

**AGREEMENT BETWEEN THE COUNTY OF SAN MATEO
AND
UNILAB CORPORATION, now part of Quest Diagnostics, Inc.**

THIS AGREEMENT, entered into this _____ day of _____, 2003, by and between the COUNTY OF SAN MATEO, hereinafter called "County," and UNILAB CORPORATION, now part of Quest Diagnostics, Inc., hereinafter called "Contractor";

W I T N E S S E T H:

WHEREAS, it is necessary and desirable that Contractor be retained for the purpose of performing the professional services hereinafter described for San Mateo Medical Center; and

WHEREAS, pursuant to Government Code, Section 31000, County may contract with independent contractors for the furnishing of such services to or for County or any Department thereof;

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:

1. Services to be performed by Contractor.

In consideration of the payments hereinafter set forth, Contractor, under the general direction of the Chief Executive Officer of San Mateo Medical Center, or her designee, with respect to the product or result of Contractor's services, shall provide shall process laboratory specimens referred by San Mateo Medical Center's Laboratory as described in Schedule A, attached hereto and incorporated by reference herein. Such services shall be provided in a professional and diligent manner.

2. Payments.

- A. Contract Term. In full consideration of Contractor's performance of the services described in Schedule A, the amount that County shall be obligated to pay for services rendered under this Agreement shall not exceed ONE MILLION FORTY THOUSAND SIX HUNDRED EIGHTY-EIGHT DOLLARS (\$1,040,688) for the contract term.
- B. Rate of Payment. The rate and terms of payment shall be as specified in Schedule B, attached hereto and incorporated herein. Any rate increase is subject to the approval of the Chief Executive Officer of San Mateo Medical Center or her designee, and shall not be binding on County unless so approved in writing. In no event may the rates established in Schedule B be increased to the extent that the maximum County obligation shall exceed the total specified in paragraph 2A above. Each payment shall be conditioned on the performance of the services described in Schedule A to the full satisfaction of the Chief Executive Officer of San Mateo Medical Center or her designee.
- C. Time Limit for Submitting Invoices. Contractor shall submit invoice for services to County for payment in accordance with the provisions of Schedule B. County shall not be obligated to pay Contractor for the services covered by any invoice if Contractor presents the invoice to County more than one hundred eighty (180) days after the date Contractor renders the services, or more than ninety (90) days after this Agreement terminates, whichever is earlier.

3. Relationship of Parties.

It is expressly understood that this is an agreement between two (2) independent contractors and that no agency, employee, partnership, joint venture or other relationship is established by this Agreement. The intent by both County and Contractor is to create an independent contractor relationship. Contractor expressly acknowledges and accepts his/her tax status and the tax consequences of an independent contractor. Further, as an independent contractor, Contractor expressly acknowledges and accepts that he/she has no rights, benefits, privileges and/or claims in any form whatsoever under, from, through and/or pursuant to the San Mateo County Civil Service Rules.

4. Hold Harmless.

Contractor shall indemnify and save harmless County, its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind and description, brought for, or on account of: (A) injuries to or death of any person, including Contractor, or (B) damage to any property of any kind whatsoever and to whomsoever belonging, or (C) any failure to withhold and/or pay to the government income and/or employment taxes from earnings under this Agreement, or (D) any sanctions, penalties or claims of damages resulting from Contractor's failure to comply with the requirements set forth in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended, or (E) any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of County, its officers, agents, employees, or servants, resulting from the performance of any work required of Contractor or payments made pursuant to this Agreement, provided that this shall not apply to injuries or damage for which County has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of Contractor to indemnify and save harmless as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

5. Insurance.

Contractor shall not commence work under this Agreement until all insurance required under this section has been obtained and such insurance has been approved by the Chief Executive Officer of San Mateo Medical Center. Contractor shall furnish the Department of Hospital and Clinics with Certificates of Insurance evidencing the required coverage and there shall be a specific contractual liability endorsement extending Contractor's coverage to include the contractual liability assumed by Contractor pursuant to this Agreement. These Certificates shall specify or be endorsed to provide that thirty (30) days' notice must be given, in writing, to the Department of Hospital and Clinics of any pending change in the limits of liability or of any cancellation or modification of the policy.

In the event of the breach of any provision of this section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, County at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further work pursuant to this Agreement.

