Valley Mountain Regional Center

# Finance Committee Meeting Minutes

08/07/2019 | 05:30 pm - 06:30 pm - Pacific Time (US & Canada)
VMRC Stockton Office, Cohen Board Room

## Attendees (9)

**Committee Members Present:** Elizabeth Victor-Martinez, Chair and Treasurer, Connie Uychutin (CLASP Representative, Margaret Heinz, President
**Committee Members Not Present:** None
**Staff Present:** Tony Anderson, Executive Director, Doug Bonnet, Assistant to the Executive Director, Claudia Reed, CFO, Corina Ramirez, Resource Development Administrative Assistant
**Other Board Members Present:** Lynda Mendoza, Secretary, Alicia Schott

Meeting called to order at 530pm by Elizabeth Victor-Martinez.

### A. Review and Approval of Meeting Agenda

Approved unanimously by committee.

### B. Review and Approval of Finance Committee Meeting Minutes of 07/10/19

Approved unanimously by committee.

### C. Public Comment

None.

**D. Approval of Contracts over $250,000**

1. PCS Amended Contract - Corina Ramirez, see pages 75 and 76 attached. Approved unanimously by committee. Connie Uychutin abstained.

**E. Fiscal Department Update**

1. Acceptance of Contract Status Report - Claudia Reed, see page 77 attached. Approved unanimously by committee.
2. Acceptance of Restricted Donations - Claudia Reed, see page 81 attached. Approved unanimously by committee.
3. Purchase of Service (POS) and Operations (OPS) Expenditures - Claudia Reed, see pages 78 and 79 attached. No action needed.
4. Cash Projection - Claudia Reed, see page 82 attached. No action needed.
5. VMRC Monthly POS Expenditure Projection (PEP) Summary - Claudia Reed, see page 80 attached. No action needed.

**F. Next Meeting - 09/04/19, 530pm**

Meeting adjourned at 622pm.

# Valley Mountain Regional Center Finance Committee Meeting

08/07/19, 5:30pm

VMRC Stockton Office, Cohen Board Room

702 N. Aurora Street

Stockton, CA, 95202

Dial-in Number: 1-866-299-7945, Conference Passcode: 7793177#

Finance Committee Members: Elizabeth Victor-Martinez, Chair (Treasurer), Margaret Heinz (Board President), Connie Uychutin (CLASP Representative)

# Meeting Book - Finance Committee Meeting

Finance Committee Meeting Agenda

| | | |
|---|---|---|
| A. Review and Approval of Meeting Agenda | Committee Action | Elizabeth Victor-Martinez |
| B. Review and Approval of Finance Committee Meeting Minutes of 07/10/19 | Committee Action | Elizabeth Victor-Martinez |
| Finance Committee Meeting Minutes, 07 10 19 - Page 3 | | |
| C. Public Comment | | Elizabeth Victor-Martinez |
| D. Approval of Contracts Over $250,000 | Committee Action | Corina Ramirez |
| PCS Amended Contract, August 2019 Fin. Meeting.pdf - Page 75 | | |
| Contract Single Board Approval Report, August 2019.pdf - Page 76 | | |
| E. Fiscal Department Update | Committee Action | Claudia Reed |
| 1. Acceptance of Contract Status Report (CSR) | Committee Action | Claudia Reed |
| 2018 - 2019 Financial Statements August Meeting.pdf - Page 77 | | |
| 2. Acceptance of Restricted Donations | Committee Action | Claudia Reed |
| 3. Purchase of Service (POS) and Operations (OPS) Expenditures | | Claudia Reed |
| 4. Cash Projection | | Claudia Reed |
| 5. VMRC Monthly POS Expenditure Projection (PEP) Summary | | Claudia Reed |
| F. Next Meeting - September 4, 2019, 5:30pm, VMRC Stockton Office, Cohen Board Room | | Elizabeth Victor-Martinez |

Valley Mountain Regional Center

## Finance Committee Meeting Minutes

07/10/2019 | 05:30 pm - 06:30 pm - Pacific Time (US & Canada)
VMRC Stockton Office Cohen Board Room

### Attendees (7)

**Committee members present:** Elizabeth Victor-Martinez, Chair and Treasurer, Connie Uychutin (CLASP Representative), Margaret Heinz, President (via phone).
**Committee members not present:** None.
**Staff present:** Tony Anderson, Executive Director, Doug Bonnet, Assistant to Executive Director, Claudia Reed, CFO, Corina Ramirez, Resource Development Administrative Assistant.

Meeting called to order at 535pm by Elizabeth Victor-Martinez, Chair and Treasurer

**A. Review and Approval of Meeting Agenda**

Unanimously approved by committee.

**B. Review and Approval of Finance Committee Meeting Minutes of June 5, 2019**

Unanimously approved by committee.

**C. Public Comment**



No public comment

**D. Fiscal Department Update**

1. Acceptance of Contract Status Report (CSR) - Claudia Reed presented. See page 6 of attachment. Approved unanimously by committee.
2. Acceptance of Restricted Donations - Claudia Reed presented. There were 6 donations in May to the Popplewell Fund totaling $650. Approved unanimously by the committee.
3. Review of Contracts over $250,000 - Corina Ramirez presented. See pages 7-63 of attachment. Approved unanimously by the committee with Connie Uychutin abstaining.
4. Purchase of Service (POS) and Operations (OPS) Expenditures - Claudia Reed presented. See pages 64 and 65 of the attachment. No committee action needed.
5. Cash Projection - Claudia Reed presented. See page 68 of attachment. No committee action needed.
6. VMRC Monthly POS Expenditure Projection (PEP) Summary - Claudia Reed presented. See page 67 of attachment.

**E. Next Meeting** - August 7, 2019, 5:30pm, VMRC Stockton Office, Cohen Board Room

Elizabeth Victor-Martinez adjourned the meeting at 646pm.

# Valley Mountain Regional Center Finance Committee Meeting

07/10/19, 5:30pm

VMRC Stockton Office, Cohen Board Room

702 N. Aurora Street

Stockton, CA, 95202

Dial-in Number: 1-866-299-7945, Conference Passcode: 7793177#

Finance Committee Members: Elizabeth Victor-Martinez, Chair (Treasurer), Margaret Heinz (Board President), Connie Uychutin (CLASP Representative)

# Valley Mountain Regional Center - Finance Committee Meeting, 07/10/19

Finance Committee Meeting Agenda

| | | |
|---|---|---|
| A. Review and Approval of Meeting Agenda<br>Elizabeth Victor-Martinez | Committee Action | |
| B. Review and Approval of Finance Committee Meeting Minutes of June 5, 2019<br>Elizabeth Victor-Martinez | Committee Action | |
| Finance Comm. Minutes 06 05 19.pdf | | Page 4 |
| C. Public Comment<br>Elizabeth Victor Martinez | | |
| D. Fiscal Department Update | | |
| 1. Acceptance of Contract Status Report (CSR)<br>Claudia Reed | Committee Action | |
| Contract Status Report 07 2019.pdf | | Page 6 |
| 2. Acceptance of Restricted Donations<br>Claudia Reed | Committee Action | |
| 3. Review of Contracts over $250,000<br>Corina Ramirez | Committee Action | |
| Contract Board Approval Report 2019-09-30.pdf | | Page 7 |
| Contract Board Approval Report 2019-10-31.pdf | | Page 10 |
| Contract Single Board Approval Report 2019-06-14.pdf | | Page 14 |
| Contract Single Board Approval Report - Bright Futures #3.pdf | | Page 15 |
| Brilliant Corners Grant Contract 1819 3 4.pdf | | Page 27 |
| Contract Summary and Board Resolution 07 2019.xlsx | | Page 63 |
| 4. Purchase of Service (POS) and Operations (OPS) Expenditures<br>Claudia Reed | Committee Action | |
| POS Expenditures 07 2019.pdf | | Page 64 |
| OPS Expenditures 07 2019.pdf | | Page 65 |
| 5. Cash Projection<br>Claudia Reed | Committee Action | |
| Cash Flow May July 2019.pdf | | Page 66 |
| 6. VMRC Monthly POS Expenditure Projection (PEP) Summary<br>Claudia Reed | Committee Action | |

E. Next Meeting - August 7, 2019, 5:30pm, VMRC Stockton Office, Cohen Board Room
Elizabeth Victor-Martinez

VALLEY MOUNTAIN REGIONAL CENTER

# Finance Committee
## Minutes
Wednesday, June 5, 2019
**5:30pm**
**VMRC Stockton Office – Cohen Board Room**

**Finance Committee Members present:** Tom Bowe, President, Margaret Heinz, Secretary, Connie Uychutin, CLASP Representative

**Absent:** – Elizabeth Victor-Martinez, Informed Absence

**Staff:** Claudia Reed (Chief Financial Officer), Tony Anderson (Executive Director), Doug Bonnet (Special Assistant to the Executive Director)

Tom Bowe called the meeting to order at 531pm.

1. Review and Approval of Meeting Agenda.....Committee Action
   The committee unanimously approved the meeting agenda.

2. Review of May 1, 2019 Minutes.....Committee Action
   The committee unanimously approved the May minutes.

   Tom stated that there was not a quorum at the May meeting to approve the March minutes. The committee unanimously approved the March minutes.

3. Public Comment.....Information
   None.



4. Fiscal Department Update

   a. Acceptance of CSR – Through Committee Action
      Claudia reviewed attached report.
      Margaret Heinz made a motion to accept the report. Connie Uychutin seconded, the committee unanimously approved the report.

b. Acceptance of Restricted Donations — N/A

None.

c. Review of Contracts over $250,000 — Committee Action

Contracts will be presented at the next Finance meeting.

Claudia presented Cash Flow May through July 2019 projected. See Attached.

d. PEP (POS Expenditure Projection) — Committee Action

Claudia presented report...see attached.

Margaret Heinz made a motion to accept the report. Connie Uychutin seconded the motion. The committee voted unanimously to accept the report.

5. Next Meeting – August 7, 2019, 5:30pm, VMRC Stockton Office

Tom Bowe adjourned the meeting at 6:09pm.

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|---|
| *The VMRC Board requests that all participants refrain from wearing perfume, cologne, and other fragrances, and use unscented personal care products in order to promote a fragrance-free environment.* |
| *In accordance with the Americans with Disabilities Act, if you have any special requirements in order to participate, please contact Doug Bonnet at (209) 955-3677 prior to the start of this meeting.* |

# Valley Mountain Regional Center

## Contract Status

**AS OF: May 30, 2019**

| | OPS | POS including Federal C | General Total | OPS CPP | POS CPP | CPP Total | FG/SC Total |
|---|---|---|---|---|---|---|---|
| **Current Fiscal Year 2019** | | | | | | | |
| **Contract Year E-2** | 30,383,851 | 195,220,728 | **225,604,579** | 529,488 | 1,439,438 | **1,968,926** | **451,782** |
| Spent to Date | 28,923,513 | 176,293,317 | **205,216,830** | 471,287 | 241,115 | **712,403** | **445,366** |
| Unspent | 1,460,338 | 18,927,411 | **20,387,749** | 58,201 | 1,198,323 | 1,256,523 | **6,416** |
| **Last Fiscal Year 2018** | | | | | | | |
| **Contract Year D-4** | 29,493,605 | 182,331,242 | **211,824,847** | 529,663 | 665,293 | **1,194,956** | **493,607** |
| Spent to Date | 28,902,405 | 180,197,872 | **209,100,277** | 520,453 | 450,306 | **970,759** | **458,980** |
| Unspent | 591,200 | 2,133,370 | 2,724,570 | 9,210 | 214,987 | **224,197** | 34,627 |
| **Second Prior Fiscal Year** | | | | | | | |
| **2017 Contract Year C-5** | 28,050,790 | 168,263,354 | **196,314,144** | 476,820 | 344,693 | **821,513** | **462,758** |
| Spent to Date | 28,050,790 | 166,408,376 | **194,459,166** | 476,820 | 348,138 | **824,958** | **452,771** |
| Unspent | - | 1,854,978 | **1,854,978** | - | (3,445) | **(3,445)** | 9,987 |

# Contract Board Approval Report

Contracts Expiring:
**9/30/2019**

| VendorNumber | VendorName | SrvcCode | VendorCategory |
|---|---|---|---|
| H15677 | **Blue Mountain Transit** | 875 | Transportation Companies |

**Current Contract:**

| NTE | EffecDate | ExpDate | ResponsibleStaff | ResponsibleDept |
|---|---|---|---|---|
| $1,250,000 | 10/1/2018 | 9/30/2019 | Wilma Murray | RD |

Rate: $1.96 per actual mile eff 7/1/16; $11.63 per authorized bus aide per hour

**Proposed Contract:**

| PropNTE | PropEffDate | PropExpDate | Action: | ActionReason: | Increase/Decrease in NTE $: |
|---|---|---|---|---|---|
| $1,300,000 | 10/1/2019 | 9/30/2020 | Auto Renew Amend | Increase NTE$ | 4.00% |

PropRate: $1.96 per actual mile; $11.63 per authorized bus aide per hour

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| VendorNumber | VendorName | SrvcCode | VendorCategory |
|---|---|---|---|
| SV0016 | **Camello Supported Living Services** | 896 | Supported Living Services |

**Current Contract:**

| NTE | EffecDate | ExpDate | ResponsibleStaff | ResponsibleDept |
|---|---|---|---|---|
| $720,000 | 10/1/2018 | 9/30/2019 | Brian Bennett | RD |

Rate: $31.69/hr

**Proposed Contract:**

| PropNTE | PropEffDate | PropExpDate | Action: | ActionReason: | Increase/Decrease in NTE $: |
|---|---|---|---|---|---|
| $720,000 | 10/1/2019 | 9/30/2020 | Auto Renewal | Extend Contract | 0.00% |

PropRate: $31.69/hr

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| VendorNumber | VendorName | SrvcCode | VendorCategory |
|---|---|---|---|
| HV0460 | **J Bailelos Comm Integration Progm CITP** | 55 | Community Integration Training Program |

**Current Contract:**

| NTE | EffecDate | ExpDate | ResponsibleStaff | ResponsibleDept |
|---|---|---|---|---|
| $410,553 | 10/1/2018 | 9/30/2019 | Brian Bennett | RD |

Rate: $77.58/cons/day

**Proposed Contract:**

| PropNTE | PropEffDate | PropExpDate | Action: | ActionReason: | Increase/Decrease in NTE $: |
|---|---|---|---|---|---|
| $410,553 | 10/1/2019 | 9/30/2020 | Auto Renewal | Extend Contract | 0.00% |

PropRate: $77.58/cons/day

# Contract Board Approval Report

Contracts Expiring:
**9/30/2019**

| VendorNumber | VendorName | SrvcCode | VendorCategory |
|---|---|---|---|
| PV0526 | **Lifeworks-ACS Giggles Early Intervention Services** | 116 | Early Start Specialized Therapeutic Services |

**Current Contract:**

| NTE | EffecDate | ExpDate | ResponsibleStaff | ResponsibleDept |
|---|---|---|---|---|
| $782,317 | 10/1/2018 | 9/30/2019 | Brian Bennett | RD |

Rate
$123.37/hr-Home Visits; $217.34/hr-Foothills Home Visits; $163.01/discipline-Intake Elig Evals; $190.17/Intake Elig Eval w/Family Assmt; $277.11 per SI Eval; $277.11 per ST Autism Eval; $0.505/mile-Home Visits

**Proposed Contract:**

| PropNTE | PropEffDate | PropExpDate | Action: | ActionReason: | Increase/Decrease in NTE $: | 11.91% |
|---|---|---|---|---|---|---|
| $875,522 | 10/1/2019 | 9/30/2020 | Auto Renew Amend | Increase NTE$ | | |

PropRate
$123.37/hr-Home Visits; $217.34/hr-Foothills Home Visits; $163.01/discipline-Intake Elig Evals; $190.17/Intake Elig Eval w/Family Assmt; $277.11 per SI Eval; $277.11 per ST Autism Eval; $0.505/mile-Home Visits

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| VendorNumber | VendorName | SrvcCode | VendorCategory |
|---|---|---|---|
| P22560 | **Lifeworks-ACS** | 773 | Occupational Therapy |

**Current Contract:**

| NTE | EffecDate | ExpDate | ResponsibleStaff | ResponsibleDept |
|---|---|---|---|---|
| $240,000 | 10/1/2018 | 9/30/2019 | Mary Sheehan | RD |

Rate
$412/SPM Asmt; $412/ENV Asmt; $721/SPM-ENV Asmt; $824/AAC Asmt; $412/ACA Asmt; $103/hr followup; $0.505/mile SPM & ENV Asmt followup

**Proposed Contract:**

| PropNTE | PropEffDate | PropExpDate | Action: | ActionReason: | Increase/Decrease in NTE $: | 25.00% |
|---|---|---|---|---|---|---|
| $300,000 | 10/1/2019 | 9/30/2020 | Auto Renew Amend | Increase NTE$ | | |

PropRate
$412/SPM Asmt; $412/ENV Asmt; $721/SPM-ENV Asmt; $824/AAC Asmt; $412/ACA Asmt; $103/hr followup; $0.505/mile SPM & ENV Asmt followup

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| VendorNumber | VendorName | SrvcCode | VendorCategory |
|---|---|---|---|
| HV0414 | **Linden Grove, LLC** | 113 | Specialized Residential Facility (Habilitation)-DSS-Lice |

**Current Contract:**

| NTE | EffecDate | ExpDate | ResponsibleStaff | ResponsibleDept |
|---|---|---|---|---|
| $981,792 | 10/1/2018 | 9/30/2019 | Brian Bennett | RD |

Rate
$14,650.01 cons/mo, inclusive of SSI; signed 9/23/16.

**Proposed Contract:**

| PropNTE | PropEffDate | PropExpDate | Action: | ActionReason: | Increase/Decrease in NTE $: | 0.00% |
|---|---|---|---|---|---|---|
| $981,792 | 10/1/2019 | 9/30/2020 | Auto Renewal | Extend Contract | | |

PropRate
$14,650.01 cons/mo, inc of SSI

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# Contract Board Approval Report

Contracts Expiring:
**9/30/2019**

| VendorNumber | VendorName | SrvcCode | VendorCategory |
|---|---|---|---|
| PV0527 | **PEDS-Prof Evals & Developmental Svc** | 116 | Early Start Specialized Therapeutic Services |

**Current Contract:**

| NTE | EffecDate | ExpDate | ResponsibleStaff | ResponsibleDept |
|---|---|---|---|---|
| $2,765,187 | 10/1/2018 | 9/30/2019 | Brian Bennett | RD |

Rate
$125.44/hr-Home Visits eff 7/1/15; $163.01/discipline-Intake Elig Evals & indiv clinical specialist asmts; $190.17/Intake Elig Eval w/Family Assmt; $277.11 per SI Eval; $277.11 per ST Autism Eval; $125.44/hr for AAC assmt; $0.505/mile Home Visits

**Proposed Contract:**

| PropNTE | PropEffDate | PropExpDate | Action: | ActionReason: | Increase/Decrease in NTE $: | 0.00% |
|---|---|---|---|---|---|---|
| $2,765,187 | 10/1/2019 | 9/30/2020 | Auto Renewal | Extend Contract | | |

PropRate
$125.44/hr-Home Visits; $163.01/discipline-Intake Elig Evals & indiv clinical specialist asmts; $190.17/Intake Elig Eval w/Family Assmt; $277.11 per SI Eval; $277.11 per ST Autism Eval; $125.44 hrm NTE 7 hrs/ for AAC services; $0.505/mile Home Visits

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| VendorNumber | VendorName | SrvcCode | VendorCategory |
|---|---|---|---|
| PQ7264 | **Psychiatric Centers at San Diego** | 780 | Psychiatrist |

**Current Contract:**

| NTE | EffecDate | ExpDate | ResponsibleStaff | ResponsibleDept |
|---|---|---|---|---|
| $820,500 | 10/1/2018 | 9/30/2019 | Mary Sheehan | Clinical |

Rate
$250/hr

**Proposed Contract:**

| PropNTE | PropEffDate | PropExpDate | Action: | ActionReason: | Increase/Decrease in NTE $: | 0.00% |
|---|---|---|---|---|---|---|
| $820,500 | 10/1/2019 | 9/30/2020 | Auto Renewal | Extend Contract | | |

PropRate
$250/hr

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| VendorNumber | VendorName | SrvcCode | VendorCategory |
|---|---|---|---|
| SV0030 | **Sierra Environmental & Social Svcs SESS, Inc.** | 896 | Supported Living Services |

**Current Contract:**

| NTE | EffecDate | ExpDate | ResponsibleStaff | ResponsibleDept |
|---|---|---|---|---|
| $315,086 | 10/25/2018 | 9/30/2019 | Brian Bennett | Fiscal |

Rate
$29.13 per hour; $0.32 per mile for approved out of area appts.

