

CORNING HEALTHCARE DISTRICT
BOARD MEETING
Tuesday February 20, 2024
District conference room
275 Solano Street
Corning Healthcare District Campus
Meeting Inquiries (530) 824-5451

REGULAR AGENDA

-QUEST DIAGNOSTICS CONTRACT RENEWAL

Recommendation:

Discussion of the contract renewal with Quest Diagnostics

-MID-YEAR BUDGET ANALYSIS AND REVIEW

Recommendation:

Review, discussion of the mid-year budget analysis

- SAINT ELIZABETH'S HOSPITAL'S MOBILE LIFE SUPPORT UNIT TEHAMA COUNTY AMBULANCE PROJECT GRANT

Recommendation:

Discussion and approval of the ambulance grant

-CITY OF CORNING WELL PROPOSAL

Recommendation:

Discussion of proposed city well and easement on District property

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QUEST DIAGNOSTICS CONTRACT RENEWAL

Tango, Lanette Y

Jan 23, 2024, 11:01 AM
(22 hours ago) Reply

to me

Thank you for confirming, Tina!

We would like to propose a 5 year term w/ 3% escalations and a mutual early termination option after year 2. Additionally, it does not look like we have done any improvements here. Can we please request the following improvements to our suite? Fresh coat of paint and carpet removal from the reception area and hallway.

Looking forward to your response.

Thank you,
Lanette

Lanette Y. Tango
Coordinator, Facilities – Sr.

Quest Diagnostics | **Action from Insight** | 3714 Northgate Boulevard | Sacramento, CA 95834 USA
| phone 916.927.9900 ext.6363 | Lanette.Y.Tango@QuestDiagnostics.com | QuestDiagnostics.com

AMENDMENT TO LEASE AGREEMENT

On this 1st day of July 2024, **CORNING HEALTHCARE DISTRICT** (“Landlord”) and **UNILAB CORPORATION, d/b/a QUEST DIAGNOSTICS**, a Delaware corporation (“QUEST”) have entered into this Fourth Amendment and Renewal of Lease Agreement (“Amendment”).

RECITALS

- A. Landlord and QUEST entered into a written Lease Agreement dated August 17, 2009 (the “Lease”) in which Landlord leased to QUEST the premises known as 275 Solano Street, Suite 501, Corning, CA 96021 (the “Premises”).
- B. Landlord and QUEST now desire, among other things, to modify and extend the term of the Lease.

NOW THEREFORE, intending to be legally bound, Lessor and QUEST agree as follows:

AGREEMENT

- 1. Notwithstanding anything to the contrary contained in the Lease, the term of the Lease shall be extended for an additional Five (5) years commencing on July 1, 2024 and continuing until June 31, 2029 (the “Extended Term”) under the same terms and conditions as contained in the lease and any amendment(s) thereto except as specifically set forth herein.
- 2. QUEST may, at its sole option, at any time after the third year of the Extended Term of this Lease, upon ninety (90) days prior written notice to Landlord, terminate this Lease in all parts without penalty. Upon expiration this Lease shall become null and void and neither party hereto shall have any further rights or liabilities hereunder, except those that expressly survive termination.
- 3. The monthly rental payment during the entire Extended Term shall be Nine Hundred Ninety-three and 31/100 Dollars (\$993.31), subject to annual increases of 3 percent.
- 4. All remaining terms and conditions contained in the Lease shall remain in full force and effect except to the items listed above.

IN WITNESS WHEREOF, the Landlord and QUEST agree to all terms and conditions set forth above and hereby execute this Third Amendment to be affixed the day and year first written above.

CORNING HEALTHCARE DISTRICT

**UNILAB CORPORATION, d/b/a
QUEST DIAGNOSTICS**

By: _____
Signature

By: _____
Signature

Name: Yvonne Boles

Name: _____

Title: President

Title: _____

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Lease") is dated August 17, 2009, and is between **Corning Healthcare District, ("Landlord")**, and **Unilab Corporation dba Quest Diagnostics ("Tenant")**.

Landlord is the owner of certain real property located at 275 Solano Street, Corning, California 96021 and that certain building located thereon (the "**Building**"). The Building and the real property are collectively referred to as the "**Property**".

Landlord desires to lease to Tenant, and Tenant desires to lease from Landlord, that certain space in the Building identified as Suite 501 containing approximately 691 square feet of Rentable Area, as defined in Section 1.1, and further represented by the attached Depiction of Premises Exhibit (the "**Premises**") for the term and subject to the terms, covenants, agreements, and conditions in this Lease.

The parties therefore agree as follows:

Basic Lease Provisions ("BLP")

- | | | |
|----|---------------------------------|---|
| A. | Permitted Use: | Clinical Laboratory, Patient Service Center and related office uses. |
| B. | Commencement Date: | Upon substantial completion of all Tenant Improvements (estimated date October 1, 2009) |
| C. | Rent Commencement Date: | Upon substantial completion of all Tenant Improvements (estimated date October 1, 2009) |
| D. | Length of the Initial Term: | Three (3) years |
| E. | Termination Date: | September 30, 2012 |
| F. | Extension Option(s): | Three (3) one (1) year options |
| G. | Rentable Area of the Building: | |
| H. | Rentable Area of the Premises: | 691 sq ft (including common areas) |
| I. | Tenant's Proportionate Share: | |
| J. | Initial Term Base Rent: | \$829.00 |
| K. | Landlord's address for notices: | Corning Healthcare District
275 Solano Street
Corning, CA 96021 |
| L. | Tenant's addresses for notices: | |

With a required copy to:

Quest Diagnostics Incorporated
1201 South Collegeville Road, CV-3041
Collegeville, PA 19426
Attn: Corporate Real Estate Department

Quest Diagnostics
3714 Northgate Boulevard
Sacramento, CA 95834
Attn: Corporate Real Estate

M. Tenant Improvements:

Following the execution of this Agreement, Landlord shall cause the Premises to be built out by Landlord's general contractor and delivered to Tenant in accordance with Tenant's requirements, working drawings, plans and specifications at Landlord's sole cost and expense.