- A. Workers' Compensation and Employer Liability Insurance. Contractor shall have in effect during the entire life of this Agreement, Workers' Compensation and Employer Liability Insurance providing full statutory coverage. In signing this Agreement, Contractor makes the following certification, required by Section 1861 of the California Labor Code:

I am aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions before commencing the performance of the work of this Agreement.

- B. Liability Insurance. Contractor shall take out and maintain during the life of this Agreement such Bodily Injury Liability and Property Damage Liability Insurance as shall protect him while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage which may arise from Contractor's operations under this Agreement, whether such operations be by himself or by any subcontractor or by anyone directly or indirectly employed by either of them. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall not be less than the amounts specified below.

Such insurance shall include:

(a) Comprehensive General Liability	\$1,000,000
(b) Motor Vehicle Liability Insurance	\$1,000,000
(c) Professional Liability	\$1,000,000

If this Agreement remains in effect more than one (1) year from the date of its original execution, County may, at its sole discretion, require an increase in the amount of liability insurance to the level then customary in similar County agreements by giving sixty (60) days' notice to Contractor.

County and its officers, agents, employees and servants shall be named as additional insured on any such policies of insurance, which shall also contain a provision that the insurance afforded thereby to County, its officers, agents, employees, and servants shall be primary insurance to the full limits of liability of the policy, and that if County or its officers and employees have other insurance against the loss covered by such a policy, such other insurance shall be excess insurance only. Said certificate(s) of insurance is (are) attached hereto and incorporated by reference herein as Attachment II (and III).

6. Non-Discrimination.

Contractor shall comply with the non-discrimination requirements described in Schedule C, which is attached hereto, and incorporated herein.

Contractor shall comply with County admission and treatment policies which shall provide that patients are accepted for care without discrimination on the basis of race, color, religion, sex, sexual orientation, national origin, age, handicap, or political affiliation.

Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject Contractor to penalties, to be determined by the County Manager, including, but not limited to:

- i) termination of this Agreement;
- ii) disqualification of Contractor from bidding on or being awarded a County contract for a period of up to three (3) years;
- iii) liquidated damages of TWO THOUSAND FIVE HUNDRED DOLLARS (\$2,500) per violation;
- iv) imposition of other appropriate contractual and civil remedies and sanctions, as determined by the County Manager.

To effectuate the provisions of this paragraph, the County Manager shall have the authority to:

- i) examine Contractor's employment records with respect to compliance with this paragraph;

- ii) set off all or any portion of the amount described in this paragraph against amounts due to Contractor under the Contract or any other contractor between Contractor and County.

Contractor shall report to the County Manager the filing by any person in any court of any complaint of discrimination or the filing by any person of any and all charges with the Equal Employment Opportunity Commission, the Fair Employment and Housing Commission or any other entity charged with the investigation of allegations within thirty (30) days of such filing, provided that within such thirty (30) days such entity has not notified Contractor that such charges are dismissed or otherwise unfounded. Such notification shall include the name of the complainant, a copy of such complaint, and a description of the circumstance. Contractor shall provide County with a copy of its response to the complaint when filed.

With respect to the provision of employee benefits, Contractor shall comply with the County Ordinance which prohibits contractors from discriminating in the provision of employee benefits between an employee with a domestic partner and an employee with a spouse.

7. Assignments and Subcontracts.

- A. Without the written consent of the Chief Executive Officer of San Mateo Medical Center or her designee, this Agreement is not assignable in whole or in part. Any assignment by Contractor without the written consent of the Chief Executive Officer of San Mateo Medical Center or her designee is a breach of this Agreement and shall automatically terminate this Agreement.
- B. Contractor shall not employ subcontractors or consultants to carry out the responsibilities undertaken pursuant to this contract without the written consent of the Chief Executive Officer of San Mateo Medical Center or her designee.
- C. All assignees, subcontractors, or consultants approved by the Chief Executive Officer of San Mateo Medical Center or her designee shall be subject to the same terms and conditions applicable to Contractor under this Agreement, and Contractor shall be liable for the assignee's, subcontractor's or consultant's acts and/or omissions.
- D. All agreements between Contractor and subcontractor and/or assignee for services pursuant to this Agreement shall be in writing and shall be provided to County.

8. Amendment of Agreement.

This Agreement is complete and contains all the terms and conditions agreed upon by the parties. No amendment shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement shall be binding on the parties hereto.

