



Minutes for Finance Committee Meeting

06/02/2021 | 05:30 PM - 06:30 PM - (GMT-08:00) Pacific Time (US & Canada)

Via Zoom Video Conference

Committee Members in Attendance: Linda Collins (Treasurer), Margaret Heinz, Connie Uychutin, Lisa Utsey, Alicia Schott, Dena Pfeifer

Committee Members Not in Attendance: Jose Lara

Staff in Attendance: Christine Couch, Doug Bonnet, Tony Anderson, Brian Bennett

Public in Attendance: Irene Hernandez (Interpreter), Rachelle Munoz (Facilitator for Lisa Utsey)

Meeting Called to Order at 5:30 PM by Linda Collins, Treasurer.

A. Review and Approval of Meeting Agenda

Linda Collins asked for a motion or approve the Meeting Agenda. Lisa Utsey made a motion to approve the Meeting Agenda. Dena Pfeifer seconded the motion. The Meeting Agenda was approved unanimously.

B. Review and Approval of Finance Committee Meeting Minutes of 05/05/21

Linda Collins asked for a motion to approve the Finance Committee Meeting Minutes of 05/05/21. Dena Pfeifer made a motion to approve the Finance Committee Meeting Minutes of 05/05/21. Lisa Utsey seconded the motion. The Finance Committee Meeting Minutes of 05/05/21 were approved unanimously.

C. Public Comment

None.

D. Approval of Contracts over \$250,000

Brian Bennett, Director of Community Services, presented the lone contract for approval this month which is the contract for Merakey Allos for a new Enhanced Behavior Support Home. See attached. Brian answered any questions that the committee had.

Linda Collins asked for a motion to approve the contract for Merakey Allos as presented. Dena Pfeifer made a motion to approve the contract for Merakey Allos as presented. Lisa Utsey seconded the motion. Connie Uychutin abstained. The contract for Merakey Allos as presented was approved unanimously.

E. Fiscal Department Update

Claudie Reed, CFO, presented the Contract Status Report (CSR) and answered any questions that the committee members had.

Linda Collins asked for a motion to approve the CSR. Lisa Utsey made a motion to approve the CSR as presented. Dena Pfeifer seconded the motion. The CSR was approved unanimously.

Claudia Reed presented the attached report on the restricted donations to the Popplewell Fund. Linda Collins asked for a motion to approve the Restricted Donations to the Popplewell Fund. Dena Pfeifer made a motion to approve the Restricted Donations to the Popplewell Fund. Lisa Utsey seconded the motion. The Restricted Donations to the Popplewell Fund were approved unanimously.

F. Next Meeting - Wednesday, 07/14/21, 5:30 PM, via Zoom Video Conference

Please note that for the upcoming fiscal year, 2021-2022, Finance Committee meetings will now take place on the second Wednesday of every month at 5:30 PM moving forward.

**Valley Mountain Regional Center
POS Independent Contractor Contract**

This POS Independent Contractor Contract ("Contract") is entered into this 2nd day of June 2021, in the City of Stockton, County of San Joaquin, State of California, by and between Valley Mountain Regional Center, Inc. ("Center") and Merakey Allos ("Contractor"). Each party to this Contract shall be referred to individually as "Party" and collectively as "Parties." This Contract shall be effective on and after the date in which both Parties sign it ("Effective Date").

DEFINITIONS

"Enhanced behavioral supports home" means a facility certified by the State Department of Developmental Services and licensed by the State Department of Social Services pursuant to Section 1567.62 of the Health and Safety Code as an adult residential facility or a group home that provides 24-hour nonmedical care to individuals with developmental disabilities who require enhanced behavioral supports, staffing, and supervision in a homelike setting. An enhanced behavioral supports home shall have a maximum capacity of four consumers, shall conform to Section 441.530(a)(1) of Title 42 of the Code of Federal Regulations, and shall be eligible for federal Medicaid home- and community-based services funding. (California Welfare and Institutions Code, 4684.80(a))

"Enhanced behavioral services and supports" means additional staffing supervision, facility characteristics, or other services and supports to address a consumer's challenging behaviors, which are beyond what is typically available in other community facilities licensed as an adult residential facility or a group home to serve individuals in a community setting rather than an institution. (California Welfare and Institutions Code, 4684.80(b))

"Individual behavior supports plan" means the plan that identifies and documents the behavior and intensive support, and service needs of a consumer and details the strategies to be employed and services to be provided to address those needs and includes the entity responsible for providing those services and timelines for when each identified individual behavior support will commence. (California Welfare and Institutions Code, 4684.80(c))

"Individual Behavior Supports Team" means those individuals who participate in the development, revision, and monitoring of the individual behavior supports plan for consumers residing in an Enhanced Behavioral Supports Home. (California Welfare and Institutions Code, 4684.80(d))

1. AGREEMENT

1. **Truth of Recitals and Representations.** The Parties hereby acknowledge the truth of the Recitals set forth above and agree that the facts recited are conclusively presumed to be true as between the Parties and their successors in interest pursuant to Section 622 of the California Evidence Code. Contractor further affirms that all fiscal and other documentation submitted to Center in conjunction with the negotiation and preparation of this Contract, and Contractor's Vendorization, is complete and accurate to the best of Contractor's knowledge, supported by records and source documents, prepared in accordance with all instructions provided by Center and all applicable laws, and subject to review pursuant to any audit by Center, the State of

California Department of Developmental Services, and/or any other agency of the State of California or the Federal Government, as permitted by law.

A. This Agreement concerns the particular property commonly known as Merakey-Tenaya, located at 8617 Tenaya Court Stockton, Ca 95213 (the "**Residence**"). The Residence is owned by Brilliant Corners, a California nonprofit corporation (the "**HDO**").

B. Valley Mountain Regional Center (VMRC) has selected the Service Provider to lease the Residence from the HDO and operate the Residence under the terms of this Agreement. The Service Provider represents and warrants that it is qualified to provide the services described herein.

C. This Agreement describes (1) the scope of the services to be provided by the Service Provider to the individuals with developmental disabilities (the "**Consumers**") who will reside in the Residence, (2) the obligations of the Service Provider to VMRC and (3) the compensation to which the Service Provider will be entitled from VMRC in exchange for performing such services and satisfying such obligations.

