



**REGIONAL CENTER OF ORANGE COUNTY  
BOARD OF DIRECTORS' MEETING  
AGENDA**

Date: **Thursday, June 1, 2023**

Time: **6:00 p.m. – 7:30 p.m.**

Place: RCOC Board Room, 1525 Tustin Avenue, Santa Ana, California 92705

<b>I.</b>	<b>Closed Session (Board Members Only)</b>		
	A.	W&I Code §4663 and §4664	David M. Lester, Esq.
<b>II.</b>	<b>Recess</b>		
<b>III.</b>	<b>General Session</b>		
	A.	Pledge of Allegiance/Reading of RCOC's Mission and Vision Statement	John "Chip" Wright
	B.	Community Forum for Agenda Items Only***	John "Chip" Wright
	C.	Budget and Finance Committee	Sandy Martin
	D.	Consent Calendar*	John "Chip" Wright
		<ol style="list-style-type: none"> <li>1. Approval of Board of Directors' Minutes for May 4, 2023**</li> <li>2. Budget and Finance Committee**               <ol style="list-style-type: none"> <li>a. Approval of Monthly Sufficiency of Allocation Report, April 2023**</li> <li>b. Approval of Budget Amendment D-2, Fiscal Year 2022-23</li> <li>c. Approval of Contract and Preliminary Allocation, Fiscal Year 2023-24</li> <li>d. Approval of Line of Credit for Fiscal Year 2022-23**</li> <li>e. Approval of Audited Financial Statements for the Year Ended June 30, 2022</li> <li>f. Approval of Budget Amendment</li> </ol> </li> </ol>	
	E.	Executive Director's Report	Larry Landauer
		<ol style="list-style-type: none"> <li>1. Recognition of Persons' Served Employment Longevity</li> <li>2. Approval of Property Acquisition Agreement with Non-Profit Housing Corporation, Brilliant Corners, for Development of an Enhanced Behavioral Supports Home (CRDP Project No. 2223-3)**</li> <li>3. Approval of Property Renovation Agreement with Non-Profit Housing Corporation, Brilliant Corners, for Development of an Enhanced Behavioral Supports Home (CRDP Project No. 2223-3)**</li> <li>4. Operations Report – April 2023**</li> <li>5. Performance Contract Report – April 2023**</li> <li>6. Employment Update</li> <li>7. Housing Update</li> <li>8. Health and Wellness Update</li> </ol>	Christy Petteruto  Arturo Cazares Jack Stanton Bonnie Ivers
	F.	Executive Committee	John "Chip" Wright
		<ol style="list-style-type: none"> <li>1. Approval of Renewal of Board Membership for Yvonne Kluttz for a Three-Year Term Beginning July 1, 2023 and Ending June 30, 2026</li> <li>2. Approval of the Board of Directors' Meeting Schedule for Fiscal Year 2023-24**</li> </ol>	
	G.	Nominating Committee**	John "Chip" Wright
		<ol style="list-style-type: none"> <li>1. Approval of Yvonne Kluttz as Secretary for a Term Commencing August 1, 2023 and Ending June 30, 2024**</li> </ol>	
	H.	Board Recruitment and Training Committee**	John "Chip" Wright
		<ol style="list-style-type: none"> <li>1. Approval of Board Membership for Marcell Bassett, for a One-Year Term Commencing July 1, 2023 and Ending June 30, 2024**</li> </ol>	

	I.	Policies and Outcomes Committee**	Cliff Amsden
		1. Approval of Revisions to the Transparency and Public Information Policy ** 2. Approval of Revisions to the Whistleblower Policy **	
	J.	Vendor Advisory Committee**	Rick Perez
	K.	Peer Advisory Committee**	Sylvia Delgado
	L.	Legislative and Community Awareness Committee	Liza Krassner
	M.	ARCA Report	Liza Krassner
	N.	Community Forum***	John “Chip” Wright
	O.	Chairperson’s Report	John “Chip” Wright
		1. Recognition of Sylvia Delgado for her Second Seven-Year Term Ending July 31, 2023	
<b>IV.</b>		<b>Adjournment</b>	John “Chip” Wright

*\*All items on the Consent Calendar will be approved by one motion, and there will be no discussion on individual items unless a Board member or a member of the public requests that a specific item be pulled from the Consent Calendar for separate discussion and possible action.*

*\*\*Attachments for Board members in Board packet.*

*\*\*\*This is an opportunity for public comments. Each person is limited to a maximum of three minutes.*

