



Finance Committee Meeting

Tuesday, July 13, 2022, 5:30 PM

Hybrid - VMRC Stockton Office Cohen Board Room and via Zoom Video Conference

702 N. Aurora Street

[https://us06web.zoom.us/j/89168827143?](https://us06web.zoom.us/j/89168827143?pwd=N0RJcmVqTnFDUzhzcERHU1B2N2svQT09&from=addon)

[pwd=N0RJcmVqTnFDUzhzcERHU1B2N2svQT09&from=addon](https://us06web.zoom.us/j/89168827143?pwd=N0RJcmVqTnFDUzhzcERHU1B2N2svQT09&from=addon), Meeting ID: 891 6882 7143,
Passcode: 551429, One tap mobile +16699006833

Stockton, CA, 95202



Meeting Book - Finance Committee Meeting

Finance Committee Meeting

- | | |
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| A. Review and Approval of Meeting Agenda
Alicia Schott | Action |
| B. Review and Approval of Finance Committee Meeting Minutes of 06/08/22
Alicia Schott | Action |
| C. Approval of Contracts over \$250,000
Corina Ramirez | Action |
| D. Fiscal Department Update
Melissa Stiles | |
| 1. Contract Status Report (CSR) | Action |
| 2. Purchase of Service (POS) Expenditures
Melissa Stiles | |
| 3. Operations (OPS) Expenditures
Melissa Stiles | |
| E. Next Meeting - Wednesday, August 10, 2022, VMRC Stockton
Office Cohen Board Room and Via Zoom Video Conference (Hybrid)
Alicia Schott | |



Minutes for Finance Committee Meeting

06/08/2022 | 05:30 PM - 06:30 PM

VMRC Stockton Office, Cohen Board (702 N. Aurora Street, Stockton, CA 95202) Room and Via Zoom Video

Committee Members Present: Alicia Schott, Lisa Utsey, Jose Lara, Connie Uychutin

Committee Members Not Present: Margaret Heinz, Linda Collins

VMRC Staff Present: Melissa Stiles, Doug Bonnet, Tony Anderson, Christine Couch

Others Present: Rachelle Munoz, Molly Curtis, Lynda Mendoza, Irene Hernandez (Interpreter)

A. Review and Approval of Meeting Agenda

Alicia Schott reviewed the agenda. Lisa Utsey made a motion to approve the agenda. Connie Uychutin seconded the motion. The motion passes with unanimous consent.

B. Review and Approval of Finance Committee Meeting Minutes of 05/11/22

Alicia Schott reviewed the minutes. Jose Lara made a motion to approve the minutes of 05-11-2022. Lisa Utsey seconded the motion. The motion passes with unanimous consent.

C. Approval of Contracts over \$250,000

Doug Bonnet presented the approval of Options Forward contract expiring 8/31/2022 over \$250,000. The committee asked about the increase in this contract. Brian emailed that the increase was due to minimum wage increases as well as usage increase. Lisa Utsey made a motion to approve the

contract for Options Forward. Jose Lara seconded the motion. Connie Uychutin abstained. The motion passed.

D. Fiscal Department Update

1. Contract Status Report (CSR)	Action Item
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Melissa Stiles reviewed the CSR as of April 30, 2022. Connie Uychutin made a motion to approve the CSR as presented. Lisa Utsey seconded the motion. The motion passed unanimously.

2. Purchase of Service (POS) Expenditures

Melissa Stiles reviewed the POS Expenditures as of April 30, 2022. Melissa reviewed the higher cost categories: Day training has increased due to increased use; Non-Medical Services Professional includes Self Determination Program; Non-Medical Services Programs due to an increased number of consumers using psychiatry; Other Authorized Services includes vehicle modification and personal assistance services, which have increased in use.

3. Operations (OPS) Expenditures Melissa Stiles, CFO

Melissa Stiles reviewed the OPS Expenditures as of May 18, 2022.

4. Consumer Growth Report

Melissa Stiles reviewed the increased growth in Intake and Early Start. She compared active to total consumers (includes Intake and Early Start), 681 active consumers more than last year, 1285 more total consumers than last year.

5. Cash Balance Report Melissa Stiles, CFO

Melissa reviewed the cash balance and doesn't foresee a need to borrow cash to complete the fiscal year, including all check runs for the month of June and July, 2022.

E. Next Meeting - Wednesday, July 13, 2022, VMRC Stockton Office Cohen Board Room and Via Zoom Video Conference (Hybrid)

Contract Board Approval Report

Contracts Expiring:
9/30/2022

VendorNumber	VendorName	SrvCode	VendorCategory
H15677	Blue Mountain Transit	875	Transportation Companies

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$1,404,000	10/1/2021	9/30/2022	Brian Bennett	RD

Rate

\$1.96 per actual mile; \$11.63 per bus aide per hour; \$874.76/cons/mo for ASD services only

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	0.00%
\$1,404,000	10/1/2022	9/30/2023	Auto Renewal	Extend Contract		

PropRate

\$1.96 per actual mile; \$11.63 per bus aide per hour; \$874.76/cons/mo for ASD services only

VendorNumber	VendorName	SrvCode	VendorCategory
SV0016	Camello Supported Living Services	896	Supported Living Services

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$720,000	10/1/2021	9/30/2022	Brian Bennett	RD

Rate

\$34.29/hr

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	0.00%
\$720,000	10/1/2022	9/30/2023	Auto Renewal	Extend Contract		

PropRate

\$34.29/hr

VendorNumber	VendorName	SrvCode	VendorCategory
HV0460	J Ballelos Comm Integration Progm CITP	55	Community Integration Training Program

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$630,000	10/1/2021	9/30/2022	Brian Bennett	RD

Rate

\$83.94/cons/day; \$1,645.46/cons/mo for Alt Svcs only

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	14.29%
\$720,000	10/1/2022	9/30/2023	Auto Renew Amend	Increase NTE\$		

PropRate

\$83.94/cons/day; \$1,645.46/cons/mo for Alt Svcs only

Contract Board Approval Report

Contracts Expiring:
9/30/2022

VendorNumber	VendorName	SrvCode	VendorCategory
PV0526	Lifeworks-ACS Giggles Early Intervention Services	116	Early Start Specialized Therapeutic Services

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$875,522	10/1/2021	9/30/2022	Claire Lazaro	Clinical

Rate

\$129.54/hr-Home Visits; \$228.21/hr-Foothills Home Visits; \$171.16/discipline-Intake Elig Evals; \$199.68/Intake Elig Eval w/Family Assmt; \$290.97 per SI Eval; \$290.97 per ST Autism Eval; \$0.505/mile-Home Visits