NOW, THEREFORE, in consideration of the following mutual covenants, the parties agree as follows:

1. Operation of the Residence; the Program Plan. The Service Provider shall operate the Residence in accordance with the Service Provider's approved facility Program Plan (aka the Program Design) attached as Exhibit "A" hereto, and in a manner specifically designed to address the needs of all of the Consumers referred from VMRC. In particular, the Service Provider shall operate the Residence as an Enhanced Behavioral Support Home for four (4) children who require enhanced behavioral supports, staffing and supervision in a homelike setting. The individuals served will be transitioning from out of state settings, out of area residential settings and community settings. The Consumers who will live in this Residence will require enriched staffing. The Residence will provide active treatment to Consumers who have a variety of behavioral needs, one resident may be non-ambulatory and use a wheelchair. Service Provider represents that it has received a Certificate of Program Approval from the State Department of Developmental Services ("**DDS**") for its Program Plan. The approved Program Plan and DDS's Certificate of Program Approval are incorporated herein by this reference.

1.1 Occupancy Requirements. All beds in the Residence shall be for the exclusive use of Consumers referred by VMRC. No other individuals shall be placed within the Residence without the express written consent of VMRC. The Service Provider shall not deny admission into the Residence of any Consumer referred by VMRC; the Service Provider must accept all VMRC referrals. Service Provider agrees to adopt a "no reject, no fail" policy toward clients with a specific commitment to modify support to address client's needs. Subject to the foregoing, the Service Provider will review and screen admission packets of potential Consumers, coordinate with VMRC for the admission of each Consumer to the Residence and develop an individual service plan with and for each Consumer.

1.2 Residence as a Permanent Home: Regulation of Discharges. The Service Provider is aware that the Residence is intended to be the permanent home for each Consumer who resides there. The Service Provider therefore does not have the right to discharge any Consumer from the Residence without VMRC's prior written consent (which may be withheld by VMRC in its sole and absolute discretion, subject to applicable laws and regulations relating to the relocation of Consumers).

2. Term. This Agreement is effective on the date the first Consumer occupies the Residence (the "**Commencement Date**"), which is expected to occur in June, 2021, and will continue in effect until **the 10th anniversary of the Commencement Date**, unless this Agreement is terminated earlier in accordance with the provisions in Section 22 below entitled, "Termination and Other Remedies". As per Title 17 CCR §59057(c), under no circumstances may this Agreement extend beyond its stated termination date. After the Commencement Date occurs, either party, at the request of the other, shall sign the Confirmation of Commencement Date attached hereto as Exhibit "B".

3. Payment. The Service Provider's rate of payment for the services provided herein is as follows:

3.1 Maximum Number of Consumers at Residence. The maximum number of Consumers who may reside at the same time in the Residence is four (4) individuals.

3.2 Established Rate. Each month, VMRC shall remit to the Service Provider, in arrears, payment at the "**Established Rate**". The Established Rate has two components: (i) a fixed facility component, which relates to the Service Provider's rent and other costs relating to the Residence as well as its payroll costs (the "**Facility Rate**"), and (ii) an individualized services and supports component for each Consumer then occupying the Residence (the "**Individualized Services and Supports Rate**"), as described in greater detail below.

3.2.1 Facility Rate. The Facility Rate is thirteen thousand eighty-two dollars and ten cents (\$13,082.10) per Consumer per month, as reflected in the completed Department form DS 6023 (Exhibit "D"). Therefore, the maximum Facility Rate component of the Established Rate payable by VMRC under this Agreement shall be fifty-two thousand three hundred twenty-eight dollars and forty cents (\$52,328.40) per month (the "**Maximum Monthly Facility Rate**"). The Maximum Monthly Facility Rate has been calculated by multiplying the Facility Rate per Consumer by the maximum number of Consumers who are allowed to reside at the Residence at the same time. Any portion of the Facility Rate unfunded by a Consumer placement will be funded in accordance with Section 4 below.

3.2.2 Individualized Services and Supports Rate. In addition to the Facility Rate, VMRC shall remit to the Service Provider the Individualized Services and Supports Rate for each Consumer. Prior to each Consumer's occupancy of the Residence, Service Provider shall complete and submit DDS form DS 6024 to VMRC for review and written approval. The Individualized Services and Supports Rate shall be reviewed by each Consumer's individual behavior supports team within 60 days and at least annually thereafter, and the Service Provider shall submit an updated completed Department form DS 6024 to VMRC within 30 days thereafter.

for review and written approval. VMRC may pay for temporary absences in accordance with Section 4 below. The Individualized Services and Supports Rate is inclusive of all SSI/SSA benefits.

3.3 Rate Adjustments. VMRC reserves the right to update and revise the Established Rate and each of its components from time to time to reflect the Service Provider's costs more accurately for its provision of services at the Residence, based on a comparison of the Service Provider's expenses over time, subject to the other provisions in this Agreement. In addition, VMRC shall perform a rate review examination after the initial 12 months of Service Provider's provision of services to Consumers. The time of the rate review will be 12-month period beginning on the first day of the month following placement of the first Consumer at the Residence. VMRC's rate review examination will include a review of Service Provider's costs/expenses in relation to the approved Established Rate. Services defined in the approved Program Design may be referenced during this process. Service Provider acknowledges that the Established Rate may be lowered based on the results of VMRC's rate review.

3.4 Invoices and Payments. In consideration of the Service Provider's services herein, performed in a manner acceptable to VMRC, VMRC shall reimburse the Service Provider monthly, in arrears, upon submission of an invoice in a manner prescribed by VMRC. The Service Provider's monthly invoices to VMRC must specify the billing period, the total number of beds occupied and vacant each day (whether VMRC is paying an unoccupied bed rate), and, when required, any supporting documentation. The Service Provider shall deliver each invoice and supporting documentation to VMRC on a timely basis. VMRC shall remit all payments under this Agreement to the Service Provider in accordance with VMRC's billing cycle.

3.5 Electronic Billing. Service Provider shall use electronic billing under DDS's Regional Center e-Billing System Web application for all of Service Provider's invoices to VMRC under this Agreement, as set forth in Welfare and Institutions Code Section 4641.5(a)(1) through (2).

3.6 Sole Compensation. The consideration to be paid by VMRC to the Service Provider as provided herein shall be the sole compensation for the Service Provider's expenses incurred in the performance of its obligations hereof, unless otherwise expressly authorized in writing by VMRC.

3.7 Repayment of Funds. Should VMRC or the State of California (the "State"), according to applicable law, determine that any funds paid by VMRC hereunder were not expended by the Service Provider in accordance with the terms of this Agreement, the Service Provider shall repay such funds to VMRC within 30 days of demand.

4. Unoccupied Beds. This Section 4 discusses the rate of payment to which the Service Provider is entitled when one or more of the beds in the Residence are vacant or not occupied by Consumers.

4.1 Initial Transition Period. The time between the date the first Consumer moves into the Residence until the date all of the beds in the Residence are initially occupied by

Consumers is hereinafter referred to as the “**Transition Period**”. Both parties shall use their best efforts to ensure the Transition Period does not exceed 90 days. During the Transition Period, the Service Provider shall maintain the minimum level of staffing as required by EBSH Regulations, and VMRC shall pay to the Service Provider the (i.) the Maximum Monthly Facility Rate and (ii) the Services Component payment of the Established Rate for only those Consumers then occupying the Residence.