N. Landlord's Certification – see Section 21.7:

Non-Physician landlord

O. Exhibits:

Depiction of Premises Exhibit
Landlord's Work Exhibit
Tenant's Work Exhibit
Confirmation of Commencement Date Exhibit
Sign Specifications Exhibit

1. Premises and Common Areas.

1.1 Demising Clause. Landlord hereby leases to Tenant, and Tenant hires from Landlord, the Premises, consisting of the approximate Rentable Area listed in the BLP, the number of which the parties shall deem to be the actual square footage, subject to Tenant's right, but not obligation, to have the Premises re-measured at its sole cost and expense. If Tenant should elect to re-measure the Premises and it should be determined that the Premises measure more or less than the approximation, the parties shall make an appropriate increase or decrease to those charges which are based upon Tenant's square footage measurements, and shall confirm the revised square footage in an amendment to this Lease signed by both parties. "**Rentable Area**" means (a) the entire area included within the Premises, being the area bounded by the interior surface of any exterior wall, the interior of all walls separating the Premises from any public corridors or other public areas on such floor, and the centerline of all walls separating such Premises from other adjoining areas leased to other tenants on the floor, plus (b) a proportionate share of the Common Areas which the parties shall deem to be included for purposes of calculating Rentable Area.

1.2 Common Areas. Landlord grants to Tenant, for the benefit of Tenant and its employees, suppliers, shippers, customers, guests and invitees, during the Term (as herein defined in Section 2.2), the non-exclusive right to use, in common with others entitled to such

use, all areas and facilities outside the Premises within the Property that are provided and designated by Landlord, from time to time, for the general use and convenience of the tenants of the Building and their respective authorized representatives and invitees (“**Common Areas**”). Common Areas include, without limitation, lobbies, plazas, corridors, stairways, elevators, janitor rooms, parking facilities and the driveways and landscaped areas. Landlord reserves the right to make alterations to the Common Areas and to impose rules and regulations or restrictions governing the use of the Common Areas. Notwithstanding the foregoing, Landlord shall not make any change to the Common Areas that would adversely affect access to, or Tenant’s business operations, in the Premises. Additionally, Tenant is not required to comply with any rule or regulation imposed by Landlord unless the rule or regulation applies to and is uniformly enforced against all tenants of the Building and Tenant receives written notification of such rules and regulations at least thirty (30) days before the effective date of such rules and regulations.

2. Term.

2.1. Initial Term. The term of this Lease commences on the Commencement Date and, unless sooner terminated as provided herein, ends on the Termination Date (the “**Initial Term**”).

2.2. Option to Extend. Landlord hereby grants to Tenant the extension option(s) (the “**Extension Option**”) as set forth in the BLP to renew and extend the Initial Term for additional period(s) (the “**Extension Term**”). To exercise such Extension Option, Tenant must give Landlord written notice(s) thereof at least sixty (60) days prior to the end of the Initial Term or previous Extension Term, as the case may be (the “**Extension Notice**”). During an Extension Term, except as expressly provided in this Lease, all terms and conditions of this Lease will remain unamended and in full force and effect. The Initial Term, as extended by the Extension Term, is referred to herein as the “**Term**”.

2.3 Expiration of the Term. If Tenant shall remain in the Premises after the expiration of the Term, with or without the consent of the Landlord, such tenancy shall be construed to create a tenancy from month to month at the Base Rent herein reserved and prorated on a monthly basis; such tenancy shall otherwise be subject to the terms and conditions set forth in this Lease.

3. Rent.

3.1. Base Rent. The rent payable to Landlord for the Premises for the Initial Term is set forth in the BLP ("**Base Rent**"). Tenant shall pay Base Rent in advance, in equal monthly installments, on the first (1st) day of each month during the Initial Term. Tenant shall make all payments payable to Landlord and send such payments to Landlord at the address set forth in the BLP, or as Landlord may otherwise specify in writing to Tenant. In the event this Lease commences on a day other than the first (1st) day of the month, the first Base Rent will be prorated based on the actual number of days in that month. Base Rent and all other monetary obligations of Tenant to Landlord hereunder, if any, are collectively referred to as "**Rent**".

3.2. Fair Market Value. The parties mutually agree that the Rent payable hereunder is consistent with fair market value, is commercially reasonable, and has not been determined in a manner that takes into account the volume or value of any referrals or other business generated between the parties. "**Fair Market Value**" means the annual amount per rentable square foot that a willing, comparable, new tenant would pay and a willing, comparable landlord of a similar building in the same geographic area would accept at arm's length, without regard to the identity of the tenant and landlord and without regard to the proposed use of the premises.

3.3. Extension Term Rent. If Tenant exercises an Extension Option, then this Lease will be extended for the Extension Term upon all of the terms, covenants, and conditions contained in this Lease, except that, during such Extension Term the Base Rent will be the Fair Market Value of the Premises. Landlord shall deliver to Tenant not later than thirty (30) days after notice of Tenant's exercise of an Extension Option the Fair Market Value for such Extension Term. If Tenant disagrees with the Fair Market Value as provided by Landlord and the parties are unable to arrive at a negotiated Rent rate, Tenant may, at its election, rescind its exercise of the Extension Option, in which event the Lease will terminate on the last day of the Term.

4. Use of Premises.

4.1. Permitted Use. Tenant shall use and occupy the Premises for the permitted use as defined in the BLP (the "**Permitted Use**"). Tenant shall use the Premises in a careful, safe and lawful manner and shall not use the Premises in such a manner as to cause loss, waste or destruction thereto.

4.2. Legality of Use. Landlord represents that Tenant has the right to occupy the Premises for the Permitted Use, and that such use and occupancy (including the use of the Common Areas) complies with all applicable laws, ordinances, regulations, decrees, rules or conditions of any federal, state, county, municipal or other governmental or quasi-governmental authorities or agencies (including without limitation, those pertaining to building, zoning, subdivision, land use, environmental and health) having jurisdiction over the Property ("**Applicable Requirements**"). If, at any time during the Term such licenses, permits or approvals required for the occupancy of, and operation at the Premises by Tenant are rejected, revoked, suspended or cannot be continued in effect for the duration of the Term or such changes impose new material licensing or permitting obligations on Tenant, then Tenant, in its sole and absolute discretion, may terminate this Lease by notice to Landlord. Upon such notice to

Landlord, this Lease will become null and void as of the date of notice and neither party hereto will have any further rights or liabilities hereunder, except those that expressly survive termination. Landlord shall indemnify, defend and hold Tenant, its agents and employees harmless for any costs, liabilities, expenses and attorneys' fees that may, in any manner, arise out of or be imposed because of any cause, demand, action, suit or proceeding of any sort brought against Tenant, its agents and employees arising from any inaccuracy in Landlord's representation regarding use and compliance with the Applicable Requirements. This indemnity will survive termination of this Lease.