**Regional Center of Orange County  
Board of Directors' Meeting Minutes  
May 4, 2023**

**Board Members Present:** Cliff Amsden *(joined virtually at 6:02 p.m.)*  
(Members in-person, unless otherwise noted) Sylvia Delgado  
Bruce Hall  
Amy Jessee  
Yvonne Kluttz  
Liza Krassner  
Sandy Martin  
Hilda Mendez *(joined virtually)*  
Chinh Nguyen  
Jacqueline Nguyen  
Fernando Peña  
Rick Perez

**Board Members Absent:** John “Chip” Wright, Chairperson  
Meena Chockalingam  
Frances Hernandez

**Corporate Counsel Present:** David Lester, Esq.

**I. General Session**

In Mr. Chip Wright’s absence, Ms. Sandy Martin called the meeting to order at 6:01 p.m.

**A. Pledge of Allegiance/Reading of RCOC’s Mission and Vision Statement**

Mr. Fernando Peña led attendees in a recitation of the Pledge of Allegiance.  
Ms. Amy Jessee read RCOC’s Mission and Vision Statement.

**B. Community Forum for Agenda Items Only**

There were no speakers for community forum.

**C. Budget and Finance Committee**

Ms. Martin reported that the Committee approved and recommended for approval all of its items on the consent calendar.

**D. Consent Calendar**

1. Approval of Board of Directors’ Minutes for March 2, 2023
2. Budget and Finance Committee

***RCOC Board of Directors' Meeting Minutes  
May 4, 2023***

- a. Approval of Monthly Sufficiency of Allocation Report, February 2023
- b. Approval of Monthly Sufficiency of Allocation Report, March 2023
- c. Approval of Budget Amendment B-6, Fiscal Year 2021-22
- d. Approval of Line of Credit for Fiscal Year 2022-23
- e. Approval of CalPERS Requirement for a Publicly Available Pay Schedule Effective May 15, 2023

***M/S/C to approve the consent calendar, as presented***

**E. Executive Director's Report**

1. Recognition of Persons' Served Employment Longevity

The Board of Directors honored four persons served who have worked for the same employer for 23 or more years with a Certificate of Recognition.

Mr. Larry Landauer gave his Executive Director's Report, which included the following highlights:

- *Little Hoover Commission Hearings.* Mr. Landauer reviewed some highlights from the Little Hoover Commission's report, *A System in Distress: Caring for Californians with Developmental Disabilities*, which was released to the State Legislature on April 17, 2023. Mr. Landauer said that the report did not address vendors' rates and the challenges of hiring direct support staff.
- *Assembly Bill 1174.* Mr. Landauer reviewed California Assembly Bill (AB) 1147, Disability Equity and Accountability Act of 2023, which, if passed, would amend various sections of the Welfare and Institutions Code, related to developmental services and runs parallel to the recommendations in the Little Hoover Commission's report. Mr. Landauer stated that the bill in its entirety is available on RCOC's website.
- *California Budget.* Mr. Landauer reported on the State Assembly's Committee on Budget, Subcommittee 1 on Health and Human Services, which held two hearings on February 22, 2023 and April 26, 2023. Mr. Landauer also reported that the Senate Budget Subcommittee #3 also met on May 4, 2023.
- *Vendor Staffing Crisis.* Mr. Landauer shared a graph that reflects day program authorizations before, during, and after the COVID-19 pandemic. Prior to the pandemic, 94% of persons served had a full-time day program, 30 or more hours per week. As of June 2022, only 42% of persons served had a full-time program. Total day program authorizations declined from 4,281 in July 2019, to 3,965 in June 2022. In those three years, RCOC had approximately 1,500 graduates who left the school system and should have received adult day program services for the first time.

***RCOC Board of Directors' Meeting Minutes***  
***May 4, 2023***

- *Purchase of Service (POS) Expenditures for Fiscal Year 2022-23.* Mr. Landauer reported that there is a projected surplus statewide.
- *Person Centered Thinking (PCT).* Mr. Landauer reported that approximately 97% of the Individual Program Plans (IPPs) for Lanterman cases are in the PCT format. RCOC is also providing PCT trainings for new staff and refresher courses for staff who were already trained in PCT.

Mr. Arturo Cazares, RCOC's Director of Community Services, reported that DDS allocated funds to RCOC for Home Community-Based Services (HCBS) Final Rule compliance to provide PCT training to the vendor community. Along with receiving the basic PCT training, five vendor members will be able to participate in the PCT trainer certification program. This will allow those five individuals to provide PCT training to other provider staff.