4.2 Consumer Absences: 14 or Less Days. If a Consumer becomes temporarily absent from the Residence, the Service Provider shall hold the bed for the benefit of the absent Consumer and maintain applicable staffing levels as required by law and consistent with industry standard. When the Consumer is temporarily absent from the Residence 14 days or less per month, VMRC shall pay the Service Provider the Established Rate for such Consumer for the full month. Further, when the Consumer's temporary absence is more than 14 days but is due to the need for inpatient care in a health facility as defined in Health and Safety Code Section 1250(a), (b), or (c) and the Consumer is expected to return, VMRC shall continue to pay the Established Rates for such Consumer to the Service Provider, as long as no other Consumer occupies the vacant bed created by the Consumer's temporary absence, or until the Individual Behavior Supports Team has determined that the Consumer will not return to the Residence.

4.3 Temporary Consumer Absences: No Reduction in Facility Rate Payment. Once the Residence reaches maximum capacity, VMRC shall pay the Established Facility Rate based on the licensed capacity of the Residence, despite the temporary absence of one or more Consumers from the Residence in excess of 14 days, or subsequent temporary vacancies in excess of 14 days created by Consumers moving from the Residence (WIC §4684.81(k)(1)).

4.4 Temporary Consumer Absences: Impact on Services Component Payment. When a Consumer is temporarily absent from the Residence for more than 14 days (including but not limited to when a Consumer is in need for inpatient care in a health facility [as defined in Health and Safety Code Sections 1250(a), (b), or (c)]), VMRC may, based on Consumer need, continue to remit the Individual Consumer Rate payment for such Consumer to the Service Provider, but only if such payment is approved by VMRC's Director or their designee and may only be approved in 14-day increments. VMRC shall maintain documentation of the need for these services and VMRC's Director's approval (WIC §4684.81(k)(1)).

4.5 Additional Regulatory Requirements. As provided in 17 CCR §59072, and to the extent not inconsistent with Welfare and Institutions Code §4684.81, the parties further agree:

4.5.1 Residence Not Full After First 90 Days of Transition Period; Periodic Meetings. If the Residence has not reached Consumer capacity by 90 days from the commencement of the Transition Period, the parties shall meet to determine if VMRC shall continue to pay the Facility Component due to the unfilled beds, and the parties shall continue to meet each subsequent 30 days until the Residence reaches capacity.

4.5.2 Additional Regulation of Temporary Consumer Absences. When the Consumer's temporary absence is due to the need for inpatient care in a health facility [as defined in Health and Safety Code Sections 1250(a), (b), or (c)], VMRC may, based on Consumer

need, continue to remit the Services Component payment for such Consumer to the Service Provider, but only if, in addition to Section 4.4 above, (i) no other consumer occupies the vacancy created by the Consumer's temporary absence, and (ii) such absence does not exceed 60 days. The Service Provider shall continue to provide direct supervision and special services as needed during a Consumer's temporary absence to continue to receive payment of the Services Component of the Established Rate. If the Consumer's individual health care plan team has determined that the Consumer will not return to the Residence, the parties will no longer consider the absence to be temporary.

4.5.3 Consumer Absences in Excess of 60 Days. On or about the 60th day of any temporary Consumer vacancy, and at the end of each subsequent 30-day period, the parties shall meet to determine if VMRC shall continue to pay the Facility Component for such Consumer due to such 60+ day vacancy.

4.5.4 Prorated Services Component in Other Cases. VMRC shall prorate the Individual Services Component for a partial month of service in all other cases by dividing the Individual Services Component by 30.44, then multiplying the quotient by the number of days the Consumer resided in the Residence.

4.5.5 Consumer Discharge; Proration. In the month a Consumer is discharged from the Residence, VMRC shall prorate the Established Rate for such Consumer by dividing the Established Rate by 30.44, then multiplying the quotient by the number of days the Consumer resided in the Residence. The monthly facility rate is prorated by the licensed capacity of the facility. Portions of the facility rate not funded by a consumer placement are paid up to the facility maximum rate.

5. The Service Provider's General Duties.

5.1 Quality Assurance Evaluation. The Service Provider shall successfully complete a quality assurance evaluation conducted by VMRC a minimum of once every year.

5.2 Consumer's Admission Agreement. The Service Provider shall comply with the terms and conditions specified in each Consumer's Admission Agreement.

5.3 Licensing. The Service Provider shall always (1) maintain, in full force and effect, the license issued by the Department of Social Services (or other applicable State agency) for the Residence, (2) notify VMRC of any change in status of its license, registration or certification and (3) submit copies to VMRC of all renewed licenses, certificates and credentials as they are renewed.

5.4 Vendor Disclosure Statement. Upon the execution of this Agreement, and at all other times upon VMRC's request, Service Provider shall complete, sign, and deliver to VMRC a Vendor Disclosure Statement (DDS Form DS 1891), a copy of which can be obtained from DDS's website. Service Provider shall also submit an updated signed and dated DS 1891 Form to VMRC within 30 days of any change in the information previously submitted pursuant to this section.

5.5 HCBS Provider Agreement. The Service Provider represents and warrants that it has signed the State Department of Health and Human Services' Home and Community Based-Services Provider Agreement and delivered such signed document to VMRC.

5.6 Drug-Free Workplace. The Service Provider shall maintain a drug-free workplace. The Service Provider and its employees shall not unlawfully manufacture, distribute, dispense, possess or use controlled substances, as defined in 21 U.S. Code section 812, including marijuana, heroin, cocaine, and amphetamines, at any Service Provider facility or the Residence. Violation of this provision shall constitute a material Breach of this Agreement.

1.1 VMRC's Zero Tolerance Policy. Contractor shall ensure that all its respective employees are fully informed upon hire and annually thereafter regarding VMRC's Zero Tolerance Policy, Mandatory 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) The failure to report client abuse or neglect may cause Contractor to be subject to penalties defined in law (Welf. & Inst. Code section 15630(h)). In addition, upon becoming aware of a reportable incident or allegation of abuse or neglect of a client, Contractor shall take immediate action to protect the health and safety of the involved client and all other clients. Contractor shall ensure that its staff has knowledge of the signs of 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. Failure to comply with the policy and the abuse/neglect reporting laws may also be cause for termination of this Agreement.