5. Utilities and Services

5.1. Landlord shall provide connections to the following utilities to the interior wall of the Premises, in quality and quantity sufficient and customarily utilized for the Permitted Use:

- (a) Electricity for standard office lighting fixtures, and equipment and accessories;
- (b) Telephone and high-speed data services;
- (c) Fresh potable water and waste removal; and
- (d) Natural gas if available at any street abutting the Property.

5.2. Other than those costs arising from telephone and high-speed data services supplied to the Premises, electricity and gas, Landlord shall pay, when due, all bills for utilities consumed at the Property including, without limitation, water, HVAC and sewer.

5.3. Landlord shall pay for all costs of operating and maintaining the Property including, without limitation, the lobbies, stairs, elevators, corridors, restrooms, all exterior landscaping, windows, the mechanical, plumbing, and electrical equipment serving the Property, all modes of ingress to and egress from the Property. In furtherance of the foregoing, as applicable, Landlord shall provide snow and trash removal, landscaping, grounds maintenance, plumbing system maintenance, window cleaning, elevator maintenance, air-conditioner/HVAC maintenance and repair, pest control/extermination services, and all other services normally supplied in similarly situated buildings.

5.4 Landlord shall provide the following services: heat and air conditioning, to the extent reasonably required for the comfortable occupancy by Tenant of the Premises during the period from 7:00 a.m. to 6:00 p.m. on weekdays and from 8:00 a.m. to 1:00 p.m. on Saturdays (excluding Federal holidays); lighting replacement for Building standard lights; restroom supplies; window washing with reasonable frequency; security guard services during the times and in the manner that these services are customarily furnished in similarly situated buildings; customary office cleaning and trash removal service Monday through Friday in and about the Premises; operatorless passenger and freight elevator service (if the Building has such equipment serving the Premises, and subject to scheduling by Landlord) in common with Landlord and other tenants and their contractors, agents and visitors; such other utilities or services as Tenant may from time to time request, if the same are reasonable and feasible with respect to the

Permitted Use and do not involve material modifications or additions to the Building or existing systems and equipment.

5.5 Upon request, Landlord shall provide Tenant with copies of service contracts for all services and utilities provided in connection with this Section 5.

6. Maintenance. Landlord shall keep all portions of the Property clean and in good repair and condition and shall make all repairs, ordinary and extraordinary, as may be required, utilizing a standard of maintenance equal to that of other similarly situated office buildings. Tenant is neither obligated nor required to perform any maintenance to the Property, including the Premises, or to make any structural repairs, whether to the wiring, plumbing, heating, roofing, air conditioning, mechanical or electrical systems, serving or not serving the Premises, unless the necessity for such maintenance or repairs is due to the negligent act or omission of Tenant, its agents, employees or invitees. Landlord shall perform any work that is required hereunder with minimal disturbance to the Tenant and in a professional and workmanlike manner in accordance with generally accepted trade standards.

7. Alterations and Expiration.

7.1. Ordinances. In the event a public authority determines that there is a violation of a statute, ordinance, regulation, or building code applicable to the Property and requires correction of such violation, Landlord shall make such correction at its sole cost and expense; provided, however, if the violation arises directly from an alteration or addition made by Tenant, Tenant shall correct such violation at Tenant's expense.

7.2. Alterations. Tenant shall not make any alterations, additions, substitutions, changes or improvements (collectively, "Alterations") without the Landlord's advance written consent. Notwithstanding the foregoing, Tenant may install Minor Alterations on notice to, but without the prior consent of, Landlord. "Minor Alterations" means the installation of customary office improvements, furnishings, fixtures, equipment, or decorative improvements which do not materially affect the Building's structure or systems, and the repainting or recarpeting of the Premises. Upon expiration of the Term, all Alterations, Minor Alterations, Landlord's Work (if any) and Tenant's Work (if any) in or upon the Premises (except trade fixtures, furniture and personal property belonging to Tenant) shall be Landlord's property and shall remain upon the Premises. Tenant may remove its trade fixtures, furniture, equipment, and other personal property provided Tenant promptly repairs any damage to the Premises caused by their removal.

8. Assignment and Subletting.

8.1. Notwithstanding any provisions to the contrary contained in this Lease, this Lease may be assigned, or the Premises may be sublet, in whole or in part, without the consent of Landlord and without Tenant incurring any liability, fees or costs relating to assignment or subletting, to (a) any corporation into or with which Tenant may be merged or consolidated, (b) to any corporation or other entity which shall be an affiliate, subsidiary, parent or successor of Tenant, (c) to any corporation which controls or is controlled by or is under common control with Tenant,

(d) to any person or entity which acquires substantially all of the assets of Tenant in the normal course of business, or (e) a corporation which may be merged or consolidated into or with Tenant, provided that Tenant shall remain liable to Landlord for the performance of all of Tenant's obligations hereunder.

8.2. Except as set forth in Section 8.1, Tenant may not assign this Lease or sublet the whole or any portion of the Premises without the prior written consent of Landlord, which consent shall not be unreasonably withheld or delayed. Landlord shall grant or withhold its consent within fifteen (15) days following the date of Landlord's receipt of Tenant's request for transfer, which request shall identify the proposed assignee/subtenant and include a copy of the proposed transfer document. Landlord's failure to respond in writing to Tenant's request for transfer within the foregoing fifteen (15) day period shall be deemed consent. If Landlord withholds its consent, Landlord shall explicitly detail in writing the reasons for such rejection.

9. Access. Landlord hereby grants Tenant twenty-four (24) hour access to the Property, including elevators, if any, and the parking facility. If the Building or parking area employs the use of access cards or similar devices, Landlord shall make such cards available, at no cost, to all Tenant's employees situated at the Premises. If replacement cards are requested due to loss, Landlord may charge a lost card fee in the amount charged to all tenants in the Building in connection with replacing such access cards.