**Proposed Contract:**

| PropNTE | PropEffDate | PropExpDate | Action: | ActionReason: | Increase/Decrease in NTE $: | 58.69% |
|---|---|---|---|---|---|---|
| $500,000 | 6/1/2019 | 9/30/2019 | Amendment | Increase NTE$ | | |

PropRate
$29.13 per hour; $0.32 per mile for approved out of area appts.

# Contract Board Approval Report

Contracts Expiring:
**10/31/2019**

| VendorNumber | VendorName | SrvcCode | VendorCategory |
|---|---|---|---|
| HV0089 | **California Mentor Family Home Agcy** | 904 | Family Home Agency |

**Current Contract:**

| NTE | EffecDate | ExpDate | ResponsibleStaff | ResponsibleDept |
|---|---|---|---|---|
| $1,945,999 | 11/1/2018 | 10/31/2019 | Cindy Mix | RD |

Rate
Tier 0=$2,097.36; Tier 1=$2,335.08; Tier 2=$3,642.51; Tier 3=$4,478.72; Tier 4-$5,268.65

**Proposed Contract:**

| PropNTE | PropEffDate | PropExpDate | Action: | ActionReason: | Increase/Decrease in NTE $: | 0.00% |
|---|---|---|---|---|---|---|
| $1,945,999 | 11/1/2019 | 10/31/2020 | Auto Renewal | Extend Contract | | |

PropRate
Tier 0=$2,097.36; Tier 1=$2,335.08; Tier 2=$3,642.51; Tier 3=$4,478.72; Tier 4-$5,268.65

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| VendorNumber | VendorName | SrvcCode | VendorCategory |
|---|---|---|---|
| SV0015 | **Community Compass CAN** | 896 | Supported Living Services |

**Current Contract:**

| NTE | EffecDate | ExpDate | ResponsibleStaff | ResponsibleDept |
|---|---|---|---|---|
| $599,301 | 11/1/2018 | 10/31/2019 | Brian Bennett | RD |

Rate
$42.74/hr eff 7/1/16

**Proposed Contract:**

| PropNTE | PropEffDate | PropExpDate | Action: | ActionReason: | Increase/Decrease in NTE $: | 0.00% |
|---|---|---|---|---|---|---|
| $599,301 | 11/1/2019 | 10/31/2020 | Auto Renewal | Extend Contract | | |

PropRate
$42.74 per direct service hour

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| VendorNumber | VendorName | SrvcCode | VendorCategory |
|---|---|---|---|
| HV0088 | **Community Compass Jackson Site** | 515 | Behavior Management Program |

**Current Contract:**

| NTE | EffecDate | ExpDate | ResponsibleStaff | ResponsibleDept |
|---|---|---|---|---|
| $1,307,199 | 11/1/2018 | 10/31/2019 | Brian Bennett | RD |

Rate
Eff 7/1/16: $84.49/cons/day-DDS

**Proposed Contract:**

| PropNTE | PropEffDate | PropExpDate | Action: | ActionReason: | Increase/Decrease in NTE $: | 0.00% |
|---|---|---|---|---|---|---|
| $1,307,199 | 11/1/2019 | 10/31/2020 | Auto Renewal | Extend Contract | | |

PropRate
$84.49/cons/day-DDS-set rate

# Contract Board Approval Report

Contracts Expiring:
**10/31/2019**

| VendorNumber | VendorName | SrvcCode | VendorCategory |
|---|---|---|---|
| HV0551 | **Futures Explored** | 94 | Creative Art Program |

**Current Contract:**

| NTE | EffecDate | ExpDate | ResponsibleStaff | ResponsibleDept |
|---|---|---|---|---|
| $400,000 | 11/23/2018 | 10/31/2019 | Brian Bennett | RD |

Rate
$36.05 per consumer, per hour

**Proposed Contract:**

| PropNTE | PropEffDate | PropExpDate | Action: | ActionReason: | Increase/Decrease in NTE $: | 0.00% |
|---|---|---|---|---|---|---|
| $400,000 | 11/23/2019 | 10/31/2020 | Auto Renewal | Extend Contract | | |

PropRate
$36.05 per consumer, per hour

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| VendorNumber | VendorName | SrvcCode | VendorCategory |
|---|---|---|---|
| HV0315 | **Hana Hou Alliance, LLC** | 113 | Specialized Residential Facility (Habilitation)-DSS-Lice |

**Current Contract:**

| NTE | EffecDate | ExpDate | ResponsibleStaff | ResponsibleDept |
|---|---|---|---|---|
| $555,777 | 11/1/2018 | 10/31/2019 | Brian Bennett | RD |

Rate
$8,733.13/mo, inclusive of SSI eff 7/1/16; respite rate is monthly rate divided by 21.

**Proposed Contract:**

| PropNTE | PropEffDate | PropExpDate | Action: | ActionReason: | Increase/Decrease in NTE $: | 0.00% |
|---|---|---|---|---|---|---|
| $555,777 | 11/1/2019 | 10/31/2020 | Auto Renewal | Extend Contract | | |

PropRate
$8,733.13/mo, inclusive of SSI; respite rate is monthly rate divided by 21.

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| VendorNumber | VendorName | SrvcCode | VendorCategory |
|---|---|---|---|
| HV0452 | **Jar Mill's Place** | 113 | Specialized Residential Facility (Habilitation)-DSS-Lice |

**Current Contract:**

| NTE | EffecDate | ExpDate | ResponsibleStaff | ResponsibleDept |
|---|---|---|---|---|
| $470,063 | 11/1/2018 | 10/31/2019 | Brian Bennett | RD |

Rate
$8,066.86 per cons per mo

**Proposed Contract:**

| PropNTE | PropEffDate | PropExpDate | Action: | ActionReason: | Increase/Decrease in NTE $: | 0.00% |
|---|---|---|---|---|---|---|
| $470,063 | 11/1/2019 | 10/31/2020 | Auto Renewal | Extend Contract | | |

PropRate
$8,066.86 per cons per mo

# Contract Board Approval Report

Contracts Expiring:
**10/31/2019**

| VendorNumber | VendorName | SrvcCode | VendorCategory |
|---|---|---|---|
| SV0031 | **Keyholders 360, Inc.** | 896 | Supported Living Services |

**Current Contract:**

| NTE | EffecDate | ExpDate | ResponsibleStaff | ResponsibleDept |
|---|---|---|---|---|
| $641,093 | 11/1/2018 | 10/31/2019 | Brian Bennett | RD |

Rate
$29.13 per hour

**Proposed Contract:**

| PropNTE | PropEffDate | PropExpDate | Action: | ActionReason: | Increase/Decrease in NTE $: | 0.00% |
|---|---|---|---|---|---|---|
| $641,093 | 11/1/2019 | 10/31/2020 | Auto Renewal | Extend Contract | | |

PropRate
$29.13 per hour

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| VendorNumber | VendorName | SrvcCode | VendorCategory |
|---|---|---|---|
| HV0142 | **Storer Transportation Stockton** | 875 | Transportation Companies |

**Current Contract:**

| NTE | EffecDate | ExpDate | ResponsibleStaff | ResponsibleDept |
|---|---|---|---|---|
| $6,082,448 | 11/1/2018 | 10/31/2019 | Wilma Murray | RD |

Rate
$3.20 per route mile and $25.31 per hour for each bus aide eff 7/1/16 + fuel sliding scale over $1.25/gal

**Proposed Contract:**

| PropNTE | PropEffDate | PropExpDate | Action: | ActionReason: | Increase/Decrease in NTE $: | 0.00% |
|---|---|---|---|---|---|---|
| $6,082,448 | 11/1/2019 | 10/31/2020 | Auto Renewal | Extend Contract | | |

PropRate
$3.20 per route mile and $25.31 per hour for each bus aide + fuel sliding scale over $1.25/gal

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| VendorNumber | VendorName | SrvcCode | VendorCategory |
|---|---|---|---|
| H00627 | **Storer Transportation Modesto** | 875 | Transportation Companies |

**Current Contract:**

| NTE | EffecDate | ExpDate | ResponsibleStaff | ResponsibleDept |
|---|---|---|---|---|
| $3,396,961 | 11/1/2018 | 10/31/2019 | Wilma Murray | RD |

Rate
$2.57/route mile + $25.56/hr-bus aide eff 7/1/15

**Proposed Contract:**

| PropNTE | PropEffDate | PropExpDate | Action: | ActionReason: | Increase/Decrease in NTE $: | 8.80% |
|---|---|---|---|---|---|---|
| $3,696,056 | 11/1/2019 | 10/31/2020 | Auto Renew Amend | Increase NTE$ | | |

PropRate
$2.57/route mile + $25.56/hr-bus aide

# Contract Board Approval Report

Contracts Expiring:
**10/31/2019**

| VendorNumber | VendorName | SrvcCode | VendorCategory |
|---|---|---|---|
| HV0420 | **Vocational Coaching & Developmnt Institute (VCDI)** | 55 | Community Integration Training Program |

**Current Contract:**

| NTE | EffecDate | ExpDate | ResponsibleStaff | ResponsibleDept |
|---|---|---|---|---|
| $1,046,240 | 11/1/2018 | 10/31/2019 | Brian Bennett | RD |

Rate
$77.88/cons/day; $1,000 for CIEP; $1,250 for CIE6; $1,500 for CIE12

**Proposed Contract:**

| PropNTE | PropEffDate | PropExpDate | Action: | ActionReason: | Increase/Decrease in NTE $: | 0.00% |
|---|---|---|---|---|---|---|
| $1,046,240 | 11/1/2019 | 10/31/2020 | Auto Renewal | Extend Contract | | |

PropRate
$77.88/cons/day; $1,000 for CIEP; $1,250 for CIE6; $1,500 for CIE12

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| VendorNumber | VendorName | SrvcCode | VendorCategory |
|---|---|---|---|
| HV0397 | **Vocational Coaching & Developmnt Institute (VCDI)** | 515 | Behavior Management Program |

**Current Contract:**

| NTE | EffecDate | ExpDate | ResponsibleStaff | ResponsibleDept |
|---|---|---|---|---|
| $291,491 | 11/1/2018 | 10/31/2019 | Brian Bennett | RD |

Rate
$77.57/cons/day (DDS-set rate)

**Proposed Contract:**

| PropNTE | PropEffDate | PropExpDate | Action: | ActionReason: | Increase/Decrease in NTE $: | 0.00% |
|---|---|---|---|---|---|---|
| $291,491 | 11/1/2019 | 10/31/2020 | Auto Renewal | Extend Contract | | |

PropRate
$77.57/cons/day (DDS-set rate)

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# Contract Board Approval Report

Contracts Expiring:
**9/30/2019**

| VendorNumber | VendorName | SrvcCode | VendorCategory |
|---|---|---|---|
| SV0030 | **Sierra Environmental & Social Svcs SESS, Inc.** | 896 | Supported Living Services |

**Current Contract:**

| NTE | EffecDate | ExpDate | ResponsibleStaff | ResponsibleDept |
|---|---|---|---|---|
| $315,086.00 | 10/25/2018 | 9/30/2019 | Brian Bennett | Fiscal |

Rate

$29.13 per hour; $0.32 per mile for approved out of area appts.

**Proposed Contract:**

| PropNTE | PropEffDate | PropExpDate | Action: | ActionReason: |
|---|---|---|---|---|
| $500,000.00 | 6/1/2019 | 9/30/2019 | Amendment | Increase NTE$ |

PropRate

$29.13 per hour; $0.32 per mile for approved out of area appts.

BOD Approval Date: _____

# Contract Board Approval Report

Contracts Expiring:
**6/30/2020**

| VendorNumber | VendorName | SrvcCode | VendorCategory |
|---|---|---|---|
| HV0498 | **Bright Futures #3** | 113 | Specialized Residential Facility (Habilitation)-DSS-Lice |

**Current Contract:**

| NTE | EffecDate | ExpDate | ResponsibleStaff | ResponsibleDept |
|---|---|---|---|---|
| | 7/1/2019 | 6/30/2020 | Brian Bennett | RD |

Rate

**Proposed Contract:**

| PropNTE | PropEffDate | PropExpDate | Action: | ActionReason: |
|---|---|---|---|---|
| $815,498.00 | 7/1/2019 | 6/30/2020 | Amendment | Add Program |

PropRate

$14,650 per consumer, per month, inclusive of SSI

BOD Approval Date:

**Amendment to POS Independent Contractor Contract
Between Valley Mountain Regional Center and
Bright Futures**

This Independent Contractor Contract ("Contract") entered into on the 1st day of July, 2019, in the City of Stockton, County of San Joaquin, State of California, by and between Valley Mountain Regional Center, Inc. ("Center") and Candice Bright dba: Bright Futures ("Contractor") is hereby amended as follows:

***Exhibits A, B, C and D – HV0498 are added effective July 1st, 2019 as follows:***

1. Contractor is vendored by Center pursuant to Title 17, Section 54356 as a DSS Licensed-Specialized Residential Facility (Habilitation) - Service Code 113.

   "A regional center shall classify a vendor as a DSS Licensed-Specialized Residential Facility provider if the vendor operates a residential care facility licensed by the Department of Social Services (DSS) for individuals with developmental disabilities who require 24 hour care and supervision and whose needs cannot be appropriately met within the array of other community living options available. Primary services provided by a DSS Licensed-Specialized Residential Facility may include personal care and supervision services, homemaker, chore, attendant care, companion services, medication oversight (to the extent permitted under State law) and therapeutic social and recreational programming, provided in a home-like environment. Incidental services provided by a DSS Licensed-Specialized Residential Facility may include home health care, physical therapy, occupational therapy, speech therapy, medication administration, intermittent skilled nursing services, and/or transportation, as specified in the IPP. This vendor type provides 24 hour on-site response staff to meet scheduled or unpredictable needs in a way that promotes maximum dignity and independence, and the provision of supervision and direct care support to ensure the consumers' health, safety and well-being. Other individuals or agencies may also furnish care directly, or under arrangement with the DSS Licensed-Specialized Residential Facility, but the care provided by these other entities must supplement the care provided by the DSS Licensed-Specialized Residential Facility and does not supplant it. Regional Center monitoring of the DSS Licensed-Specialized Residential Facility shall be in accordance with the applicable state laws and licensing regulations, including Title 17, and the regional center admission agreement. Payment for services in a DSS Licensed-Specialized Residential Facility must be made pursuant to Title 17, Section 56919 (a), after the regional center obtains approval from the Department for payment of the prevailing rate or, pursuant to Welfare & Institutions Code, Section 4648 (a)(4), the regional center may contract for the provision of services and supports for a period of up to three years, subject to the availability of funds."

1. Additional Definitions.

   A. "Direct Care Staff" means staff that personally provide hands-on training provided by the vendor in accordance with the requirements of consumers' Individual Program Plan and the provisions of Title 17, Section 56722 of California Code of Regulations, and who are involved in program preparation functions in accordance with the provisions of Title 17, Section 54302(a) (23).

   B. "Generic Agency" means any agency which has a legal responsibility to serve all members of the general public and which is receiving public funds for providing such services.

C. "Natural Environments" means places and social contexts commonly used by individuals without disabilities.

D. "Person Centered Planning" means an approach to determining, planning for, and working toward the preferred future of a person with developmental disabilities and her or his family.

3. Specific Consumer Services.

A. Contractor agrees to provide the *Specialized Adult Residential Facility* to serve consumers with health support needs in a facility located at 14151 N. Tully Rd. Lodi CA 95240.

B. Facility will be vendored for a total of five (5) beds; one shared bedroom and (3) private bedrooms.

C. Bright Futures #3 is a *Specialized Adult Residential Facility* to serve consumers with health support needs for developmentally disabled adults who would benefit from the promotion of health living options.

D. Consumers must be offered free access to fitness club membership.

E. Individualized fitness regimens demonstrating activities that encourage an active lifestyle promoting physical fitness: i.e. - walking, hiking, cycling, swimming/ water therapy, dancing, basketball, tennis, etc.

F. Contractor agrees to provide services in accordance with Contractor's Program Design attached hereto as Exhibit C and incorporated herein by reference.

G. Contractor agrees to provide a highly structured program, specifically tailored to promote and encourage healthy lifestyle, using coaching, fitness regimen, technology, nutrition and diet plans individually tailored with metrics to evaluate progress.

H. The service delivery must have a Board Certified Behavior Analyst delivering 20 hours of consultation monthly, fitness trainer (2 hours daily including prep. time), a nutritionist or dietitian to develop individualize diet, meal plans and provide education regarding healthy living.

I. Refusal to accept a referral is limited to individuals who are judged to be beyond the scope of the "target population" contained in the approved program design (Exhibit C).

J. Contractor hereby warrants that all work will be performed in accordance with accepted professional practices and standards as well as the requirements of applicable federal, state, and local laws.



K. Contractor agrees that this facility shall be operated in accordance with Title 17, Division 2 of the California Code of Regulations concerning services for persons with developmental disabilities, Title 22, Division 6 of the California Code of Regulations concerning licensure of community care facilities, and Center's "Best Practice in Licensed Residential Services."

L. Contractor agrees that its Administrator shall be in the facility providing supervision of direct care staff and the program of services no less than 20 hours per week as required by Center's Best Practice in Licensed Residential Services.

M. Contractor agrees to adhere to the Zero Tolerance Policy for Consumer Abuse or Neglect attached hereto as Exhibit D.

N. Contractor acknowledges that Contractor does not obtain by this Contract a guarantee and/or a vested right to have any particular consumer(s) and/or any number of consumers assigned, transferred or sent to Contractor under this Contract other than the number(s) specified in Section 1 of this Contract. Further, Contractor shall not limit and/or interfere with Center's right under Title 17 regulations to secure for any consumer served by Contractor additional and/or alternative services which the consumer's Planning Team has determined as needed.

O. Contractor is to provide appropriate personnel and equipment to perform the services contracted for herein.

1) Contractor agrees to follow IPP documentation requirements as stated in Title 17, California Code of Regulations, Sections 56022 and 56026, and to provide such training to its staff as needed to assure adequacy of documentation.

2) Contractor agrees to follow person centered planning philosophies as published by DDS for consumers receiving services, and to provide and/or procure such training as needed to ensure adequate staff participation in person centered planning.

3) Contractor agrees to notify consumers, service coordinators, care providers, and other significant persons of annual review staffing in advance. Center agrees to notify Contractor of annual or IPP meetings in advance.

4) Contractor agrees that it shall submit written quarterly reports to the Center's case management staff for individual consumers reflecting progress toward the agreed upon Individual Program Plan/Individual Family Service Plan (IPP/IFSP) objectives.

4. <u>Authorization to Purchase Services Required</u>.