5.7 Real Property Tax Exemption. If Service Provider is a nonprofit organization, Service Provider shall take all necessary actions within its control to insure the Residence's real property tax exemption is maintained, including but not limited to: (1) 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 Service Provider has already received its Organizational Clearance Certificate from the SBE); (2) timely renewing such Certificate so that it never lapses during Service Provider's lease of the Residence; and (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) within 30 days after the Lease term commences, and annually renewing such exemption once it has been obtained. (Forms BOE-267 and 267-H are available at each County Assessor's office. Form BOE-277 is available at the following website: <https://www.boe.ca.gov/proptaxes/pdf/boe277.pdf>).

5.8 Certain Laws Applicable to EBSHs. Since the Service Provider will be operating the Residence as an EBSH, the Service Provider shall always specifically comply with all laws and regulations applicable to EBSHs, including but not limited to (i) Calif. Welfare & Institutions Code §§4684.80 through 4684.87 and (ii) 17 CCR §§59050 through 59072, as they may be amended from time to time. Thus, for example, the Service Provider shall insure the Residence always has an operable automatic fire sprinkler system, as required by 17 CCR §59051(c) and (d). If any inconsistency exists between the terms of an applicable statute and an applicable regulation, the provisions in the applicable statute shall prevail.

5.9 Other General Duties. The Service Provider shall, at all times during the term of this Agreement, (1) certify that all standards are met, as stated in the Program Plan, prior to being listed as an approved provider of service, (2) meet the minimum standards established by DDS for the Service Provider's classification or program, (3) notify VMRC of changes in circumstances of any of VMRC's Consumers and (4) notify the parents and/or guardians of Consumers regarding any significant changes in the care and treatment of such Consumers.

6. The Lease; the Addendum. The Service Provider shall lease the Residence from the NPO under a written lease, in form and content approved by VMRC (the "**Lease**"). The Lease shall include an Addendum in form and content attached hereto as Exhibit "C". Service Provider agrees to execute the Lease and Addendum within five business days after VMRC's request to do so.

6.1 Payments Under the Lease. The Lease will require the Service Provider to pay rent to the HDO in the amount of \$5,252.00 per month (the "**Rent**"). During the term of this Agreement, the Service Provider will receive funding from various sources as consideration for the performance of its obligations to Consumers of the Residence and under the Lease. Such funding shall include eligible Consumers' SSI/SSA room and board benefits, any State supplemental payments, the Maximum Monthly Rate, and funds the Service Provider may receive from other sources. From all of these sources of funds, the Service Provider shall pay the Rent and perform its other obligations under the Lease and under this Agreement. The Service Provider shall pay all obligations under the Lease in the manner and under the procedures set forth in the Lease, all of which terms are incorporated herein by this reference.

6.2 Lease Expenses. VMRC and the Service Provider have taken the Rent and all of the Service Provider's other Lease obligations into account (e.g., insurance premiums, utility costs and the cost to repair damages to the Residence caused by Consumers) in negotiating the Service Provider's rate of payment. Therefore, in consideration for the Service Provider's receipt of the Maximum Monthly Rate, VMRC shall have no obligation to pay any for any of the Service Provider's obligations under the Lease.

6.3 Assignment of the Lease. If this Agreement terminates for any reason, with or without cause, or by Breach (as defined in Paragraph 21.1 below) by either party, then (1) VMRC will identify a new service provider to accept assignment of the Lease from the Service Provider, as set forth in greater detail in the Lease and (2) in such event, the Service Provider shall assign its rights and obligations under the Lease to such new service provider within five days of VMRC's request to do so, on a form provided by VMRC. The provisions herein are intended to survive termination of this Agreement.

7. Insurance.

7.1 Workers' Compensation Insurance. The Service Provider agrees to maintain, in full force and effect, a workers' compensation insurance policy at the maximum statutory rate at all times during the term of this Agreement.

7.2 Liability Insurance. The Service Provider agrees to purchase and maintain commercial and general liability insurance in the amount of not less than \$1,000,000 per claim, on an occurrence basis; \$2,000,000 in the aggregate during the period of this Agreement; provided, however, VMRC reserves the right to increase the liability limit under such insurance policy not more than once during any two-year period during the term of this Agreement, based on advice by its insurance broker or other consulting professional. 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 liability insurance policies shall be endorsed to name VMRC as an additional insured during the term of this Agreement. The Service Provider shall provide to VMRC a true and correct copy of the Named Additional Insured Endorsement at the beginning of the term of this Agreement. 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. The Service Provider 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 regarding insurance, the Service Provider shall comply with those provisions that most broadly protect VMRC.

8. Indemnities. The Service Provider shall indemnify, defend, and hold harmless VMRC, and each of 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 "VMRC 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 the Service Provider or its employees, agents, consultants or anyone employed by such Service Provider to act on its behalf, (b) claims under workers' compensation laws or other employee benefit laws by the Service Provider's agents or employees, (c) the Service Provider's failure to fulfill its obligations under this Agreement or the Lease, in strict accordance with its terms, including the Service Provider's breach of any representations or covenants given in this Agreement or (d) violation of any local, State, or federal law, regulation or code by the Service Provider or by any of the Service Provider's employees, agents, consultants or subcontractors in connection with the conduct of their activities performed in connection with this Agreement. VMRC, shall, in turn, indemnify, defend, and hold harmless the Service Provider, and each of its officers, directors, and employees and their respective permitted successors and assigns, 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 directly arise from (a) death or injury to people or damage to property in connection with the negligence or willful acts of VMRC or its employees, (b) claims under workers' compensation laws or other employee benefit laws by VMRC's employees, (c) VMRC's failure to fulfill its obligations under this Agreement or the Lease, in strict accordance with its terms, including VMRC's breach of any representations or covenants given in this Agreement or (d) violation of any local, State, or federal law, regulation or code by VMRC or

its employees in connection with the conduct of their activities performed in connection with this Agreement.

8.1 Assumption of Defense. The applicable indemnifying party noted above (“**Indemnitor**”) will assume the defense, at its sole expense, and with legal counsel acceptable to the applicable indemnified parties noted above (each, an “**Indemnitee**”), of any claims or litigation as to which it has an indemnification obligation hereunder; Indemnitee shall cooperate with the Indemnitor and its counsel in the defense of any such claims, provided, however, at Indemnitee’s request, those costs or expenses associated with such cooperation shall be reimbursed by the Indemnitor. If the Indemnitor 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, Indemnitee will have the right to assume its own defense, and the Indemnitor will be obligated to reimburse Indemnitee 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 the Indemnitor’s other indemnity obligations hereunder. The Indemnitor shall control the defense and settlement of any claim; provided, however, if the Indemnitor 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, Indemnitee shall have such control.

8.2 Survival of Provisions. The indemnity set forth in this Section 8 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 Indemnitees on account of any matter covered by such indemnity is barred by the applicable statute of limitations. To the extent these provisions are not the same as the provisions in the Lease regarding the Indemnitor’s indemnity obligations, the Indemnitor shall comply with those provisions that most broadly protect Indemnitee.