- *Employment.* Mr. Cazares reported that employment providers continue to be affected by staffing issues and consequently do not have the support to assist persons served to obtain or retain employment.

Mr. Cazares also reported that Children's Hospital of Orange County (CHOC) will resume its Project SEARCH program starting in June 2023. RCOC is also working with Kaiser Permanente in Anaheim to establish a program there.

- *Housing.* Mr. Jack Stanton reported that RCOC continues its efforts to develop affordable housing within Orange County.
- *Legislative and Community Awareness (LCA).* Mr. Landauer reported that RCOC hosted another successful awards ceremony on April 20, 2023, with Ms. Michele Gile, a reporter with CBS 2/KCAL 9, as emcee. Mr. Landauer also reported that RCOC is in the process of scheduling virtual meetings with state legislators and their staff to inform them about the regional center system and the need to increase vendor rates.
- *Health and Wellness.* Dr. Ivers reported on preliminary health and wellness satisfaction data collected during IPP meetings. This data will help RCOC determine what resources it can provide to help persons served improve their health and achieve their health and wellness goals.
- *RCOC News.* Mr. Landauer reported that vendor staffing shortages continue due to low vendor rates.

Mr. Landauer also reported that he and his staff continue to work with the Hispanic families group to address their concerns. Three meetings with the Hispanic families group were held on November 10, 2022, February 22, 2023 and April 25, 2023. A follow-up meeting will be scheduled for June 2023.

***RCOC Board of Directors' Meeting Minutes***  
***May 4, 2023***

- *Self-Determination Program (SDP)*. Mr. Landauer reported that the SDP Local Advisory Committee last met on April 3, 2023.
- *RCOC's Expenditure Data Public Meeting*. Mr. Landauer reported that RCOC's annual Purchase of Service Expenditure Data public meeting was held virtually on March 8, 2023.
- *Virtual Chart*. Mr. Landauer reported that RCOC is using its Virtual Chart software to allow service coordinators to make certain decisions on respite and social/recreational authorizations without additional review by management.

**F. Executive Committee**

Ms. Martin reported that the Committee met on April 17, 2023; the next meeting is scheduled for May 15, 2023.

**G. Board Recruitment and Training Committee**

Ms. Martin reported that the Committee met on April 10, 2023. The committee reviewed the Board composition and discussed recruitment efforts.

The next Committee meeting is scheduled for May 8, 2023.

**H. Policies and Outcomes Committee**

Ms. Liza Krassner reported that the Committee met on April 17, 2023, and presented revisions to the Policies on Governance, as recommended by the Policies and Outcomes Committee.

1. Approval of Revisions to the Policies on Governance

***M/S/C to approve revisions to the Policies on Governance as recommended***

Ms. Krassner stated that the Committee also reviewed the Policy on Executive Performance and Monitoring, Executive Limitations Policy and Communications Policy, to which no revisions were proposed.

The next Committee meeting is scheduled for May 15, 2023.

**I. Vendor Advisory Committee**

Mr. Rick Perez reported that the Committee met on March 14, 2023 and April 11, 2023.

Mr. Perez presented the following agenda item for approval:

1. Approval of Vendor Advisory Committee Members

**Adult Behavior Management Program Subcommittee**

Chair: Atrem Behmanesh, Vocational Visions Adult Day Program

Co-Chair: Ryan Perez, OC Bridges Adult Day Program

**Adult Family Home Agency (AFHA)/Foster Family Agency (FFA) Subcommittee**

Chair: Crystal Rodriguez, My Day Counts

Co-Chair: *Pending*

**Community Care Facilities Subcommittee**

Chair: *Pending*

Co-Chair: *Pending*

**Habilitation Subcommittee**

Chair: Marina Margaryan, Westview Services

Co-Chair: Jodean Hudson, Goodwill OC

**Independent/Supported Living (IL/SL) Subcommittee**

Chair: Christine Molina, Living Independent Fair and Equal (LIFE)

Co-Chair: *Pending*

***M/S/C to approve the Vendor Advisory Committee Members as recommended***

The next Committee meeting is scheduled for May 9, 2023.

**J. Peer Advisory Committee**

Ms. Sylvia Delgado reported that the Committee met on April 19, 2023, and she presented *My Journey to Employment, which* she will also present at this year's Supported Life Institute (SLI) conference on May 12, 2023.