9. Records.

- A. Contractor agrees to provide to County, to any federal or state department having monitoring or reviewing authority, to County's authorized representatives and/or their appropriate audit agencies upon reasonable notice, access to and the right to examine and audit all records and documents necessary to determine compliance with relevant federal, state, and local statutes, rules and regulations, and this Agreement, and to evaluate the quality, appropriateness and timeliness of services performed.
- B. Contractor shall maintain and preserve all financial records relating to this Agreement for a period of four (4) years from the termination date of this Agreement, or until audit findings are resolved, whichever is greater.

10. **Compliance with Applicable Laws.**

All services to be performed by Contractor pursuant to this Agreement shall be performed in accordance with all applicable federal, state, county, and municipal laws, including, but not limited to, the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal Regulations promulgated thereunder, as amended, and the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, as amended and attached hereto and incorporated by reference herein as Attachment I, which prohibits discrimination on the basis of handicap in programs and activities receiving any federal or county financial assistance. Such services shall also be performed in accordance with all applicable ordinances and regulations, including, but not limited to, appropriate licensure, certification regulations, provisions pertaining to confidentiality of records, and applicable quality assurance regulations.

11. **Interpretation and Enforcement.**

A. Any notice, request, demand or other communication required or permitted hereunder shall be deemed to be properly given when deposited in the United States mail, postage prepaid, or when deposited with a public telegraph company for transmittal, charges prepaid, addressed:

1) In the case of County, to:

San Mateo Medical Center
222 West 39th Avenue
San Mateo, CA 94403
Attn: Administration

or to such person or address as County may, from time to time furnish to Contractor.

2) In the case of Contractor, to:

Unilab Corporation, now part of Quest Diagnostics, Inc.
967 Maybury Road
San Jose, CA 95133

B. **Controlling Law.** The validity of this Agreement and of its terms or provisions, as well as the rights and duties of the parties hereunder, the interpretation and performance of this Agreement shall be governed by the laws of the State of California.

12. **Term of the Agreement.**

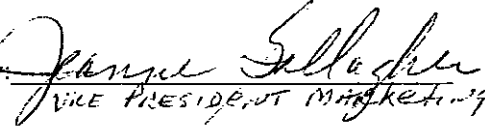
Subject to compliance with the terms and conditions of this Agreement, the term of this Agreement shall be from March 1, 2003 through February 28, 2006. This Agreement may be terminated by Contractor, Chief time upon thirty (30) days' written notice to the other party.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hands.

COUNTY OF SAN MATEO

CORPORATION,
Now part of Quest Diagnostics, Inc.

By: _____
Rose Jacobs Gibson
Board of Supervisors, San Mateo County

By:  _____
VICE PRESIDENT MARKETING SUPPORT

Date: _____

Date: 6/25/03

ATTEST:

By: _____
Clerk of Said Board

Date: _____

SCHEDULE "B"

PAYMENTS

In consideration of the services provided by Contractor in Exhibit "A", County shall pay Contractor based on the following fee schedule:

1. Rate of payment per test shall be according to Amerinet Fee Schedule. (Amerinet is the County's Group Purchasing Organization).
2. Repeat analysis will be performed at no additional charge.
3. Contractor shall submit monthly invoices to County for services rendered for the prior month. County agrees to remit payment within thirty (30) days of receipt of statement; however, the parties agree that late payment shall not be considered a material breach of this Agreement.

SCHEDULE C

Contract between County of San Mateo and UNILAB CORPORATION, now part of Quest Diagnostics, hereinafter called "Contractor."

- a. No person shall, on the grounds of race, color, creed, national origin, religious affiliation or non-affiliation, sex, sexual orientation, marital status, age (over forty (40)), disability, medical condition (including but not limited to AIDS, HIV positive diagnosis, or cancer), political affiliation or union membership be excluded from participation in, be denied the benefits of, or be subjected to discrimination under this Agreement.
- b. Contractor shall insure equal employment opportunity based on objective standards of recruitment, selection, promotion, classification, compensation, performance evaluations, and management relations, for all employees under this contract. Contractor's personnel policies shall be made available to County upon request.
- c. Contractor shall assure compliance with Section 504 of the Rehabilitation Act of 1973 by submitting a signed letter of assurance (Attachment I) of compliance. Contractor shall be prepared to submit a self-evaluation and compliance plan to County upon request within one (1) year of the execution of this Agreement.