A. Contractor may not initiate any Services for Consumers until it has received a duly executed Authorization to Purchase Services from Center. Center will not be responsible for any services performed without written authorization.

B. Program Managers and the After-Hours Response team are the only Center staff who are designated to give verbal authorization for services or to provide additional services beyond the authorized hours.

C. Verbal authorization must be followed up within 15 days from the initiation of the requested services by a formal letter of request by the Contractor in order to receive a duly executed Authorization to Purchase Services from the Center.



D. Contractor must maintain separate records to support direct service billing for each consumer served and indirect or administrative billing performed during the course of providing services.

5. Contractor Staff.

A. Contractor hereby warrants that all work will be performed in accordance with accepted professional practices and standards as well as the requirements of applicable federal, state, and local laws.

B. Contractor shall contract directly with its staff and shall provide all staff necessary to perform the Services for each Consumer to whom Contractor has agreed to provide services.

C. Contractor's staff shall be employees of Contractor. Contractor shall be solely responsible for procuring liability insurance for all staff, for payment of any and all applicable unemployment insurance, disability insurance, worker's compensation insurance, federal and state taxes, benefits, and any other required withholdings for all staff.

D. Contractor shall comply with all applicable laws and regulations regarding the hiring, retention, training, licensure and certification of Direct Care Staff and personnel.

E. Contractor certifies that all direct care staff providing services under this Contract hold necessary certification and/or licenses required by Title 17, California Code of Regulations and/or Title 22, California Code of Regulations or other pertinent State or Federal regulations.

1) Contractor agrees that all direct care staff providing services under this Contract shall be currently certified to provide first aid, Cardiopulmonary Resuscitation, and any other emergency services required by law or regulation.

2) Contractor shall provide to all direct care staff providing services under this Contract continuing education training on the needs of developmentally disabled persons relevant to the accepted program design (Exhibit C) as per Title 17 Section 56038 et seq. Center may assist in such in-service training if requested to do so by Contractor. Contractor shall provide to Center proof of in-service training upon request.

F. Contractor agrees that all staff or volunteers having contact with consumers under this Contract will have cleared a fingerprint/background check that includes the Department of Justice prior to employment and contact with consumers. The Contractor will:

1) Contractor shall require all staff providing Services having contact with Consumers under this Contract to have cleared a fingerprint /background check that includes the Department of Justice prior to having any contact with Consumers, and annually thereafter, unless clearance is sought through the Department of Social Services or the Trust Line Registry, which includes automatic checks for subsequent arrests. Contractor shall provide Center, upon request, with proof of the fingerprint clearance.



2) Contractor shall require individuals to submit references from prior employers and/or volunteer organizations. Contractor shall verify the accuracy of these references and document the verification in the employee/volunteer personnel file.

3) Contractor, within the scope of and direction of Contractor's agency exclusively, agrees to develop, retain, and implement employment policies and programs to

encourage and promote Contractor's employee fitness during performance of service delivery tasks connected with the intended beneficiaries (Center's consumers) within Contractor's program design, California Code of Regulations Title 17 and Title 22 and Direct Support Professional requirements satisfying the principal purpose of "agreement" between Center and Contractor.

**EXHIBIT B**
**RATE OF PAYMENT – HV0498**

1. Center shall pay Contractor at the following Negotiated rate:
   A. $14,650 per consumer per month, inclusive of SSI.
   B. This rate shall constitute the total amount of compensation for Contractor's performance of this Contract.
2. **$815,498.00** is the maximum amount which can be paid by Center to Contractor under this Contract, unless otherwise agreed to in writing by the Parties.
3. Contractor attests that fiscal and program related documentation is complete, accurate to the best of Contractor's knowledge, supported by records and source documentation, prepared in accordance with instructions provided by the Department and subject to audit.
4. Both parties to this Contract have come to a full understanding and agreement of a specified method used to accumulate data contained in the Contractor's documentation. Contractor attests that it utilizes said specified methods.
5. Center has informed Contractor of the applicable and correct median rate for the services to be provided under this Contract.

**EXHIBIT C**
**PROGRAM DESIGN – HV0498**

**EXHIBIT D**

## Zero Tolerance Policy for Consumer Abuse or Neglect

### 1.0 STATEMENT OF PURPOSE

Valley Mountain Regional Center (VMRC) has no tolerance for consumer abuse or neglect. Research studies document that individuals with developmental disabilities have a significantly higher risk of becoming the victims of abuse, neglect, or exploitation as compared to the non- disabled population. In an effort to ensure the health, safety, and security of VMRC consumers, our agency is committed to a "Zero Tolerance" standard for consumer abuse and neglect.

### 2.0 DEFINITIONS

Abuse includes, but is not limited to, physical abuse, neglect, financial abuse, abandonment, isolation, abduction, or other treatment which results in physical harm, pain or emotional/mental suffering, or deprivation, by a person providing care and supervision, of goods and services which are necessary to avoid physical harm or emotional/mental suffering further defined as follows:

- Physical Abuse: Any act which results in non-accidental injury. The use or attempt to use force on the person of another, unreasonable physical constraint, prolonged or continual deprivation of food and water, chemical restraint, or psychotropic medication without medical authorization used for punishment.
- Sexual Abuse: Any non-consenting sexual act or behavior.
- Financial Abuse: The illegal or unethical exploitation and/or use of a consumer's funds, property, or other assets.
- Neglect: The negligent failure of a person(s) having care or custody of a consumer to exercise a reasonable degree of care including, but not limited to, a failure to assist in personal hygiene and the provision of food, clothing, and shelter, or failure to provide medical care or protect the client from health and safety hazards including a medical diagnosis of failure to thrive.
- Abandonment: The desertion of a consumer by someone who is a caregiver or has custody of the consumer under circumstances in which a reasonable person would continue to provide care and custody.
- Abduction: The removal, without the consent of the consumer/conservator, of a consumer/conservatee to another state.
- Isolation: The intentional preventing of a consumer from receiving mail, telephone calls or visitors when contrary to the expressed wishes of the consumer.
- Emotional Abuse/Mental Suffering: Fear, agitation, confusion, severe depression or other forms of emotional distress that is brought about by deprivation, threats, harassment, or other forms of intimidating behavior.



### 3.0 PRINCIPALS, GUIDELINES

VMRC and all of their service providers shall ensure employees are fully informed of VMRC's Zero Tolerance Policy on Consumer Abuse and Neglect.

Employees are to be fully informed of the policy upon hire and annually thereafter. Each employee must be knowledgeable of

1) their responsibility to protect consumers from abuse and neglect, and
2) the signs of abuse and neglect, and
3) the process for reporting suspected abuse or neglect, and
4) the consequences of failing to follow the law and enforcing this policy.

"Reasonable suspicion" is the standard for reporting abuse and neglect. All VMRC staff who are mandated reporters pursuant to the California Penal Code, and all employees of service providers and long-term care facilities who are mandated reporters will strictly comply with the reporting laws at all times. A mandated reporter must (unless exempt under law) report all consumer abuse to the applicable governmental authorities immediately or as soon as practicable after his or her discovery or reasonable belief that consumer abuse has occurred.

Consumer abuse committed by VMRC employees or employees of service providers or long- term care facilities will not be tolerated. All such abuse or allegations of such abuse will be thoroughly investigated. Any VMRC employee found to have engaged in abuse against a consumer will be subject to severe discipline, up to and including termination. Any abuse found to have been committed by a service provider or long-term care facility employee will be referred to the appropriate authorities and the service provider may also be subject to sanctions up to and including devendorization which equates to removal from the list of those authorized to provide services for any and all regional center consumers.

## REPORTING PROCEDURES

Suspected abuse must be reported immediately by calling the appropriate 24-hour hotline and followed by a written report within 2 days of receiving the information concerning the incident.

If you suspect that a child is being abused, contact Child Protective Services:

- San Joaquin County (209)468-1333
- Stanislaus County (800)558-3665
- Amador County (209)223-6550 or (209)223-1075 (After Hours)
- Calaveras County (209)754-6452 or (209)754-6500 (After Hours)
- Tuolumne County (209)533-5717 or (209)533-4357 (After Hours)



If you suspect that an adult is being abused, contact Adult Protective Services:

- San Joaquin County (209)468-2202 or (888)800-4800
- Stanislaus County (800)336-4316

- Amador County (209)223-6550 or (209)223-1075 (After Hours)
- Calaveras County (209)754-6452 or (209)754-6500 (After Hours)
- Tuolumne County (209)768-7753 or (209)533-HELP (4357) (After Hours)

Ombudsman's Offices:

- San Joaquin (209)468-3785
- Stanislaus (209)529-3784
- Amador (209)532-7632
- Calaveras (209)532-7632
- Tuolumne (209)532-7632

It is agreed that all other terms and conditions of this service contract remain in effect as written.

Accepted and agreed to:

Valley Mountain Regional Center

Dated: _____

By: Anthony (Tony) Anderson
Its: Executive Director

Contractor:
Bright Futures

Dated: _____

By: Candice Bright
Its: Owner/Licensee

Dated: _____

By: Diana Bonnett
Its: Chief Financial Officer

www.vmrc.net
VALLEY MOUNTAIN REGIONAL CENTER

Life with the Power of Choice and Possibilities

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Stockton, CA 95269-2290
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San Andreas, CA 95249
Phone: (209) 754-1871
Fax: (209) 754-3211

# CPP HOUSING AGREEMENT
# (FY 2018-19)

## BRILLIANT CORNERS
## (VMRC PROJECTS 1819-3 & 1819-4)

This CPP Housing Agreement (this "**Agreement**"), dated for reference purposes as of June 7, 2019 2019 (the "**Effective Date**"), is entered into by and between Brilliant Corners, a California nonprofit corporation ("**Brilliant Corners**") and Valley Mountain Regional Center, Inc., a California nonprofit corporation ("**VMRC**"), in accordance with the following facts:

A. The Consumers. VMRC provides services to individuals with developmental disabilities in San Joaquin, Stanislaus, Amador, Calaveras and Tuolumne counties (the "**Consumers**").

B. Brilliant Corners' Mission. Brilliant Corners represents and warrants that it has the experience and expertise to develop and manage affordable homes for individuals with special needs, including individuals with developmental disabilities, and that its primary mission is to assist such individuals with their housing needs.

C. The Property; the Residence. Brilliant Corners intends to purchase and renovate one property (the "**Property**") so that the Consumers can occupy a home (the "**Residence**") on the Property. Brilliant Corners shall develop the Property as an Enhanced Behavioral Support Homes for adult clients with severe maladaptive behaviors (e.g., aggression, self-injury, property destruction, and running/wandering away), who also require nursing supports, and who have forensic involvement (the "**EBSH**").

D. CPP/CRDP Guidelines. The California Department of Development Services ("**DDS**") has published Guidelines for Purchasing and Developing Permanent Housing Through the Regional Center Community Placement Plan (CPP) and Community Resource Development Plan (CRDP) for FY 2018-19, Requests and Modifications (the "**Current CPP/CRDP Guidelines**"). Brilliant Corners acknowledges that it has reviewed and understands the Current CPP/CRDP Guidelines, including all of the Appendices thereto. All references in the Current CPP/CRDP Guidelines to the "NPO" or the "HDO" means Brilliant Corners.

E. Housing Proposal; Funding Approval; CPP/CRDP Funds. In accordance with the Current CPP/CRDP Guidelines, VMRC (with Brilliant Corners' assistance) shall submit a housing proposal to DDS requesting funds for the acquisition and renovation of the Property for the benefit of those Consumers described in the Current CPP/CRDP Guidelines. DDS's Letter of Conditional Approval (as defined in the Current CPP/CRDP Guidelines), by which DDS conditionally agrees to fund the housing proposal, is hereinafter referred to as a "**Funding Approval**", and the funds that DDS will provide to VMRC pursuant to the Funding Approval are hereinafter referred to as "**CPP/CRDP Funds**"; *provided, however*, notwithstanding anything in this Agreement to the contrary, VMRC shall have no financial or other obligation of any nature with respect to the

Property until (i) Brilliant Corners is in escrow to purchase the Property, (ii) VMRC approves such purchase in writing and (iii) DDS gives its final acquisition approval to such purchase under Section X.B of the Current CPP/CRDP Guidelines.

F. The Lease. Once Brilliant Corners acquires and renovates the Property with CPP/CRDP Funds, Brilliant Corners intends to lease the Property to a service provider who is vendorized with VMRC (a "**Service Provider**") under a written lease (the "**Lease**"). The Service Provider will provide services to VMRC's Consumers who will occupy the Residence that Brilliant Corners leases to the Service Provider.

G. Purpose of Agreement. The purpose of this Agreement is to describe VMRC's and Brilliant Corners' rights and obligations to each other with respect to the acquisition, development, lease and maintenance of the Residence and the Property, conditioned on VMRC's receipt of Funding Approval and final property acquisition approval from DDS.

**NOW THEREFORE,** in consideration of the following mutual covenants, VMRC and Brilliant Corners agree as follows:

1. The CPP/CRDP Funds; Aggregate and Individual Amounts. The maximum amount of FY 2018-19 CPP/CRDP Funds available for Brilliant Corners' acquisition and renovation of the Property is shown on Exhibit "A" attached hereto. Brilliant Corners must spend all of the CPP/CRDP Funds by June 1, 2020; any unspent funds will revert to the State. The CPP/CRDP Funds are broken down as follows:

   1.1 Property Acquisition: VMRC shall reimburse to Brilliant Corners the maximum amount as shown on Exhibit "A" to cover a portion of Brilliant Corners' cost to acquire the Property. VMRC shall disburse such funds in accordance with the terms of this Agreement, and at the times determined by VMRC in its discretion for the Property: (i) an amount equal to the "sub-total acquisition costs" reflected on Brilliant Corners' approved estimated Sources and Uses budget on the date escrow closes; and (ii) the amount equal to the developer cost (aka "developer fee") reflected on the approved estimated Source and Uses budget after the date escrow closes.

   1.2 Property Renovation: VMRC shall reimburse to Brilliant Corners the maximum amounts shown on Exhibit "A" (the "**Maximum Renovation Amount**") to cover Brilliant Corners' cost to renovate and make improvements to the Residence thereon so that VMRC's Consumers may occupy the Property. VMRC shall disburse such funds in accordance with the milestones in Section 20 of this Agreement. Brilliant Corners acknowledges that Maximum Renovation Amount may not cover all Brilliant Corner's start up, acquisition and renovation costs.

   1.3 Brilliant Corners' Budget. Payment Approvals. Brilliant Corners has prepared and submitted to VMRC an itemized budget proposal detailing the proposed use of funds for the Property. Brilliant Corners shall update the budget monthly, and more often as requested by VMRC or as required by the Current

CPP/CRPD Guidelines. Within 15 days after the applicable municipality approves the final plans and specifications for the renovation work for the Property, Brilliant Corners shall deliver a final budget to VMRC (the "**Final Budget**") for its approval. However, once VMRC approves the Final Budget, no line item within the Budget shall increase or decrease by more than 10% cumulatively without VMRC's written consent. Funds are intended to offset Brilliant Corners' total costs to purchase and renovate the Property. Approval of payment(s) by VMRC and provisions for payment are subject to the terms and conditions which are set forth in the State Administrative Manual (SAM) requirements for subvention aid contracts and are limited to those expenses which are designated as acceptable items.

2 Applicability of CPP/CRDP Guidelines. Brilliant Corners shall at all times comply with the requirements in the CPP/CRDP Guidelines. If DDS imposes new obligations in revised or amended CPP/CRDP guidelines that did not appear in the current CPP/CRDP Guidelines, or that contradict earlier CPPCRDP guidelines, or if any inconsistency exists between the terms of this Agreement and the CPP/CRDP Guidelines, the terms of the CPP/CRDP Guidelines shall prevail with respect to the Properties.

3 Term. Subject to the provisions in Section 1 above, the term of this Agreement shall commence on the Effective Date and end on the earlier of (1) the date Brilliant Corners is no longer a fee owner of the Property or (2) June 1, 2050, subject to any earlier termination as provided in this Agreement. However, the termination or expiration of this Agreement shall not affect the continued enforceability of the documents intended to survive its termination (as provided in Section 12 below).

4 Property Acceptance Agreement; Implementation Plan; Commitment Letter. Once DDS issues Funding Approval to VMRC, Brilliant Corners will work collaboratively with VMRC in locating housing opportunities for Consumers, based on those needs articulated by VMRC, and in accordance with the following provisions:

4.1 Implementation Plan. Prior to acquiring the Property, Brilliant Corners shall prepare and submit to VMRC, for its review and approval, an implementation plan for the Property (the "**Implementation Plan**"). The Implementation Plan will contain all information required by the Current CPP Guidelines. Thus, for example, the Implementation Plan shall (1) specify a process that ensures compliance with all state and local building requirements, including without limitation VMRC's receipt of verification that any project has received all applicable required permits prior to the start of any demolition, construction, or renovation and (2) contain a detailed financing plan, along with a construction and operations budget containing the information required by the Current CPP/CRPD Guidelines. Brilliant Corners shall update and revise the Implementation Plan at VMRC's request. VMRC may condition its execution

of the Property Acceptance Agreement (defined in Section 4.2 below) on VMRC's approval of the Implementation Plan.

4.2 Property Acceptance Agreement. Prior to Brilliant Corners' purchase of the Property, Brilliant Corners and VMRC will attempt to reach agreement on the Agreed Rent (defined in Section 16.5.1 below) for the Property, if feasible. If (1) the parties reach agreement on the Agreed Rent and (2) VMRC approves the location, condition and other aspects of the Property (including the terms of the Lease, as provided in Paragraph 5 below, and the type of housing to be developed for Consumers), then the parties will sign the Property Acceptance Agreement attached as Exhibit "B" attached hereto (the "**Property Acceptance Agreement**"), confirming that the Property is subject to the terms and conditions of this Agreement. Only the Property identified in a fully executed Property Acceptance Agreement that references this Agreement is subject to the terms and conditions of this Agreement.

4.3 Commitment Letter. After the parties sign the Property Acceptance Agreement for the Property, and upon Brilliant Corners' request, VMRC will provide a letter to Brilliant Corners in the form attached as Exhibit "C" hereto.

4.4 Appraisal. Brilliant Corners shall not purchase the Property in excess of its appraised value, based on an appraisal which date is not earlier than 120 days before the closing. Brilliant Corners may use an appraisal provided to the senior Lender in establishing the Property's appraised value. Brilliant Corners shall provide the appraisal to VMRC as soon as practicable, for its approval. VMRC shall ensure the purchase price of the Property is supported by such appraisal before signing the Property Acceptance Agreement. The parties acknowledge that DDS will not approve any purchase of a Property for a price higher than its appraised value.

4.5 Financial Analysis of Brilliant Corners; Corrective Action Plan. VMRC may at any time perform a financial analysis of Brilliant Corners' and its subsidiaries' financial statements, and Brilliant Corners shall fully cooperate in such process. Such analysis may include, but not be limited to, a calculation of Brilliant Corners' debt coverage ratios (including debt to earnings ratio, debt to equity ratio, and EBITDA ratios), cash reserves, working capital and operating margin. If VMRC is reasonably concerned about Brilliant Corners' financial condition after completing such analysis, based on either current year status or multi-year trends, Brilliant Corners will cooperate with VMRC in implementing a corrective action plan to improve Brilliant Corners' financial condition to VMRC's reasonable satisfaction. If Brilliant Corners is either unwilling or unable to timely implement such plan to VMRC's reasonable satisfaction, VMRC may terminate this Agreement with respect to any Property that Brilliant Corners has not yet acquired.