10. Parking Spaces. Landlord shall provide Tenant, at no additional expense, the non-exclusive right to use parking spaces located on the Property and in common with others entitled to such use.

11. Locks; Security. Tenant is hereby granted the right to change the locks on the doors to the Premises, provided it supplies Landlord with a copy of the keys thereto. Tenant may at its option install additional security measures to the Premises.

12. Indemnity and Insurance

12.1. Landlord's Insurance. At all times during the Term of this Lease, Landlord shall maintain insurance covering loss or damage (including tenant improvements therein paid for by Landlord, whether constructed by Landlord or Tenant) to the Property. Coverage shall be written on an "all-risk" (including fire and extended coverage) and "special form" basis, with vandalism and malicious mischief endorsements, and shall include coverage as is typically available for replacement cost, sprinkler leakage, boiler and machinery, demolition, debris removal and increased costs of construction resulting from building codes, laws or ordinances. Landlord shall also maintain during the Term commercial general liability insurance, with limits of not less than \$2,000,000 combined single limit for personal injury, bodily injury or death, or property damage or destruction (including loss of use thereof) for any one occurrence.

12.2. Tenant's Insurance.

(a) "All Risk", CGL and Worker's Compensation. Tenant shall maintain during the Term commercial general liability insurance, with limits of not

less than \$1,000,000 combined single limit for personal injury, bodily injury or death, or property damage or destruction (including loss of use thereof) for any one occurrence. Tenant shall also maintain during the Term worker compensation insurance as required by statute, and primary, noncontributory, "all-risk" property damage insurance covering Tenant's personal property, business records, fixtures and equipment, for damage or other loss caused by fire or other casualty or cause including, but not limited to, vandalism and malicious mischief, theft, water damage of any type, including sprinkler leakage, bursting or stoppage of pipes, explosion, and other insurable risks in amounts not less than the full insurable replacement value of such property and full insurable value of such other interests of Tenant (subject to reasonable deductible amounts).

- (b) Self Insure. Notwithstanding anything to the contrary contained herein, Tenant may utilize a program of self-insurance for all or any portion of the minimum limits of insurance required to be carried by Tenant hereunder.

12.3. Waiver of Subrogation. Landlord and Tenant each hereby waive any rights of recovery against the other for injury or loss to persons and to real and personal property, including loss or use thereof, which were covered by insurance, or were required to be covered by insurance.

12.4. Indemnity. Provided timely written notice of a claim is received from the other party, Landlord and Tenant shall each during the Term hereof, defend, indemnify and hold the other party harmless from all claims, demands, liabilities, damages, judgments, orders, decrees, actions, proceedings, fines, penalties, costs and expenses, including without limitation, court costs and attorneys' fees arising from or relating to bodily injury, wrongful death or damage to property of third parties due to the intentional or negligent acts, errors or omissions of itself, its agents, employees, or representatives in, on or about the Property. Landlord acknowledges that its indemnity herein shall also apply to claims in connection with or arising out of any Landlord's Work to the Premises, except to the extent that any of the same arise from the intentional or negligent acts of Tenant or Tenant's agents or employees. The provisions hereof do not relieve Landlord or Tenant of the responsibility or liability for the intentional or negligent acts, errors or omissions of itself, its agents, employees or representatives which cause injury or death to persons or damage to property in, on or about the Property.

13. Casualty and Condemnation.

13.1. Casualty. In the event any portion of the Premises are damaged or destroyed or the Building is destroyed or extensively damaged by fire or other casualty, Landlord shall inform Tenant, within thirty (30) days of the date of such destruction or damage, of Landlord's intent to rebuild. If Landlord decides not to rebuild, at Tenant's election the Lease shall immediately cease without further obligation on the part of Tenant and Tenant shall vacate the Premises within thirty (30) days of Tenant's election to terminate and all Rent abated from the date of casualty. If Landlord decides to rebuild, the Building and Premises must be restored to their original condition within sixty (60) days of the date of casualty and, if the damage has rendered

the Premises untenable, in whole or in part, there shall be abatement of the Rent to the extent of the portion of the Premises rendered untenable until the damage has been repaired. If Landlord is unable to restore the Building and the Premises within sixty (60) days, Tenant may, at Tenant's option, terminate this Lease without further obligation on the part of Tenant, and Tenant shall vacate the Premises within thirty (30) days of its election to terminate. Upon Tenant's vacation of the Premises, this Lease shall become null and void and neither party hereto shall have any further rights or liabilities hereunder, except those that expressly survive Lease termination.

13.2. Condemnation. If the Property shall be taken or rendered unusable for the Permitted Use by power of eminent domain or condemned, Landlord shall give Tenant immediate written notice thereof, and this Lease shall terminate on the date of such taking. If less than the whole Property is taken or rendered unusable by condemnation, this Lease shall remain in effect, provided that Tenant may elect to terminate this Lease if, in Tenant's opinion, the remaining portion of the Property is rendered unsuitable for Tenant's continued use in a manner substantially equivalent to that before the taking. In the event Tenant desires to terminate this Lease pursuant to the foregoing provision, Tenant will give notice to Landlord no later than one hundred and eighty (180) days after the date of such taking or condemnation. Upon Tenant's vacation of the Premises, this Lease shall become null and void and neither party hereto shall have any further rights or liabilities hereunder, except those that expressly survive Lease termination. If Tenant does not terminate this Lease as provided above, this Lease shall continue in full force and effect provided that Rent shall be adjusted pro-rata to reflect any reduction in the Rentable Area of the Premises.

13.3. Awards. Condemnation awards shall be the property of Landlord. Notwithstanding the foregoing, Tenant shall have the right to make a separate claim in condemnation proceedings for the loss of its personal property and trade fixtures, good will, business dislocation damages, moving expenses, relocation expenses, and any other award that would not substantially reduce the award payable to Landlord, without regard to whether or not this Lease is terminated pursuant to this Section 13. Landlord shall also reimburse Tenant for the unamortized portion of Tenant's leasehold improvements. Amortization shall be computed on a straight-line basis equal to the then term of the Lease. If Tenant is not permitted by law to file a separate claim, then Landlord shall include Tenant's claim for the aforesaid into Landlord's claim and pay to Tenant the amount recovered on Tenant's claim.