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	0.00%
\$875,522	10/1/2022	9/30/2023	Auto Renewal	Extend Contract		

PropRate

\$129.54/hr-Home Visits; \$228.21/hr-Foothills Home Visits; \$171.16/discipline-Intake Elig Evals; \$199.68/Intake Elig Eval w/Family Assmt; \$290.97 per SI Eval; \$290.97 per ST Autism Eval; \$0.505/mile-Home Visits

VendorNumber	VendorName	SrvCode	VendorCategory
P22560	Lifeworks-ACS	773	Occupational Therapy

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$342,506	10/1/2021	9/30/2022	Claire Lazaro	Clinical

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 \$:	0.00%
\$342,506	10/1/2022	9/30/2023	Auto Renewal	Extend Contract		

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

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

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$981,792	10/1/2021	9/30/2022	Brian Bennett	RD

Rate

\$15,851.31 cons/mo, inclusive of SSI

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	0.00%
\$981,792	10/1/2022	9/30/2023	Auto Renewal	Extend Contract		

PropRate

\$15,851.31 cons/mo, inclusive of SSI

Contract Board Approval Report

Contracts Expiring:
9/30/2022

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

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$3,600,000	10/1/2021	9/30/2022	Claire Lazaro	Clinical

Rate

\$131.71/hr-Home Visits; \$171.16/discipline-Intake Elig Evals & indiv clinical specialist asmts; \$199.68/Intake Elig Eval w/Family Assmt; \$290.77 per SI Eval; \$290.77 per ST Autism Eval; \$131.71 hrm NTE 7 hrs/ for AAC

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	5.56%
\$3,800,000	10/1/2022	9/30/2023	Auto Renew Amend	Increase NTE\$		

PropRate

\$131.71/hr-Home Visits; \$171.16/discipline-Intake Elig Evals & indiv clinical specialist asmts; \$199.68/Intake Elig Eval w/Family Assmt; \$290.77 per SI Eval; \$290.77 per ST Autism Eval; \$131.71 hrm NTE 7 hrs/ for AAC

VendorNumber	VendorName	SrvCode	VendorCategory
PQ7264	Psychiatric Centers at San Diego	780	Psychiatrist

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$900,000	10/1/2021	9/30/2022	Claire Lazaro	Clinical

Rate

\$250/hr

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	0.00%
\$900,000	10/1/2022	9/30/2023	Auto Renewal	Extend Contract		

PropRate

\$250/hr

VendorNumber	VendorName	SrvCode	VendorCategory
SV0030	Sierra Environmental & Social Svcs SESS, Inc.	896	Supported Living Services

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$1,620,000	10/1/2021	9/30/2022	Brian Bennett	RD

Rate

\$31.52 per hour; \$0.32 per mile for approved out of area appts.

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	48.15%
\$2,400,000	10/1/2022	9/30/2023	Auto Renew Amend	Increase NTE\$		

PropRate

\$31.52 per hour; \$0.32 per mile for approved out of area appts.

Contract Board Approval Report

Contracts Expiring:
9/30/2022

VendorNumber	VendorName	SrvcCode	VendorCategory
PV1796	Teamwork Speech Therapy	116	Early Start Specialized Therapeutic Services

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$380,156	10/1/2021	9/30/2022	Claire Lazaro	Clinical

Rate

\$129.53/hr-Home Visits; \$171.17/discipline-Intake Elig Evals & Clinical Spec Asmnts; \$199.68/Intake Elig Eval w/Family Asmnt; \$0.505/mile-Home Visits.

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	5.22%
\$400,000	10/1/2022	9/30/2023	Auto Renew Amend	Increase NTE\$		

PropRate

\$129.53/hr-Home Visits; \$171.17/discipline-Intake Elig Evals & Clinical Spec Asmnts; \$199.68/Intake Elig Eval w/Family Asmnt; \$0.505/mile-Home Visits.

Contract Board Approval Report

Contracts Expiring:
10/31/2022

VendorNumber	VendorName	SrvCode	VendorCategory
HV0089	California Mentor Family Home Agcy	904	Family Home Agency

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$2,008,104	11/1/2021	10/31/2022	Brian Bennett	RD

Rate

Tier 0=\$2,269.34; Tier 1=\$2,526.56; Tier 2=\$3,941.20; Tier 3=\$4,845.98; Tier 4-\$5,700.68

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	0.00%
\$2,008,104	11/1/2022	10/31/2023	Auto Renewal	Extend Contract		

PropRate

Tier 0=\$2,269.34; Tier 1=\$2,526.56; Tier 2=\$3,941.20; Tier 3=\$4,845.98; Tier 4-\$5,700.68

VendorNumber	VendorName	SrvCode	VendorCategory
SV0015	Community Compass CAN	896	Supported Living Services

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$599,301	11/1/2021	10/31/2022	Brian Bennett	RD

Rate

\$46.65 per direct service hour

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	10.13%
\$660,000	11/1/2022	10/31/2023	Auto Renewal	Extend Contract		

PropRate

\$46.65 per direct service hour

VendorNumber	VendorName	SrvCode	VendorCategory
HV0088	Community Compass Jackson Site	515	Behavior Management Program

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$1,440,000	11/1/2021	10/31/2022	Brian Bennett	RD

Rate

\$92.54/cons/day-DDS-set rate; \$1,425.24/cons/mo for Alt Svcs only

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	0.00%
\$1,440,000	11/1/2022	10/31/2023	Auto Renewal	Extend Contract		

PropRate

\$92.54/cons/day-DDS-set rate; \$1,425.24/cons/mo for Alt Svcs only

Contract Board Approval Report

Contracts Expiring:
10/31/2022

VendorNumber	VendorName	SrvCode	VendorCategory
HV0551	Futures Explored	94	Creative Art Program

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$436,522	11/1/2021	10/31/2022	Brian Bennett	RD

Rate

\$39.01 per consumer, per hour; \$3,479.08/cons/mo for Alt Svcs only.

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	23.71%
\$540,000	11/1/2022	10/31/2023	Auto Renew Amend	Increase NTE\$		

PropRate

\$39.01 per consumer, per hour; \$3,479.08/cons/mo for Alt Svcs only.

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

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$555,777	11/1/2021	10/31/2022	Brian Bennett	RD

Rate

\$9,449.25/mo, inclusive of SSI; respite rate is monthly rate divided by 21.

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	0.00%
\$555,777	11/1/2022	10/31/2023	Auto Renewal	Extend Contract		

PropRate

\$9,449.25/mo, inclusive of SSI; respite rate is monthly rate divided by 21.