5 Lease to Service Provider. After the parties sign the Property Acceptance Agreement for the Property, (1) VMRC shall use its good faith efforts to identify a Service Provider to lease the Property from Brilliant Corners, as well as Consumers who can occupy the Property and (2) Brilliant Corners and VMRC will use their good faith efforts to have Brilliant Corners lease the Property to the Service Provider. The parties will use their good faith efforts to have the Service Provider sign the Lease prior to Brilliant Corners' purchase of the Property. Notwithstanding the date the Lease commences, (i) the Service Provider's obligation to pay rent shall not commence until after Brilliant Corners completes its renovations to VMRC's satisfaction and delivers the Property to the Service Provider, ready for occupancy by Consumers, as of the date noted in a fully executed Certificate of Acceptance (the form of which is attached as an exhibit to the Lease) and (ii) rent shall be prorated for up to six months thereafter, as Consumers occupy the Property, as provided in the Certificate of Acceptance. Rent shall commence even if the Service Provider has not yet obtained an applicable DHS or DSS license for the Residence, as licensing is beyond Brilliant Corners' control. To the extent permitted by the Funding Approval, VMRC will disburse CPP/CRDP Funds equal to some or all of the Agreed Rent for Brilliant Corners' transition costs before Brilliant Corners begins receiving rent under the Lease, as part of the renovation costs and subject to the Maximum Renovation Amounts allowed under Section 1.2 above and Exhibit "A".

5.1 VMRC's Payment of Holding/Transition Costs to Brilliant Corners. To the extent permitted by the Funding Approval, VMRC will disburse CPP/CRDP Funds equal to all of the transition costs allowable within the CPP/CRDP Guidelines for up to six months after **Brilliant Corners** acquires a Property (or for a longer period, if approved by both VMRC and DDS in their sole and absolute discretion) and before **Brilliant Corners** begins receiving rent under the Lease for such Property, as part of the renovation costs and subject to the maximum disbursement allowed under Section 1.2 above and Exhibit "A".

6 Brilliant Corners' Acquisition of Housing; Disbursement of CPP/CRDP Funds; Notice to VMRC. Brilliant Corners will notify VMRC in writing (1) when Brilliant Corners opens an escrow to purchase the Property, (2) promptly after Brilliant Corners closes the escrow, (3) whether the Property requires renovations to house VMRC's Consumers, (4) if renovations are required, the expected date that such renovations will be completed, (5) on the date a Notice of Completion is recorded for renovation work, (6) on the date Brilliant Corners obtains a certificate of occupancy or final building sign off by the applicable governmental agency having jurisdiction over the renovations and (7) on the date the construction financing, if any, converts to permanent financing. Brilliant Corners shall also provide to VMRC an annual operating budget and quarterly statements of the loan balance and the replacement reserve for the Property at the end of each quarter of the calendar year, if so requested by VMRC to fulfill its reporting obligations to DDS. Brilliant Corners acknowledges that VMRC requires this information in order to comply with its quarterly and annual reporting duties to DDS

under the Current CPP/CRDP Guidelines. Notwithstanding anything herein to the contrary, Brilliant Corners shall not close escrow on the Property until DDS has given its final approval for Brilliant Corners to be the NPO for this project and has also approved Brilliant Corners' acquisition of the Property under Section X.B of the Current CPP/CRDP Guidelines.

6.1 Disbursement of CPP/CRDP Funds at Acquisition. The CPP/CRDP Funds VMRC has earmarked for Brilliant Corners' acquisition of the Property shall be disbursed by VMRC directly to the escrow agent handling the sale of the Property, along with escrow instructions for the escrow agent's proper use of such funds. VMRC shall disburse its funds by wire transfer. VMRC's escrow instructions shall provide that escrow agent shall not disburse any CPP/CRDP Funds to Brilliant Corners or for its benefit until the escrow agent (i) records the Restrictive Covenant and DDS Deed of Trust described in Sections 8 and 10 below and (ii) records the Profit Participation Agreement or delivers the DDS Note described in Section 9 below. The parties intend that the recordation of such instruments and the disbursement of such CPP/CRDP Funds occur concurrently.

6.2 Brilliant Corners' Delivery of Vesting Deed. Upon close of escrow, Brilliant Corners shall deliver two conformed copies of the vesting deed to VMRC to confirm Brilliant Corners' fee ownership of the Property. VMRC is responsible for providing DDS the second conformed copy of the vesting deed.

6.3 Delivery of DDS Documents. Upon close of escrow, Brilliant Corners shall deliver a conformed copy of the Restrictive Covenant, the original DDS Note or PPA, whichever is applicable, and the DDS Deed of Trust to VMRC. VMRC is responsible for delivering these documents to DDS.

6.4 Occupancy by Consumers. Brilliant Corners shall only select a property to purchase that will meet the needs of the Consumers expected to reside there, as specified in their Individual Program Plans and as approved by DDS under the Funding Approval. Promptly after this Agreement is executed and before Brilliant Corners begins searching properties, the parties shall meet and review (i) VMRC's site selection criteria and (ii) the specific needs for Consumers who are expected to reside at the Property. No Consumers shall occupy the Residence until after Brilliant Corners makes all appropriate renovations so that the Residence is available for use by VMRC's Consumers, and VMRC reasonably approves such renovations in writing.

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6.5 Notice to Licensing Agency. VMRC shall implement a courtesy noticing procedure to the applicable licensing agency to keep such agency informed of Brilliant Corners' plans for acquiring, developing and/or renovating the Residence.

7 Lender's Agreement to Provide Notice and Cure Rights.

7.1 Definitions. A "**Lender**" means an institutional lender that makes a Loan to Brilliant Corners, the proceeds of which are applied to pay the costs of acquisition of the Property, and any construction, renovation, rehabilitation or remodeling of the Residence on the Property, and such lender's successors or assigns, and any lender that makes a Loan to refinance any such Loan. A "**Loan**" means a loan from a Lender to Brilliant Corners secured by the lien of a deed of trust encumbering the Property (the "**Deed of Trust**").

7.2 Financing Responsibility. It is Brilliant Corners' sole responsibility to apply for and obtain, and Brilliant Corners assumes all risks associated with, all Lender financing for the Property (including acquisition and construction financing [if any], and permanent financing). Notwithstanding the foregoing, VMRC reserves the right to approve the Lender and the terms of the loan; such approval shall not be unreasonably withheld or delayed. Brilliant Corners is solely responsible for administering all construction funds from Lender including, but is not limited to, preparing and submitting applications for funding, executing funding agreements, preparing requests to draw down funds, and preparing all required reports.

7.3 Notice and Cure Agreement. Prior to Brilliant Corners' acquisition of the Property, Brilliant Corners shall cause the Lender to sign, and deliver to VMRC, an Agreement to Provide Notice and Cure rights (the "**Notice and Cure Agreement**"). The form of the Notice and Cure Agreement shall be the same as the form attached as an exhibit to the Current CPP/CRDP Guidelines. The purpose of such document is to insure that the Lender will give VMRC and DDS adequate notice and the opportunity to cure any default by Brilliant Corners under the Loan. The parties agree to modify the form of the Notice and Cure Agreement if so requested by DDS. Except for VMRC's advance of up to 25% of the acquisition funds for the Property as noted in Paragraph 1.1 above, VMRC shall not disburse any CPP/CRDP Funds to Brilliant Corners or for its benefit until VMRC is in receipt of the executed Notice and Cure Agreement from the Lender. VMRC shall submit a signed copy of the Notice and Cure Agreement to DDS within 15 days after the date Brilliant Corners acquires ownership of the Property.



7.4 No Use of CPP/CRDP Funds and Lender Funds for Same Purpose. Brilliant Corners shall not use the Lender's funds and CPP/CRDP Funds for the same costs or expenses.

8. Restrictive Covenant. At the time Brilliant Corners becomes the fee owner of the Property, Brilliant Corners and VMRC will sign and notarize a Restrictive Covenant (the "**Restrictive Covenant**") and cause it to be recorded against the Property. The form of the Restrictive Covenant shall be the same as the form attached as an exhibit

to the Current CPP/CRDP Guidelines. The purpose of the Restrictive Covenant is to insure the Property shall be used and occupied only by Consumers in accordance with the provisions and limitations in the Current CPP/CRDP Guidelines. At all times during Brilliant Corners' ownership of the Property, Brilliant Corners shall comply with all of the provisions in the Restrictive Covenant applicable to the Property. After the Restrictive Covenant is recorded against the Property, Brilliant Corners shall not be required to amend or modify the same, unless such amendment or modification is requested by DDS.

9. DDS Note; Profit Participation Agreement. At the time Brilliant Corners becomes the fee owner of the Property, Brilliant Corners shall either (i) execute a Promissory Note in favor of DDS (the "**DDS Note**") **or** (ii) execute and notarize a Profit Participation Agreement in favor of DDS (the "**PPA**") and cause the PPA to be recorded against the Property. The form of the DDS Note or PPA shall be the same as the forms attached as exhibits to the Current CPP/CRDP Guidelines. The purpose of such documents are to further secure Brilliant Corners' obligations to DDS. At all times during Brilliant Corners' ownership of the Property, Brilliant Corners shall comply with all of the provisions in the DDS Note or the PPA applicable to the Property. After the DDS Note or PPA is executed, Brilliant Corners shall not be required to amend or modify the same, unless such amendment or modification (i) is requested by DDS and (ii) does not materially increase Brilliant Corners' obligations under the DDS Note, the PPA or this Agreement.
10. DDS Deed of Trust. At the time Brilliant Corners becomes the fee owner of the Property, Brilliant Corners shall execute and notarize a Deed of Trust in favor of DDS (the "**DDS Deed of Trust**") and cause it to be recorded against the Property. The form of the DDS Deed of Trust shall be the same as the form attached as an exhibit to the Current CPP/CRDP Guidelines. The purpose of such document is to secure Brilliant Corners' obligations to DDS, including Brilliant Corners' obligations under the Restrictive Covenant. At all times during Brilliant Corners' ownership of the Property, Brilliant Corners shall comply with all of the provisions in the DDS Deed of Trust applicable to the Property. After the DDS Deed of Trust is recorded against the Property, Brilliant Corners shall not be required to amend or modify the same, unless such amendment or modification (i) is requested by DDS and (ii) does not materially increase Brilliant Corners' obligations under the DDS Deed of Trust or this Agreement.
11. Title Insurance. Brilliant Corners shall obtain an owner's policy of title insurance at the time it purchases the Property. Brilliant Corners shall also obtain a lender's policy in favor of DDS and/or VMRC with respect to the Restrictive Covenant and the DDS Deed of Trust (in an amount equal to the principal noted in the DDS Note or PPA, as applicable). The cost of the lender's policy shall be paid from the CPP/CRDP Funds.
12. Consequence of Breach; Termination of Agreement; Instruments Remain in Effect. Brilliant Corners' breach of any Restrictive Covenant, DDS Note, DDS Deed of Trust or the PPA shall also constitute Brilliant Corners' breach of this Agreement. The Restrictive Covenant, DDS Note, DDS Deed of Trust and the PPA shall survive the

termination of this Agreement, and shall only be terminated in accordance with their terms.

13. Future Loan Refinancing; Subordination of Restrictive Covenant, DDS Deed of Trust and PPA. If Brilliant Corners elects to refinance a Loan, then upon the request of the new Lender and with DDS's written consent, Brilliant Corners and VMRC may execute a DDS approved agreement (the "**Subordination Agreement**") to subordinate the Restrictive Covenant, the DDS Deed of Trust and the PPA of the Property to the lien of the Lender's Loan, as long as VMRC consents to the terms of the new loan (which consent shall not be unreasonably withheld) and such Subordination Agreement or a separate agreement signed by the Lender (such as the Notice and Cure Agreement) provides that the Lender will give both VMRC and DDS adequate notice and cure rights if Brilliant Corners defaults under its Loan. VMRC will request DDS to sign the Subordination Agreement, but VMRC shall not have any liability if DDS fails to sign the Subordination Agreement.

14. Brilliant Corners' Delivery of The Lender's Deed of Trust to VMRC and DDS; Recordation of Request for Notice. Promptly after the Lender records its Deed of Trust to secure its Loan for the Property, Brilliant Corners shall deliver a conformed copy of the Deed of Trust to VMRC and DDS. VMRC requires a copy of the Deed of Trust so that VMRC can record Requests for Notice under Civil Code section 2924b in its favor and in favor of DDS. Forms of the Requests for Notice are attached as exhibits to the Current CPP/CRDP Guidelines.

15. Developer Fee. Brilliant Corners' fee to provide the services in this Agreement is $75,000 per property (the "**Developer Fee**"). The methodology for establishing the Developer Fee from all sources, and the basis for calculating such fee, is based on DDS's approval of such fee through the Housing Acquisition Request (HAR) process under the Current CPP/CRDP Guidelines. The Developer Fee is built into the Source and Uses budget and paid through the acquisition and renovation funds.

16. The Lease. The parties agree as follows with respect to leasing the Property:

    a. Selection of the Tenant. Brilliant Corners acknowledges that, despite its position as landlord under the Lease, Brilliant Corners has no right to select the master tenant. Rather, VMRC shall have the sole right to select the initial tenant and all replacement tenants for the Property; provided, however, the master tenant must be a Service Provider vendored by VMRC. Similarly, VMRC shall have the sole right to cause one master tenant to assign its interest under the Lease to a new master tenant.

    b. The Lease Form; the Lease Addendum. Brilliant Corners may use any form of lease it chooses, provided that VMRC approves such form in writing in advance. VMRC hereby preapproves the form of Lease attached hereto as Exhibit "D". Whether Brilliant Corners uses its own form or the template

attached hereto as Exhibit "D", the Lease shall include a Lease Addendum that is identical to the Lease Addendum template attached hereto as part of Exhibit "D". All references in this Agreement to the "Lease" includes the Lease Addendum. VMRC may require changes to the form of Lease if so requested or required by DDS.

c. Specific Lease Restrictions. Brilliant Corners shall not do any of the following without first obtaining VMRC's express written consent, which shall not be unreasonably withheld: (1) lease, sublease or license rights in the Property to any party other than the applicable Service Provider under the Lease; (2) materially modify or amend the Lease (including but not limited to the amount of the rent) or terminate the Lease; or (3) unreasonably hinder a Service Provider in providing services to the Consumers residing in the Property.

d. Notification of Service Provider Delinquencies. As soon as Brilliant Corners becomes aware of any delinquent rent payments under the Lease, or any other monetary or non-monetary default by a Service Provider under the Lease, Brilliant Corners shall promptly notify VMRC of such fact in writing.

e. VMRC's Reimbursement to Service Provider. Subject to (1) Brilliant Corners' compliance with the terms of this Agreement and (2) the Service Provider's compliance with the terms of its service provider agreement with VMRC for the Property (the "**Service Provider Agreement**"), VMRC will pay the Service Provider the amounts to which the Service Provider is entitled to receive under its Service Provider Agreement, which shall include a sufficient amount to cover the Service Provider's rental obligations under the Lease.

i. Amount of Debt Service; Determination of Agreed Rent. The term "**Debt Service**" means Brilliant Corners' total monthly repayment obligation for the Loan encumbering the Property. With respect to the Property that Brilliant Corners intends to purchase, the parties shall comply with the following procedure: (1) as soon as practicable before Brilliant Corners purchases the Property, Brilliant Corners shall inform VMRC of the expected Debt Service for the Property as of the expected commencement date of the Lease for the Property, as well as other continuing costs of Property ownership (including but not limited to property insurance, property management fees, property taxes [if applicable], the Reserve (defined in Section 16.9.1 below) and the cost of maintenance and repairs); (2) VMRC shall then have the right, in its sole and absolute discretion, to decide whether to approve the Debt Service and such other expected costs of Property ownership, or any lesser sum; the amount so approved by VMRC is the "**Agreed Rent**"; (3) Brilliant Corners shall have the right to approve VMRC's determination of the Agreed Rent; and (4) if Brilliant Corners informs VMRC in writing that Brilliant Corners does not agree with the amount

of the Agreed Rent within 10 days after RC notifies Brilliant Corners of the determination of the Agreed Rent, then the Property shall not be subject to this Agreement or entitled to any CPP/CRDP Funds.

ii. Payment of Agreed Rent. After the parties' execution of the Property Acceptance Agreement, the Agreed Rent for the Property (1) shall become the monthly rent for the Property and (2) shall be recognized by VMRC as a valid expense of the Service Provider as part of VMRC's calculation of the sums which the Service Provider shall be entitled to receive from VMRC under the Service Provider Agreement relating to the Property. Once the Service Provider's obligation to pay the Agreed Rent commences, as provided in Section 5 above, the Agreed Rent shall not be abated or adjusted based on the occupancy level of the Residence at any time. The Agreed Rent shall remain a fixed amount even if the Loan has a variable interest rate or other features that cause the Debt Service to fluctuate, unless the parties expressly agree in the Property Acceptance Agreement that the Agreed Rent will fluctuate with the Debt Service during the Loan term. It is Brilliant Corners' responsibility to insure any expected cost increases relating to a Property over time, including but not limited to annual property tax increases and insurance premium increases, are built into the Agreed Rent.

No Obligation of VMRC and DDS. Nothing in this Agreement shall be construed as obligating VMRC or DDS to pay any of the Agreed Rent to Brilliant Corners.

a. Reduction of Agreed Rent Upon Reduction or Repayment of a Loan. Notwithstanding the provisions in Section 16.5.2, at such time(s) as the monthly installments for each Loan from the Lender to Brilliant Corners is reduced, or at such time a Loan is repaid in full (without refinancing), the Agreed Rent for the Property shall be automatically reduced by an amount equal to the Debt Service reduction (and, in such event, VMRC's payment to the Service Provider leasing the Property shall be automatically reduced by the same amount).

b. Reduction of Agreed Rent Tied to Reduction in Real Property Taxes for Tax Exempt Service Provider. Notwithstanding the provisions in Section 16.5.2, if the Service Provider or any successor Service Provider is a nonprofit entity under Internal Revenue Code section 501(c)(3), then once Brilliant Corners receives the tax exemption described in Paragraph 18.2 below, the Agreed Rent under the Lease shall be reduced by an amount equal to the difference between (i) the amount of real property taxes in effect on the date Brilliant Corners acquired fee title to the Property and (ii) the amount of

the reduction in real property taxes as a result of obtaining the tax exemption (and, in such event, VMRC's payment to the Service Provider leasing the Property shall be automatically reduced by the same amount). Further, if the tax exemption is retroactive, Brilliant Corners shall promptly remit to VMRC an amount equal to any tax refund payment Brilliant Corners receives from the taxing authority. If the tax exemption is revoked, the Agreed Rent under the Lease shall be increased by a like amount (and, in such event, VMRC's payment to the Service Provider leasing the Property shall be automatically increased by the same amount).

c. Change of Agreed Rent Due to Changes in Operating, Maintenance and/or Repair Costs. Notwithstanding the provisions in Section 16.5.2, at Brilliant Corners' request the parties shall meet (but not more often than every 12 months) to discuss whether to increase the Agreed Rent to the extent Brilliant Corners' net operating, maintenance and/or repair costs have increased during such previous 12-month period (after taking into account any additional funds Brilliant Corners has received from VMRC, the Service Provider or any third party during such time period to compensate Brilliant Corners for any changes in such costs). As a result of such meeting, the parties may mutually agree to increase the Agreed Rent to a new fixed monthly amount to reasonably account for such net cost increases (and, in such event, VMRC's payment to the Service Provider leasing the Property shall be automatically increased by the same amount); *provided, however*, the Agreed Rent shall only increase if it does not cause VMRC's overall monthly payment to the Service Provider to exceed the median rate for the home type, or the statewide median rate if no median rate exists for the home type; *and provided, further* (i) VMRC may consent or withhold its consent to any increase in Agreed Rent at VMRC's sole and absolute discretion and (ii) VMRC may condition its agreement to increase the Agreed Rent on DDS's approval of such rent increase.



d. Special Consideration for EBSH. The Agreed Rent shall not be abated or adjusted based on the occupancy level of the Residence at any time, subject to the provisions in WIC Section 4684.81 and 17 CCR Section 59072.

e. Refinancing. The parties acknowledge that DDS must consent to the refinancing of each Property, and that DDS will not approve variable rate loans or loans with balloon payments.