The next Committee meeting is scheduled for May 17, 2023.

**K. Legislative and Community Awareness Report**

Ms. Liza Krassner reported that the Committee met on April 11, 2023; the next meeting is scheduled for July 2023.

**L. ARCA Report**

Ms. Krassner reported that ARCA's Board of Directors met on March 16, 2023, and focused on the recommendations in the Little Hoover Commission's report regarding board governance for regional centers.

**M. Community Forum**

There were three questions, one regarding the Purchase of Service Expenditure Data that Mr. Landauer reviewed during his Executive Director's report, the second was regarding the NCI survey, and third regarding the strike by drivers who work for OCTA's third-party provider, First Transit/Transdev.

**N. Chairperson's Report**

Ms. Martin thanked everyone for joining today's Board of Directors' meeting.

**II. Adjournment**

Ms. Martin adjourned the meeting at 7:13 p.m.

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Sylvia Delgado, Secretary

*Recorder: Sandra Lomeli*

**Regional Center of Orange County  
Budget & Finance Committee  
Meeting Minutes  
May 4, 2023**

**Committee Members Present:** Sandy Martin  
Amy Jessee  
Fernando Peña

**Committee Members Absent:** Cliff Amsden  
John “Chip” Wright

**Other Board Members Present:** Bruce Hall  
Yvonne Kluttz  
Jacqueline Nguyen (*arrived at 4:08 p.m.*)  
Rick Perez

**RCOC Staff Present:** Larry Landauer, Executive Director  
Bette Baber, Chief Financial Officer  
Liliana Castillo, Accounting Manager  
Arturo Cazares, Director of Community Services  
Nancy Franco, Accounting Manager – OPS/POS  
Dr. Bonnie Ivers, Clinical Director  
Jennifer Montanez, Director of Case Management  
Raudel Perez, Administrator  
Christina Petteruto, General Counsel  
Marta Vasquez, Finance Director  
Stacy Wong, Human Resources Director

The meeting was called to order at 4:00 p.m.

1. Approval of Monthly Sufficiency of Allocation Reports, February 2023 and March 2023

Ms. Marta Vasquez reported that RCOC is projecting a surplus of \$56.2 million, an increase of \$6.5 million over the prior projection. The surplus will be \$63.9 million if all \$7.7 million of the State Plan Amendment receivables are paid.

2. Approval of Budget Amendment B-6, Fiscal Year 2020-21

Ms. Vasquez reported that the Department of Developmental Services reduced the allocation for the Community Placement Program (CPP) by \$51,986.

3. Approval of Line of Credit for Fiscal Year 2022-23

Ms. Vasquez reported that U.S. Bank, which purchased Union Bank last year, continued the line of credit commitment at \$44,500,000. The term is from June 1, 2023 to August 31, 2023.

4. Approval of CalPERS Requirement for a Publicly Available Pay Schedule Effective May 15, 2023

Ms. Vasquez reported that RCOC's salary schedule reflects salary range changes for Nurse Consultant and Nursing Manager. RCOC's salary range for the position of Nurse Consultant is lower than other Southern California regional centers and RCOC has been unable to fill two Nurse Consultant positions. RCOC also revised and added duties to the job description for Peer Advocate and moved the position to a higher salary range. Only Nurse Consultants will receive an increase.

5. Review of Draft Form 990, Return of Organization Exempt from Income Tax for the Year Ended June 30, 2022

Ms. Vasquez said that a draft of the 990 will be sent to the Board prior to filing.

M/S/C to approve the monthly SOARs, Budget Amendment, Line of Credit and CalPERS Requirement for a Publicly Available Pay Schedule

The meeting adjourned at 4:38 p.m.

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

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ACTION   X    
ACTION/CONSENT             
DISCUSSION             
INFO ONLY           

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DATE: June 1, 2023  
TO: Board of Directors  
FROM: Budget and Finance Committee  
SUBJECT: **Approval of Monthly Sufficiency of Allocation Report, April 2023**

BACKGROUND:

Staff presents the monthly sufficiency of allocation report to the Budget and Finance Committee for review and approval. This committee then presents the statement to the Board.

REASON FOR CURRENT ITEM:

The Board has a responsibility to monitor the Center's financial status.

FISCAL IMPACT:

None.

RECOMMENDATION:

That the Board approve the monthly sufficiency of allocation report as presented.