ATTACHMENT I

Assurance of Compliance with Section 504 of the Rehabilitation Act of 1973, as Amended

The undersigned (hereinafter called the "Contractor(s)") hereby agrees that it will comply with Section 504 of the Rehabilitation Act of 1973, as amended, all requirements imposed by the applicable DHHS regulation, and all guidelines and interpretations issued pursuant thereto.

The Contractor(s) gives/give this assurance in consideration of and for the purpose of obtaining contracts after the date of this assurance. The Contractor(s) recognizes/recognize and agrees/agree that contracts will be extended in reliance on the representations and agreements made in this assurance. This assurance is binding on the Contractor(s), its successors, transferees, and assignees, and the person or persons whose signatures appear below are authorized to sign this assurance on behalf of the Contractor(s).

The Contractor(s): (Check a or b)

- a. () Has no employees
- b. () Employs fewer than 15 persons
- c. (✓) employs 15 or more persons and, pursuant to Section 84.7 (a) of the regulation (45 C.F.R. 84.7 (a)), has designated the following person(s) to coordinate its efforts to comply with the DHHS regulation.

KIMBRA LOZANO

Name of 504 Person - Type or Print

Unilab Corporation, now part of Quest Diagnostics

Name of Contractor(s) - Type or Print

~~4944 Sunrise Blvd., Suite J~~

Street Address or PO Box

3714 NORTHGATE Blvd

Sacramento

City

CA

State

~~95628~~

Zip Code

95834

I certify that the above information is complete and correct to the best of my knowledge.

6/25/03

Date

Jeanne Sallacher, Vice President
Signature and
MARKETING SUPPORT

*Exception: DHHS regulations state that:

"If a recipient with fewer than 15 employees finds that, after consultation with a handicapped person seeking its services, there is no method of complying with (the facility accessibility regulations)...other than making a significant alteration in its existing facilities, the recipient may, as an alternative, refer the handicapped person to other providers of those services that are accessible."

COUNTY OF SAN MATEO

Equal Benefits Compliance Declaration Form

I Vendor Identification

Name of Contractor: UNILAB, NOW A PART OF Quest Diagnostics
Contact Person: JEANNE GALLAGHER
Address: 967 ~~MAJES~~ MAJES RD SAN JOSE CA 95133
Phone Number: 800-288-8008 x 5287
Fax Number: 408-367-5644

II Employees

Does the Contractor have any employees? [X] Yes [] No
Does the Contractor provide benefits to spouses of employees? [X] Yes [] No

If the answer to one or both of the above is no, please skip to Section IV.

III Equal Benefits Compliance (Check one)

- [] Yes, the Contractor complies by offering equal benefits, as defined by Chapter 2.93, to its employees with spouses and its employees with domestic partners.
[] Yes, the Contractor complies by offering a cash equivalent payment to eligible employees in lieu of equal benefits.
[X] No, the Contractor does not comply.
[] The Contractor is under a collective bargaining agreement which began on (date) and expires on (date).

IV Declaration

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that I am authorized to bind this entity contractually.

Signature: Jeanne W. Gallagher
Title: VICE PRESIDENT Marketing Support

Name (Please Print): JEANNE W. GALLAGHER
Date: 6/25/03

Waiver Request Memo

Date: 7/11/03
To: John Maltbie, County Manager
From: Nancy J. Steiger, Chief Executive Officer, San Mateo Medical Center
Subject: Waiver Request

We are requesting a waiver of the Equal Benefits Ordinance to enter into or amend a contract with Unilab Corporation, now a part of Quest Diagnostics, Inc. for laboratory services in the amount of \$1,040,688.

This waiver is necessary and in the best interest of the County for the following reason(s):

- Necessary in order to respond to an emergency
- Sole Source
- No compliant contractors are capable of providing the goods/service
- Inconsistent with a grant, subvention or agreement with a public agency
- Is part of a Cooperative or Joint Purchasing Agreement
- Other

Contracting with independent laboratories to perform lab tests, which are not performed at San Mateo County Medical Center (SMMC) because of the specialized and expensive equipment is essential to SMMC's day-to-day operation.