14. Liens. Landlord hereby waives any lien upon Tenant's property in the Premises, whether such lien is created by common law, by statute, or otherwise, and whether such lien may presently exist or may be created in the future.

15. Defaults by Tenant; Remedies.

15.1. Each of the following constitutes a default ("Default"):

- (a) Tenant's failure to pay Rent within fourteen (14) days after Tenant receives written notice from Landlord of such failure to pay Rent;

- (b) Tenant's failure to perform or observe any other obligation hereunder which remains uncured for a period of thirty (30) days following Tenant's receipt of notice from Landlord setting forth in reasonable detail the nature and extent of the failure to perform and identifying the applicable Lease provision(s); provided, however, that if the nature of Tenant's default is such that more than thirty (30) days are reasonably required for its cure, then it shall not be deemed to be a Default if Tenant commences such cure within said 30-day period and thereafter diligently prosecutes such cure to completion;
- (c) Tenant's vacation of all or a substantial portion of the Premises for more than thirty (30) consecutive days without paying Rent.

15.2. In addition to any other remedies available at law or equity, if a Default remains uncured, Landlord may, upon ten (10) business day's prior written notice to Tenant, pursue any of the following:

- (a) terminate Tenant's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Tenant shall surrender possession to Landlord;
- (b) enter and take possession of the Premises pursuant to judicial order, and remove Tenant, with or without having terminated the Lease; or
- (c) alter locks and other security devices at the Premises, as permitted by law.

15.3. If Landlord terminates this Lease or ends Tenant's right to possess the Premises due to a Default, Landlord may hold Tenant liable for Rent, and other indebtedness accrued through the Lease Term. Tenant will also be liable for the Rent and other indebtedness that otherwise would have been payable by Tenant during the remainder of the Term had there been no Default, reduced by any sums Landlord receives by reletting the Premises during the Term or by taking other mitigation measures.

15.4. Landlord shall use commercially reasonable efforts to mitigate Landlord's damages including, without limitation, reletting the Premises on commercially reasonable terms. Landlord may relet for a shorter or longer period of time than the Term and make commercially reasonable necessary repairs or alterations.

16. Landlord Default; Remedies. Landlord shall be deemed in breach of this Lease if Landlord should fail to perform or observe any Landlord obligation hereunder and such obligation remains uncured/unperformed for a period of thirty (30) days following Landlord's receipt of notice from Tenant setting forth in reasonable detail the nature and extent of the Landlord default and identifying the applicable Lease provision(s). In addition to any other remedies available at law or equity, Tenant may elect to (i) cure such default and offset the cost of remedying said default against any Rent due or (ii) terminate this Lease. Tenant shall notify Landlord in writing of its election under clause (ii) and shall include the termination date of the

Lease in said notice. Upon the date set forth by Tenant in its election notice, Tenant shall surrender the Premises to Landlord and Tenant shall have no further obligation or liability under this Lease, except those that expressly survive termination.

17. Remedies Cumulative. The remedies of the parties hereunder shall be deemed cumulative and no remedy of either party, whether exercised or not, shall be deemed to be in exclusion of any other remedy.

18. Signs/Advertising. Tenant may place on or in the Premises such signs as it deems necessary and proper in the conduct of its business. Such signs will comply with all federal, state, and city laws, codes, ordinances, rules, and regulations applicable to the Property. Landlord shall provide Tenant, at Landlord's expense, a listing on the Building's tenant directory and appropriate floor directories, if applicable. Landlord shall also supply, at no cost to Tenant, a sign approved by Tenant on the exterior wall or door of the Premises. Tenant may list the location of the Premises in its advertising materials and to otherwise make known to the general public the location and services offered at the Premises. Landlord acknowledges receipt and approves the sign specifications as set forth on the Sign Specifications Exhibit.

19. Subordination, Non-Disturbance & Attornment.

19.1. Subordination. This Lease is and will be subordinate to any ground lease, mortgage, deed of trust or any other hypothecation for security now or hereafter placed upon the Property and to all renewals, modifications, consolidations, replacements and extensions thereof. If any mortgagee, trustee or ground lessor elects to have this Lease be prior to the lien of its mortgage, deed of trust or ground lease, and gives written notice thereof to Tenant, the parties shall deem this Lease prior to such mortgage, deed of trust or ground lease, whether this Lease is dated prior or subsequent to the date of said mortgage, deed of trust or ground lease or the date of recording thereof. This Section 19 is self-operating, provided, that Tenant agrees to promptly execute any document, in form reasonably acceptable to Tenant, necessary to effectuate the foregoing subordination or to make this Lease prior to the lien of any mortgage, deed of trust or ground lease.

19.2. Attornment. If the holder of any ground lease, mortgage, deed of trust or security described above (or its successor-in-interest), enforces its remedies provided by law or under the pertinent mortgage, deed of trust or security instrument and succeeds to Landlord's interest in the Premises, Tenant agrees, upon written request of any such holder or any purchaser at foreclosure sale, to attorn and pay Rent to such party and to execute and deliver any instruments necessary or appropriate to evidence or effectuate such attornment (provided such holder or purchaser shall agree to accept this Lease and not disturb Tenant's occupancy, so long as Tenant does not default and fail to cure within the time permitted hereunder).

19.3. Non-Disturbance. In the event any mortgage or deed of trust to which this Lease is subordinate is foreclosed or a deed in lieu of foreclosure is given to the mortgagee or beneficiary, or in the event any ground lease to which this Lease is subordinate is terminated, this Lease shall not be barred, terminated, cut off, or foreclosed, nor shall the rights and possession of

the Premises by Tenant under this Lease be disturbed, if Tenant is not then in default beyond any applicable cure period under this Lease.

20. Landlord Insolvency. If the Property, Building, Premises or estate created hereby shall be taken on execution or other process of law, or become the subject matter of insolvency laws or if an assignment of Landlord's property shall be made for the benefit of creditors or if a receiver is appointed to take charge of the Premises and such not be dissolved, dismissed or removed within sixty (60) days, Tenant shall have the right to terminate this Lease without further demand or notice.