9. Assignments Prohibited. The Service Provider is prohibited from transferring or assigning its rights and obligations under this Agreement to any third party. If the Service Provider is an entity, then any one time or cumulative transfer by the owners of the Service Provider of 50 percent or more of their Interest (defined below) in the Service Provider to any third party shall constitute such a prohibited assignment. For purposes of this paragraph, an individual’s or entity’s “**Interest**” in the Service Provider means such party’s ownership interest or voting interest in the Service Provider, or such individual’s right to receive net income from the Service Provider’s operations.

10. Subcontracting Prohibited. The Service Provider shall not subcontract any of its duties, burdens, or obligations under this Agreement. For purposes of this Agreement, the terms “subcontract” and “subcontracting” also includes entering into partnerships, joint ventures and other arrangements involving the sharing, delegation or oversight of any of the Service Provider’s rights or obligations under this Agreement.

11. Change in Key Management Personnel Requires VMRC’s Consent. The Service Provider shall promptly notify VMRC in writing upon any change in key management personnel. For purposes of this Agreement, the key management personnel of the Service Provider are (1) Chanese Thomas, Program Administrator, (2) Beth Caraccio, Vice President, IDD Services (3) anyone else reasonably identified by VMRC as key management personnel.

12. Nondiscrimination in Services, Benefits and Facilities.

12.1 Neither the Employer nor the Union shall discriminate against any employee or applicant for employment on account of age, genetic information/characteristics, marital status, medical condition (including cancer or record or history of cancer), or AIDS/HIV status, mental or physical disability, national origin and ancestry (including language use restrictions), pregnancy/perceived pregnancy, sex/gender including: gender identity or gender expression (this includes transgender status and those who are transitioning or have transitioned), race and color, religion, sexual orientation and military and veteran status.

12.2 Contractor shall ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination. Contractor shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et seq.), the regulations promulgated thereunder (California Administrative Code, Title 2, Section 12900 et seq.) the provisions of Article 9.5, Chapter 1 (Government Code, Sections 11135-11139.5). Contractor or recipient shall permit access by representatives of the Department of Fair Employment and Housing, and the Regional Center of the East Bay upon reasonable notice at any time during normal business hours, but in no case less than 24-hours' notice, to such of its books, records, accounts, other sources of information and its facilities as said Department or regional center shall require to ascertain compliance with this clause.

12.3 Recipient, Contractor, and its subcontractors shall give written notice of their obligations under this clause to labor organizations.

13. Monitoring of the Service Provider. In accordance with the Welfare and Institutions Code, DDS and/or VMRC must monitor services purchased for VMRC's Consumers. Unless otherwise indicated, the Service Provider shall be notified of intended visits and their purpose at least 48 hours in advance of the visit. Unannounced visits shall be limited to situations where the circumstances clearly warrant such action, i.e., where there is reason to believe that the purpose of the visit would be thwarted if advance notice were given. In such event, VMRC and/or DDS may recover from the Service Provider funds paid for services when VMRC or DDS determines that services were not provided in accordance with VMRC's authorization or with applicable State laws or regulations. The Service Provider has the right to appeal actions taken by VMRC or DDS as a result of their monitoring findings, in accordance with applicable law and regulations.

14. Books and Records. During the term of this Agreement and for a minimum of five years thereafter, the Service Provider shall maintain records of services to Consumers to verify the provision of services and to document progress toward each Consumers' goals (or lack thereof), or changes in each Consumer or his or her behavior. (If a service is on an infrequent or irregular basis, records must be specific to the date, time, location, and service provided.)

15. DDS and VMRC Audits. The Service Provider shall make available any books and records, including corporate records, for audit, inspection or reproduction by authorized representatives of DDS, VMRC or any other appropriate State agency; such inspection of records

shall be conducted with the minimum amount of disruption to the Service Provider's program. The Service Provider agrees to utilize and be bound by Title 17, California Code of Regulations, Sections 50600 et seq., should the Service Provider elect to appeal any audit adjustments. The Service Provider also agrees to accept liability for any audit adjustments disclosed by audit and make prompt payment of amounts owed, unless appealed and liquidation is stayed pursuant to Title 17, California Code of Regulations, Section 50605.

16. Service Provider Reviews and Audits: This Section 16 applies when all payments Service Provider cumulatively receives from VMRC and other regional centers during Service Provider's fiscal year (as determined on the Commencement Date of this Agreement) equals or exceeds \$500,000.

16.1 Service Provider shall, at VMRC's request and at the Service Provider's cost, cause an independent Certified Public Accountant to annually (1) provide either an independent review report of the Service Provider's financial statements when the amount received from all regional centers during the Service Provider's fiscal year is more than or equal to \$500,000, but less than \$2,000,000, or provide an independent audit if the amount received from all regional centers during the Service Provider's fiscal year is equal to or more than \$500,000; and (2) provide a copy of either the review results (the "**Review Report**") or the annual audit results (the "**Audit Report**") to VMRC.

16.2 If the Service Provider engages an independent Certified Public Accountant to review (but not audit) Service Provider's 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).

16.3 Service Provider shall commence the independent audit or review within 60 days after the end of Service Provider's fiscal year. Service Provider shall complete the audit or review within 7 months after the end of the Service Provider's fiscal year.

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

16.5 If VMRC believes that any issues identified in the Audit Report or Review Report have an impact on services the Service Provider provides to VMRC's Consumers, VMRC will so notify the Service Provider and provide the Service Provider with 30 days to resolve such issues. Service Provider's 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.

17. Cap on Service Provider's Administrative Costs. Service Provider agrees that it will not spend more than 15% of the funds it receives from VMRC under this Agreement on the Service Provider's administrative costs. For purposes of this paragraph, the Service Provider's administrative costs shall include all of the items listed under California Welfare and Institutions

Code §4629.7(a)(1) through (15), as such provisions may be amended from time to time. Conversely, those costs the Service Provider incurs that are immediately associated with the services the Service Provider offers to VMRC's Consumers are considered direct service expenditures and are not administrative costs. To ensure the Service Provider complies with these requirements, the Service Provider shall provide VMRC with access to all books, documents, papers, computerized data, source documents, consumer records, and other records pertaining to the Service Provider's negotiated rates, upon VMRC's request.

18. Independent Contractor Status. No relationship of employer and employee is created by this Agreement. The parties do not intend to create a partnership or similar relationship by this Agreement. The Service Provider and its agents and employees shall, in the performance of this Agreement, act in independent capacities, as independent contractors, and not as officers, employees, agents or representatives of VMRC or the State of California. The Service Provider agrees to perform its services at all times in strict accordance with currently approved methods and practices, and the sole interest of VMRC is to ensure that the Service Provider's services shall be performed and rendered in a competent, efficient, timely and satisfactory manner and in accordance with the terms of this Agreement.