Unilab's benefits do not extend to domestic partners. Unilab has recently been bought by Quest and is going through some reorganization. Unilab's benefit package has already been negotiated for the year 2003. In the fall of 2003, Unilab will negotiate with their benefits providers a benefit package to include domestic partners.

- Approved
- Not Approved



Signing Authority

7-22-03

Date

MARSH

CERTIFICATE OF INSURANCE

CERTIFICATE NUMBER
LOS-00026231-03

PRODUCER
Marsh Risk & Insurance Services
4695 MacArthur Court, Suite 700
(949) 399-5800
License #0437153
Newport Beach, CA 92660

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER OTHER THAN THOSE PROVIDED IN THE POLICY. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES DESCRIBED HEREIN.

COMPANIES AFFORDING COVERAGE

US8145-00-00-

COMPANY
A Kemper Indemnity Insurance Company

INSURED
Unilab Corporation-Fresno
18448 Oxnard Street
Tarzana, CA 91356

COMPANY
B Lumbermen's Mutual Casualty Company

COMPANY
C

COMPANY
D

COVERAGES

3

THIS IS TO CERTIFY THAT POLICIES OF INSURANCE DESCRIBED HEREIN HAVE BEEN ISSUED TO THE INSURED NAMED HEREIN FOR THE POLICY PERIOD INDICATED NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THE CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, CONDITIONS AND EXCLUSIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT	6QE-000706-01	11/10/02	11/10/03	GENERAL AGGREGATE	\$ 3,000,000
					PRODUCTS - COMPLE AGG	\$ 1,000,000
					PERSONAL & ADV INJURY	\$ 1,000,000
					EACH OCCURRENCE	\$ 1,000,000
					FIRE DAMAGE (Any one fire)	\$ 250,000
					MED EXP (Any one person)	\$ 10,000
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> RENTED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	FDSG0793000	11/10/02	11/10/03	COMBINED SINGLE LIMIT	\$ 1,000,000
					BODILY INJURY (Per person)	\$
					BODILY INJURY (Per accident)	\$
					PROPERTY DAMAGE	\$
					GARAGE LIABILITY	
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT	\$
					OTHER THAN AUTO ONLY	
					EACH ACCIDENT	\$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE	\$
					AGGREGATE	\$
						\$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY THE PROPRIETOR/PARTNER/EXECUTIVE OFFICERS ARE <input type="checkbox"/> INC. <input type="checkbox"/> EXC.	SBA129732-02	11/10/02	11/10/03	<input checked="" type="checkbox"/> WC STATUTORY LIMITS	OTHER
					EL EACH ACCIDENT	\$ 1,000,000
					EL DISEASE POLICY LIMIT	\$ 1,000,000
					EL DISEASE EACH EMPLOYEE	\$ 1,000,000
A	MEDICAL PROFESSIONAL LIABILITY Claims-Made Coverage	6QE-000706-01	11/10/02	11/10/03	Each Claim	1,000,000
					Aggregate	3,000,000

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

Certificate holder is named as additional insured as their interest may appear, as respects general liability only.

CERTIFICATE HOLDER

San Mateo County Health Center
Department of Hospital and Clinics
Attn: Tere Larcina
222 W. 39th Avenue
San Mateo, CA 94403

CANCELLATION

SHOULD ANY OF THE POLICIES DESCRIBED HEREIN BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE INSURER AFFORDING COVERAGE WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED HEREIN, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER AFFORDING COVERAGE, ITS AGENTS OR REPRESENTATIVES, OR THE ISSUER OF THIS CERTIFICATE.

MARSH USA INC.

By: Stephen Flynn

MM1(3/02)

VALID AS OF: 07-07-03

**AMENDMENT TO THE AGREEMENT BETWEEN THE COUNTY OF SAN MATEO AND
QUEST DIAGNOSTICS**

THIS AGREEMENT, entered into this _____ day of _____, 2003, by and between the COUNTY OF SAN MATEO (hereinafter called "County") and QUEST DIAGNOSTICS (hereinafter called "Contractor"),

W I T N E S S E T H:

WHEREAS, on July 25, 2002, the parties hereto entered into an agreement (hereinafter referred to as the "Original Agreement") for the furnishing of certain services by Contractor to County as set forth in that Original Agreement, subsequently amended on September 10, 2002; and

WHEREAS, it is now the mutual desire and intent of the parties hereto to amend and clarify that Original Agreement;