21. Landlord Representations, Warranties and Certifications.

21.1. Ownership. Landlord represents (a) that it is the fee simple owner and recorded title holder of the Property, (b) that it has the full right, power and authority to execute this Lease, (c) that there are no liens, mortgages or similar instruments affecting all or any part of the Property which are senior to this Lease except those for which a non-disturbance agreement in favor of Tenant has been obtained, and (d) that there is no agreement, restriction or encumbrance, or any other matter which would limit or reduce any of Tenant's rights pursuant to this Lease or which would increase Tenant's obligations.

21.2. Compliance. Landlord represents (a) that no Hazardous Substances (as defined below) have been manufactured, refined, stored, disposed of, produced or processed on or in any part of the Property, (b) that the Property is in compliance with all federal, state, county or municipal environmental, pollution, health, safety, fire, or building code laws and has no knowledge and has received no notice of any federal, state, county or municipal environmental, pollution, health, safety, fire, or building code violations, and (c) that the Premises is free from mold and that, after reasonable inspection, it has no knowledge of any mold infestation at the Property. "**Hazardous Substances**" shall mean any wastes, materials or substances (whether in the form of liquids, solids or gases, and whether or not air-borne), which are or are deemed to be pollutants or contaminants, or which are or are deemed to be hazardous, toxic, ignitable, reactive, corrosive, dangerous, harmful or injurious including, without limitation, any biohazardous waste, any fungi, bacterial or microbial matter which reproduces through the release of spores or the splitting of cells (e.g., mold), or which present a risk to public health or to the environment, or which are or may become regulated by or under the authority of any applicable local, state or federal laws ("**Environmental Laws**"), judgments, ordinances, orders, rules, regulations, codes or other governmental restrictions, guidelines or requirements, any amendments or successors thereto, replacements thereof or publications promulgated pursuant thereto, including, without limitation, any such items or substances which are or may become regulated by any of the Environmental Laws.

21.3. Hazardous Substance Abatement, Indemnity. Landlord shall not permit the Property to be in violation of any federal, state or local law, ordinance or regulation applicable to the Property relating to industrial hygiene, soil, water, or environmental conditions. In response to the presence of any Hazardous Substance on, under or about the Property, Landlord shall immediately take, at Landlord's sole cost and expense, all action required to cleanup and remove such Hazardous Substances, to restore the Property and to prevent future contamination. In

furtherance of the foregoing, Landlord shall take any action required by any Environmental Laws or any judgment, consent decree, settlement or compromise with respect to the presence of Hazardous Substances at the Property. Landlord shall defend, indemnify and hold harmless Tenant, its directors, officers, employees, agents, successors and assigns from and against any and all losses, damages, liabilities, claims, actions, judgments, court costs and legal or other expenses (including, without limitation, reasonable attorneys' fees and expenses) which Tenant may incur as a direct or indirect consequence of the use, generation, manufacture, storage, disposal, threatened disposal, transportation or presence of any Hazardous Substances in, on, under or about the Property, unless caused by Tenant due to a violation of the terms of this Lease. Landlord's duty and obligation to defend, indemnify and hold harmless Tenant shall survive termination of this Lease. In addition, if Landlord is unable to so restore the Property and the Premises within sixty (60) days, Tenant may, at Tenant's option, cancel this Lease without further obligation on the part of Tenant, and Tenant shall vacate the Premises within thirty (30) days after such sixty (60) day period. Should Tenant continue the Lease and Landlord complete the restoration of the Property and the Premises within sixty (60) days, Tenant shall be entitled to an abatement of Rent for the interruption of business services.

21.4. Exceptions to Sections 21.2 and 21.3. Notwithstanding anything to the contrary in Sections 21.2 and 21.3, Landlord and Tenant shall not be prohibited from using, storing or disposing of Hazardous Substances in quantities that are customary for the type of business conducted by Landlord or Tenant on the Property or the Premises.

21.5. Quiet Enjoyment. Landlord hereby covenants and agrees that Tenant, upon paying the Rent and keeping the covenants of this Lease, has the right to lawfully and quietly hold and occupy the Premises and enjoy the Property during the Term without any interference, ejection or molestation.

21.6. Non-compete. Landlord shall not lease, permit a sublease, operate, maintain or authorize any person or corporation to operate a Reference Medical Laboratory in the Building. This agreement constitutes an exclusive use to the holder of the Lease. Landlord may permit any physician tenant in the Building (including any physician employed by a Practitioner (defined in Section 21.7) or Practitioner-Landlord) to perform in-office laboratory testing limited only to his or her own medical patients, provided that such physician's practice does not consist exclusively or principally of performing only such laboratory testing. "**Reference Medical Laboratory**" means any clinical laboratory, collection station, distribution station or other operation used in connection with testing or obtaining specimens for the purpose of testing human tissue or fluids.

21.7. Legislative Modification. The parties hereto acknowledge that Section 6204 of the Omnibus Budget Reconciliation Act of 1989 (42USC 1395nn), as amended (hereinafter referred to as the "**Stark Law**"), prohibits a physician from making a referral to a clinical laboratory (for which referral the Medicare and Medicaid Programs would otherwise pay) if the physician (or a member of the physician's immediate family) has a financial arrangement with such clinical laboratory. Further, the parties recognize that the self-referral prohibition of the Stark Law and any regulations so implementing the Stark Law will affect the parties hereto, except to the extent the parties are otherwise specifically exempt from, or outside the scope of, the Stark Law and its regulations. The parties hereto agree that the terms and conditions of this

and/or disposal of ACM. Tenant shall be entitled (i) to deduct from the Rent all consequential damages (including lost profits), expenses, costs, fees and fines incurred by it as a result of such breach, and (ii) to extend the Term hereof by a period equal to the time elapsed from the date of Tenant first learns or is notified that the Premises contain ACM to the date that the removal and/or abatement and restoration are completed, and during such period all Rent hereunder shall abate. Landlord shall indemnify and hold Tenant harmless from all loss and expense arising out of a breach of the foregoing representation or any failure by Landlord to comply with all of its obligations under the Standard. This indemnification shall survive termination of this Lease.