VendorNumber	VendorName	SrvCode	VendorCategory
SV0031	Keyholders 360, Inc.	896	Supported Living Services

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$864,000	11/1/2021	10/31/2022	Brian Bennett	RD

Rate

\$31.52 per hour

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	0.00%
\$864,000	11/1/2022	10/31/2023	Auto Renew Amend	Increase NTE\$		

PropRate

\$31.52 per hour

Contract Board Approval Report

Contracts Expiring:
10/31/2022

VendorNumber	VendorName	SrvCode	VendorCategory
H00627	Storer Transportation Modesto	875	Transportation Companies

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$3,696,056	11/1/2021	10/31/2022	Brian Bennett	RD

Rate

\$2.57 per route mile; \$25.56 per bus aide per hour; \$531.40/cons/mo for Alt Svcs only

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	0.00%
\$3,696,056	11/1/2022	10/31/2023	New Contract	Extend Contract		

PropRate

\$2.57 per route mile; \$25.56 per bus aide per hour; \$531.40/cons/mo for Alt Svcs only

VendorNumber	VendorName	SrvCode	VendorCategory
HV0142	Storer Transportation Stockton	875	Transportation Companies

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$6,120,000	11/1/2021	10/31/2022	Brian Bennett	RD

Rate

\$3.46 per route mile and \$27.39 per hour for each bus aide + fuel sliding scale over \$1.25/gal; \$1,128.31/cons/mo for Alt. Svcs. Only

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	0.00%
\$6,120,000	11/1/2022	10/31/2023	New Contract	Extend Contract		

PropRate

\$3.46 per route mile and \$27.39 per hour for each bus aide + fuel sliding scale over \$1.25/gal; \$1,128.31/cons/mo for Alt. Svcs. Only

VendorNumber	VendorName	SrvCode	VendorCategory
HV0420	Vocational Coaching & Developmnt Institute (VCDI)	55	Community Integration Training Program

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$1,046,240	11/1/2021	10/31/2022	Brian Bennett	RD

Rate

\$84.27/cons/day; \$1,000 for CIEP; \$1,250 for CIE6; \$1,500 for CIE12; \$1,299.75/cons/mo for Alt Svcs only.

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	0.00%
\$1,046,240	11/1/2022	10/31/2023	Auto Renewal	Extend Contract		

PropRate

\$84.27/cons/day; \$1,000 for CIEP; \$1,250 for CIE6; \$1,500 for CIE12; \$1,299.75/cons/mo for Alt Svcs only.

Contract Board Approval Report

Contracts Expiring:
10/31/2022

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

Current Contract:

NTE	EffecDate	ExpDate	ResponsibleStaff	ResponsibleDept
\$291,491	11/1/2021	10/31/2022	Brian Bennett	RD

Rate

\$83.93/cons/day (DDS-set rate); \$1,427.79/cons/mo for Alt Svcs only

Proposed Contract:

PropNTE	PropEffDate	PropExpDate	Action:	ActionReason:	Increase/Decrease in NTE \$:	0.00%
\$291,491	11/1/2022	10/31/2023	Auto Renewal	Extend Contract		

PropRate

\$83.93/cons/day (DDS-set rate); \$1,427.79/cons/mo for Alt Svcs only

**Community Placement Plan Housing Agreement
Fiscal Year 2021-2022**

This CPP Housing Agreement (this "Agreement"), dated for reference purposes as of June 29th, 2022 (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 2021-22, 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, attached hereto as Exhibit E. 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 2021-22 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, 2023; 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 1st, 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.

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.

1. 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).
2. 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).
3. 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.

4. 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.
5. 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 B 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, 2023, 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.

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 32.4 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. As such, concurrently with its execution of this Agreement, Contractor shall execute the Business Associate Agreement, attached to this Agreement and incorporated herein as Exhibit F.
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: Community Services 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

VALLEY MOUNTAIN CENTER, INC.,
a California nonprofit corporation

By *Bill Pickel*
William F. Pickel, Executive Director

By: *Tony Anderson*
Anthony (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 E – Guidelines for Community Placement Plan
Exhibit F – Business Associate Agreement

EXHIBIT A

AVAILABLE CPP/CRDP ACQUISITION AND RENOVATION FUNDS

Project ID	Development Type	Maximum Acquisition Amount	Maximum Renovation Amount
VMRC-2122-8	EBSH Children's (4-bed) – CPP	\$350,000.00	\$400,000.00

EXHIBIT B

PROPERTY ACCEPTANCE AGREEMENT

(_____)
(address of property)

This Property Acceptance Agreement, dated for reference purposes as of _____, 20__, 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**"). The parties agree as follows:

1. The Agreement. Brilliant Corners and VMRC are parties to a Housing Agreement dated as of _____, 202__ (the "**Agreement**").
2. Property Subject to Agreement. The following property is hereby deemed subject to the terms and conditions of the Agreement: _____ (the "**Property**"). Brilliant Corners will develop the Property as [*identify type of housing*] housing.
3. Effective Date. The Agreement shall become applicable to the Property on the later of (1) the full execution of this instrument or (2) Brilliant Corners' acquisition of fee title to the property (the "**Effective Date**"). If the Effective Date has failed to occur by _____, 20__, this instrument shall automatically terminate on such later date.
4. Agreed Rent. The Agreed Rent (as defined in the Agreement) for the Property is \$_____ per month.
5. Counterparts; Delivery. This instrument 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 instrument 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

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

By: _____
William F. Pickel, Executive Director

By: _____
Anthony (Tony) Anderson, Executive Director

EXHIBIT C

FORM OF VMRC COMMITMENT LETTER

[VMRC LETTERHEAD]

[Date]

Mr. William Pickel
Brilliant Corners
1360 Mission Street # 300
San Francisco, CA 94103-2609

Re: *[Address of Applicable Property]*

Dear Mr. Pickel:

Brilliant Corners has informed Valley Regional Center ("VMRC") of Brilliant Corners' intention to purchase the property located at _____, California (the "Property") for use and operation as an affordable, supportive housing for individuals with developmental disabilities. Once purchased *[and renovated]*, the Property is intended to be licensed as a residential care facility providing housing to ____ consumers. VMRC is supportive of Brilliant Corners' intention to purchase the Property and use it for the benefit of developmentally disabled individuals.

This letter confirms that VMRC intends to purchase services from an approved vendor (the "Service Provider") that will enable VMRC's consumers to reside at the Property. VMRC will use its good faith efforts to identify the Service Provider, who will then lease the Property from Brilliant Corners. VMRC's consumers will then reside in the Property and receive services from the Service Provider. In exchange for the services provided by the Service Provider to VMRC's consumers, VMRC will include a payment to the Service Provider which shall take into consideration the Service Provider's rent and other housing costs of \$_____ per month in the aggregate at the Property.