NOW, THEREFORE, IT IS HEREBY AGREED between the parties that the Original Agreement is amended as follows:

1. Section 2, Payments, Paragraph A, Maximum Amount, of the Original Agreement is hereby amended to read as follows:

“2. Payments

- A. ~~Maximum Amount~~ In full consideration of Contractor's performance of the services described in Schedule A, the amount that County shall be obligated to pay for services rendered under this Agreement and under all other agreements approved collectively by single resolution, a copy of which is attached hereto and incorporated by reference herein, shall not exceed ONE MILLION ONE HUNDRED ELEVEN THOUSAND DOLLARS (\$1,111,000) for the contract term.”

2. Section 4 , Hold Harmless, of the Original Agreement is hereby amended to read as follows:

“4 Hold Harmless

Contractor shall indemnify and save harmless County, its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind and description, brought for, or on account of: (A) injuries to or death of any person, including Contractor, or (B) damage to any property of any kind whatsoever and to whomsoever belonging, or (C) any failure to withhold and/or pay to the government income and/or employment taxes from earnings under this Agreement, or (D) any sanctions, penalties or claims of damages resulting from Contractor's failure to comply with the requirements set forth in the Health Insurance Portability and

Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended, or (E) any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of County, its officers, agents, employees, or servants, resulting from the performance of any work required of Contractor or payments made pursuant to this Agreement, provided that this shall not apply to injuries or damage for which County has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of Contractor to indemnify and save harmless as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code.”

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES that:

1. These amendments are hereby incorporated and made a part of the Original Agreement and subject to all provisions therein.
2. All provisions of the Original Agreement, including all references to audit and fiscal management requirements unless otherwise amended hereinabove, shall be binding on all the parties hereto.
3. All provisions of the Original Agreement, including all monitoring and evaluation requirements, shall be applicable to all amendments herein.

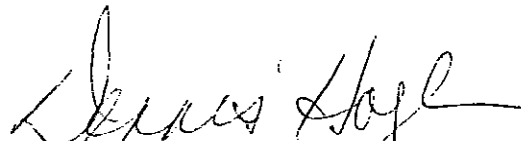
NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES that the Agreement of July 25, 2000, be amended accordingly.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hand on the day and year first above written.

COUNTY OF SAN MATEO

QUEST DIAGNOSTICS, INC.

By: _____
Rose Jacobs Gibson, President,
Board of Supervisors, San Mateo County


BUSINESS DIRECTOR

Date: _____

Date: 10/28/03

ATTEST:

By: _____
Clerk of Said Board

Date: _____

MARSH

CERTIFICATE OF INSURANCE

CERTIFICATE NUMBER
NYC-001462837-06

PRODUCER
MARSH USA INC.
ATTN: LORRAINE PEREZ
1166 AVENUE OF THE AMERICAS
NEW YORK, N.Y. 10036-2774
PHONE 212-345-3346 FAX 212-345-4635

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER OTHER THAN THOSE PROVIDED IN THE POLICY. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES DESCRIBED HEREIN.

COMPANIES AFFORDING COVERAGE

INSURED
QUEST DIAGNOSTICS INCORPORATED
ONE MALCOLM AVENUE
TETERBORO, NJ 07608

- COMPANY
A QUEST DIAGNOSTICS INCORPORATED
- COMPANY
B TRAVELERS INDEMNITY COMPANY OF ILLINOIS
- COMPANY
C N/A
- COMPANY
D TRAVELERS INDEMNITY COMPANY OF CONNECTICUT