19. Applicable State Laws and Regulations. The Service Provider shall comply with all California and Federal statutes, laws, and regulations applicable to the Service Provider, and shall render services in accordance with the applicable provisions of California State laws, regulations promulgated thereunder, and the terms of this Agreement. Any provisions of this Agreement which conflict with State and Federal statutes and regulations are hereby amended to conform to the provisions of those statutes and regulations; such amendments shall be effective on the effective date of the statute(s) or regulation(s) necessitating it and shall be binding on the parties even though such amendment may not have been reduced to writing as a part of this Agreement or an amendment hereto.

19.1 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. All 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, Contractor 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, Contractor shall execute the "*Business Associate Agreement – Contractor*" attached to this Agreement and incorporated herein as Exhibit E.

20. The Funding Contingency. Notwithstanding anything in this Agreement to the contrary, the validity of this Agreement (including VMRC's obligation to remit payments to the Service Provider) is conditioned on VMRC's receipt of adequate funds from DDS to pay for the services described in this Agreement (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 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 for any period covered by this Agreement or (2) VMRC receives funds from DDS for a period covered by this Agreement 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, and therefore elects to fund other services rather than the services identified in this Agreement or (3) VMRC receives funds from DDS for a period covered by this Agreement and initially allocates a portion of such funds for the services in this Agreement, but thereafter elects to reallocate some or all of such DDS funds to fund services other than the services in this Agreement. When insufficient funds exist for VMRC to pay for all potential services, VMRC shall have the right (under clauses (2) and (3) above) in its sole and arbitrary discretion to fund services other than the services identified in this Agreement, based on which services VMRC believes are in its best interests. If there is a failure of the Funding Contingency, then (1) VMRC shall have no liability to pay any funds whatsoever to the Service Provider (other than funds for services previously validly performed by 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 addition to the above, if there are insufficient funds available from DDS to pay for all of the vendor services and other expenses that VMRC expects to incur in any fiscal year, as determined by VMRC in its sole and arbitrary discretion, VMRC shall have the option at any time, on 30 days' notice to the Service Provider, to reduce or change the scope of services being provided under this Agreement. In such event, the parties will in good faith negotiate to attempt to agree on the Service Provider's new amount of compensation under the modified Agreement. If the parties are unable to agree on the Service Provider's new compensation for its modified services within such 30 day period, VMRC shall then either (1) terminate this Agreement, because of the failure of a Funding Contingency or (2) rescind its modification of the Service Provider's services, in which event this Agreement shall continue in full force and effect without such modification in services or compensation.

21. Default and Breach.

21.1 Notice of Default; Breach. If a party (the "**Complainant**") asserts that the other party to this Agreement has violated any of the provisions of this Agreement, the Complainant shall so inform the other party (the "**Party in Default**") in writing and shall state the nature of such default in detail (the "**Notice of Default**"). If the default is curable, the Complainant shall give the Party in Default 30 days from receipt of the Notice of Default to cure such default. The failure of the Party in Default to timely cure the default shall constitute a breach of this Agreement by the Party in Default (the "**Breach**"); provided, however, if the default is curable but is not reasonably susceptible of cure within such 30-day period, the Party in Default shall not be considered in Breach as long as the Party in Default commences the cure within such 30-day period and thereafter diligently prosecutes such cure to completion.

21.2 Service Provider's Default Based on Severe Misconduct. If the misconduct of the Service Provider or its agents, employees or representatives results in imminent danger to the health or safety of any Consumer, VMRC may inform the Service Provider in the Notice of Default that such default is non-curable. In such event, the Service Provider (1) will not have any cure rights and (2) shall be considered automatically in Breach of this Agreement on the second business day after VMRC delivers the Notice of Default. Circumstances which constitute imminent danger to the health or safety of a Consumer include, but are not limited to: physical, emotional, or mental abuse, sexual misconduct, Consumer abandonment or neglect, theft of a Consumer's money or property, violation of a Consumer's rights under the law, placement of a Consumer in physical danger, or any other circumstance that brings potential physical or emotional harm to a Consumer.

22. Termination and Other Remedies.

22.1 VMRC's Remedies After Notice of Default. If the Service Provider fails to perform under this Agreement, then VMRC may, upon its delivery of a Notice of Default, withhold all or part of the unremitted funds due under this Agreement (and under any other agreement between VMRC and the Service Provider) until satisfactory corrective measures are taken by the Service Provider.

22.2 VMRC's Remedies Upon Breach. Upon the Service Provider's Breach of this Agreement, VMRC may (1) transfer all or part of the tasks to be performed under this Agreement to another provider, either temporarily or permanently, and/or (2) perform the task itself and at the expense of the Service Provider and/or (3) terminate this Agreement for cause and without further notice.

22.3 Service Provider's Remedies. If VMRC defaults and then fails to timely cure its default under this Agreement, then the Service Provider may, upon a Breach by VMRC, terminate this Agreement and obtain recovery of its actual damages as its sole and exclusive remedy. The Service Provider hereby waives all right to seek or obtain consequential damages, indirect damages, lost profits and punitive damages from VMRC.

22.4 Special Termination Provision for an EBSH. In addition to all of VMRC's other rights and remedies, VMRC may terminate this Agreement on 30 days' notice, in accordance with Welfare and Institutions Code §4684.85(a) and 17 CCR §59058, when VMRC determines that the Service Provider is unable to maintain substantial compliance with state laws, regulations or this Agreement, or the Service Provider demonstrates an inability to ensure the health and safety of the Consumers residing in the Residence. If VMRC terminates this Agreement pursuant to Welfare and Institutions Code §4684.85(a), the Service Provider may appeal such decision in accordance with the procedures in Welfare and Institutions Code §4684.85(b).

22.5 Special Termination Provision Resulting from Loss of Certification or Licensure. DDS's rescission of the Service Provider's program certification pursuant to Welfare and Institutions Code §4684.85(c), or the State Department of Social Services' revocation of the Service Provider's residential care facility license for the Residence pursuant to Health and Safety Code Section 1550, shall constitute a Breach of this Agreement by the Service Provider.

22.6 Termination Without Cause. Notwithstanding anything in this Agreement to the contrary, party to this Agreement may terminate this Agreement at any time without cause upon 180 calendar days prior written notice to the other party. Notwithstanding the foregoing, if a failure of the Funding Contingency (described in Section 20 above) occurs, VMRC may, at its option, terminate this Agreement without cause on 60 days written notice to the Service Provider.