REGIONAL CENTER OF ORANGE COUNTY

MEMORANDUM

Date: June 1, 2023  
To: Board of Directors  
From: Budget and Finance Committee  
Subject: Highlights – April 2023 Sufficiency of Allocation Report (SOAR)

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Purchase of Services (POS)

RCOC is projecting a surplus of \$87.4 million, an increase of \$33.8 million over the prior projection. RCOC's surplus will be \$95.1 million if all \$7.7 million of the State Plan Amendment receivables are paid. The increase is due to an additional allocation of \$33.5 million, see Agenda Item III.C.-2.b., and a reduction in projected expenditures.

Most vendors received a 25% increase effective January 1, 2023. Some vendors received an increase due to the minimum wage increase effective January 1, 2023. The transition from Alternative Services, which ended on December 31, 2022, to traditional in-person services continues. The number of day program authorizations has not returned to pre-pandemic levels.

Year to date, RCOC's caseload increased by 1,068 persons for an annualized caseload growth of 5.4%; the regional center system increased by 21,587 persons for an annualized caseload growth of 6.8%.

Operations

RCOC will be within budget for both Operating Expense and Personal Services.

**Monthly Sufficiency of Allocation Report  
As of April 30, 2023**

PURCHASE OF SERVICE	A	B	C	D	E	F	G	H
	D-2 ALLOCATION	ACTUAL SPENT YEAR TO DATE	PROJECTED EXPENDITURES AT "RUN RATE"	SOAR	VARIANCE			SPENT PRIOR YEAR
				PROJECTED EXPENDITURES (05/10/2023)	(column A-D)/A %	(column A-D) AMOUNT	CHANGE FROM PRIOR MO. REPORTED	
(1) Licensed Residential Care	\$205,042,450	\$144,440,694	\$177,554,161	\$187,189,382	9%	\$17,853,068	\$14,348,338	\$156,318,277
(2) Day Care	2,170,036	1,069,418	1,744,327	1,925,148	11%	\$244,888	\$0	1,476,590
(3) Day Training	99,060,248	48,232,771	60,956,216	74,819,346	24%	\$24,240,902	\$0	57,606,304
(4) Habilitation	11,028,158	6,299,301	8,606,661	9,279,755	16%	\$1,748,403	\$0	8,225,568
(5) Transportation	12,640,564	6,006,964	12,059,630	12,170,581	4%	\$469,983	\$0	7,239,300
(6) Respite	49,772,721	29,548,881	43,991,291	45,847,334	8%	\$3,925,387	\$0	42,195,039
(7) Supported Living	59,153,073	42,892,987	51,742,002	54,141,271	8%	\$5,011,802	\$0	48,180,440
(8) Non-medical	27,084,546	17,251,056	22,346,352	22,619,751	16%	\$4,464,795	\$0	17,799,489
(9) Medical	11,264,620	6,584,422	7,951,822	9,703,646	14%	\$1,560,974	\$0	6,501,276
(10) Other	126,710,528	72,634,093	100,813,444	104,030,916	18%	\$22,679,612	\$16,787,777	97,085,784
(11) Early Start (Age 0-3)	43,083,317	27,832,940	35,066,480	37,877,529	12%	\$5,205,788	\$0	32,211,177
(12) Community Placement Plan	2,785,749	0		0	n/a	n/a	\$2,685,749	
(13) Purchase of Service Total	649,796,010	402,793,527	522,832,385	559,604,659	13%	87,405,602	33,821,864	474,839,244
<b>OPERATIONS</b>						\$95,099,017	* If all SPA receivables are paid.	
(14) Operating Expense (Gross)	11,151,447	6,351,153	7,621,383	11,151,447	0%	0	0	6,475,130
(15) Less Interest Income and SPA Fees	-150,000	-788,174	-945,809	-150,000	0%	0	0	-156,236
(16) Operating Expense (Net)	11,001,447	5,562,979	6,675,574	11,001,447	0%	0	0	6,318,894
(17) Personal Services	55,046,962	36,343,410	43,612,093	55,046,962	0%	0	0	38,033,273
(18) Family Resource Center/Services	269,299	164,956	197,947	269,299	0%	0	0	229,139
(19) Operations Total	66,317,708	42,071,345	50,485,614	66,317,708	0%	0	0	44,581,306
(20) Total	\$716,113,718	\$444,864,872	\$573,317,999	\$625,922,367	0%	\$87,405,602	\$33,821,864	\$519,420,550

\* State Plan Amendment (SPA). Regional centers pay the Day Program and Transportation expenditures for persons who live in Intermediate Care Facilities (ICFs); DDS pays ICFs; ICFs pay regional center

\*\* Due to later payment dates, the Spent Year to Date amount (column B) for line items 5 through 10 is approximately one month less than expenditures for Residential Care and Day Training.

STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES  
AS OF APRIL 30, 2023

ASSETS	GENERAL FUND	CUSTODIAL FUND
CURRENT ASSETS		
Petty cash	\$300.00	
Checking	90,400,305.14	\$141,119.57
Savings	287,580.50	
Money market	0.00	
Payroll	350,692.78	
Donations	215,688.37	
Unemployment	838,029.19	
Certificate of deposit	0.00	
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Total current assets	92,092,595.98	141,119.57
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RECEIVABLES		
State claim	102,337,247.02	
Client support revenue	29,364.95	3,751.48
Due from State - prior years	5,923,968.26	
Due from ICF - ICF Supplemental Services	6,373,179.04	
	-----	-----
Total receivables	114,663,759.27	3,751.48
	-----	-----
PREPAID ITEMS		
Deposits	293,582.86	
Prepaid expense	0.00	
	-----	-----
Total prepaid items	293,582.86	0.00
	-----	-----
OTHER ASSETS		
Tenant improvements	303,163.76	
Building acquisition	63,613.98	
	-----	-----
Total other assets	366,777.74	0.00
	-----	-----
TOTAL ASSETS	\$207,416,715.85	\$144,871.05
	=====	=====
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$31,833,216.67	\$29,364.95
Due to State - ICF Supplemental Services	52,522.57	
Loans payable	0.00	
Cash advance	174,479,032.84	
Unemployment insurance	836,255.40	
	-----	-----
Total liabilities	207,201,027.48	29,364.95
	-----	-----
FUND BALANCES		
General		
Donations	215,688.37	
Custodial		115,506.10
	-----	-----
TOTAL LIABILITIES AND FUND BALANCES	\$207,416,715.85	\$144,871.05
	=====	=====

REGIONAL CENTER OF ORANGE COUNTY  
BRIAN'S FUND  
APRIL 30, 2023

Beginning Balance		\$206,922.37
Donations:		
Nartowt, Barbara & William	\$25.00	
No Ordinary Moments, Inc	<u>10,000.00</u>	
Subtotal Donations	\$10,025.00	
Loan Payments	210.00	
Interest	0.00	
Disbursements:		
Move-in costs	<u>-1,469.00</u>	
Net Increase (Decrease)		<u>8,766.00</u>
Ending Balance		<u><u>\$215,688.37</u></u>

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

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ACTION   X    
ACTION/CONSENT         
DISCUSSION         
INFO ONLY       

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DATE: June 1, 2023

TO: Board of Directors

FROM: Budget and Finance Committee

SUBJECT: **Approval of Budget Amendment D-2, Fiscal Year 2022-23**

BACKGROUND:

Periodically, budget amendments are required to distribute and reallocate funds among regional centers or to change contract language. These amendments are numbered successively, e.g., D-1, D-2, etc.

REASON FOR CURRENT ITEM:

The Department of Developmental Services will allocate additional funds for Operations, Purchase of Services and the Community Placement Plan (CPP).

FISCAL IMPACT:

Operations .....	\$2,401,447
Purchase of Services .....	\$30,808,837
Purchase of Services for CPP Placement.....	\$2,685,749
Total .....	\$35,896,033

RECOMMENDATION:

That the Board authorize the Chairperson to execute the budget amendment upon receipt.

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

	_____
	ACTION <u>  X  </u>
ACTION/CONSENT	_____
DISCUSSION	_____
INFO ONLY	_____
	_____

DATE: June 1, 2023

TO: Board of Directors

FROM: Budget and Finance Committee

SUBJECT: **Approval of Contract and Preliminary Allocation for Fiscal Year 2023-24**

BACKGROUND:

Each year, ARCA and the Department of Developmental Services (DDS) negotiate a standard contract for adoption by regional centers and DDS. The preliminary allocation is a placeholder budget.

Regional centers usually receive the planning allocation in August. The planning allocation is used to determine the sufficiency or deficiency of the allocation.

REASON FOR CURRENT ITEM:

The preliminary allocation allows regional centers to make cash advance requests for operating funds in the new fiscal year. In order to prevent any disruption in cash flow as well as the expense of drawing on its line of credit, RCOC must return the signed contract and submit the cash advance requests to DDS as soon as the contract is received in June.