COVERAGES

THIS IS TO CERTIFY THAT POLICIES OF INSURANCE DESCRIBED HEREIN HAVE BEEN ISSUED TO THE INSURED NAMED HEREIN FOR THE POLICY PERIOD INDICATED NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THE CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, CONDITIONS AND EXCLUSIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	\$\$\$5,000,000 SELF INSURED\$\$\$ ""RETENTION""	12/31/02	12/31/03	GENERAL AGGREGATE \$ 5,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS - COMP/OP AGG \$ 5,000,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				PERSONAL & AD INJURY \$ 5,000,000
	OWNER'S & CONTRACTOR'S PROT				EACH OCCURRENCE \$ 5,000,000
					FREDAVAGE (Any one fire) \$
					VED EXP (Any one person) \$
B D	AUTOMOBILE LIABILITY	TC2JCAP-266T3603-02 (A/O/S)	12/31/02	12/31/03	COMBINED SINGLE LIMIT \$ 2,000,000
	<input checked="" type="checkbox"/> ANY AUTO	TC2ECAP-266T3584-02 (TX)	12/31/02	12/31/03	BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	<input type="checkbox"/> HIRED AUTOS				
	<input type="checkbox"/> NON-OWNED AUTOS				
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT \$
	<input type="checkbox"/> ANY AUTO				OTHER THAN AUTO ONLY \$
					EACH ACCIDENT \$
					AGGREGATE \$
	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> UMBRELLA FORV				AGGREGATE \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORV				\$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	TC2JUB-266T3523-02 (A/S)	12/31/02	12/31/03	<input checked="" type="checkbox"/> WC STAT - TOV LIMITS \$
		TRJUB-266T3535-02	12/31/02	12/31/03	EL EACH ACCIDENT \$ 2,000,000
	<input type="checkbox"/> THE PROPRIETOR/ PARTNER/EXECUTIVE OFFICERS ARE				EL DISEASE-POLICY LIMIT \$ 2,000,000
	<input type="checkbox"/> NCL <input type="checkbox"/> EXC.				EL DISEASE-EACH EMPLOYEE \$ 2,000,000
A	OTHER PROFESSIONAL LIAB.	SELF-INSURED RETENTION	12/31/02	12/31/03	PER CLAIM 5,000,000

DESCRIPTION OF OPERATION/S/LOCATIONS/VEHICLES/SPECIAL ITEMS

COUNTY AND ITS OFFICERS, AGENTS, EMPLOYEES AND SERVANTS ARE NAMED AS ADDITIONAL INSURED.

CERTIFICATE HOLDER

SAN MATEO COUNTY HEALTH CENTER
222 W. 39TH AVENUE
SAN MATEO, CA 94403

CANCELLATION

SHOULD ANY OF THE POLICIES DESCRIBED HEREIN BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF THE INSURER AFFORDING COVERAGE WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED HEREIN BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY UPON THE INSURER AFFORDING COVERAGE. ITS AGENTS OR REPRESENTATIVES OR THE ISSUER OF THIS CERTIFICATE

MARSH USA INC.

by: Edward M. Thal

MM1(3/02)

Edward M. Thal

VALID AS OF 01/23/03

**AMENDMENT TO THE AGREEMENT BETWEEN THE COUNTY OF SAN MATEO AND
UNILAB CORPORATION**

THIS AGREEMENT, entered into this _____ day of _____, 2003, by and between the COUNTY OF SAN MATEO (hereinafter called "County") and UNILAB CORPORATION (hereinafter called "Contractor"),

W I T N E S S E T H:

WHEREAS, on July 25, 2002, the parties hereto entered into an agreement (hereinafter referred to as the "Original Agreement") for the furnishing of certain services by Contractor to County as set forth in that Original Agreement, subsequently amended on September 10, 2002; and

WHEREAS, it is now the mutual desire and intent of the parties hereto to amend and clarify that Original Agreement;

NOW, THEREFORE, IT IS HEREBY AGREED between the parties that the Original Agreement is amended as follows:

1. Section 2, Payments, Paragraph A, Maximum Amount, of the Original Agreement is hereby amended to read as follows:

“2. Payments

- A. Maximum Amount. In full consideration of Contractor's performance of the services described in Schedule A, the amount that County shall be obligated to pay for services rendered under this Agreement and under all other agreements approved collectively by single resolution, a copy of which is attached hereto and incorporated by reference herein, shall not exceed ONE MILLION ONE HUNDRED ELEVEN THOUSAND DOLLARS (1,111,000) for the contract term.”

2. Section 4 , Hold Harmless, of the Original Agreement is hereby amended to read as follows:

“4 Hold Harmless

Contractor shall indemnify and save harmless County, its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind and description, brought for, or on account of: (A) injuries to or death of any person, including Contractor, or (B) damage to any property of any kind whatsoever and to whomsoever belonging, or (C) any failure to withhold and/or pay to the government income and/or employment taxes from earnings under this Agreement, or (D) any sanctions, penalties or claims of damages resulting from Contractor's failure to comply with the requirements set forth in the Health Insurance Portability and

Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended, or (E) any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of [redacted] agents, employees, or servants, resulting from the performance of any work required of Contractor or payments made pursuant to this Agreement, provided that this shall not apply to injuries or damage for which County has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of Contractor to indemnify and save harmless as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code."