In addition to the foregoing, VMRC has obtained conditional approval from the California Department of Developmental Services to provide up to \$_____ in funding to Brilliant Corners for its acquisition and development of the Property.

VMRC has committed to this project under its Housing Agreement dated _____, 201__, with Brilliant Corners, which governs the parties' legal rights and obligations. VMRC looks forward to partnering with Brilliant Corners to allow for Brilliant Corners' successful purchase and development of the Property for the benefit of VMRC's consumers.

[VMRC's Signature]

EXHIBIT D**FORM OF LEASE (AND LEASE ADDENDUM)****ADDENDUM TO LEASE**

This is an Addendum to the Lease dated _____, 20__ between Brilliant Corners, a California nonprofit corporation ("**Landlord**") and _____ ("**Tenant**") for premises commonly known as _____ in _____, California (the "**Premises**"). If any inconsistency exists between the Lease and the terms of this Addendum, the terms of this Addendum shall control.

The parties further agree as follows:

1. Third Party Beneficiary. Valley Regional Center, Inc., a California nonprofit corporation ("**VMRC**") is a third party beneficiary of both (1) Landlord's rights against Tenant and (2) Tenant's rights against Landlord under this Lease.
2. Use of the Premises; Permitted Uses. The Premises shall be used solely as a long-term residence for persons who are developmentally disabled and eligible for services from VMRC (the "**Permitted Use**"). Tenant shall not use the Premises for any other use without (1) Landlord's prior written consent, which shall not be unreasonably withheld, and (2) VMRC's prior written consent. The purpose of this provision is to ensure that the use of the Premises is maintained for the benefit of persons with developmental disabilities, in accordance with the Restrictive Covenant encumbering the Premises.
3. Vendorization Compliance. During the Term of this Lease, Tenant shall at all times: (1) maintain its vendorization with VMRC; (2) comply with all service provider vendorization and other applicable requirements under law (including but not limited to the applicable provisions in Titles 17 and 22 of the California Code of Regulations and Divisions 4.5 and 9 of the California Welfare and Institutions Code); and (3) comply with all requirements of Tenant's Service Provider Agreement with VMRC (hereinafter collectively, the "**Vendorization Requirements**"). VMRC's delivery of written notice to Landlord that Tenant is in breach of any Vendorization Requirement shall constitute a default and breach under this Lease; provided, however, VMRC will not provide such notice to Landlord until after (1) VMRC has notified Tenant in writing that Tenant is in breach of the Vendorization Requirements and (2) Tenant fails to cure such breach by the deadline set forth in VMRC's notice (based on the notice and cure periods set forth in the Service Provider Agreement between VMRC and Tenant in its capacity as Service Provider). Upon Landlord's receipt of such notice, Landlord shall promptly exercise its rights under the Lease to evict Tenant (or require Tenant to assign its rights under this Lease to a new Service Provider selected by VMRC as provided in Section 5 below); provided, however, (1) all costs of such eviction or lease assignment shall be borne by VMRC and (2) at VMRC's request, Landlord will delegate to VMRC the authority to engage counsel to evict Tenant on behalf of Landlord.
4. Insurance Policy Requirements. All insurance policies that Tenant is obligated to maintain under this Lease shall (a) provide that they will not be cancelled on less than 30 days' prior written notice to Landlord and VMRC and (b) in the case of liability policies, contain a named

insured endorsement and name Landlord and VMRC as "additional named insureds". Certificates of insurance shall be provided to Landlord and VMRC upon request during the Term.

5. Default; Special Notice, Cure and Assignment Rights Available to VMRC. Notwithstanding anything in the Lease to the contrary, no Tenant default shall occur until Landlord has also notified VMRC in writing of the breach and has given VMRC the same amount of time to cure the breach as Tenant is entitled under this Lease. If VMRC timely cure the breach, then VMRC may elect to designate a replacement tenant in lieu of Tenant (a "**Designee**") upon delivery to Landlord, as soon as practicable after such cure, of a written assumption by the Designee of Tenant's obligations under this Lease. VMRC will use its best efforts to ensure the tenant's lease obligations are met. The date of any such delivery of such written assumption of Tenant's obligations by Designee pursuant to the foregoing sentence is hereinafter referred to as the "**Default Assignment Date**." In the event of any such election, Landlord agrees to recognize the assignment of this Lease to the Designee, in the manner and on terms and conditions more fully described below, and to accept the performance by the Designee as the tenant under this Lease, subject to all of the terms and conditions hereof:

- 5.1 Upon a Default Assignment Date, Tenant shall be deemed to have made an absolute, irrevocable assignment without any condition precedent, for purposes of vesting in the Designee all of Tenant's right, title and interest in this Lease, and in and to the following intangible property, agreements and deposits which are now or hereafter used in connection with the operation of the Premises (collectively, the "**Intangibles**"): (1) Tenant's management agreements and service contracts for the benefit of the Premises and which can be terminated without penalty by Tenant within 30 or fewer days' notice; (2) all existing agreements with VMRC's consumers who reside on the Premises (the "**Residents**"), to the extent assignable by Tenant (excluding the right to any payments for periods prior to the Default Assignment Date); and (3) all deposits of any nature (including but not limited to security deposits, utility deposits and Residents' deposits), prepaid rent and Residents' personal accounts held by Tenant. Designee agrees to assume all of Tenant's obligations under the Intangibles from and after the Default Assignment Date.

- 5.2 Upon the Default Assignment Date, the Designee shall be responsible for and shall pay all accrued expenses with respect to the Premises accruing on or after the Default Assignment Date and shall be entitled to receive and retain all revenues from the Premises accruing on or after the Default Assignment Date.

- 5.3 Upon the Default Assignment Date, all necessary arrangements shall be made to provide possession of the Premises to the Designee as soon as is practicable, but in no event later than five (5) days after VMRC notifies Tenant of the name and address of the Designee. At the time Tenant transfers possession of the Premises to the Designee, Tenant shall deliver to VMRC and the Designee (1) all Resident records and other personal information concerning all Residents residing at the Premises as of the Default Assignment Date and (2) all financial statements and other relevant records used or developed in connection with the Premises or business conducted at the

Premises. Such transfer and delivery shall be in accordance with all legal requirements concerning the transfer of such records.