FISCAL IMPACT:

Although RCOC does not know at this time what the preliminary allocation will be for fiscal year 2023-24; the preliminary allocation for fiscal year 2022-23 was:

Purchase of Services .....	\$443,508,277
Operations .....	\$44,503,741
 Total Preliminary Allocation .....	 \$488,012,018

RECOMMENDATION:

That the Board authorize the Chairperson to execute the contract upon receipt.

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

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ACTION   X    
ACTION/CONSENT             
DISCUSSION             
INFO ONLY           

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DATE: June 1, 2023  
TO: RCOC Board of Directors  
FROM: Budget and Finance Committee  
SUBJECT: **Approval of Line of Credit for Fiscal Year 2022-23**

BACKGROUND:

The Board approved the agreement for the line of credit commitment from U.S. Bank for \$44,500,000, which would be available for drawing from June 1, 2023 to August 31, 2023, at its meeting on May 4, 2023.

U.S. Bank is not charging a commitment fee for the line of credit.

REASON FOR CURRENT ITEM:

After further discussion internally and with U.S. Bank, the line of credit will be available for drawing from June 1, 2023 to September 29, 2023, an additional month. No other terms of the agreement changed.

The Department of Developmental Services (DDS) plans to pay the first two preliminary advances for fiscal year 2023-24 on Monday, July 17, 2023.

FISCAL IMPACT:

It is unlikely that RCOC will need to draw on its line of credit; however, if RCOC borrowed \$15 million for 15 days, the interest expense would be approximately \$51,563 at the current interest rate of 8.25%. The interest rate may change.

RECOMMENDATION:

That the Board authorize execution of the line of credit documents.

**CREDIT AND SECURITY AGREEMENT  
(REVOLVING LOAN FACILITY)**

This CREDIT AND SECURITY AGREEMENT (REVOLVING LOAN FACILITY) (this “*Agreement*”) is dated as of June 1, 2023 (the “*Closing Date*”), and is between REGIONAL CENTER OF ORANGE COUNTY, INC., a California non-profit corporation (the “*Borrower*”) and U.S. BANK NATIONAL ASSOCIATION (together with its successors and assigns, the “*Lender*”).

RECITALS

WHEREAS, the Borrower has requested that the Lender agree to, among other things, provide a revolving loan facility in the maximum principal amount of \$44,500,000.00 (the “*Commitment*”) for its operating cash needs for its fiscal year and for Reimbursable Amounts (as hereinafter defined), such Commitment to be available for drawing for the period from June 1, 2023, through September 29, 2023 (the “*Availability Period*”), and the Lender agrees, subject to the terms and conditions set forth herein, to do so. Certain defined terms used herein have the meanings set forth in Section 11 below.

Accordingly, the parties hereto agree as follows:

SECTION 1. REVOLVING FACILITY; AUTHORIZATION TO DISBURSE.

(a) Subject to the terms hereof, the Lender agrees to make loans (the “*Loans*”) on a revolving credit basis to the Borrower from time to time on any Business Day during the Availability Period; *provided, however*, that the aggregate principal amount of all Loans outstanding shall not exceed at any time (i) the Commitment or (ii) the current aggregate Reimbursable Amount. Within the limits of the Commitment, the Borrower may borrow, prepay and reborrow Loans. Loans shall only be made for those amounts so long as the aggregate amount of such Loan and all outstanding Loans do not exceed the lesser of (1) the aggregate amount of Reimbursable Amounts already approved by DDS or (2) amounts certified by DDS to the Borrower as payable to the Borrower under its DDS approved Budgets, in either case, as demonstrated to the Lender in writing.

(b) The Borrower shall give the Lender irrevocable notice of a requested borrowing in the form of Exhibit A attached hereto, prior to 1:00 p.m., Los Angeles time, at least one (1) Business Day prior to the proposed Borrowing Date, (i) specifying the principal amount of the Loan requested (the “*Requested Loan*”), (ii) specifying the requested Borrowing Date, (iii) attaching a copy of the Borrower’s written request to the DDS for reimbursement under the DDS Agreement in an amount at least equal to the principal amount of the Requested Loan and (iv) making the certifications and providing the deliverables set forth in and/or required to be delivered pursuant to Section 8(b) hereof. The Borrower agrees that the Lender is hereby authorized and is instructed to disburse the proceeds of any Loan under this Agreement, subject to the terms and conditions hereof, as requested by the Borrower from time to time pursuant to this Agreement, to the Primary Operating Account. On the proposed Borrowing Date, subject to the terms and conditions set forth herein, the Lender shall make the Loan to the Borrower by crediting such amount to the Borrower’s Primary Operating Account. The Lender is hereby authorized and

instructed by the Borrower to disburse the proceeds of the Loan on a revolving basis to the Primary Operating Account.

