					
Constellation ordinary shares subject to possible redemption, 67,956 shares at redemption values as of June 30, 2019	-	711,419	(711,419)	**2**	-
DermTech Series C convertible preferred stock, par value $0.001; 2,624,393 shares issued and outstanding as of June 30, 2019	2,624	-	(2,624)	**5**	-
Stockholders' (deficit) equity:					
DermTech common stock, par value $0.001; 4,709,148 shares issued and outstanding as of June 30, 2019	4,709	-	3,873	**3**	
			2,624	**5**	
			(11,206)	**8**	-
Constellation ordinary shares, no par value; 5,274,576 shares issued and outstanding as of June 30, 2019	-	3,340,730	(3,340,730)	**7**	-
Combined entity common stock, par value $0.001	-		5,275	**7**	
			13,045	**8**	
			6,154	**10**	
			1,494	**11**	
			(12,984)	**13**	12,984
Combined entity Series A convertible preferred stock, par value $0.0001			0	**12**	
			(0)	**13**	0
Additional paid-in capital	66,570,774	-	(11,720,635)	**2**	
			9,177,000	**3**	
			3,335,455	**7**	
			(1,839)	**8**	
			19,993,846	**10**	
			(1,494)	**11**	
			4,000,000	**12**	
			12,984	**13**	91,366,091
Retained earnings (accumulated deficit)	(80,269,668)	1,659,278	3,374,343	**4**	
			2,187,500	**6**	(73,048,547)
Total stockholders' (deficit) equity	(13,694,185)	5,000,008	27,024,705		18,330,528
Total liabilities, convertible preferred stock and stockholders' (deficit) equity	$ 2,902,886	12,493,086	11,351,792		26,747,764

Pro Forma Adjustments to the Unaudited Condensed Combined Balance Sheet

A - Derived from the unaudited balance sheet of DermTech as of June 30, 2019.

B - Derived from the unaudited balance sheet of Constellation as of June 30, 2019.

1 - To record repayment of advances from related parties.

2 - Assumes the maximum number of shares of 1,187,532 are redeemed into cash by the Constellation stockholders at a price of $10.47, and as a result $12,432,054 would be paid out of trust account. This represents the maximum redemption amount after giving effect to payments to redeeming stockholders based on a consummation of the Business Combination on June 30, 2019. If less than the maximum of 1,187,532 shares are redeemed, the surviving entity would have more shares outstanding and a higher cash balance, resulting in a higher stockholders equity amount. If 50% of the 1,187,532 Constellation shares are not redeemed, the remaining shares would result in approximately 5% additional shares outstanding in the weighted average shares calculation of the pro forma income statement, with a resulting approximate $6.2 million in additional cash remaining in the surviving entity.

3 - Assumes the outstanding convertible notes payable converts upon consummation of the Business Combination. As a result of conversion, 3,873,108 shares of DermTech common stock are issued at a par value of $0.001.

4 - Represents extinguishment of derivative liability and resulting gain to retained earnings (other income) upon conversion of convertible notes payable.

5 - Outstanding Convertible Series C Convertible Preferred Stock will convert to DermTech Common Stock at a 1:1 ratio immediately prior to Business Combination.

6 - To record the reduction in deferred underwriting fees upon consummation of Business Combination based upon Deferred Underwriting Fee Assignment Agreement between Constellation, Cowen and DermTech dated May 29, 2019.

7 - To create a par value at $0.001 for Constellation's outstanding ordinary shares as of June 30, 2019 and to transfer remaining account balance to additional paid in capital.

8 - To reflect the merger consideration conversion ratio at June 30, 2019 of DermTech outstanding common stock into the combined entity's common stock. 11,206,649 shares of DermTech common stock (includes outstanding common shares, converted preferred stock and converted outstanding bridge note shares) converted to 13,045,476 shares of Constellation common stock at a conversion ratio of 1.16, calculated as follows:

DermTech Stock Type	DermTech Shares at June 30, 2019
Common Stock	4,709,148
Convertible Series C Preferred Stock	2,624,393
2018 Bridge Note Conversion to Common Stock	3,034,116
2019 Bridge Note Conversion to Common Stock	838,992
Common Stock Options @ 0.63	385,739
Common Stock Options @ 0.65	1,007,607
Common Stock Options @ 2.03	144,912
Common Stock Options @ 2.31	159,730
Restricted Stock Units	801,651
Common Stock Warrants @ 0.63	38,430
Total DermTech Shares	13,744,718
CNAC Shares Issued in Business Combination	16,000,000
Merger Conversion Ratio	1.16
DermTech Principal Shares	11,206,649
Conversion into Constellation Shares	13,045,476

9 - Constellation entered into an Administrative Service Agreement, dated June 20, 2017, in which at the consummation of a Business Combination, Constellation is required to pay a fee for office space, utilities and administrative services. An aggregate of $100,000 in fees for these services were included in accounts payable and accrued expenses in the accompanying balance sheet at June 30, 2019.