If Brilliant Corners refinances a Loan with DDS's consent, the Agreed Rent for the Property shall increase or decrease to reflect the changed amount of the Debt Service for the refinanced Loan as compared to the Debt Service for the original Loan (and, in such event, VMRC's payment to the Service Provider leasing the Property shall be automatically increased or reduced, as applicable, by the same amount).

16.6. Brilliant Corners' Lease Obligations. At minimum, Brilliant Corners shall be responsible for all of the following obligations under the Lease (at no additional cost to the Service Provider or VMRC, as such costs are built into the rent): (1) all expenses, costs and amounts of every kind and nature necessary or appropriate to manage the Property; (2) maintaining and repairing the Residence (including but not limited to the roof, foundation, floor slab, structural components, landscaping and its mechanical, electrical and plumbing components) in good condition, order and repair; (3) the cost of any insurance which Brilliant Corners determines to carry; (4) fees, charges and other costs, including consulting fees, legal fees and accounting fees, of all contractors engaged by Brilliant Corners or otherwise reasonably incurred by Brilliant Corners in connection with the management, renovation, improvement, maintenance and repair of the Residence; (5) wages, salaries and other compensation and benefits of all persons engaged in the management, maintenance or security of the Property, and employer's Social Security taxes, unemployment taxes or insurance, and any other taxes which may be levied on such wages, salaries, compensation and benefits; (6) real property taxes [if any] and assessments; and (7) to the extent applicable, the cost of annually filing the welfare tax abatement described in Paragraph 18.2 below so that it does not lapse. Notwithstanding the foregoing, the cost of any repairs or replacements to the Residence resulting from the negligence or intentional misconduct of a Service Provider or any Consumer shall be the responsibility of the Service Provider.

16.7. Compliance with VMRC's Instructions. Brilliant Corners agrees to promptly perform all acts and sign all documents relating to the Lease as VMRC may from time to time instruct. Thus, for example, if VMRC decides that the Lease should be amended in a manner that will not materially increase Brilliant Corners' obligations or materially reduce its rights thereunder, or that the Lease amendment or sublease should be consented to, or that the existing Service Provider tenant should assign its rights to a new Service Provider tenant, then Brilliant Corners shall promptly take the necessary action to accomplish the same in accordance with VMRC's instructions.



16.8. Use by Service Provider. Once the initial Service Provider has leased the Property, VMRC shall be solely responsible for replacing the Service Provider during the Lease term.

16.9. The Reserve Account.

16.9.1 From each payment of Agreed Rent with respect to the Property, Brilliant Corners shall deposit the sum of no more than $1,0800 per month (the "**Reserve**") into a segregated account in Brilliant Corners' name (the "**Reserve Account**"). The purpose of the Reserve is to create a fund for repairs and replacements to the capital improvements at the Property, including but not limited

to the following: plumbing, supply and drain lines; electrical panels and wiring; fire alarms and fire sprinklers systems, including related electrical panels; exterior siding; paint; windows (but not repair of broken windows except at the end of their useful life); doors; roof; foundation and floor slabs; structural components (including structural components of the exterior and interior and load bearing walls); concrete; fencing; interior paint; flooring; built-in appliances; major appliances such as stove, refrigerator, and oven/range; water heater; kitchen cabinets; countertops and sinks; bath cabinets; light fixtures; doors; HVAC, faucets; toilets (but not clogs); patio covers; and landscaping (but not landscape maintenance).

16.9.2 The funds in the Reserve Account shall be segregated from Brilliant Corners' operating account and other accounts. However, Brilliant Corners may hold reserves for other homes in the Reserve Account, as long as (i) such homes are also occupied by VMRC's Consumers, (ii) such homes are located in VMRC's catchment area (unless otherwise approved by VMRC in writing) and (iii) Brilliant Corners' books and records at all times reflect the amount of the funds in the Reserve Account applicable to the Property. Brilliant Corners shall not use the Reserve for the Property to cover any costs of another property.

16.9.3 Brilliant Corners shall first exhaust all other sources of funding (e.g., insurance and product warranties) before using any of the Reserve. Further, Brilliant Corners' release and application of funds from the Reserve Account shall be subject to monitoring by VMRC. Brilliant Corners shall notify VMRC in writing each time Brilliant Corners withdraws funds from the Reserve Account. Further, Brilliant Corners shall not expend any funds from the Reserve Account for any reason without first obtaining VMRC's written approval, which shall not be unreasonably withheld. In cases of emergencies only, Brilliant Corners is not required to obtain VMRC's prior written approval, provided that Brilliant Corners obtain VMRC's approval within two (2) working days of withdrawing funds from the Reserve Account, and replenishes such account if VMRC fails to provide its approval.

16.9.4 Subject to the last sentence of this paragraph, at any time during the term of the Lease, at VMRC's request and for reasonable cause, Brilliant Corners shall increase or decrease the monthly amount of the Reserve, subject to (i) both parties' review of the Property's operating income and expenses to determine if such change is justified and (ii) any lender reserve-for-replacement requirements. Notwithstanding anything herein to the contrary, once DDS has approved the amount of the Reserve, the Reserve shall not change until VMRC submits a replacement reserve analysis to DDS and obtain DDS's approval for such change.

16.9.5 At least once per year, and more often if requested by VMRC, Brilliant Corners shall provide a Reserve Report to VMRC, as well as any other information requested by VMRC, so that (i) VMRC can timely certify to DDS that, to VMRC's best knowledge, the interior, exterior, and any detached structures of the Property are in good working condition and properly maintained, and that there is no threat to the health, welfare, and safety of Consumers living at the Property, or staff or visitors, and (ii) VMRC can file its annual CPP Housing Report with DDS as required by the Current CPP Guidelines. The Reserve Report shall (i) estimate the remaining useful life of capital improvements at the Property, both individually and collectively, (ii) estimate the amount of funds reasonably needed to timely replace such capital improvements, (iii) state the total amount in the Reserve Account applicable to the Property and (iv) list all expenditures from the Reserve Account during the prior 12 month period applicable to the Property. At VMRC's option, an independent third party shall complete the Reserve Report.

17. Property Management. At all times during Brilliant Corners' ownership of the Property, Brilliant Corners shall perform normal and customary property management duties, including but not limited to the following: (1) monitoring the Service Provider tenant under the Lease to insure the Service Provider properly complies with all of its monetary and non-monetary obligations under such Lease, and promptly report any noncompliance to VMRC; (2) if a Service Provider vacates the Property, handling the transition between the Service Provider and the next one, including (i) assigning Brilliant Corners personnel or engaging a contractor to clean the Residence and prepare it for use by the next Service Provider and (ii) signing a new Lease, or consenting to the Lease assignment, for the new tenant (subject to VMRC approval in either event); (3) ensuring all insurance required by Brilliant Corners under the Lease is always in effect and in compliance with the terms of the Lease; (4) promptly notifying VMRC in writing if any insurance required to be maintained by the Service Provider under the Lease is about to lapse; (5) periodically inspecting the Property and all improvements thereon to insure that they are always in good working order and condition; (6) engaging qualified contractors or qualified Brilliant Corners personnel to perform those repair and maintenance duties that are Brilliant Corners' responsibility; (7) promptly notifying VMRC of any physical defects, environmental hazards or violations of law discovered at the Property; and (8) generally taking all actions appropriate to preserve the improvements on the Property and to protect its value.

17.1 At VMRC's request, Brilliant Corners will enter into a separate Property Management Agreement with VMRC or the Service Provider to perform the services described above; provided, however, if DDS requires a third party to provide property management services for the Property, Brilliant Corners shall comply with DDS's requirements.

17.2 If VMRC determines, in its reasonable judgment, that Brilliant Corners has repeatedly failed to comply with any of the material requirements and standards of this Section 17, then VMRC shall deliver notice to Brilliant Corners of its intention to cause replacement of Brilliant Corners as the property manager for the Residence, including the reasons therefor. Within 15 days after receipt by Brilliant Corners of such written notice, VMRC staff and Brilliant Corners shall meet in good faith to consider methods for improving Brilliant Corner's compliance with the requirements of this Section. If, after a reasonable period as determined by VMRC (but which shall not be less than 60 days following the date of the initial notice described above), VMRC determines that Brilliant Corners is not operating and managing the Residence in accordance with the material requirements and standards of this Section, then VMRC may require replacement of Brilliant Corners as the property manager of the Residence. If, after the above procedure, VMRC requires, in writing, the replacement of Brilliant Corners as the property manager, then Brilliant Corners shall enter into a separate Property Management Agreement with any of the following: (1)

VMRC, (2) the Service Provider, or (3) a third-party property management company, to perform such services; provided, however such replacement property manager shall be mutually selected by Brilliant Corners and VMRC in a commercially reasonable manner, and such replacement shall only be implemented to the extent VMRC and Brilliant Corners mutually determine that such replacement shall not have a material adverse financial impact on the financial feasibility of the operation of the Residence by Brilliant Corners, including, but not limited to, Brilliant Corners' ability to pay all other operational costs and expenses, including, but not limited to, all indebtedness secured by the Deed of Trust. In no event shall VMRC pursue its rights under Section 30 or Section 31 of this Agreement, solely in connection with Brilliant Corner's failure to comply with this Section, unless and until VMRC has complied with the process set forth above.

18. Real Property Taxes. If a Service Provider is a 501(c)(3) organization, Brilliant Corners shall take all actions necessary to insure the Property it leases is exempt from real property taxes (with the understanding that such exemption will not normally apply to assessments, which shall continue to appear on the tax bill).

18.1 Payment of Real Property Taxes. If the Property is not exempt from real property taxes, Brilliant Corners shall insure all property taxes and assessments are timely paid.

18.2 Property Tax Exemption. This Paragraph applies only if VMRC selects a Service Provider which is a 501(c)(3) entity. If the Property is exempt (or intended to be exempt) from real property taxes, Brilliant Corners shall (a) insure all assessments are timely paid and (b) take all necessary actions within its control to insure the Property's tax exempt status is not lost, including but not limited to (1) timely filing for an Organizational Clearance Certificate (Form BOE-277) with the State Board of Equalization within 90 days after this Agreement is executed (or providing proof to VMRC that Brilliant Corners has already received its Organizational Clearance Certificate from the SBE); (2) timely renewing such Certificate so that it never lapses during Brilliant Corners' ownership of the Property; (3) filing with the applicable County Tax Assessor a request for property tax exemption via form BOE-267 (and Form BOE 267-H, if applicable) and annually renewing such exemption once it has been obtained; and (4) ensuring the non-profit Service Provider similarly timely files such forms with the State Board of Equalization and the applicable County Tax Assessor for the Property. (Form BOE-277 is available at the following website: *www.boe.ca.gov/proptaxes/pdf/boe277.dpf*; Forms BOE-267 and 267-H are available at each County Assessor's office.) Brilliant Corners shall file the initial form BOE-267/267-H with the tax assessor as early as possible after Brilliant Corners purchases the Property and has signed a Lease with the Service Provider (as long as VMRC first provides the names and annual income of the Consumers who will be residing at such

Residence). In no event shall Brilliant Corners file the initial form BOE-267/267-H later than the first day the first Consumer occupies the Property.

19. Renovation Work.

19.1 Development/Improvements. Brilliant Corners may not make any improvements, alterations, additions or changes (collectively, the "**Improvements**") to the Property without first procuring the prior written consent of VMRC, which consent shall be requested by Brilliant Corners prior to the commencement of the work, and which consent shall not be unreasonably withheld by VMRC; provided, however, it shall be deemed reasonable for VMRC to withhold its consent to any Improvements which adversely affect (i) the structural portions or the systems or equipment of the Property, (ii) the exterior appearance of the Property or (iii) the ability of VMRC's Consumers to use the Property. Notwithstanding the foregoing, Brilliant Corners shall be permitted to make Improvements without VMRC's prior consent, to the extent that such Improvements are (a) decorative only, or relate to the normal repair and maintenance of the Property (e.g., the installation of carpeting, the painting of the walls of the Property, or the basic plumbing, mechanical, HVAC and electrical work) or (b) reasonably related to the existence of an emergency to the extent necessary to maintain the value of the Property and/or the ability to safely permit the continued occupancy thereof by VMRC's Consumers. Except to the extent permitted by the Funding Approval, VMRC shall have no obligation to pay for the cost of any of the Improvements performed at the Property.

19.2 Deliverables. VMRC's obligation to disburse CPP/CRDP Funds relating to renovation work at the Property shall be conditioned on Brilliant Corners' delivery to VMRC, and VMRC's approval of, all of the following: (i) overall construction and rehabilitation budget for the Property (including a budget for the Improvements and a budget for the appliances and fixtures Brilliant Corners intends to purchase for the Property); (ii) construction drawings and specifications for the proposed Improvements; (iii) architect's contract, if applicable; (iv) structural engineer's contract, if applicable; and (v) construction contract between Brilliant Corners and its general contractor, including contractor's fixed price or time & materials bid to perform the renovation work on the Property. When the renovation work is complete, Brilliant Corners shall provide evidence that the applicable jurisdiction has issued a final Certificate of Occupancy or its equivalent for the Property.



19.3 Manner of Construction; Terms of Construction Contract. VMRC may impose, as a condition of its consent to any and all Improvements or repairs of the Property or about the Property, such requirements as VMRC in its reasonable discretion may deem desirable, including, but not limited to, the requirement that Brilliant Corners utilize for such purposes only contractors,

subcontractors, materials, mechanics and materialmen mutually approved by the parties. VMRC shall have the right to review and approve the terms and conditions of the construction contract between Brilliant Corners and its general contractor for all Improvements. Further, the construction contract must contain the following provisions: (i) the contractor shall only be entitled to payments based upon performance; (ii) the contractor must provide appropriate conditional and unconditional mechanics lien releases, in accordance with standard construction industry practice, as a condition to its receipt of each installment payment and final payment and (iii) Brilliant Corners will withhold a 10 percent retention, which it shall only disburse to the contractor after the renovation work is completed, a Certificate of Occupancy (or its equivalent) is provided by the local agency (e.g., building inspector), VMRC has completed its final walk through, and VMRC has signed the Certificate of Acceptance attached as an exhibit to the Lease. Brilliant Corners shall also include the following statement in the construction contract between Brilliant Corners and the general contractor: "*Valley Mountain Regional Center is a third party beneficiary of all of Brilliant Corners' rights under this Contract.*"

19.4 Automatic Fire Sprinkler System. Brilliant Corners shall ensure the Residence has a functional automatic fire sprinkler system at all times any Consumer occupies the Residence.

19.5 Construction Insurance. Prior to the commencement of Improvements at the Property, Brilliant Corners shall provide VMRC with evidence that adequate liability insurance from the contractor and adequate casualty insurance (such as "Builder's All Risk" insurance or another form of casualty insurance reasonably acceptable to VMRC) is obtained/maintained in an amount approved by VMRC (which shall in no event be less than the amount actually carried by Brilliant Corners) covering the construction of such Improvements, it being understood and agreed that all of such Improvements shall be adequately insured by Brilliant Corners immediately upon completion thereof.

19.6 Compliance with Laws. Brilliant Corners shall cause all Improvements and repairs to be performed in a good and workmanlike manner, in conformance with any and all applicable federal, state, county or municipal laws, rules and regulations and pursuant to a valid building permit, issued by the city or county in which the Property is located, all in conformance with any commercially reasonable construction rules and regulations VMRC may promulgate from time to time.



19.7 Payment and Performance Bond; Alternative Performance Assurances. VMRC's disbursement of CPP/CRDP Funds for the Improvements shall be conditioned on Brilliant Corners' delivery to VMRC of a Payment and Performance Bond from Brilliant Corners' contractor in favor of Brilliant

Corners, in an amount equal to 100% of the expected costs of construction; *provided, however*, if prior to the commencement of any work, (i) Brilliant Corners agrees to comply with all four of the "alternative performance assurances" described in Section IV(L) of the Current CPP/CRDP Guidelines (including Brilliant Corners' engagement of a professional construction manager, reasonably approved by VMRC, to oversee the renovation work) and (ii) VMRC so consents, then VMRC shall request DDS to waive the Payment and Performance Bond requirement. Nothing herein shall be construed to obligate DDS to waive the bond requirement.

19.8 Timely Development. Brilliant Corners is responsible and accountable for timely developing the Property so that it can be occupied by Consumers pursuant to the terms of, and by the deadlines contained within, the Current CPP/CRDP Guidelines. VMRC shall be responsible for timely identifying and selecting the Service Provider as well as the Consumers for the Property, so that by the time the renovation work is completed, the Service Provider is prepared to occupy the Property and provide residential care services to Consumers.

19.9 Disbursements; Procedures. VMRC shall disburse CPP/CRDP Funds for renovation work to Brilliant Corners for the Property in accordance with the procedures in Section 20 below.

19.10 Monitoring of Plans and Work. VMRC shall regularly monitor the project including, but not limited to, Brilliant Corners' preparation of the plans and the contractor's performance of the renovation work, to ensure satisfactory progress under Section X of the Current CPP/CRDP Guidelines. Brilliant Corners shall promptly respond to all inquiries, and cooperate, coordinate, and otherwise comply with VMRC's requests.

19.11 Monthly Updates. On a monthly basis during the installation of the Improvements, and at all times upon VMRC's request, Brilliant Corners shall provide VMRC with an update as to the progress of its work. VMRC shall report progress of the project to DDS on a quarterly basis.

19.12 Brilliant Corners' Delivery of Proof of Expenditures; Brilliant Corners' Return of Unused Funds. Upon Brilliant Corners' completion of the Improvements at the Property, Brilliant Corners shall provide to VMRC invoices and other evidences of Brilliant Corners' costs for such work, including evidence of payment to third parties, and Brilliant Corners hereby authorizes VMRC to audit Brilliant Corners' books and records for such purpose. To the extent Brilliant Corners receives funds before it incurs renovation costs, it is possible that funds disbursed by VMRC may exceed the total amount of funds necessary to complete the renovation work. If that occurs, Brilliant Corners shall promptly return the excess funds to VMRC, which shall return such funds to DDS.

19.13 VMRC's Option to Deliver CPP/CRDP Funds to Third Parties. If a third party has recorded a lien or threatened to record a lien against the Property as a result of nonpayment for their services, equipment or materials, or if VMRC otherwise reasonably believes that Brilliant Corners may be in breach of contract with any third party, then VMRC may elect to disburse certain CPP Funds directly to such third parties for Brilliant Corners' benefit, rather than to Brilliant Corners directly.

19.14 Purchased Furniture, Fixtures and Equipment. Any item of furniture, trade fixture, equipment or other personalty costing over $2,000 that Brilliant Corners purchases with funds supplied under this Agreement, and which has a useful life in excess of two years, shall be the property of the State of California. Upon termination of this Agreement for any reason, such items are subject to reclamation by the State.

19.15 Reconciliation. As provided in the Current CPP/CRDP Guidelines, within 90 days after the renovations are completed, Brilliant Corners shall submit to VMRC for verification, a reconciliation statement of final costs and CPP/CRDP Funds expended and claimed. VMRC shall then provide to DDS a statement of verification of reconciled funds. Any unused balance of CPP/CRDP Funds must be returned to DDS within 120 days of the reconciliation of CPP/CRDP Funds.

19.16 Special Provisions Applicable to Enhanced Behavioral Supports Homes. Brilliant Corners shall ensure (i) the EBSH Residence has an operable automatic fire sprinkler system, approved by the State Fire Marshal or local fire department, that complies with the provisions in 17 CCR 59051(c) and (d) (Enhanced Behavioral Support Homes – General Requirements); and (ii) a private bedroom is provided for each Consumer.