- 5.4 On the Default Assignment Date, Tenant shall provide VMRC with an accounting of all funds belonging to Residents at the Premises that are held by Tenant in a custodial capacity. Such accounting shall set forth the names of the Residents for whom such funds are held and the amounts held on behalf of each such Resident. Additionally, Tenant shall make or assist with all necessary arrangements to transfer such funds to a bank account designated by VMRC, and VMRC or its Designee shall in writing acknowledge receipt of and expressly assume all Tenant's financial and custodial obligations with respect thereto.
- 5.5 All cash, checks and cash equivalents at the Premises and deposits in bank accounts (other than any client trust accounts) relating to the Premises on the Default Assignment Date shall remain Tenant's property after the Default Assignment Date. Tenant shall remain responsible for the payment of its liabilities, including accounts payable and payment of rent hereunder. VMRC or its Designee shall assume responsibility for the billing and collection of payments on account of services rendered by Designee on and after the Default Assignment Date. All payments applicable to services rendered after the Default Assignment Date shall be retained by VMRC or its Designee. VMRC or its Designee shall cooperate with Tenant in Tenant's collection of its remaining accounts receivable. Neither VMRC nor its Designee shall have any liability for uncollectible receivables, and neither shall be obligated to bear any expense as a result of such activities on behalf of Tenant.
- 5.6 VMRC or its Designee shall have an option to purchase any, all, or none of Tenant's furnishings and equipment used in the operation of the Premises for a price equal to its then fair market value (provided, however, to the extent (1) such furnishings and equipment were already located at the Premises at the time Tenant began to lease the Premises or (2) Tenant or its predecessor(s) had purchased such equipment and furnishings with funds provided by VMRC or any of them, Tenant shall transfer ownership of such equipment and furnishings to VMRC or its Designee for no additional consideration). VMRC or its Designee may exercise its option at any time prior to the expiration of 30 days following the Default Assignment Date. If the parties are unable to agree upon the fair market value of any equipment or furnishings which VMRC or its Designee elects to purchase, VMRC shall remit what it reasonably believes to be fair market value, Tenant shall transfer the items to VMRC or its Designee and the parties shall resolve any remaining differences by jointly selecting a third party appraiser to value the items, and such appraiser's decision will be binding on the parties; if the parties are unable to agree on an appraiser, either party may petition to a judge of the Superior Court in the County in which the Premises is located to select an appraiser on behalf of the parties. VMRC or its Designee shall also have the right to purchase all, some, or none of Tenant's supplies on hand upon the Default Assignment Date for a price equal to their cost to Tenant. Such option may be exercised at any time prior to the expiration of 30 days following the Default Assignment Date.

- 5.7 VMRC or its Designee shall have the right to download, copy, or otherwise use any computer programs used in the operation of the Premises, without charge by Tenant, for a period of six months following the Default Assignment Date. Tenant agrees not to erase or delete any data available upon its computer system that relates to the operation of the Premises.
- 5.8 The parties acknowledge that in the event VMRC elects to cause this Lease to be assumed by a Designee pursuant to this Section 5, it may take several months for such Designee to obtain all necessary licenses and permits and a new agreement between it and VMRC for the Designee to provide residential care services for people with developmental disabilities ("**Provider Agreement**"). In light of the foregoing, Tenant agrees that upon the Default Assignment Date, Tenant shall, at VMRC's option but at no cost to Tenant, enter into appropriate interim arrangements with the Designee, effective as of the Default Assignment Date, whereby Tenant shall continue to operate the Premises as licensee for so long as it takes the Designee to obtain the necessary licenses and permits and new Provider Agreement, provided that Tenant may, in coordination with the California Departments of Health Services and Social Services, (1) delegate to Designee (or VMRC), as manager of the Premises, any and all functions that it is permitted to delegate under California law; and/or (2) allow Designee to use Tenant's Medicare and Medicaid (including Medi-Cal) provider numbers ("**Provider Numbers**") until it obtains new Provider Numbers. Any Designee that operates the Premises under Tenant's License or Provider Number shall not be the subject of a current license revocation or a current termination of a Medicare or Medicaid provider agreement. The agreement(s) documenting such interim arrangements shall provide that the Designee shall indemnify Tenant for any losses or damages incurred by Tenant as a direct result of the Designee's negligence, including, without limitation, any actions taken by the California Department of Developmental Services or any other governmental agency, in response to acts or omissions of the Designee at the Premises while operating under Tenant's Licenses and Permits that have a quantifiable adverse effect on the ability of Tenant to secure or maintain an intermediate care residence or an adult residential care residence license, where applicable. In order to receive such indemnity, Tenant shall be required to demonstrate that the adverse effect would not have occurred but for the acts or omissions of the Designee.
- 5.9 Tenant further agrees to take any action VMRC deems reasonably necessary to prevent, and Tenant shall not permit the occurrence of (1) a lapse in or limitation in the licenses and permits required to operate the Premises for its Permitted Use (the "**Licenses and Permits**") (or the eligibility of the Premises for Medicare or Medi-Cal reimbursement, if applicable), (2) transfers of Residents from the Premises and/or (3) appointment of a temporary manager (not approved by VMRC) or receiver.
- 5.10 Without limiting the foregoing, Tenant agrees, after a breach and upon VMRC's request, to: (1) sublease the Premises to the Designee subject to the provisions of Section 5 hereof; (2) cease providing licensed care or services at the Premises; (3) cease representing itself to the public as having the Licenses and Permits to provide

licensed care or services at the Premises; (4) provide for the management of the Premises by the Designee; and/or (5) provide for any other transfers or arrangements that VMRC deems necessary to effectuate the purposes of this provision.

6. Assignment, Subletting and Lease Modifications

6.1. Transfers. Tenant is prohibited from, and shall not assign, sublet, encumber, mortgage, transfer or dispose of (each a "**Transfer**") all or any part of the Premises, this Lease or Tenant's leasehold estate hereunder, without first obtaining the written consent of VMRC.

6.2. Lease Modifications/Terminations Require Consent of VMRC. Neither Landlord nor Tenant shall amend or modify this Lease without first obtaining the written consent of VMRC. Neither Landlord nor Tenant shall terminate this Lease without first obtaining the written consent of VMRC. Any such purported amendment, modification or termination without VMRC's written consent shall be voidable at VMRC's option. VMRC may condition its consent to the termination of this Lease on its approval of a replacement Lease for the Premises between Landlord and a new tenant (who is approved in accordance with the terms in Paragraph 6.1 above) that contains the same terms and conditions of this Lease, including the same protections for VMRC as in this Lease.

6.3. Assignee's Assumption of Lease Obligations. No assignment by Tenant of this Lease shall be valid unless and until (1) the requirements of Paragraph 6.2 above have been complied with (or the assignee is a Designee as defined in Paragraph 5 above) and (2) the assignee executes and delivers to Landlord a written assumption of Tenant's obligations under this Lease for the benefit of Landlord.