10 - To reflect the PIPE investment issuance of 6,153,847 shares of Common Stock for gross proceeds of $20,000,000.

11 - There currently are 14,936,250 rights to receive ordinary shares issued and outstanding sold as part of the units in Constellation's initial public offering and part of the private unit offering. Each holder of a right will receive one-tenth of one ordinary share upon consummation of Constellation's initial business combination, even if the holder of such right redeemed all ordinary shares held by them.

12 - To reflect the PIPE investment issuance of 1,231 shares of Series A Convertible Preferred Stock for gross proceeds of $4,000,000.

13 - To reflect the 1 for 2 reverse stock split that occurred at the close of the Business Combination.

STATEMENT OF OPERATIONS

	A	B			
	DermTech	**Constellation**	**Pro Forma Adjustments**		**Pro Forma Income Statement**
Revenues:					
Contract revenue	$ 328,562	-			328,562
Assay revenue	284,654	-			284,654
Total Revenue	613,216	-	-		613,216
Cost of revenues	685,888	-			685,888
Gross profit (loss)	(72,672)	-	-		(72,672)
Operating expenses:					
Sales and marketing	1,031,803	-			1,031,803
Research and development	517,876	-			517,876
General and administrative	1,705,949	931,619	(1,459,495)	**1**	1,178,073
Total operating expenses	3,255,628	931,619	(1,459,495)		2,727,752
Loss from operations	(3,328,300)	(931,619)	1,459,495		(2,800,424)
Other income (expense):					
Interest income (expense), net	(323,708)	70,855	(70,855)	**2**	
			319,836	**3**	(3,872)
Unrealized gain (loss) on marketable securities held in Trust Account	-	3,220	(3,220)	**2**	-
Reduction of deferred underwriting fee	-	718,750			718,750
Other expense	(39,701)	-	39,701	**3**	-
Total other income (expense)	(363,409)	792,825	285,462		714,878
Net loss	$ (3,691,709)	(138,794)	1,744,956		(2,085,546)
Weighted average shares outstanding used in computing net loss per share, basic and diluted	4,659,624	5,260,831	13,045,476	**4**	11,035,735
Net loss per common share outstanding, basic and diluted	(0.79)	(0.03)			(0.19)

Pro Forma Adjustments to the Unaudited Condensed Combined Statement of Operations

A - Derived from the unaudited statements of operations of DermTech for the year ended June 30, 2019.

B - Derived from the unaudited statements of operations of Constellation for the year ended June 30, 2019.

1 - Reflects the elimination of $1.5 million in nonrecurring transaction costs incurred that are directly related to the Business Combination.

2 - Represents an adjustment to eliminate interest income and unrealized gain on marketable securities held in the trust account as of the beginning of the period.

3 - Reflects the elimination of interest expense and other expense associated with the outstanding convertible notes that will be extinguished upon the consummation of the Business Combination.

4 - As the Business Combination is being reflected as if it had occurred at the beginning of the periods presented, the calculation of weighted average shares outstanding for basic and diluted net income (loss) per share assumes that the shares issuable relating to the Business Combination, PIPE investment and 1 for 2 reverse stock split have been outstanding for the entire period presented. In addition, the Constellation shares issued to DermTech in the Business Combination presented below assumes conversion of outstanding DermTech shares as of June 30, 2019 at a conversion ratio of 1.16. Weighted average common shares outstanding basic and diluted are calculated as follows:

Weighted average shares calculation, basic and diluted	
Constellation weighted average shares outstanding	5,260,831
Less: maximum shares subject to redemption	(1,187,532)
Less: shares subject to Constellation Forfeiture Agreement, dated May 29, 2019	(2,694,779)
Shares issued to Constellation rights holders	1,493,628
Constellation shares issued to DermTech in the Business Combination	13,045,476
Common shares issued to PIPE investors	6,153,847
1 for 2 reverse stock split	(11,035,735)
Weighted average shares outstanding	11,035,735

The foregoing calculations assume the maximum number of shares of 1,187,532 are redeemed into cash by the Constellation stockholders at a price of $10.47, and as a result $12,432,054 would be paid out of trust account. This represents the maximum redemption amount after giving effect to payments to redeeming stockholders based on a consummation of the business combination on June 30, 2019. If less than the maximum of 1,187,532 shares are redeemed, the combined company would have more shares outstanding and a higher cash balance, resulting in a higher stockholders equity amount. If 50% of the 1,187,532 Constellation shares are not redeemed, the remaining shares would result in approximately 5% additional shares outstanding in the weighted average shares calculation of the pro forma income statement, with a resulting approximate $6.2 million in additional cash remaining in the combined company.