19.17 Additional Requirements and Agreements. VMRC reserves the right to require Brilliant Corners to enter into further agreements with VMRC to address the costs and procedures relating to Brilliant Corners' renovation of the Residence.

20. Disbursements of Renovation Funds; Milestones. VMRC shall disburse renovation funds to Brilliant Corners for the Property in installments, as milestones are satisfied, as provided below, but never more than the Maximum Renovation Amount. VMRC shall remit each payment to Brilliant Corners within 10 business days after VMRC receives a properly documented invoice from Brilliant Corners, along with all applicable backup documentation as described in Sections 20.1 to 20.5 below, that has been approved by VMRC's Chief Financial Officer. Any funds disbursed by VMRC in advance shall be subject to true up once Brilliant Corners has incurred such expenses.

20.1 First Milestone: Brilliant Corners' submission of documentation reasonably acceptable to VMRC that Brilliant Corners has closed escrow on the Property and is the owner of fee title to the Property.

20.1.1 Amount of Funds Payable to Brilliant Corners upon its Completion of First Milestone: Twenty-Five Percent (25%) of the Maximum Renovation Amount.

20.1.2 Second Milestone: Brilliant Corners' submittal to VMRC, and VMRC's approval, of all of the following for the Property: (i) overall construction and rehabilitation budget (including a budget for the Improvements and a budget for the appliances and fixtures Brilliant Corners intends to purchase for the Property); (ii) construction drawings and specifications for the proposed Improvements; (iii) architect's contract, if applicable; (iv) structural engineer's contract, if applicable; and (v) construction contract between Brilliant Corners and its general contractor, including contractor's fixed price or time & materials bid to perform its work and install the Improvements.

20.1.3 Amount of Funds Payable to Brilliant Corners upon its Completion of Second Milestone: Twenty-Five Percent (25%) of the Maximum Renovation Amount.

20.2 Third Milestone: Brilliant Corners' written certification to VMRC that the city or county inspector has approved the rough framing, electrical and plumbing work at the Property, along with Brilliant Corners' delivery to VMRC of evidence of such approval (such as a signed inspection card from the inspector) (collectively, the **"Inspector's Approval"**), or VMRC's receipt and approval of any alternate written certification from Brilliant Corners that VMRC concludes is functionally equivalent to the Inspector's Approval.

20.2.1 Amount of Funds Payable to Brilliant Corners upon its Completion of Third Milestone: Twenty Percent (20%) of the Maximum Renovation Amount.

20.3 Fourth Milestone: Brilliant Corners' written certification to VMRC that the general contractor has completed at least Eighty Percent (80%) of the work according to its Schedule of Values for renovation of the Property.



20.3.1 Amount of Funds Payable to Brilliant Corners upon its Completion of Fourth Milestone: Twenty Percent (20%) of the Maximum Renovation Amount.

20.4 Fifth Milestone: VMRC's satisfaction that all of the Improvements have been properly completed and that the Property is physically ready for occupancy by Consumers, after VMRC's completion of a walk-through of the Property, and

that all mechanic's lien rights by all contractors and subcontractors have been properly waived and released. VMRC's execution of the Certificate of Acceptance attached as Exhibit C to the Lease shall constitute Brilliant Corners' satisfaction of this milestone.

20.4.1 Amount of Funds Payable to Brilliant Corners upon its Completion of Fifth Milestone: Ten Percent (10%) of the Maximum Renovation Amount.

20.5 Deadlines to Expend Funds. Notwithstanding anything in the Housing Agreement to the contrary, the deadline for VMRC to disburse renovations funds to Brilliant Corners is **March 31, 2020**, and Brilliant Corners must therefore complete all renovations prior to such date. All of VMRC's disbursements are conditioned upon Brilliant Corners' compliance with the project milestones for the Property by such deadline; provided, however, the deadline for Brilliant Corners to satisfy the Second Milestone for the Property shall be the earlier of the above deadline date or the 90th day after Brilliant Corners purchases the Property.

21. Management and Maintenance. Brilliant Corners shall, at Brilliant Corners' sole cost and expense (except as otherwise provided below), keep the Property (including, without limitation, the exterior walls, foundation, roof structure and membrane, and all improvements, fixtures, equipment, appliances, water lines, plumbing, plumbing fixtures, electrical, heating and air conditioning systems and furnishings therein), in good order, repair and condition at all times during the term of this Agreement. Brilliant Corners shall maintain the Property in an aesthetically pleasing manner, and in a manner consistent with that which could be considered normal and customary for private residence (i.e., at a minimum, in material conformance with the standards of landscaping and appearance observed in the surrounding neighborhood). All such above-referenced items shall function at the Property for their intended purpose. In addition, Brilliant Corners shall, at Brilliant Corners' sole cost and expense, promptly and adequately repair all damage to the Property and replace or repair all damaged, broken, or worn fixtures and appurtenances, including any damage caused by ordinary wear and tear; provided however, that, at VMRC's option, or if Brilliant Corners fails to make such repairs, VMRC may, but need not, make such repairs and replacements, and Brilliant Corners shall pay VMRC the cost thereof. The Property shall be subject to periodic inspections by VMRC. Notwithstanding the foregoing, to the extent Brilliant Corners and VMRC agree that some or all of Brilliant Corners' obligations hereunder are to be performed by a third-party entity or individual (such as pursuant to a management agreement), Brilliant Corners shall be responsible for ensuring that any such third-party contractor shall comply with the requirements imposed on Brilliant Corners pursuant to the terms of this Agreement, and in any event Brilliant Corners shall continue to remain ultimately responsible to VMRC for the performance of all of the obligations set forth in this Agreement.

21.1 Special Repairs. If Brilliant Corners' cost to repair or replace an item is expected to exceed $1,000 (a "**Special Repair**"), (1) Brilliant Corners must provide a description of the needed repairs or replacement and the cause of any damage, (2) if so requested by VMRC, Brilliant Corners must provide one or more bids for the cost of the Special Repair and (3) VMRC must approve the Special Repair in advance; any costs Brilliant Corners incurs without such approval shall be at such Brilliant Corners' sole expense. Notwithstanding the foregoing, if the Special Repair is required as the result of an emergency, Brilliant Corners shall notify VMRC as soon as possible but may proceed with the Special Repair without VMRC's consent.

21.2 Brilliant Corners' Excess Costs. If Brilliant Corners' total documented out-of-pocket expenses to perform its maintenance and repair obligations for the Property in any fiscal year (July 1 - June 30) exceeds the annual allocation of "property manager," "maintenance technician," "environment modification supplies," and "environmental modification contracts" costs as part of the Agreed Rent for such fiscal year (the "**Threshold Amount**"), VMRC may agree to reimburse Brilliant Corners for such expenses in excess of the Threshold Amount, subject to (i) the limitations in Sections 21.2.1-21.2.3 below and (ii) VMRC's receipt of a DDS appropriation earmarked for such excess amount. Nothing in this section or this Agreement shall be construed as obligating VMRC or DDS to pay any amounts for any maintenance or repairs on a Property owned by Brilliant Corners.

21.2.1 Exception for Matters Covered by Insurance and Warranties. In no event shall Brilliant Corners include amounts within its calculation of expenses that can be covered by insurance or warranties.

21.2.2 Exception for Negligence and Intentional Misconduct. All maintenance and repairs that arise out of the negligent acts or omissions, or intentional misconduct, of Brilliant Corners, the Service Provider or either of their agents, employees, contractors or invitees (and the Consumers and their families) shall not be VMRC's responsibility, and Brilliant Corners shall not include any of such costs in calculating the Threshold Amount or as a basis for requesting any payment of excess costs from VMRC.



21.2.3 Reimbursement Procedure. With respect to the amounts described in Section 21.2 that exceed the Threshold Amount, Brilliant Corners shall periodically submit invoices to VMRC for reimbursement of such excess costs, along with supporting documentation reasonably acceptable to VMRC. VMRC may remit payments to Brilliant Corners at any time during a fiscal

year, as long as the parties true up and reconcile such payments within 60 days after the end of such fiscal year.

22. Covenant Against Mechanic's Liens. Brilliant Corners shall keep the Property free from any liens or encumbrances arising out of the work performed, materials furnished or obligations incurred by or on behalf of Brilliant Corners, and shall protect, defend, indemnify and hold VMRC harmless from and against any claims, liabilities, judgments or costs (including, without limitation, reasonable attorneys' fees and costs) arising out of same or in connection therewith. Brilliant Corners shall remove any such lien or encumbrance by bond or otherwise within ten business days after notice by VMRC, and if Brilliant Corners shall fail to do so, VMRC may pay the amount necessary to remove such lien or encumbrance, without being responsible for investigating the validity thereof, and Brilliant Corners shall promptly reimburse VMRC for any such payments made on behalf of Brilliant Corners.

23. Payments to Brilliant Corners Generally.

23.1 Sole Compensation. Unless VMRC otherwise agrees in writing which shall be approved by DDS, Brilliant Corners agrees that its sole compensation for the services it will provide under this Agreement will be the CPP/CRDP Funds resulting from DDS's Funding Approval; Brilliant Corners shall not receive any additional compensation for the services provided hereunder and the obligations it has agreed to accept under this Agreement. Further, VMRC makes no representation or warranty, express or implied, whether DDS will issue a Funding Approval for VMRC's housing proposal.

23.2 E-Billing. Brilliant Corners shall use electronic billing under DDS's Regional Center e-Billing System Web application for all of Brilliant Corners' invoices to VMRC under this Agreement.

23.3 General Funding Requirements and Limitations. Brilliant Corners shall not bill Consumers or any other funding source for services funded under the terms of this Agreement. Brilliant Corners understands and agrees that upon completion or termination of this Agreement, VMRC funding for a subsequent agreement or period, if any, is not guaranteed, and that the decision for such funding is within the discretion of VMRC.

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24. Assignment. Brilliant Corners shall not assign, transfer or subcontract any of its rights, burdens, duties or obligations under this Agreement without prior written permission of VMRC, which may be withheld in its sole and arbitrary discretion. If VMRC consents to an assignment, the assignee shall execute an instrument prepared by VMRC in which the assignee assumes and agrees to be bound by all of the terms and conditions under this Agreement for the express benefit of VMRC. The transfer of control of the ownership of Brilliant Corners to any third party shall constitute an assignment which requires VMRC's consent hereunder.

25. Independent Contractor. Brilliant Corners and its agents and employees, in the performance of this Agreement, shall act at all times in an independent capacity. Brilliant Corners and its agents and employees are not officers, employees or agents of VMRC. Brilliant Corners acknowledges that it will not accrue any employee benefits from VMRC nor will VMRC be responsible for withholding or paying any amount of workers' compensation, disability insurance or any tax of any kind for Brilliant Corners. Brilliant Corners is free to act as an independent contractor for others. Brilliant Corners is not an agent for VMRC, and Brilliant Corners shall not have the authority to execute any agreement on behalf of VMRC to incur any liability or indebtedness of any kind or nature in the name of or on behalf of VMRC, or to otherwise contractually bind VMRC in any manner.

26. Insurance. Brilliant Corners agrees to purchase and maintain, throughout the term of this Agreement, (i) worker's compensation insurance in the amount required by California law, (ii) automobile liability insurance, (iii) property & casualty insurance for the Property upon acquisition thereof, equal to the replacement value of the improvements on the Property, with DDS named as loss payee, and (iv) and such other coverage that shall be reasonably requested from time to time by VMRC. In addition, Brilliant Corners agrees to purchase and maintain commercial and general liability insurance in the amount of not less than $1,000,000 per occurrence and $2,000,000 in the aggregate for the Property during the period of this Agreement; provided, however, VMRC reserves the right to increase the liability limit under such insurance policy on not more than once during any three year period during the term of this Agreement, based on advice by its insurance broker(s). The commercial general liability insurance shall include endorsements for premises and operations liability and for broad form contractual liability. Insurers who are admitted to do business in the State of California and rated A- and X or higher in the most recent edition of Best Insurance Guide shall issue all insurance policies. All insurance policies (other than the workers' compensation policy) shall be endorsed to name "*Valley Mountain Regional Center*" and "*State of California Department of Developmental Services*" as additional insureds during the term of this Agreement, and Brilliant Corners shall provide to VMRC a true and correct copy of the Named Additional Insured Endorsements on the Effective Date, listing the specific name of the project and the Property address. Each policy of insurance providing coverage required hereunder shall provide that it may not be cancelled or materially modified unless VMRC is provided at least 30 days' prior written notice thereof. Brilliant Corners shall also provide to VMRC a Certificate of Insurance annually, which certifies the existence of the insurance required under this Agreement. To the extent these provisions are not the same as the provisions in the Lease (or Restrictive Covenant, if applicable) regarding insurance, Brilliant Corners shall comply with those provisions that most broadly protect VMRC.



27. Brilliant Corners' Indemnification of VMRC. Brilliant Corners shall indemnify, defend, and hold harmless VMRC and its representatives, officers, directors, agents, consultants and employees and their respective successors and assigns, including but

not limited to the State of California and its agents and employees (collectively referred to as the "**Indemnified Parties**"), from any and all losses, costs, expenses, (including but not limited to reasonable attorney's fees), liabilities, claims, court costs, demands, debts, causes of action, fines, judgments and penalties which arise from or relate to (a) death or injury to people or damage to property in connection with the negligent or willful acts, errors or omissions of Brilliant Corners or its employees, agents, consultants or anyone employed by Brilliant Corners to act on its behalf, (b) claims under workers' compensation laws or other employee benefit laws by Brilliant Corners' agents or employees, (c) Brilliant Corners' failure to fulfill its obligations under this Agreement (including the documents incorporated by reference herein) in strict accordance with its terms, including Brilliant Corners' breach of any representations or covenants given in this Agreement or (d) violation of any local, state, or federal law, regulation or code by Brilliant Corners or by any of Brilliant Corners' employees, agents, consultants or subcontractors in connection with the conduct of their activities performed in connection with this Agreement.

27.1 Assumption of Defense. Brilliant Corners will assume the defense, at its sole expense, and with legal counsel acceptable to VMRC, of any claims or litigation as to which it has an indemnification obligation hereunder; VMRC shall cooperate with Brilliant Corners and its counsel in the defense of any such claims, provided, however, that any costs or expenses associated with such cooperation shall be reimbursed by Brilliant Corners. If Brilliant Corners fails to assume the defense of any claim or litigation as to which it has or is determined to have had the obligation to indemnify, the Indemnified Parties will have the right to assume their own defense, and Brilliant Corners will be obligated to reimburse the Indemnified Parties for any and all reasonable expenses (including, but not limited to attorney's fees) incurred in defense of such claims or litigation, in addition to Brilliant Corners' other indemnity obligations thereunder. Brilliant Corners shall control the defense and settlement of any claim; provided, however, if Brilliant Corners fails to promptly assume the defense of any claim or litigation as to which it has or is determined to have had the obligation to indemnify, VMRC shall have such control.

27.2 Survival of Provisions. The indemnity set forth in this Section shall apply during the term of this Agreement and shall also survive the expiration or termination of this Agreement, until such time as action against all of the Indemnified Parties on account of any matter covered by such indemnity is barred by the applicable statute of limitations.



28. Breach; Remedies.

28.1 If a party (the "**Complainant**") asserts that a violation of the provisions of this Agreement has occurred, it shall so inform the other party (the "**Breaching Party**") in writing, stating the nature of such violation in detail (the "**Notice of Default**") and giving the Breaching Party 30 days from receipt of such notice to cure such breach or failure. If the Breaching Party does not then cure the default within such 30-day period (or, if the default is not susceptible of cure within such 30-day period, the Breaching Party fails to commence the cure within such period and thereafter to prosecute the cure diligently to completion), then the Complainant shall be entitled to terminate this Agreement (as provided below) as well as pursue any other rights afforded it in law or in equity (subject to the provisions below).

28.2 If the Complainant is VMRC, then VMRC may (1) withhold all or part of the unremitted CPP/CRDP Funds it may owe to Brilliant Corners under this Agreement or under any other agreement between VMRC and Brilliant Corners, until satisfactory corrective measures are taken by Brilliant Corners; (2) perform the task itself and at Brilliant Corners' expense and/or (3) terminate this Agreement without further notice if Brilliant Corners fails to timely cure the violation described in the Notice of Default.

28.3 If the Complainant is Brilliant Corners, then Brilliant Corners may terminate this Agreement if VMRC fails to timely cure the violation described in the Notice of Default, and obtain recovery of its actual damages as its sole and exclusive remedy, subject to the limitations in Section 32 below.

28.4 If (i) Brilliant Corners fails to perform its obligations to timely renovate the Property, or (ii) after the Property is renovated Brilliant Corners ceases to use the Property for occupancy by Consumers (other than as the result of a temporary cessation of use of the housing by Consumers due to casualty, or condemnation or lack of Consumer referrals from VMRC), then in addition to all of the other remedies available to VMRC hereunder or otherwise available at law or in equity, VMRC shall have the right to require immediate repayment of all CPP/CRDP Funds which VMRC had previously disbursed to Brilliant Corners relating to the Property. In such event, Brilliant Corners shall repay all such funds to VMRC within 30 days following its receipt of a demand therefor from VMRC.



28.5 Notwithstanding any provisions in this Section 29 to the contrary, if VMRC has clear and convincing evidence of misconduct by Brilliant Corners or its agents or employees that results in imminent danger to the health or safety of any Consumer, VMRC shall have the right and option to declare that Brilliant Corners has committed a non-curable default. Circumstances which may constitute imminent danger to consumer health and safety include, but are not limited to: physical, emotional, or mental abuse, sexual misconduct, client abandonment or neglect, theft of a Consumer's money or property, violation

of a Consumer's rights under the law, placing Consumers in physical danger, or any other circumstance that may bring potential physical or emotional harm to the Consumer. If any of the foregoing occur, VMRC may terminate this Agreement with 5 days written notice to Brilliant Corners.

28.6 A default by Brilliant Corners under this Agreement shall, at VMRC's option, constitute a default by Brilliant Corners under any other agreement between the parties, and a default by Brilliant Corners under any other agreement between the parties shall, at VMRC's option, constitute a default by Brilliant Corners under this Agreement.

29. Consequences of Termination. Upon the termination of this Agreement as a result of Brilliant Corners' breach, Brilliant Corners shall, immediately on request of VMRC, do all of the following: (1) execute and notarize a grant deed to convey its fee ownership in the Property to another organization selected by VMRC (the "**New Owner**"), subject to DDS's approval as provided in the Restrictive Covenant; (2) execute a Lease Assignment Agreement (on a form provided by VMRC) to convey all of its rights and obligations as landlord under the Lease to the New Owner; (3) execute all documents required by the Lender to allow for assumption of the Loan by the New Owner, if possible; and (4) execute all other documents and perform all other acts reasonably requested by VMRC to insure a smooth transition of all of Brilliant Corners' rights and responsibilities under this Agreement, the Lease and all Loans to the New Owner.

30. Specific Performance. The parties acknowledge that a breach of this Agreement by Brilliant Corners will result in significant damages to VMRC, which are impossible or extremely difficult to determine, and that monetary damages would be an inadequate remedy for such breach. Further, Brilliant Corners' failure to comply with these provisions could jeopardize the health and safety of VMRC's Consumers. As such, the parties agree that VMRC has the right to specifically enforce Brilliant Corners' obligations under this Agreement. Thus, VMRC may obtain a temporary restraining order, preliminary injunctive relief and permanent injunctive relief to require Brilliant Corners to perform its obligations to VMRC, including but not limited to its obligation to execute all documents and perform all acts reasonably requested by VMRC to convey fee ownership of the Property to the New Owner.