23. Americans with Disabilities Act Compliance. Landlord shall maintain the Property in compliance with the applicable provisions of the Americans with Disabilities Act of 1990 and its implementing regulations, as amended or supplemented from time to time, and all similar applicable state and local laws, rules and regulations (the "ADA"). Landlord shall hold Tenant harmless and indemnify Tenant for all claims, demands, judgments, costs, expenses (including reasonable actual attorneys' fees) and losses arising out of or related to (i) Landlord's failure to comply with ADA (ii) the failure of the Property to comply with ADA, unless such non-compliance or corrective activity is necessitated by an alteration to the Premises by Tenant which was not consented to by Landlord.

24. Miscellaneous.

24.1. Brokers. Landlord represents to Tenant, and Tenant represents to Landlord, that no broker or finder has been engaged by it, respectively, in connection with this Lease. In the event of a claim for broker's or finder's fee or commissions in connection with this Lease, then Landlord shall indemnify, defend and hold harmless Tenant from the same if it shall be based upon any statement or agreement alleged to have been made by Landlord, and Tenant shall indemnify, defend and hold harmless Landlord from the same if it shall be based upon any statement or agreement alleged to have been made by Tenant.

24.2. Consent. Notwithstanding anything contained herein to the contrary, wherever this Lease provides that the approval, waiver or consent of the Landlord is required or that an act be done to the satisfaction of the Landlord or that the judgment, discretion or opinion of the Landlord is called for, Landlord shall not unreasonably or arbitrarily withhold, condition or delay its decision, whether approved or disapproved, and its judgment, discretion or opinion shall be required to be reasonably exercised. The parties shall deem granted a written request for a consent required or request given in accordance with the notice provisions of this Lease if not responded to by Landlord within fifteen (15) days of such request.

24.3. Successors. All rights, remedies and liabilities herein recorded or imposed upon either of the parties hereto shall extend to their heirs, executors, administrators, successors and assigns.

24.4. Severability. If any term or provision of this Lease or any amendments hereto shall be found to be invalid or unenforceable to any extent, the remainder of this Lease shall not be affected thereby, and each term and provision of this Lease shall be valid and enforced to the fullest extent permitted by law.

Lease must at all times comply with the requirements of the Stark Law and any regulations implementing the Stark Law. If at any time either party fails to so comply with the provisions and exceptions of the Stark Law, either party may terminate this Lease immediately; provided, however, that the parties shall have five (5) days from the date either party discovers that it has unintentionally violated this provision to conform the Lease with the "leased space" exception of the Stark Law. In connection with the forgoing, Landlord represents that it is one of the following as designated in the BLP:

Physician Landlord: Landlord (including but not limited to partners, shareholders or other investors of Landlord) is a physician, dentist, osteopath, podiatrist, optometrist or chiropractor (collectively "Practitioner") (or immediate family member thereof who is a Practitioner or member of a group of Practitioners) who has an ownership or investment interest in the Property. Landlord shall notify Tenant within five (5) days of any change in the facts relating to this certification.

Non-Physician Landlord: Landlord (including but not limited to partners, shareholders or other investors of Landlord) is not a Practitioner (or immediate family member thereof who is a Practitioner or member of a group of Practitioners) who has an ownership or investment interest in the Property. Landlord shall notify Tenant within five (5) days of any change in the facts relating to this certification.

Hospital: Landlord (including but not limited to partners, shareholders or other investors of Landlord) is a hospital who has an ownership or investment interest in the Property. Landlord shall notify Tenant within five (5) days of any change in the facts relating to this certification.

22. Asbestos Certification. As required by general industry standard 29 CFR 1910.1001, effective October 11, 1994, (the "Standard") all building owners must provide information regarding the location of asbestos hazards within their buildings to employers-tenants. Landlord warrants and represents that no part of the Property, including the walls, ceilings, structural steel, flooring, pipes or boilers, is wrapped, insulated, fireproofed or surfaced with any asbestos containing material ("ACM"). If Landlord breaches the representation and warranty contained in this Section 22, Tenant shall have the right to terminate this Lease upon delivery of notice thereof to Landlord. Upon such notice to Landlord, this Lease shall become null and void as of the date set forth in said notice and neither party hereto shall have any further rights or liabilities hereunder, except those that expressly survive termination. Notwithstanding a termination of this Lease, Tenant, in addition to any other remedy it may have at law or in equity, shall be entitled to claim from Landlord of all consequential damages (including lost profits) arising out of Landlord's breach. Furthermore, if Tenant does not terminate the Lease, Tenant may elect to remove and/or abate any ACM and restore the Premises. If Tenant elects to remove the ACM and restore the Premises (Tenant having the right but not the obligation to do so) rather than terminate the Lease, Tenant shall be entitled to claim from Landlord all costs and expenses associated therewith, including, but not limited to (i) restoration, (ii) removal and/or abatement and/or disposal of ACM, (iii) air quality and materials testing, (iv) related consultants' and experts' fees, and (v) fines, fees or costs of any nature whatsoever charged or assessed by any governmental authority or agency regulating and/or supervising such removal and/or abatement

24.5. Incorporation. This Lease, upon full execution, supersedes and revokes any and all previous leases governing the Premises, lease negotiations, arrangements, letters of intent, offers to lease, lease proposals or drafts, brochures, representations, and information conveyed, whether oral or written, between the parties hereto or their respective representatives or any other person purported to represent Landlord or Tenant.

24.6. Notices. Any notice which a party is required or may desire to give the other shall be in writing and may be sent by personal delivery, by United States registered or certified mail, (return receipt requested, postage prepaid), or by any nationally recognized overnight carrier regularly providing proof of delivery, or by telecopy (so long as a copy is provided via a previously mentioned method), addressed pursuant to the parties' respective address(s) set forth in the BLP. Any notice so given by United States mail shall be deemed to have been given as of the date of delivery (whether accepted or refused) established by a U.S. Post Office return receipt, or by the overnight carrier's proof of delivery, as the case may be. Any such notice not so given, shall be deemed given upon receipt of the same by the party to whom the same is to be given. Either party may change its notice address by written notice as provided in this Section 24.6.