7. Tenant's Indemnities. Tenant shall indemnify, hold harmless and defend Landlord and VMRC from and against all liabilities, claims, damages, costs and expenses, including reasonable attorneys', consultants' and experts' fees and expenses, imposed upon or incurred by Landlord or VMRC to the extent resulting from: (a) any personal injury to VMRC's consumers or other third parties or property damage occurring during the Lease Term on or about the Premises caused by the negligence of Tenant or any employee, agent, contractor, consultant, subtenant or invitee of Tenant working in or from the Premises; (b) any failure on the part of Tenant to perform or comply with any of the terms of this Lease; and (c) any claim for negligence or misconduct committed by any Resident or by Tenant or by any employee, agent, contractor, consultant, subtenant, or invitee of Tenant working in or from the Premises.

8. Landlord's Indemnities. Landlord shall indemnify, hold harmless and defend Tenant and VMRC from and against all liabilities, claims, damages, costs and expenses, including reasonable attorneys', consultants' and experts' fees and expenses, imposed upon or incurred by Tenant or VMRC to the extent resulting from: (a) any accident, injury to or death of third parties or loss of or damage to property occurring prior to the Term on or about the Premises; (b) any failure on the part of Landlord to perform or comply with any of the terms of this

Lease; and (c) the negligence of Landlord or Landlord's agents, employees, contractors or invitees.

9. Estoppels for VMRC. Landlord and Tenant shall each provide Estoppel Certificates to VMRC upon request, certifying (a) that this Lease is unmodified and in full force and effect (or if modified setting forth the modifications); (b) the dates to which the rent has been paid; (c) whether, to the responder's knowledge, any party is in default in the performance of any provision contained in this Lease and, if so, specifying such default(s); and (d) responses to such other questions or statements as VMRC shall reasonably request. The responder's failure to timely deliver such statement shall constitute an acknowledgment by the responder that (i) this Lease is unmodified and in full force and effect except as may be represented to the contrary by VMRC; and (ii) the other matters set forth in such request are true and correct.

10. Changes in Rent.

10.1. Reduction of Rent Upon Reduction or Repayment of a Loan. At such time(s) as the monthly installments for each loan secured by a deed of trust encumbering the Premises under this Lease is reduced, or at such time a loan is repaid in full (without refinancing), the rent under this Lease shall be reduced by an amount equal to the monthly installment payments previously owed by Landlord to such lender (and Tenant's rate of payment under its Service Provider Agreement with VMRC shall be reduced by the same amount).

10.2. Reduction of Rent Tied to Reduction in Real Property Taxes for Tax Exempt Service Provider. If the Tenant or any successor Tenant is a nonprofit entity under Internal Revenue Code section 501(c)(3), then once Landlord receives a real property tax exemption for the Premises, the rent under this Lease shall be reduced by an amount equal to the difference between (i) the amount of real property taxes in effect on the date Landlord acquired fee title to the Premises and (ii) the amount of the reduction in real property taxes as a result of obtaining the tax exemption (and Tenant's rate of payment under its Service Provider Agreement with VMRC shall be reduced by the same amount).

10.3. Reduction of Rent Tied to Reduction in Operating Expenses. If Landlord's annual operating costs in the aggregate for the Premises are reduced in any calendar year, the rent under the Lease shall be reduced by an amount equal to the amount of such reduction (and Tenant's rate of payment under its Service Provider Agreement with VMRC shall be reduced by the same amount). Notwithstanding the foregoing, if Landlord can reasonably demonstrate to VMRC that the reduction in rent has a material adverse impact on Landlord's ability to operate, maintain or repair the Premises, such parties may mutually agree to limit the amount of the reduction in the rent.

10.4. Change of Rent Due to Changes in Operating, Maintenance and/or Repair

Costs. At Landlord's request to VMRC, such parties shall meet (but not more often than every five years) to discuss whether to increase the rent to the extent Landlord's net operating, maintenance and/or repair costs have increased during such previous five-year period (after taking into account any additional funds Landlord has received from VMRC, Tenant or any third party during such time period to compensate Landlord for any changes in such costs). As a result of such meeting, the parties may mutually agree to increase the rent to a new fixed monthly amount to reasonably account for such net cost increases (and, in such event, Tenant's rate of payment under its Service Provider Agreement with VMRC shall be automatically increased by the same amount); *provided, however*, (i) VMRC's may consent or withhold its consent to any increase in rent at VMRC's sole and absolute discretion and (ii) VMRC may condition its agreement to increase the rent on the California Department of Developmental Services' approval of such rent increase.

11. Conveyance by Landlord. If Landlord or any successor owner of Landlord's rights in and title to the Premises shall convey the Premises, the transferee(s) shall assume in writing, for the express benefit of VMRC, all obligations and liabilities of Landlord hereunder arising or accruing from and after the date of such conveyance or transfer, including all obligations of Landlord under the Restrictive Covenant encumbering the Premises in favor of VMRC and the California Department of Developmental Services.
12. Notices. All notices to VMRC under this Lease shall be addressed as follows (although VMRC may, by notice to the other parties from time to time, specify a different address for notice purposes):

Valley Mountain Regional Center
Attention: Brian L. Bennett
702 N. Aurora Street
P.O. Box 692290
Stockton, CA 95269-2290
Phone: (209) 955-3309
Fax: (209) 955-3232

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

"Landlord"

"Tenant"

BRILLIANT CORNERS,
a California nonprofit corporation

By _____
William F. Pickel, Executive Director

By: _____
Name: _____
Title _____

EXHIBIT E

GUIDELINES for COMMUNITY PLACEMENT PLAN

https://www.dds.ca.gov/wp-content/uploads/2022/02/CPP_CRDP_Guidelines_FY_21_22.pdf

Contractor: Brilliant Corners

Project #: VMRC 2122-8

Vendor No: HV0673

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EXHIBIT F
BUSINESS ASSOCIATE AGREEMENT

Valley Mountain Regional Center Business Associate and Partner Contract Addendum

Purpose: Valley Mountain Regional Center (VMRC) is requesting Business Associates (BA) and Partners to comply with Health Insurance Portability and Accountability Act (HIPAA) of 1996. The Act requires that a “covered entity” (VMRC) entering into an agreement with a Business Associate or Partner must agree to the same terms applied under the HIPAA Rules for providing consumer services. Below are the mandatory terms for ensuring protection of the consumer’s protected health information (PHI):