In addition, any redemption amount less than 100% of the 1,187,532 Constellation shares would result in the combined company having a higher number of weighted average shares outstanding, which would reduce the pro forma loss per share. The pro forma statement of operations and comprehensive loss assumes 100% redemptions as this reflects the maximum potential loss per share.

Percent of shares owned by DermTech	59.11%
Percent of shares owned by PIPE investors	27.88%
Percent of shares owned by Constellation	13.01%

STATEMENT OF OPERATIONS

	A DermTech	B Constellation	Pro Forma Adjustments		Pro Forma Income Statement
Revenues:					
Contract revenue	$ 1,160,894	-			1,160,894
Assay revenue	1,281,259	-			1,281,259
Total Revenue	2,442,152	-	-		2,442,152
Cost of revenues	2,626,930	-			2,626,930
Gross profit (loss)	(184,778)	-	-		(184,778)
Operating expenses:					
Sales and marketing	2,805,895	-			2,805,895
Research and development	2,053,979	-			2,053,979
General and administrative	3,514,804	1,978,028	(848,267)	**1**	4,644,565
Total operating expenses	8,374,678	1,978,028	(848,267)		9,504,439
Loss from operations	(8,559,456)	(1,978,028)	848,267		(9,689,217)
Other income (expense):					
Interest income (expense), net	(1,093,863)	2,863,123	(2,863,123)	**2**	
			1,078,375	**3**	(15,488)
Unrealized gain (loss) on marketable securities held in Trust Account	-	59,363	(59,363)	**2**	-
Other expense	(351,034)	-	351,034	**3**	-
Total other income (expense)	(1,444,897)	2,922,486	(1,493,077)		(15,488)
Net income (loss)	$ (10,004,353)	944,458	(644,810)		(9,704,705)
Weighted average shares outstanding used in computing net loss per share, basic and diluted	4,644,353	5,136,904	12,729,061	**4**	10,815,565
Net loss per common share outstanding, basic and diluted	(2.15)	0.14			(0.90)

Pro Forma Adjustments to the Unaudited Condensed Combined Statement of Operations

A - Derived from the audited statements of operations of DermTech for the year ended December 31, 2018.

B - Derived from the audited statements of operations of Constellation for the year ended March 31, 2019.

1 - Reflects the elimination of $848,267 in nonrecurring transaction costs incurred that are directly related to the Business Combination.

2 - Represents an adjustment to eliminate interest income and unrealized gain on marketable securities held in the trust account as of the beginning of the period.

3 - Reflects the elimination of interest expense and other expense associated with the outstanding convertible notes that will be extinguished upon the consummation of the Business Combination.

4 - As the Business Combination is being reflected as if it had occurred at the beginning of the periods presented, the calculation of weighted average shares outstanding for basic and diluted net income (loss) per share assumes that the shares issuable relating to the Business Combination, PIPE investment and 1 for 2 reverse stock split have been outstanding for the entire period presented. In addition, the Constellation shares issued to DermTech in the Business Combination presented below assumes conversion of outstanding DermTech shares as of March 31, 2019 at a conversion ratio of 1.28*. Weighted average common shares outstanding basic and diluted are calculated as follows:

The foregoing calculations assume the maximum number of shares of 1,187,532 are redeemed into cash by the Constellation stockholders at a price of $10.41, and as a result $12,357,980 would be paid out of trust account. This represents the maximum redemption amount after giving effect to payments to redeeming stockholders based on a consummation of the business combination on March 31, 2019. If less than the maximum of 1,187,532 shares are redeemed, the combined company would have more shares outstanding and a higher cash balance, resulting in a

higher stockholders equity amount. If 50% of the 1,187,532 Constellation shares are not redeemed, the remaining shares would result in approximately 5% additional shares outstanding in the weighted average shares calculation of the pro forma income statement, with a resulting approximate $6.2 million in additional cash remaining in the combined company.

In addition, any redemption amount less than 100% of the 1,187,532 Constellation shares would result in the combined company having a higher number of weighted average shares outstanding, which would reduce the pro forma loss per share. The pro forma statement of operations and comprehensive loss assumes 100% redemptions as this reflects the maximum potential loss per share.

* This Merger Conversion Ratio differs from 1.16 Merger Conversion Ratio discussed throughout this prospectus as this ratio is calculated as if the business combination took place as of March 31, 2019. The 1.16 Merger Conversion Ratio is the projected conversion ratio upon consummation of the Business Combination.