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES that:

1. These amendments are hereby incorporated and made a part of the Original Agreement and subject to all provisions therein.
2. All provisions of the Original Agreement, including all references to audit and fiscal management requirements unless otherwise amended hereinabove, shall be binding on all the parties hereto.
3. All provisions of the Original Agreement, including all monitoring and evaluation requirements, shall be applicable to all amendments herein.

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES that the Agreement of July 25, 2000, be amended accordingly.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hand on the day and year first above written.

COUNTY OF SAN MATEO

UNILAB CORPORATION

By: _____
Rose Jacobs Gibson, President,
Board of Supervisors, San Mateo County

Jeanne Gallagher
JEANNE GALLAGHER
Vice President Marketing Support

Date: _____

Date: 6/25/03

ATTEST:

By: _____
Clerk of Said Board

Date: _____

MARSH

CERTIFICATE OF INSURANCE

CERTIFICATE NO.
05 0200 00 11-03

PRODUCER

Marsh Risk & Insurance Services
4695 MacArthur Court, Suite 700
(949) 399-5800
License #0437153
Newport Beach, CA 92660

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER OTHER THAN THOSE PROVIDED IN THE POLICY. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES DESCRIBED HEREIN.

COMPANIES AFFORDING COVERAGE

COMPANY

A Kemper Indemnity Insurance Company

COMPANY

B Lumbermen's Mutual Casualty Company

COMPANY

C

COMPANY

D

168145-00-00-

INSURED

Unifac Corporation-Fresno
18448 Oxnard Street
Terzana, CA 91356

COVERAGES

THIS IS TO CERTIFY THAT POLICIES OF INSURANCE DESCRIBED HEREIN HAVE BEEN ISSUED TO THE INSURED NAMED HEREIN FOR THE POLICY PERIOD INDICATED NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THE CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, CONDITIONS AND EXCLUSIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	EQE-000706-01	11/10/02	11/10/03	GENERAL AGGREGATE \$ 3,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS - COMPROP AGG \$ 1,000,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				PERSONAL & ADVISORY \$ 1,000,000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PRCT				EACH OCCURRENCE \$ 1,000,000
					FIRE DAMAGE (Any one fire) \$ 250,000
					MED EXP (Any one person) \$ 10,000
B	AUTOMOBILE LIABILITY	FDS00793000	11/10/02	11/10/03	COMBINED SINGLE LIMIT \$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input checked="" type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	<input checked="" type="checkbox"/> HIRED AUTOS				
<input checked="" type="checkbox"/> NON-OWNED AUTOS					
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT \$
	<input type="checkbox"/> ANY AUTO				OTHER THAN AUTO ONLY \$
					EACH ACCIDENT \$
					AGGREGATE \$
	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				\$
B	WORKERS COMPENSATION AND EMPLOYERS LIABILITY	6BA129732-02	11/10/02	11/10/03	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER \$
	THE PROPRIETOR/PARTNER/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INC. <input type="checkbox"/> EXC.				EL EACH ACCIDENT \$ 1,000,000
					EL DISEASE-POLICY LIMIT \$ 1,000,000
					EL DISEASE-EACH EMPLOYEE \$ 1,000,000
A	OTHER	EQE-000706-01	11/10/02	11/10/03	Each Claim 1,000,000
	Medical Professional Liability				Aggregate 3,000,000
	Claims-Made Coverage				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

Certificate holder is named as additional insured as their interest may appear, as respects general liability only.

CERTIFICATE HOLDER

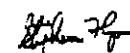
San Mateo County Health Center
Department of Hospital and Clinics
Attn: Tere Larcina
222 W. 39th Avenue
San Mateo, CA 94403

CANCELLATION

SHOULD ANY OF THE POLICIES DESCRIBED HEREIN BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE INSURER AFFORDING COVERAGE WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED HEREIN, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER AFFORDING COVERAGE, ITS AGENTS OR REPRESENTATIVES OR THE ISSUER OF THIS CERTIFICATE.

MARSH USA INC.

By: Stephen Flynn



MM1(3/02)

VALID AS OF: 03/02/03