31. Limitation on VMRC's Liability. Notwithstanding any provision to the contrary contained in this Agreement, VMRC's liability hereunder shall be limited to an amount equal to the lesser of $50,000 or the aggregate dollar value of all CPP Funds then previously received by Brilliant Corners under the terms of this Agreement. In addition, and again notwithstanding any provision to the contrary contained in this Agreement, in no event shall VMRC or any of its partners, sub partners or any of their respective officers, agents, servants, employees, and independent contractors be liable under any circumstances for injury or damage to, or interference with, Brilliant Corners' business, including but not limited to, consequential damages, loss of profits, loss of rents or

other revenues, loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring.

32. Brilliant Corners' Books, Records and Other Information; Audits.

32.1 Brilliant Corners' Delivery of Documents and Information. Upon VMRC's request, Brilliant Corners shall promptly deliver to VMRC all information and documents relating to Brilliant Corners and/or the Property that VMRC so requests, including but not limited to Brilliant Corners' organizational documents, IRS approval of Brilliant Corners' 501(c)(3) status, a current Certificate of Good Standing from the California Secretary of State, a list of current officers and board members, applicable corporate resolutions authorizing the signatory(ies) of this Agreement to sign this Agreement and other contracts relating to the Property, employee resumes and background experience, certifications, budgets, financial statements, construction cost audit, and other information relating to the Property that Brilliant Corners is considering acquiring or has acquired. Although VMRC must obtain such information and documents to comply with the Current CPP/CRDP Guidelines, Brilliant Corners shall provide such information and documents to VMRC for the Property on request.

32.2 Maintenance of Books and Records. Brilliant Corners agrees to maintain and preserve, until three years after the service has been performed, any pertinent books, documents, papers, and records relative to this Agreement. Brilliant Corners agrees to maintain audited financial records in accordance with generally accepted accounting principles, consistently applied.

32.3 Record Inspection and Audit. VMRC shall have the right to review and inspect all of Brilliant Corners' records regarding services provided under this Agreement, in accordance with the provisions in California Code of Regulations (Title 17, Part II, Chapter 1, subchapter 6 and subchapter 18). An audit of Brilliant Corners' records pertaining to this Agreement may be made by VMRC or any other third party authorized to conduct such an audit, for a period of three years after the termination of this Agreement. All audits will be conducted according to Title 17 regulations. Brilliant Corners will be informed of the audit in writing and will be given a written report on the results of the audit once it is completed. Brilliant Corners has the right to appeal any findings resulting from an audit. The specific appeal procedure will be communicated to Brilliant Corners at the time the audit is announced.



32.4 Brilliant Corners' Reviews and Audits. This Section 33.4 shall only apply if all payments Brilliant Corners cumulatively receives from VMRC and other regional centers during Brilliant Corners' fiscal year (as determined on the commencement date of this Agreement) equals or exceeds the threshold

amount noted in Welfare and Institutions Code Section 4652.5. (On the date of this Agreement, such threshold amount is $500,000.)

32.4.1 Brilliant Corners shall, at VMRC's request and at Brilliant Corners' cost, cause an independent Certified Public Accountant to annually provide (1) an independent audit of Brilliant Corners' financial statements (or, if Brilliant Corners qualifies based on the terms in the statute, an independent review report in lieu of an audit); and (2) a copy of either the annual audit results (the "**Audit Report**") or the review results (the "**Review Report**") to VMRC.

32.4.2 If Brilliant Corners engages an independent Certified Public Accountant to review (but not audit) Brilliant Corners' financial statements, (i) the review shall, at minimum, comply with the provisions set forth in Welfare and Institutions Code Section 4652.5(e) and (ii) the Review Report shall, at minimum, comply with the provisions set forth in Welfare and Institutions Code Section 4652.5(f).

32.4.3 Brilliant Corners shall commence the independent audit or review within 120 days after the end of Brilliant Corners' fiscal year. Brilliant Corners shall complete the audit or review within nine months after the end of Brilliant Corners' fiscal year.

32.4.4 In accordance with Welfare and Institutions Code Section 4652.5(b), Brilliant Corners shall provide copies of the independent Audit Report or Review Report to VMRC within 30 days after completion of the audit or review.

32.4.5 If VMRC believes that any issues identified in the Audit Report or Review Report have an impact on services Brilliant Corners provides to VMRC's Consumers, VMRC will so notify Brilliant Corners and provide Brilliant Corners with 30 days to resolve such issues. Brilliant Corners' failure to resolve such issues to VMRC's reasonable satisfaction within such 30-day period shall constitute a material breach of this Agreement. As a result of such uncured breach, VMRC may, among its other remedies, terminate this Agreement.



33. The Funding Contingency. Notwithstanding anything in this Agreement to the contrary, VMRC's obligation to remit funds to Brilliant Corners under this Agreement or to any Service Provider under any Service Provider Agreement is conditioned on VMRC's receipt of adequate funds from DDS to pay for such costs (the "**Funding Contingency**"). The Funding Contingency is a part of this Agreement because VMRC's annual funding agreement with DDS provides that such funding agreement is subject to the appropriation of funds by the Legislature, and that if such funds are not appropriated for any fiscal year into which such funding agreement extends, the

funding agreement is of no force and effect. VMRC shall therefore have the right and option to terminate this Agreement on 60 days' notice to Brilliant Corners, without liability, and such termination shall be deemed a failure of the Funding Contingency, if (1) DDS for any reason fails to deliver funds to VMRC necessary to retain Brilliant Corners' services hereunder or a Service Provider's services at the Property or (2) VMRC receives funds from DDS for Brilliant Corners under this Agreement or a Service Provider's services at the Property but VMRC determines that such funds are inadequate to pay for all of the vendor services and other expenses which VMRC expects to incur in such fiscal year relating to the Property. If there is a failure of the Funding Contingency, then (1) VMRC shall have no liability to pay funds to Brilliant Corners under this Agreement or any Service Provider under any Service Provider Agreement (other than funds for services previously validly performed by Brilliant Corners under this Agreement or to the Service Provider and for which VMRC has received DDS funding) or to furnish any other consideration under this Agreement and (2) neither party shall be obligated to further perform any provisions of this Agreement (other than those obligations intended to survive termination of this Agreement). In the event VMRC exercises the Funding Contingency, VMRC and DDS agree to use best efforts to negotiate a workout for the impacted Property.

34. No Discrimination. Neither party shall deny this Agreement's benefits to any person on the basis of religion, color, ethnic group identification, sex, sexual orientation, age, physical or mental disability, nor shall any either party discriminate unlawfully against any employee or applicant for employment. Brilliant Corners shall also comply with the provisions of the California Fair Employment and Housing Act (Government Code, Section 12900 et seq.), the regulations promulgated thereunder, and the provisions of Government Code Sections 11135-11139.5.

35. HIPAA Compliance. Under this Agreement, "**HIPAA**" means the federal Health Insurance Portability and Accountability Act (Pub. L. No. 104-191), the HIPAA regulations as set forth in 45 C.F.R. Parts 160 and 164 (aka the HIPAA Privacy Rule), and regulations on Standards for Privacy of Individually Identifiable Health Information. Both parties shall at all times remain in compliance with the mandatory provisions of HIPAA, including but not limited to the HIPAA Privacy Rule. In performing its duties under this Agreement, Brilliant Corners may have access to "protected health information," including but not limited to "individually identifiable health information," and is therefore a "Business Associate" as those terms are defined in HIPAA. As such, concurrently with its execution of this Agreement, Brilliant Corners shall execute VMRC's Business Associate Agreement, a copy of which can be obtained from VMRC.



36. Copyrights and Patents. To the extent any of Brilliant Corners' activities result in the invention or development of copyrightable materials, the State of California has the right to freely manufacture, reproduce, publish, use and/or distribute all inventions and copyrightable materials which were developed by or for Brilliant Corners using funds provided by the State of California. To the extent applicable, Section 14 of Article I of

the Regional Center Master Contract between VMRC and the State of California is incorporated herein by this reference.

37. Cooperation; Adequate Staffing. Brilliant Corners shall meet as often as VMRC determines necessary and shall work collaboratively with any VMRC staff regarding the acquisition, renovation and maintenance of the Property. Brilliant Corners agrees to supply staff sufficient in numbers to satisfactorily carry out the terms of this Agreement.

38. Compliance with Law. Brilliant Corners shall at all times comply with all local, California and Federal statutes, laws, and regulations applicable to Brilliant Corners, and shall render services in accordance with the applicable provisions of all laws (including but not limited to Welfare and Institutions Code, Division 4.5, Services for the Developmentally Disabled [Lanterman Developmental Disabilities Services Act], and Calif. Code of Regs. Title 17, Division 2, Health and Welfare Agency [Department of Developmental Services]). Any provisions of this Agreement that conflict with any law is hereby amended to conform to the provisions of those statutes and regulations. Such amendments to the Agreement shall be effective on the effective date of the statute or regulations necessitating it, and shall be binding on the parties even though such amendment may not have been reduced to writing or expressly agreed to by the parties. No provision of this Agreement shall not be construed to excuse compliance with all applicable laws.

39. Permits and Licenses. Brilliant Corners and its employees and agents shall secure and maintain throughout the term of this Agreement, any and all valid permits and licenses as required by law for the execution of the services described in this Agreement.

40. Zero Tolerance Policy for Consumer Abuse And Neglect. Brilliant Corners shall ensure all of its employees are fully informed upon hire, and annually thereafter, about VMRC's Zero Tolerance Policy for Consumer Abuse or Neglect, pursuant to the Elder Abuse and Dependent Adult Civil Protection Act (California WIC section 15600-15675), and Child Abuse and Neglect Reporting Act (California Penal Code sections 11164-11174.3). Such policy is posted on VMRC's website at: https://www.vmrc.net/wp-content/uploads/2013/10/Zero-Tolerance-Policy.pdf any Brilliant Corners employee or agent who fails to report Consumer abuse or neglect may be subject to penalties defined in law (WIC, section 15630(h)). In addition, upon becoming aware of a reportable incident or allegation of abuse or neglect of a Consumer, Brilliant Corners shall take immediate action to protect the health and safety of the involved Consumer and all other Consumers. Brilliant Corners shall ensure its staff has knowledge of the signs of Consumer abuse and neglect, the process for reporting suspected abuse or neglect, and the consequences of failing to follow the law or adhere to VMRC's Zero Tolerance Policy. Brilliant Corners' failure to comply with the policy and the abuse/neglect reporting laws is considered a material breach of this Agreement.

41. Drug-Free Workplace. During the term of this Agreement, Brilliant Corners shall maintain and enforce a drug-free workplace policy. Neither Brilliant Corners or its employees shall unlawfully manufacture, distribute, dispense, possess or use "controlled substances" (as defined in 21 U.S.C. Section 812), at any of Brilliant Corners' facilities or work sites. Violation of this provision shall constitute a material breach of this Agreement.

42. Attorney's Fees. If any action or proceeding at law is commenced to enforce any provisions or rights under this Agreement, the unsuccessful party to such action or proceeding as determined by the court in a final judgment or decree, shall pay the attorneys' fees and costs of the prevailing party (including, without limitation, such costs, expenses and fees on any appeal), and if such prevailing party shall recover judgment if any such action or proceeding, such costs, expenses and attorney's fees shall be included as part of such judgment.

43. Severability. If any provision of the Agreement is held to be inoperative, unenforceable or otherwise invalid, the remaining provisions hereof shall remain in full force and effect.

44. Integration. This Agreement constitutes the entire agreement between the parties pertaining to the subject matter contained herein, and it supersedes all prior agreements, contracts, representations and understandings of the parties, either oral or written, relating to the subject matter of this Agreement, including any other housing agreements to the extent they concern housing intended to be paid for in full or part with DDS community placement plan or community resource development plan funds. In addition to the foregoing, the parties may enter into start-up contracts and other agreements in the future relating to matters covered by this Agreement; in such event, (1) such contracts and agreements shall remain subject to the terms of this Agreement and (2) if any inconsistency exists between such contracts and agreements and this Agreement, the terms of this Agreement shall govern.

45. Amendment. No supplement, modification, understanding, verbal agreement, or amendment of this Agreement shall be binding unless executed in writing by VMRC and Brilliant Corners.

46. No Waiver. No waiver by VMRC of Brilliant Corners' breach of any provision of this Agreement shall constitute a waiver by VMRC in the future of the same or any other subsequent breach by Brilliant Corners. VMRC's failure to enforce at any time, or from time to time, any provision of this Agreement shall not be construed as a waiver thereof. No custom or practice that may develop among the parties in the course of administering this Agreement shall be construed to waive any party's right to insist upon the strict performance by the other party of any obligation in the Agreement. The remedies herein reserved shall be cumulative and in addition to any other remedies in law or equity.

47. Address for Notices. Any notices required or permitted under this Agreement shall be in writing and shall be sufficiently given if either delivered in person or mailed by a nationally recognized overnight mail carrier or certified or registered mail, postage prepaid, to the parties at such address as each of them, by notice to the other, may designate from time-to-time. Any written document will be deemed delivered either (a) on the day of the delivery in person, (b) the next business day if delivered by overnight carrier or (c) two business days after the mailing of such document by certified or registered mail. All notices shall be addressed as follows:

To VMRC:

**Valley Mountain Regional Center**
Attn: Tony Anderson
Executive Director
702 N. Aurora Street
P.O. Box 692290
Stockton, CA 9595269-2290

To Brilliant Corners:

**Brilliant Corners**
Attn. Mr. William F. Pickel
Executive Director
1360 Mission Street, Suite 300
San Francisco, CA 94103-2609

or to such other address as either party may designate to each other in accordance with the provisions of this section.

48. Further Assurances. The parties acknowledge that this Agreement reflects a new housing model for Consumers in California, and it is therefore not possible to precisely identify all matters that should be addressed by this Agreement. As such, Brilliant Corners agrees to enter into amendments to this Agreement which do not materially increase Brilliant Corners' obligations hereunder at the request of VMRC from time to time, to further reflect and refine the parties' rights and obligations. Brilliant Corners shall also take all actions and execute all documents necessary or appropriate to perform its obligations hereunder.

49. No Liability by State of California. Any and all funding from the State of California (the "**State**") used by VMRC in the performance of its obligations under this Agreement is subject to appropriation in the annual California State Budget Act by the State Legislature. Thus, (1) this Agreement as well as all contracts between VMRC and its Service Provider are subject to termination without further liability if funding is not appropriated for these purposes by the State Legislature; (2) VMRC does not act as an agent of the State; (3) VMRC does have the authority to commit State funding under this Agreement unless funds are appropriated to it by the State Legislature, either in the State Budget Act or otherwise; and (4) the State is not a party to this Agreement and provides no assurances or commitments as to the availability of State funding during any portion of the term of this Agreement or any Lease.



50. Time of the Essence. Time is the essence with respect to the obligations under this Agreement.

51. California Law; Venue. This Agreement will be construed and enforced in accordance with the laws of the State of California. The venue for any action filed to enforce or interpret this Agreement shall be in Sacramento, California.

53. Counterparts; Delivery. This Agreement may be executed in counterparts, each which shall be deemed an original and all of which shall constitute a single instrument. Signed copies of this Agreement delivered by facsimile or electronically in PDF (or similar format) shall be deemed the same as originals.

Executed in Stockton, California as of the date first written above.

**BRILLIANT CORNERS,**
a California nonprofit corporation

By_____
William F. Pickel, Executive Director

**VALLEY MOUNTAIN CENTER, INC.,**
a California nonprofit corporation

By:_____
Tony Anderson, Executive Director

**Exhibits to Housing Agreement**

Exhibit A – Available CPP/CRDP Acquisition and Renovation Funds
Exhibit B – Property Acceptance Agreement
Exhibit C – VMRC Commitment Letter
Exhibit D – Lease and Lease Addendum

# EXHIBIT "A" TO CPP/CRDP HOUSING AGREEMENT (FY 2018-19)

## AVAILABLE CPP/CRDP ACQUISITION AND RENOVATION FUNDS

| Project ID | Development Type | Maximum Acquisition Amount | Maximum Renovation Amount |
|---|---|---|---|
| VMRC-1819-#3 | EBSH (4-bed) – CPP | $200,000 | $300,000 |
| VMRC-1819-#4 | EBSH (4-bed) – CPP | $200,000 | $300,000 |

## Contract Summary and Board Resolution

**Valley Mountain Regional Center's Board of Directors reviewed the above contract on July 10, 2019 and passed the following**

**RESOLVED THAT** in compliance with VMRC's BOD Contract Policy, the contracts listed below between VMRC and state and approved by the VMRC BOD on 07/10/19 and Board hereby authorized any Officer of the corporation to execute material changes but otherwise on such terms deemed satisfactory to such Officer.

1 Bright Futures #3 (CPP)
2 Brilliant Corners (CPP)
3 Brilliant Corners (CPP)
4 J Ballelos Community Integration Program CITP
Lifeworks-ACS Giggles Early Intervention Services

5
Lifeworks-ACS
Linden Grove LLC
PEDS-Prog Evals & Developmental Svc
Psychiatric Centers at San Diego
California Mentor Family Home Agcy
Community Compass CAN
Community Compass Jackson
Futures Explored
Hana Hou Alliance, LLC
Jar Mill's Place
Keyholders 360
Storer Transportation Stockton
Storer Transportation Modesto
Vocational Coaching & Development Institute (VCDI)(055)
Vocational Coaching & Development Institute (VCDI)(515)
Sierra Environmental & Social Svcs SESS, Inc
Camello Supported Living Services
Blue Mountain Transit



VMRC Board of Directors hereby authorizes and designates any office of VMRC to finalize, execute and deliver the Contract on behalf of VMRC, in such form as VMRC's counsel may advise, and on such further terms and conditions as such Officer may approve. The final terms of the Contract shall be conclusively evidence by the execution of the Contract by such Officer. For purposes of this authorization, and "Officer" means VMRC's Executive Director, Chief Financial Officer and no one else.

**Certification by Secretary:** I certify that: (1) I am the Secretary of VMRC: (2) the foregoing Resolution is a complete and accurate copy of the Resolution duly adopted by VMRC's Board of Directors; (3) the Resolution is in full force and has not been revoked or changed in any way.