22.7 Consequences of Termination. Upon the termination of this Agreement for any reason, with or without cause, the Service Provider shall execute all documents and perform all acts reasonably requested by VMRC to ensure a smooth transition of all of the Service Provider's rights and responsibilities at the Residence to a new service provider (including but not limited to compliance with all provisions in the Lease).

22.8 Specific Performance. The parties acknowledge that a Breach of this Agreement by the Service Provider will result in significant damages to VMRC, which is impossible or extremely difficult to determine, and that monetary damages would be an inadequate remedy for such Breach. Further, the Service Provider's failure to sign the Lease or assign its interest in the Lease (if so instructed by VMRC) or otherwise cooperate to insure a smooth transition of all of the Service Provider's rights and responsibilities at the Residence to a new service provider, could jeopardize the health and safety of VMRC's Consumers. As such, the parties agree that VMRC has the right to specifically enforce the Service Provider's obligations under this Agreement. Thus, VMRC may obtain a temporary restraining order, preliminary injunctive relief and permanent injunctive relief to require the Service Provider to perform its obligations to VMRC, including but not limited to its obligation to assign its interest in the Lease to a new service provider, if applicable.

23. Cooperation with VMRC. This Agreement and the Lease reflect 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. The Service Provider acknowledges that VMRC and/or DDS are continuing to develop policies, procedures, and regulations in connection with the Service Provider's intended operation of the Residence. Therefore, the Service Provider agrees to fully cooperate with VMRC and DDS in connection with such ongoing development of this new concept, including revising its own procedures to meet any new policies, procedures and regulations that may be implemented by VMRC relating to the Residence and its operation. Further, the Service Provider agrees to enter into amendments to this Agreement at the request of VMRC from time to time, to further reflect and refine the Service Provider's rights and obligations relating to the Consumers under its care, as long as such amendments do not materially increase the Service Provider's obligations under this Agreement. The Service Provider shall also take all actions and execute all documents necessary or appropriate to perform its obligations under this Agreement.

24. Change in Scope of Services. During the term of this Agreement, VMRC may request changes in the scope of the Service Provider's services. Such changes shall not be valid unless accepted by the Service Provider and memorialized in a writing executed by all parties. The Service Provider's entitlement to any additional compensation for additional services is conditioned on the execution of such written agreement.

25. 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 (1) on the day of the delivery in person, (2) the next business day if delivered by overnight carrier or (3) two business days after the mailing of such document by certified or registered mail.

25.1 Mail. All notices which are mailed shall be sent either by United States first class mail (registered or certified, return receipt requested), or by Federal Express or other express delivery service providing proof of receipt, addressed as follows:

To: Valley Mountain Regional
Center
Attn: Brian L. Bennett
P.O. Box 692290
Stockton, CA 95269-2290
bbennett@vmrc.net

To the Service Provider:
Terrence Mc Nelis, EVP of IDD
Merakey USA, INC. Merakey Allos
Enhanced Behavior Supports Homes
Erdenhiem PA 19038
TMcNelis@merakey.org

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

26. Website Link to DDS Consumer Complaint Process. This Paragraph shall only apply if Service Provider has a website. In accordance with Welf. and Inst. Code Section 4704.6, Service Provider shall conspicuously post on its Internet Website a hyperlink to the DDS Internet Website page at <https://www.dds.ca.gov/general/appeals-complaints-comments/> and DDS's contact information at <https://www.dds.ca.gov/general/contact-us/>.

27. Attorneys' Fees. If any action or proceeding is commenced to enforce any provision or right under this Agreement, the unsuccessful party to such action or proceeding shall pay the prevailing party all costs, expenses, and reasonable attorneys' fees incurred by such party. Further, if such prevailing party shall recover judgment in any such action or proceeding, such costs, expenses and attorneys' fees shall be included as part of such judgment.

28. Authority to Sign. All individuals executing this Agreement acknowledge and warrant that they possess the authority to enter into this Agreement on behalf of their respective entities.

29. Amendments. No supplement, modification, understanding, verbal agreement, or amendment of this Agreement shall be binding unless executed in writing by VMRC and the Service Provider. The parties that, in accordance with 17 CCR §59057(d), the execution of any

amendment or modification to this Agreement shall be in accordance with all applicable laws and shall be by mutual agreement by both parties.

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

31. No Waiver. No waiver by either party of the other's Breach of any provision of this Agreement shall constitute a waiver in the future of the same or any other subsequent Breach by the other party. The failure of either party 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 between 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 this Agreement.

32. Time of the Essence. Time is the essence with respect to all of each party's obligations under this Agreement.

33. 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 Alameda County, California.

34. Interpretation. The section headings in no way define, limit, extend or interpret the scope of this Agreement or any particular paragraph, and the masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others whenever the context so indicates. The provisions hereof shall not be construed against the drafter, but rather as if both parties drafted this Agreement. The remedies herein reserved shall be cumulative and additional to any other remedies in law or equity.

35. Start-Up Agreement; Entire Agreement; Inconsistencies. VMRC and the Service Provider are parties to a Start-Up Development Agreement dated June 30, 2020 (the "**Start-Up Agreement**"), by which VMRC provided certain start-up funding to the Service Provider relating to the development of services for Consumers of the Residence. The Start-Up Agreement is a separate contract, which remains in effect in accordance with its terms. The Start-Up Agreement, this Agreement and the exhibits hereto constitute the entire agreement and understanding between the parties pertaining to the subject matter contained herein, and supersede all prior agreements, representations, and understandings of the parties, either oral or written. However, if any inconsistencies exist between the Start Up Agreement and this Agreement, the provisions of this Agreement shall prevail.

36. Cross Default Provisions. This Agreement relates to the Service Provider's operation of this particular Residence, and no other residence. The parties may enter into other service agreements, including but not limited to start-up contracts and service provider agreements, to allow the Service Provider to operate this and other residences (collectively, the "**Other Agreements**"). A breach by the Service Provider under any of the Start Up Agreement or any of the Other Agreements shall be deemed a Breach by the Service Provider under this Agreement. A

Contractor: Merakey

Vendor No: HV0589

Page: 19 of 26

Breach by the Service Provider under this Agreement shall be deemed a breach by the Service Provider under the Start Up Agreement and all of the Other Agreements.

-No Further Text on This Page-

37. Counterparts; Delivery. This Agreement may be executed in counterparts, each which shall be deemed an original and all of which shall constitute one and the same 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 San Leandro, California, as of the date first set forth above.