24.7. No Relationship of Parties. The parties acknowledge that nothing contained in the Lease or otherwise is to be construed so as to create or indicate that there exists between Landlord and Tenant any partnership, association, affiliation or legal relationship in any regard, except that of landlord and tenant. The amounts to be paid to Landlord by Tenant under this Lease are strictly in consideration for the terms and obligations of the Landlord set forth specifically herein and for no other purpose.

24.8. Interpretation. Except for headings in the BLP, section headings shall not be used in interpreting this Lease. Each party acknowledges that such party and its counsel, after negotiation and consultation, have reviewed and revised this Lease. As such, the terms of this Lease shall be fairly construed and the usual rule of construction, to the effect that any ambiguities herein should be resolved against the drafting party, shall not be employed in the interpretation of this Lease or any amendments, modifications or exhibits hereto or thereto. Whenever the words "including", "include" or "includes" are used in this Lease, they shall be interpreted in a non-exclusive manner. Except as otherwise indicated, all exhibits and section references in this Lease shall be deemed to refer to the exhibits and sections in this Lease.

24.9. Governing Law. This Lease shall be construed and enforced in accordance with the laws of the state in which the Property is located, without regard to conflicts of laws principles.

24.10. Attorneys' Fees. In the event of any action or proceeding by either party against the other in connection with this Lease, the prevailing party shall be entitled to recover the fees of its attorneys in such action or proceeding, including costs of appeal, if any, in such amount as the court may adjudge reasonable as attorneys' fees.

24.11 Previous Agreement. Tenant currently occupies 282 square feet of space at 145 Solano Street, Corning, California. When Landlord completes Tenant's Improvements at the Premises and vacates 145 Solano, Corning, then the Fourth Amendment dated April 27, 2009 shall be terminated and cancelled and Tenant shall have no further obligation.

24.12. Accounting Principles. All calculations, adjustments or other determinations of a monetary or fiscal nature shall be in accordance with generally accepted accounting principles and standards consistently applied.

24.13. Entire Agreement. It is understood and agreed by the parties hereto that this Lease represents the entire agreement of the parties and that any additions, variations or modifications to this Lease shall be in writing and signed by the parties hereto.

IN WITNESS WHEREOF, Landlord and Tenant agree to all terms and conditions set forth above and hereby execute this Lease.

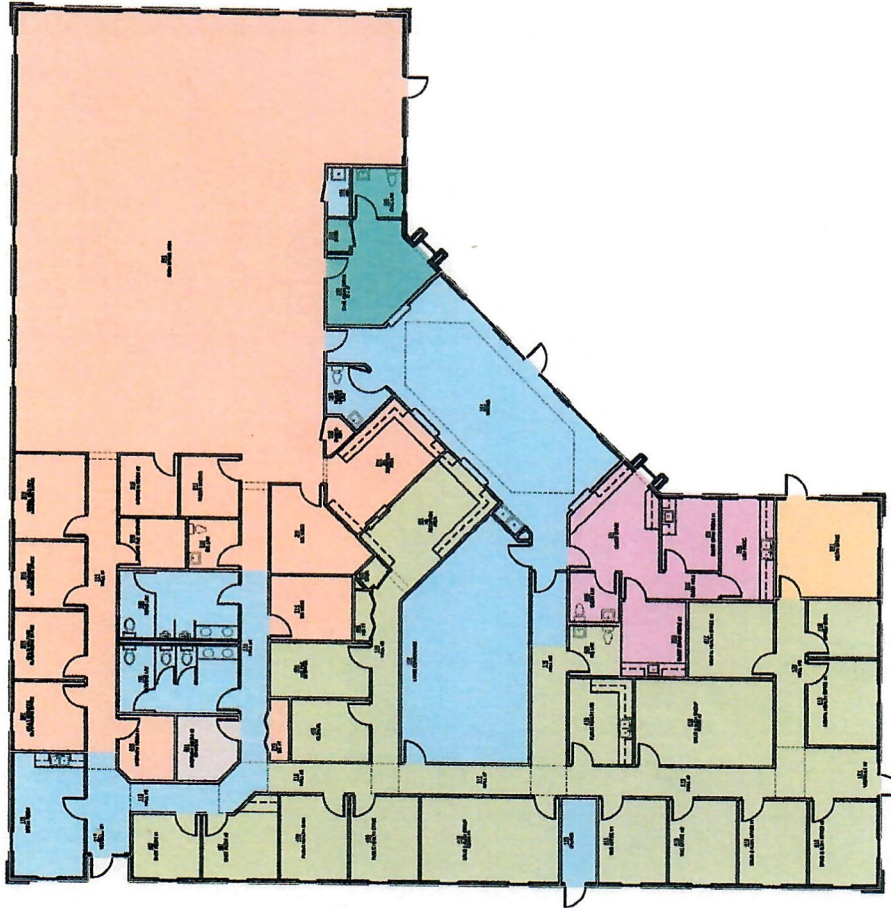
Landlord:
Corning Healthcare District

Tenant:
Unilab Corporation dba
Quest Diagnostics

By: *Marlene Masera*
Name: *Marlene Masera*
Title: *President*

By: _____
Name: Bruce K. Farley
Title: Managing Director

**A NEW OFFICE BUILDING FOR
CORNING HEALTHCARE DISTRICT**




LEGEND
--LEASABLE SQUARE FOOTAGE--

- 2986# - COMMON AREA
- 2541# - ADMINISTRATION
- 4674# - TEHAMA COUNTY DEPARTMENT OF SOCIAL SERVICES
- 3289# - TEHAMA COUNTY HEALTH SERVICES AGENCY
- 824# - HEALTH & SOCIAL SERVICES SHARED INTERVIEW ROOMS
- 809# - QUEST DIAGNOSTICS INC.
- 229# - NEW DIRECTIONS TO HOPE

NOTE: ROOM SIZES AND SQUARE FOOTAGES ARE APPROXIMATE AT THIS PHASE OF THE DESIGN PROCESS.

From the desktop desk of...



Russell, Galloway, Associates
7 Sifers Nevada Court
Chico, California 95928
(530) 342-0802 fax 342-1882
www.rga-cltco.com

SCALE: 1/8" = 1'-0"

FINAL FLOORPLAN 9.17.07 (11,397 sq. ft.)