1. Permitted Uses: The BA and Partner must establish the permitted and required uses and disclosures of protected health information.
2. Use of PHI by the BA or Partner: The BA is not authorized to use or further disclose PHI in a manner that would violate the requirements of the Privacy Rule.
3. The BA or Partner will not use or further disclose the information other than as permitted or required by the agreement or as required by law.
4. Safeguards of PHI. The BA and Partner must use appropriate safeguards to prevent use or disclosure of PHI other than provided for in the agreement.
5. Comply with HIPAA Security. The BA or Partner must comply with the applicable requirements of HIPAA Security Rule, including using appropriate safeguards for electronic PHI (ePHI).
6. Reporting Improper Use or Disclosure. The BA or Partner must report to VMRC any use or disclosure of PHI not provided for by the agreement of which it becomes aware.
7. Report Security Incidents. The BA or Partner must report to VMRC any security incident of which it becomes aware.
8. Mitigation. The BA or Partner must mitigate, to the extent practicable, any harmful effect that is known to the BA or Partner or a use or disclosure of PHI by the BA or Partner in violation of the requirements of the agreement.
9. Restriction of Subcontractors. The BA or Partner must ensure that any subcontractor, to whom the BA or Partner provides PHI records from, or created or received by, the BA or Partner on behalf of VMRC agrees to the same restrictions and conditions that apply to the BA or Partner with respect to such information.
10. Safeguards of Subcontractors. The BA or Partner must ensure that any subcontractor, to whom the BA or Partner provides ePHI agrees to implement reasonable and appropriate safeguards to protect such ePHI.
11. Access Rights. The BA or Partner must make available PHI in accordance with an individual’s access rights under the applicable laws and the HITECH Act. The agreement should require that copies be available in electronic form.
12. Disclosure Accounting. The BA or Partner must make available the information required to provide an accounting of the disclosure in accordance with applicable law and the HITECH Act.
13. Make Records Available. The BA or Partner must make its internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by, the BA or Partner, on behalf of VMRC, available to the Secretary of the Department of Health and Human Services for purposes of determining VMRC’s compliance with HIPAA.
14. Return or Destroy PHI. The BA or Partner must, upon termination of the agreement, return or destroy the PHI it received pursuant to the agreement, if feasible. For PHI which BA or Partner cannot feasibly return or destroy, the BA or Partner must promise to continue to safeguard the PHI and use or disclose it only for the reasons that make return or destruction infeasible.
15. Report Breach. The BA or Partner must report to VMRC any breach of unsecured PHI in accordance with the HIPAA Rule. The BA or Partner likely should include a copy of its risk assessment demonstrating why it was or was not a breach.

16. No Remuneration. The BA or Partner must not directly or indirectly receive remuneration in exchange for any PHI of an individual.

Please sign below indicating your agreement to comply with the HIPAA rules while servicing a Valley Mountain Regional Center Consumer.

Bill Pickel

06 / 29 / 2022

Business Associate or Partner Representative Signature and Title

Date

Cindy Strandman



HIPAA Compliance Officer

Valley Mountain Regional Center Representative Signature and Title

Date

Signature Certificate

Reference number: QYRKQ-CXQLC-DAK6U-EW9WY

Signer	Timestamp	Signature
Bill Pickel Email: bpickel@brilliantcorners.org Sent: 29 Jun 2022 22:21:00 UTC Viewed: 29 Jun 2022 22:21:38 UTC Signed: 30 Jun 2022 01:10:49 UTC		
Recipient Verification: ✓Email verified	29 Jun 2022 22:21:38 UTC	IP address: 76.21.38.0 Location: San Leandro, United States
Tony Anderson Email: tanderson@vmrc.net Sent: 29 Jun 2022 22:21:00 UTC Viewed: 30 Jun 2022 01:12:05 UTC Signed: 30 Jun 2022 01:12:19 UTC		
Recipient Verification: ✓Email verified	30 Jun 2022 01:12:05 UTC	IP address: 4.71.45.98 Location: Seaside, United States

Document completed by all parties on:
30 Jun 2022 01:12:19 UTC

Page 1 of 1



Signed with PandaDoc

PandaDoc is a document workflow and certified eSignature solution trusted by 30,000+ companies worldwide.



Corina Ramirez

From: Brian Bennett <bbennett@vmrc.net>
Sent: Wednesday, June 29, 2022 3:07 PM
To: Corina Ramirez
Subject: RE: CPP Start Up Contract

Fantastic! thank you –

Can you send this via DocuSign to Bill Pickel?

bpickel@brilliantcorners.org

From: Corina Ramirez <cramirez@vmrc.net>
Sent: Wednesday, June 29, 2022 2:39 PM
To: Brian Bennett <bbennett@vmrc.net>
Subject: RE: CPP Start Up Contract

Here you go! I added exhibits for the CPP guidelines link and also for our Business Associate Agreement, which I'll include with the contract.

From: Brian Bennett <bbennett@vmrc.net>
Sent: Wednesday, June 29, 2022 11:53 AM
To: Corina Ramirez <cramirez@vmrc.net>
Subject: RE: CPP Start Up Contract

Ok. thank you. understood.

I had no intention of sending the contract today but DDS is putting some pressure to have 2122 CPP executed by end of the month (even though the CPP awards were sent to us April 4th-)

From: Corina Ramirez <cramirez@vmrc.net>
Sent: Wednesday, June 29, 2022 11:48 AM
To: Brian Bennett <bbennett@vmrc.net>
Subject: RE: CPP Start Up Contract

Hi Brian,

With rollover happening today and tomorrow, I'm going to have to put rates aside for now. I will submit everything I've been able to update so far but just FYI – I wasn't able to get to Heaven's responses from her batches.

I'll have time to focus on contracts and should be able to get a draft over to you by the end of the day.

From: Brian Bennett <bbennett@vmrc.net>
Sent: Wednesday, June 29, 2022 11:36 AM
To: Corina Ramirez <cramirez@vmrc.net>
Subject: CPP Start Up Contract

Hi Corina,

We are interviewing Brilliant Corners today for a current RFP (Attached)- I anticipate awarding them the contract.

How can I best support you , to get a contract sent out to them by EOD on 6-30?

If we can't do this, I will tell DDS, it is not going to be a big issue...but...if it can be done, I would like to try.

I made edits to the Appendix A, modified dates and including CPP 2122-8 project ID #

Let me know what additional edits or changes I can help with – .

Brian L. Bennett

Community Services Director

(209) 955-3309

bbennett@vmrc.net

Please Tell US HOW We DID!

<https://www.vmrc.net/your-experience/>

HOW WAS YOUR OVERALL EXPERIENCE WITH VALLEY MOUNTAIN
REGIONAL CENTER?