# POS EXPENDITURES

May 31, 2019

| | Year to Date | Prior Year to Date | Changes to Budget | Budget | % of Total Budget |
|---|---|---|---|---|---|
| Community Care Facility | 57,794,756 | 52,167,381 | 2,000,000 | 62,212,082 | 92.9% |
| ICF/SNF FACILITY | 147,170 | 133,595 | - | 602,554 | 24.4% |
| Day Care | 1,173,918 | 1,121,904 | 100,000 | 1,298,402 | 90.4% |
| Day Training | 32,889,550 | 32,773,927 | (2,000,000) | 35,377,350 | 93.0% |
| Supported Employment | 1,623,300 | 1,470,168 | 50,000 | 1,771,757 | 91.6% |
| Work Activity Program | 475,809 | 508,979 | - | 580,174 | 82.0% |
| Non-Medical Services-Professional | 535,865 | 489,960 | - | 586,448 | 91.4% |
| Non-Medical Services-Programs | 20,523,368 | 20,016,379 | (900,000) | 22,197,726 | 92.5% |
| Home Care Services-Programs | 1,097,854 | 616,427 | 200,000 | 1,205,686 | 91.1% |
| Transportation | 2,444,163 | 2,140,105 | 200,000 | 2,667,131 | 91.6% |
| Transportation Contracts | 15,135,917 | 14,992,836 | (1,000,000) | 16,323,149 | 92.7% |
| Prevention Services | 12,682,862 | 11,643,353 | - | 13,527,861 | 93.8% |
| Other Authorized Services | 17,656,834 | 16,268,841 | - | 18,885,039 | 93.5% |
| P&I Expense | 37,811 | 38,674 | - | 51,695 | 73.1% |
| Hospital Care | 418,750 | 418,750 | - | 538,049 | 77.8% |
| Medical Equipment | 318,167 | 349,732 | - | 508,768 | 62.5% |
| Medical Care Professional Services | 3,400,905 | 2,779,457 | 350,000 | 3,635,985 | 93.5% |
| Medical Care-Program Services | 52,091 | 35,341 | - | 83,434 | 62.4% |
| Respite-in-Home | 11,524,671 | 9,676,799 | 1,000,000 | 12,360,367 | 93.2% |
| Respite Out-of-Home | 490,385 | 417,828 | - | 710,225 | 69.0% |
| Camps | 29,784 | 16,260 | - | 96,846 | 30.8% |
| | 180,453,928 | 168,076,697 | - | 195,220,728 | 92.4% |
| CPP | 237,615 | 258,416 | 1,316,643 | 1,439,438 | |
| **Total Purchase of Service** | **180,691,543** | **168,335,113** | **1,316,643** | **196,660,166** | **91.9%** |

## OPERATIONS EXPENDITURES

May 31, 2019

| | Year to Date | Prior Year to Date | Changes to Budget | Budget | % of Total Budget |
|---|---|---|---|---|---|
| Salaries and Wages | 18,037,214 | 15,162,481 | 300,000 | 18,088,385 | 99.7% |
| Temporary Help | 12,998 | 760 | (1,000) | 14,000 | 92.8% |
| Fringe Benefits | 5,430,831 | 4,797,536 | (300,000) | 5,768,945 | 94.1% |
| Contracted Employees | 85,711 | 49,457 | 1,000 | 86,000 | 99.7% |
| **Salaries and Benefits Total** | 23,566,754 | 20,010,233 | - | 23,957,331 | 98.4% |

| | Year to Date | Prior Year to Date | Changes to Budget | Budget | % of Total Budget |
|---|---|---|---|---|---|
| Facilities Rent | 1,817,709 | 1,721,504 | - | 1,875,000 | 96.9% |
| Facilities Maintenance | 623,778 | 605,753 | 200,000 | 716,000 | 87.1% |
| Information Technology | 1,630,719 | 1,020,225 | 120,000 | 1,743,001 | 93.6% |
| General Office Expense | 166,766 | 604,993 | (200,000) | 344,361 | 48.4% |
| Operating Expenses | 399,915 | 364,099 | 50,000 | 464,300 | 86.1% |
| Equipment | 132,628 | 227,868 | (30,000) | 200,000 | 66.3% |
| Professional Expenses | 319,462 | 510,899 | (250,000) | 433,258 | 73.7% |
| Office Expenses | 119,850 | 128,395 | - | 184,500 | 65.0% |
| Travel and Training Expenses | 484,343 | 464,975 | 110,000 | 541,100 | 89.5% |
| Foster Grandparent/Senior Companion Expenses | 448,199 | 253,328 | - | 451,782 | 98.5% |
| CPP Expense | 476,747 | 471,318 | - | 529,488 | 90.0% |
| **Total Operating Expenses** | 30,183,869 | 26,383,589 | - | 31,440,121 | 96.0% |

**Operating Expenses:** Telephone, Utilities

**Equipment:** Equipment Purchases, Equipment Contract Leases

**Professional Expenses:** Accounting Fees, Advertising, ARCA Dues, Bank Fees, Consultants, Insurance, Interest, Legal Fees, Fees, Licenses and Miscellaneous

**Office Expenses:** Consumer Medical Record Fees, Postage and Shipping, Printing

**Travel and Training Expenses:** Board of Director Expense, Travel Admin, Travel Consumer Services

Valley Mountain Regional Center
Cash Flow through July 2019

| | | | |
|---|---|---|---|
| Beginning Balance 5/31/19 | | $ 21,850,183.28 | |
| Cash Receipts June | | $ 9,996,929.27 | |
| Expenditures June | | | |
| | POS | $ (17,547,583.34) | |
| | OPS | $ (689,184.68) | |
| | Payroll | $ (1,786,031.78) | |
| Ending Balance 6/30/19 | | $ 11,824,312.75 | |
| **ESTIMATED** | | | |
| Cash Receipts July through July 19 | | - | |
| Expenditures July through July 19 | | | |
| | POS | (16,500,000.00) | 10th and 15th |
| | OPS | (500,000.00) | through 18th |
| | Payroll | (1,128,000.00) | through 12th |
| Shortfall | | $ (6,303,687.25) | |
| DDS Advance Payments | | | |
| July 19th | | 30,408,939.16 | |
| Balance after the Advance payments | | $ 24,105,251.91 | |

# Valley Mountain Regional Center
## Receipt and Uses of Cash
## June 2019

| | |
|---|---|
| Beginning Balance in Money Market Account 5/31/19 | $ 21,850,183.28 |
| Cash Receipts June: | |
| State of California Regular Claims Current Year | $ 8,321,307.31 |
| State of California CPP Claims Current Year | 9,546.16 |
| State of California Foster Grandparents/Senior Companion | 46,406.88 |
| State of California Regular Claims Prior Years | 661,529.97 |
| State of California CPP Claims Prior Years | 410,985.48 |
| The Station (partnership in Modesto for Early Start) | 4,303.00 |
| ICF-SPA | 258,320.07 |
| Vendor Training | 1,471.60 |
| Three years and prior income | 7,896.80 |
| Receipts from Out of Home | 185.00 |
| HCBS Grant | 219,422.92 |
| Refund from OPEB | 20,324.94 |
| True-up from Workers Compensation | 10,133.00 |
| Expense reimbursement | 1,153.36 |
| POS items that wash through cash | 23,942.78 |
| | $ 9,996,298.12 |
| Cash Disbursements: | |
| POS ZBA transfers | $ (17,477,444.34) |
| OPS ZBA transfers | (526,389.22) |
| Payroll ZBA transfers | (1,961,414.26) |
| Dr. Poppelwell money deposited to wrong account | (631.15) |
| | $ (19,965,247.82) |
| GL Ending Balance June 30, 2019 | $ 11,881,233.58 |
| Bank Balance at June 30, 2019 | $ (11,881,233.58) |

**Valley Mountain Regional Center**
**Amendment to Independent Contractor Contract**

This Independent Contractor Contract ("Contract") entered into on the 1st day of August, 2018, in the City of Stockton, County of San Joaquin, State of California, by and between Valley Mountain Regional Center, Inc. ("Center") and Person Centered Services, Inc. ("Contractor") is hereby amended effective August 7, 2019 as follows:

*Exhibit B, SV0010 Section 2 is amended to read as follows:*

$1,378,704 is the maximum amount which can be paid by Center to Contractor under this Contract, unless otherwise agreed to in writing by the Parties.

It is agreed that all other terms and conditions of this contract remain in effect as written.

Accepted and agreed to:

Valley Mountain Regional Center

Dated: _____

By: Anthony (Tony) Anderson
Its: Executive Director

Contractor
Person Centered Services

Dated: _____

By: Laura Moore
Its: Executive Director

Dated: _____

By: Anne Marriott
Its: Executive Director

# Contract Board Approval Report

Contracts Expiring:
**7/31/2020**

| VendorNumber | VendorName | SrvcCode | VendorCategory |
|---|---|---|---|
| SV0010 | **Person Centered Services SLS** | 896 | Supported Living Services |

**Current Contract:**

| NTE | EffecDate | ExpDate | ResponsibleStaff | ResponsibleDept |
|---|---|---|---|---|
| $958,704.00 | 8/1/2019 | 7/31/2020 | Brian Bennett | RD |

| Rate |
|---|
| $34.27/hr |

**Proposed Contract:**

| PropNTE | PropEffDate | PropExpDate | Action: | ActionReason: |
|---|---|---|---|---|
| $1,378,704.00 | 8/7/2019 | 7/31/2020 | Amendment | Increase NTE$ |

| PropRate |
|---|
| $34.27/hr |

BOD Approval Date:

Note: Increase in services; vendor has 3 consumers that need 24 hour SLS. Total estimated cost for the three individuals is $35,000 per month.

# Valley Mountain Regional Center

## Contract Status

**AS OF: June 30, 2019**

| | OPS | POS including Federal C | General Total | OPS CPP | POS CPP | CPP Total | FG/SC Total |
|---|---|---|---|---|---|---|---|
| **Current Fiscal Year 2019** | | | | | | | |
| **Contract Year E-3** | 30,458,851 | 195,220,728 | **225,679,579** | 529,488 | 1,439,438 | **1,968,926** | **451,782** |
| Spent to Date | 29,631,526 | 192,433,164 | **222,064,690** | 481,394 | 276,468 | **757,862** | **445,366** |
| Unspent | 827,325 | 2,787,564 | 3,614,889 | 48,094 | 1,162,970 | 1,211,064 | 6,416 |
| **Last Fiscal Year 2018** | | | | | | | |
| **Contract Year D-4** | 29,493,605 | 182,331,242 | **211,824,847** | 529,663 | 665,293 | **1,194,956** | **493,607** |
| Spent to Date | 28,902,469 | 180,186,192 | **209,088,661** | 520,453 | 560,818 | **1,081,271** | **458,980** |
| Unspent | 591,136 | 2,145,050 | **2,736,186** | 9,210 | 104,475 | **113,685** | **34,627** |
| **Second Prior Fiscal Year** | | | | | | | |
| **2017 Contract Year C-5** | 28,050,790 | 168,263,354 | **196,314,144** | 476,820 | 344,693 | **821,513** | **462,758** |
| Spent to Date | 28,050,790 | 166,408,376 | **194,459,166** | 476,820 | 348,138 | **824,958** | **452,771** |
| Unspent | - | 1,854,978 | **1,854,978** | - | (3,445) | (3,445) | 9,987 |

# POS EXPENDITURES

**June 30, 2019**

| | Year to Date | Prior Year to Date | Changes to Budget | Budget | % of Total Budget |
|---|---|---|---|---|---|
| Community Care Facility | 63,218,187 | 55,487,588 | 3,420,000 | 63,632,082 | 99.3% |
| ICF/SNF FACILITY | 154,610 | 177,821 | - | 602,554 | 25.7% |
| Day Care | 1,278,443 | 1,180,144 | 100,000 | 1,298,402 | 98.5% |
| Day Training | 32,735,689 | 34,746,036 | (4,600,000) | 32,777,350 | 99.9% |
| Supported Employment | 1,773,504 | 1,573,529 | 60,000 | 1,782,757 | 99.5% |
| Work Activity Program | 516,107 | 556,479 | - | 580,174 | 89.0% |
| Non-Medical Services-Professional | 592,349 | 516,366 | - | 594,448 | 99.6% |
| Non-Medical Services-Programs | 22,486,120 | 21,254,684 | (600,000) | 22,497,726 | 99.9% |
| Home Care Services-Programs | 1,191,330 | 638,908 | 200,000 | 1,205,686 | 98.8% |
| Transportation | 2,595,028 | 2,273,061 | 200,000 | 2,667,131 | 97.3% |
| Transportation Contracts | 15,039,349 | 15,969,767 | (1,000,000) | 16,323,149 | 92.1% |
| Prevention Services | 13,843,536 | 12,448,774 | 360,000 | 13,887,861 | 99.7% |
| Other Authorized Services | 19,181,733 | 17,353,341 | 500,000 | 19,385,039 | 99.0% |
| P&I Expense | 41,129 | 42,411 | - | 51,695 | 79.6% |
| Hospital Care | 456,250 | 456,250 | - | 538,049 | 84.8% |
| Medical Equipment | 358,069 | 362,404 | - | 508,768 | 70.4% |
| Medical Care Professional Services | 3,700,057 | 3,038,934 | 360,000 | 3,710,985 | 99.7% |
| Medical Care-Program Services | 54,235 | 36,008 | - | 83,434 | 65.0% |
| Respite-in-Home | 12,714,545 | 10,429,762 | 1,000,000 | 12,764,476 | 99.6% |
| Respite Out-of-Home | 544,254 | 453,011 | - | 710,225 | 76.6% |
| Camps | 31,634 | 21,119 | - | 96,846 | 32.7% |
| | 192,506,157 | 179,016,394 | - | 195,698,837 | **98.4%** |
| CPP | 272,968 | 344,659 | 1,306,236 | 1,352,647 | |
| **Total Purchase of Service** | **192,779,126** | **179,361,053** | **1,306,236** | **197,051,484** | **97.8%** |

ICF SPA RECEIVABLES $2,300,954.18

## OPERATIONS EXPENDITURES

**June 30, 2019**

| | Year to Date | Prior Year to Date | Changes to Budget | Budget | % of Total Budget |
|---|---|---|---|---|---|
| Salaries and Wages | 18,448,621 | 17,098,336 | 500,000 | 18,318,283 | 100.7% |
| Temporary Help | 14,102 | 6,080 | (898) | 14,102 | 100.0% |
| Fringe Benefits | 5,526,972 | 5,337,428 | (500,000) | 5,568,945 | 99.2% |
| Contracted Employees | 85,711 | 63,688 | 898 | 86,000 | 99.7% |
| **Salaries and Benefits Total** | **24,075,406** | **22,505,531** | **-** | **23,987,331** | **100.4%** |

| | Year to Date | Prior Year to Date | Changes to Budget | Budget | % of Total Budget |
|---|---|---|---|---|---|
| Facilities Rent | 1,817,709 | 1,721,504 | - | 1,875,000 | 96.9% |
| Facilities Maintenance | 650,677 | 605,753 | 140,000 | 656,000 | 99.2% |
| Information Technology | 1,749,910 | 1,020,225 | 130,000 | 1,753,001 | 99.8% |
| General Office Expense | 197,345 | 604,993 | (340,000) | 204,361 | 96.6% |
| Operating Expenses | 406,338 | 364,099 | 50,000 | 464,300 | 87.5% |
| Equipment | 304,322 | 227,920 | 160,000 | 360,000 | 84.5% |
| Professional Expenses | 327,452 | 561,309 | (250,000) | 433,258 | 75.6% |
| Office Expenses | 120,590 | 128,395 | - | 184,500 | 65.4% |
| Travel and Training Expenses | 491,882 | 478,582 | 110,000 | 541,100 | 90.9% |
| Foster Grandparent/Senior Companion Expenses | 445,865 | 251,828 | - | 451,782 | 98.7% |
| CPP Expense | 486,854 | 520,453 | - | 529,488 | 91.9% |
| **Total Operating Expenses** | **31,074,349** | **28,990,592** | **-** | **31,440,121** | **98.8%** |

**Operating Expenses:** Telephone, Utilities

**Equipment:** Equipment Purchases, Equipment Contract Leases

**Professional Expenses:** Accounting Fees, Advertising, ARCA Dues, Bank Fees, Consultants, Insurance, Interest, Legal Fees, Fees, Licenses and Miscellaneous

**Office Expenses:** Consumer Medical Record Fees, Postage and Shipping, Printing

**Travel and Training Expenses:** Board of Director Expense, Travel Admin, Travel Consumer Services

| Number of Months Claimed: | 11 |
|---|---|
| Date of POS Payments Cut-Off: | June 27, 2019 |

REPORT DATE: July 10, 2019

## VALLEY MOUNTAIN REGIONAL CENTER

## POS EXPENDITURE PROJECTION (PEP) SUMMARY

### 2018-2019

### Actual Expenditures through May 2019

| | CURRENT MONTH | | PRIOR MONTH | | CHANGES | |
|---|---|---|---|---|---|---|
| | High Estimate | Low Estimate | High Estimate | Low Estimate | High Estimate | Low Estimate |
| **NON-CPP EXPENDITURES** | | | | | | |
| **Estimated Cost of Current Services** | $205,130,658 | $205,130,658 | $214,862,204 | $214,862,204 | (9,731,546) | (9,731,546) |
| **Estimated Growth** | $33,833 | $30,611 | $113,008 | $102,245 | (79,175) | (71,634) |
| **Other Items may include, but are not limited to:** | | | | | | |
| 1. Adjustment for SSI CCF Rate | | | | | N/A | N/A |
| 2. One time adjustment of base | | | | | N/A | N/A |
| 3. Deduct estimated receipts from ICFs for SPA services. | -2,000,000 | -2,000,000 | -2,000,000 | -2,000,000 | 0 | 0 |
| 4. SSI/SSP Restoration (Not Yet Paid) | | | | | N/A | N/A |
| 5. | | | | | N/A | N/A |
| 6. | | | | | N/A | N/A |
| 7. | | | | | 0 | 0 |
| 8. | | | | | 0 | 0 |
| 9. | | | | | 0 | 0 |
| 10. | | | | | 0 | 0 |
| **TOTAL ESTIMATED EXPENDITURES** | $203,164,491 | $203,161,268 | $212,975,211 | $212,964,449 | (9,810,721) | (9,803,180) |
| **CPP POS EXPENDITURES** | | | | | | |
| **Estimated Cost of Current Services** | $476,323 | $476,323 | $583,476 | $583,476 | (107,154) | (107,154) |
| **Estimated Growth** | $0 | $0 | $0 | $0 | 0 | 0 |
| **Other Items:** Additional estimated costs **not included** in the expenditures listed on row 27 and 28. (Current & Projected Costs) | | | | | | |
| 1. | | | | | 0 | 0 |
| 2. | | | | | 0 | 0 |
| 3. | | | | | 0 | 0 |
| 4. | | | | | 0 | 0 |
| 5. | | | | | 0 | 0 |
| **TOTAL ESTIMATED EXPENDITURES** | $476,323 | $476,323 | $583,476 | $583,476 | (107,154) | (107,154) |

## JUNE

| DATE | PERSON | EMAIL ADDRESS | AMOUNT |
|---|---|---|---|
| 6/18/2019 | Charlene Richards | ronnchar@sbcglobal.net | 50.00 |
| 6/19/2019 | Jason Brower | Jnsbro11@gmail.com | 50.00 |
| 6/2/2019 | Tony Anderson | Coachtony125@gmail.com | 100.00 |

## JULY

| DATE | PERSON | EMAIL ADDRESS | AMOUNT |
|---|---|---|---|
| 7/2/2019 | Tony Anderson | Coachtony125@gmail.com | 100.00 |
| 7/5/2019 | Leonard Pilo | leonard.pilo@icloud.com | 180.00 |

# Valley Mountain Regional Center
## Receipt and Uses of Cash
## July 2019

| | |
|---|---|
| Beginning Balance in Money Market Account 6/30/19 | $ 11,881,233.58 |
| Cash Receipts July: | |
| Cash Advances one and two for the 2020 fiscal year | $ 31,860,104.00 |
| State of California Regular Claims Current Year | |
| State of California CPP Claims Current Year | |
| State of California Foster Grandparents/Senior Companion | 50,033.74 |
| State of California Regular Claims Prior Years | |
| State of California CPP Claims Prior Years | |
| The Station (partnership in Modesto for Early Start) | |
| ICF-SPA | 178,855.20 |
| Vendor Training | 2,111.45 |
| Three years and prior income | 24,797.11 |
| Receipts from Out of Home | 235.00 |
| HCBS Grant | |
| Other training income | 50.00 |
| Transfer to a different cash account | 271.88 |
| Expense reimbursement | 2,076.28 |
| Expense reimbursement prior years | 21,764.19 |
| Deposits in transit | (8,138.64) |
| POS items that wash through cash | 4,517.05 |
| | $ 32,136,677.26 |
| Cash Disbursements: | |
| POS ZBA transfers | $ (17,011,068.45) |
| OPS ZBA transfers | (895,408.67) |
| Payroll ZBA transfers | (2,086,580.28) |
| | $ (19,993,057.40) |
| GL Ending Balance July 31, 2019 | $ 24,024,853.44 |
| Bank Balance at July 31, 2019 | $ 24,024,853.44 |