VMRC:

Valley Mountain Regional Center,
a California nonprofit corporation

By: _____
Brian L. Bennett,
Director, Community Services

SERVICE PROVIDER

Merakey Allos

By: _____
Terrence Mc Nelis,
Exec. VP of IDD

EXHIBITS:

- A – Program Plan
- B – Confirmation of Commencement
- Date C – Lease Agreement
- D - Facility Rate DS 6023
- E – Business Associate Agreement

EXHIBIT "A" TO SERVICE PROVIDER AGREEMENT

PROGRAM PLAN

-Attached-

[Attach Program Plan Here]

EXHIBIT "B" TO SERVICE PROVIDER AGREEMENT

CONFIRMATION OF COMMENCEMENT DATE

The undersigned are parties to a Service Provider Agreement for an EBSH dated May 01, 2021 for property located at 205 Hillside Road, Antioch, CA 94509.

The undersigned agree that the "Commencement Date" of the Service Provider Agreement was March 01, 2021.

Executed at San Leandro, California on May 01, 2021.

"VMRC"

Valley Mountain Regional Center
P.O. Box 692290
Stockton CA 95269-2290
bbennett@vmrc.net

"Service Provider"

Merakey Allos
906 Bethlehem Pike
Erdenhiem Pa 19038
TMcNelis@merakey.org

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT "C" TO SERVICE PROVIDER AGREEMENT

THE LEASE ADDENDUM

-Attached-

EXHIBIT "D" TO SERVICE PROVIDER AGREEMENT

DS6023 Facility Rate Sheet

-Attached-

RATE DEVELOPMENT - FACILITY COSTS

DS 6023 (Rev 10/2016)

A. FACILITY TYPE
☒ Enhanced Behavioral Supports Home
 ☐ Community Crisis Home
 ☐ Other _____
B. CONTACT INFORMATION

Vendor Name: Merakey Vendor # _____

Address: 8617 Tenaya Court

City: Stockton State: CA Zip: 95212

C. CATEGORIES AND DESCRIPTIONS OF COSTS

	Total Monthly Cost	Notes
1. Payroll Costs		
a. Administrator Salary	6,084.00	1 FTE - \$35.10/hr
b. Administrator Payroll Taxes	557.24	8.61% of Administrator Sal
c. DSP Lead Salary (168 Hours/Week)	18,720.00	4 - FTEs - \$26/hr
d. DSP Lead Payroll Taxes	1,714.60	8.61% - Lead DSP sal
e. Workers Compensation	1,221.15	4.92% of Lead and Adminis
f. Benefit Allowance: Medical, Dental, etc.	6,883.11	0.55% 403(b). 27.2% H&W
g. Other Costs: Describe in notes	0.00	
Total Administrator Payroll Costs	\$ 35,180.10	
2. Facility Related		
a. Rental, Lease, or Mortgage, include Homeowner's Assoc. Dues	5,252.00	Lease
b. Property Taxes	0.00	
c. Combined Utilities: Gas, Electric, Water, Garbage	897.75	See attached schedule
d. Janitorial Service, Gardening	308.73	See attached schedule
e. Transportation: Vehicle, Maintenance, Fuel (not DP/School)	1,120.85	See attached schedule
f. Telephone: Long Distance, Cell Phones, Pagers	225.00	See attached schedule
g. Office Supplies	251.78	See attached schedule
h. Insurance: Business Liability, Auto	1,697.32	See attached schedule
i. Fees for Licenses and Memberships	33.83	See attached schedule
j. Other Costs: Repairs/Maintenance/Modifications	440.00	See attached schedule
k. Other Costs: Cable and Internet	267.58	See attached schedule
l. Other Costs: Describe in notes	6,653.46	See attached schedule
Total Facility Related Costs	\$ 17,148.30	
TOTAL FACILITY COSTS	\$ 52,328.40	

D. SIGNATURES

Vendor Signature: *Terrence McNelis* Date: 04/08/2021

Print Name: Terrence McNelis, Executive Vice President, IDD Services

Regional Center Representative Signature: *Brian L. Bennett* Date:

Print Name: Brian L. Bennett, Director of Community Services; Tony Anderson, Executive

DEPARTMENT OF DEVELOPMENTAL SERVICES

1600 NINTH STREET, Room 330, MS 3-9
SACRAMENTO, CA 95814
TTY: 711
(916) 654-2140



May 25, 2021

Tony Anderson, Executive Director
Valley Mountain Regional Center
702 North Aurora Street
Stockton, CA 95202

Dear Mr. Anderson:

Pursuant to Welfare & Institutions (W&I) Code section 4684.81(f), and based upon the documentation provided to the Department of Developmental Services (DDS) from Valley Mountain Regional Center (VMRC), which included:

- Merakey - Tenaya Enhanced Behavioral Supports Home (EBSH) - Group Home 4-bed Program Plan, received from VMRC on February 26, 2021;
- Total monthly facility rate of \$52,328.40 for Merakey Tenaya, beginning with the initial consumer placement;
- VMRC letter dated March 11, 2021, recommending DDS certification;
- Administrator of record: Chanese Thomas, with the provision the administrator is full-time and only oversees Merakey - Tenaya; and,
- Qualified Behavior Modification Professional (QBMP) of record: Dr. Cheri Worcester.

Your recommendation for program certification of the below-named facility is hereby approved:

Merakey Tenaya
8617 Tenaya Court,
Stockton, CA 95212

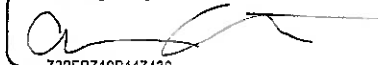
It is important that you remind the licensee of its responsibilities of adhering to the requirements of Title 22 Regulations, Division 6, Chapter 5 Sections 84000-84369 and Sections 89900-89990, as required by the Department of Social Services (DSS).

“Building Partnerships, Supporting Choices”

Tony Anderson, Executive Director
May 25, 2021
Page two

A copy of this letter must be kept in the facility at all times. Any proposed change in facility operations altering the contents of the approved program plan, monthly facility rate, administrator, or QBMP, must be reported to DDS and VMRC, and approved by both agencies prior to implementation.

Sincerely,

DocuSigned by:

739FB719B147430

CHRISTINE GEPHART, RN, MSN
Deputy Director
Office of Statewide Clinical Services

cc: Beth Caraccio, Merakey
Cindy Mix, VMRC
Brian Bennett, VMRC
Melinda Gonser, VMRC
Dara Campos, DSS
Margo Castaneda, DSS
Catherine Knight, DDS
Linda Brice, DDS
Alison Giannini, DDS
Barbara Smith, DDS
Tamara Kidwell, DDS

Date	Donor	Amount
05/13/21	Frontstream	28.22
05/13/21	Frontstream	480.00
05/13/21	Frontstream	25.00
05/20/21	United Way/Bud Mullanix	29.75
05/27/21	Blackbeard Giving Fund/PG&E	60.00
		<u>622.97</u>
Total Fund Balance 5/27		\$ 22,452.61