Great Experience



Good Experience



It was OK



Not Good Overall



Terrible Experience

JOIN OUR UPDATES LIST



Contract Summary and Board Resolution

Valley Mountain Regional Center's Board of Directors reviewed the contracts below in August 2022 and passed the following resolution:

RESOLVED THAT in compliance with VMRC's BOD Contract Policy, the contracts listed below between VMRC and stated vendors were reviewed and approved by the VMRC BOD in August 2022 and Board hereby authorized any Officer of the corporation to execute the Agreement without material changes but otherwise on such terms deemed satisfactory to such Officer.

1 Blue Mountain Transit H15677 875	\$ 1,404,000
2 Camello Supported Living Services SV0016 896	\$ 720,000
3 J Ballelos CITP HV0460 055	\$ 720,000
4 Lifeworks-ACS PV0526 116	\$ 875,522
5 Lifeworks-ACS P22560 773	\$ 342,506
6 Linden Grove, LLC HV0414 113	\$ 981,792
7 PEDS PV0527 116	\$ 3,800,000
8 Psychiatric Centers of San Diego PQ7264 780	\$ 900,000
9 Sierra Environmental & Social Services SV0030 896	\$ 2,400,000
10 Teamwork Speech Therpay PV1796 116	\$ 400,000
11 California Mentor HV0089 904	\$ 2,008,104
12 Community Compass SV0015 896	\$ 660,000
13 Community Compass HV0088 515	\$ 1,440,000
14 Futures Explored HV0551 094	\$ 540,000
15 Hana Hou Alliance, LLC HV0315 113	\$ 555,777
16 Keyholders 360, LLC SV0031 896	\$ 864,000
17 Storer Transportation H00627	\$ 3,696,056
18 Storer Transportation HV0142 875	\$ 6,120,000
19 Vocational Coaching & Development Institute HV0420 055	\$ 1,046,240
20 Vocational Coaching & Development Institute HV0397 515	\$ 291,491
21 Brilliant Corners HV0673 EBSH Children's CPP Project	\$ 750,000

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.

Linda Collins, Board Secretary

Date

Valley Mountain Regional Center

Contract Status

AS OF: May 31, 2022

							FG/SC Total	
		POS including Federal C	General Total	OPS CPP	POS CPP	CPP Total		
Current Fiscal Year 2022								
Contract Year C-2		40,037,203	283,738,876	323,776,079	486,684	1,022,115	1,508,799	484,702
Spent to Date		35,712,633	232,527,375	268,240,008	95,086	152,660	247,746	320,828
Unspent		4,324,570	51,211,501	55,536,071	391,598	869,455	1,261,053	163,874
Last Fiscal Year 2021								
Contract Year B-5		34,646,607	253,549,473	288,196,080	424,595	1,994,505	2,419,100	484,702
Spent to Date		33,464,136	246,661,567	280,125,703	424,595	1,964,194	2,388,789	464,462
Unspent		1,182,471	6,887,906	8,070,377	-	30,311	30,311	20,240
Second Prior Fiscal Year								
2020 Contract Year A-9		34,180,853	233,400,535	267,581,388	597,168	1,863,763	2,460,931	458,422
Spent to Date		34,180,853	230,462,173	264,643,026	597,168	1,742,097	2,339,265	398,099
Unspent		-	2,938,362	2,938,362	-	121,666	121,666	60,323

POS EXPENDITURES

May 31, 2022

	Year to Date	Prior Year to Date	Budget	92% % of Total Budget
Community Care Facility	87,290,269	84,630,798	100,000,000	87.3%
ICF/SNF FACILITY	145,791	143,867	500,000	29.2%
Day Care	1,216,266	1,274,322	1,700,000	71.5%
Day Training	34,892,251	33,938,466	41,766,256	83.5%
Supported Employment	1,714,637	1,603,200	2,500,000	68.6%
Work Activity Program	409,432	455,849	560,000	73.1%
Non-Medical Services-Professional	1,763,633	954,821	2,000,000	88.2%
Non-Medical Services-Programs	23,065,194	21,243,256	28,000,000	82.4%
Home Care Services-Programs	1,337,810	942,322	1,700,000	78.7%
Transportation	1,414,402	1,152,837	2,800,000	50.5%
Transportation Contracts	5,725,915	5,983,054	14,293,620	40.1%
Prevention Services	14,036,651	12,921,247	17,000,000	82.6%
Other Authorized Services	27,041,903	22,456,972	32,000,000	84.5%
P&I Expense	54,672	37,171	75,000	72.9%
Hospital Care	418,750	418,750	700,000	59.8%
Medical Equipment	302,105	300,392	384,000	78.7%
Medical Care Professional Services	3,903,251	4,043,440	5,000,000	78.1%
Medical Care-Program Services	21,148	42,053	56,000	37.8%
Respite-in-Home	27,347,026	28,535,019	32,000,000	85.5%
Respite Out-of-Home	424,280	454,245	640,000	66.3%
Camps	1,990		64,000	3.1%
	232,527,375	221,532,081	283,738,876	82.0%
CPP	152,660	729,813	1,022,115	14.9%
Total Purchase of Service	232,680,035	222,261,894	284,760,991	81.7%

ICF SPA RECEIVABLES \$ 3,136,177

OPERATIONS EXPENDITURES

June 17, 2022

	Year to Date	Prior Year to Date	Budget	96% % of Total Budget
Salaries and Wages	24,259,789	22,586,617	26,200,000	92.6%
Temporary Help	31,703	781	100,000	31.7%
Fringe Benefits	4,976,653	4,966,192	5,400,000	92.2%
Contracted Employees	111,572	77,335	135,000	82.6%
Salaries and Benefits Total	29,379,717	27,630,925	31,835,000	92.3%

	Year to Date	Prior Year to Date	Budget	% of Total Budget
Facilities Rent	1,985,820	1,910,750	2,100,000	94.6%
Facilities Maintenance	753,282	515,861	750,000	100.4%
Information Technology	2,241,124	1,788,511	2,342,203	95.7%
General Office Expense	349,669	209,630	350,000	99.9%
Operating Expenses	264,799	271,260	325,000	81.5%
Equipment	38,534	45,322	100,000	38.5%
Professional Expenses	460,597	436,840	700,000	65.8%
Office Expenses	84,523	52,888	100,000	84.5%
Travel and Training Expenses	154,568	151,981	300,000	51.5%
Foster Grandparent/Senior Companion Expenses	320,828	464,462	484,702	66.2%
CPP Expense	95,086	109,711	486,684	19.5%
START	222,672	-	1,135,000	19.6%
Total Operating Expenses	36,351,219	33,588,141	41,008,589	88.6%

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