(c) In authorizing the Lender, pursuant to this Section 1, to disburse the proceeds of any Loan under this Agreement to the Primary Operating Account, the Borrower agrees as follows:

(1) The Lender shall disburse proceeds up to the amount of the Commitment in accordance with the foregoing authorization but not later than the termination of the Availability Period. The authorization will remain in full force and effect until the Obligations have been fulfilled.

(2) The Lender may decline to advance the proceeds of any Loan if all of the conditions precedent to such Loan set forth in Section 8(b) hereof are not satisfied.

(3) The Lender is authorized to release information concerning Borrower's credit record and financial condition: (i) to suppliers, other creditors, credit bureaus, credit reporting agencies, other credit reporters, and any guarantors, (ii) to or among departments of the Lender and its affiliates, and/or (iii) to other parties pursuant to an order from a governmental agency or court; and the Lender is authorized to obtain such information from any third party at any time and to take such other steps as the Lender deems appropriate to verify such information provided in connection therewith.

SECTION 2. RESERVED.

SECTION 3. INTEREST.

(a) Each Loan shall bear interest at a rate per annum equal to the Reference Rate. Interest shall be payable by the Borrower in arrears on the last day of each calendar month. Interest hereunder shall be computed for the actual number of days elapsed on the basis of a year consisting of 360 days.

(b) If any Default or Event of Default shall have occurred and be continuing, all amounts outstanding hereunder shall immediately and without notice bear interest at a rate per annum equal to the Reference Rate plus 5.0% per annum, payable by the Borrower on demand, from the date of the occurrence of such Default or Event of Default until such Default or Event of Default is no longer continuing (after as well as before judgment).

SECTION 4. REPAYMENT OF LOANS.

(a) The principal amount of the Loans, all unpaid interest thereon and all other Obligations, are due in full on the Maturity Date. In addition, if at any time the aggregate principal amount of the Loans outstanding exceeds the Commitment or the aggregate Reimbursable Amount at such time, the Borrower shall immediately repay the Loans in an amount equal to such excess.

(b) The Lender shall invoice the Borrower for payments, fees, expenses, and other amounts payable to the Lender in connection with this Agreement, which invoice(s) shall be due

immediately upon receipt. Any amounts paid by the Borrower in response to an invoice shall be paid to the Lender in lawful money of the United States of America in freely transferable and immediately available funds in U.S. Dollars by Fed Wire transfer to: U.S. Bank, Government Banking WIP Account, Routing No.: 042000013, Account No.: 2519956 2160600, Reference: Regional Center of Orange County, Inc., or such other office as the Lender may designate from time to time. Each such payment shall be made by 2:30 p.m., New York time, on the date such payment is due. Funds received after such time shall be deemed received on the next succeeding Business Day.

SECTION 5. PAYMENTS GENERALLY.

(a) Payments of principal, interest and any other amount due hereunder shall be made to the Lender in the manner set forth in Section 4(b) hereof. If any payment hereunder becomes due and payable on a day other than a Business Day, such payment shall be extended to the next succeeding Business Day, and, with respect to payments of principal, interest thereon shall be payable during such extension.

(b) All payments by the Borrower hereunder shall be made without set off or counterclaim and in such amounts as may be necessary in order that all such payments (after deduction or withholding for or on account of any present or future taxes, levies, imposts, duties or other charges of whatsoever nature imposed by any governmental authority, other than any tax on or measured by the overall net income of the Lender) shall not be less than the amounts otherwise specified to be paid hereunder.

(c) *Increased Costs.*

(i) *Increased Costs Generally.* If any Change in Law shall:

(A) impose, modify or deem applicable any reserve, capital or liquidity ratio, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or advances, loans or other credit extended or participated in by, the Lender;

(B) subject the Lender to any Taxes of any kind whatsoever with respect to this Agreement or the Loans, or change the basis of taxation of payments to the Lender in respect thereof (except for Indemnified Taxes covered by Section 5(b) hereof and the imposition of, or any change in the rate of any Excluded Taxes payable by the Lender); or

(C) impose on the Lender any other condition, cost or expense affecting this Agreement or the Loans;

and the result of any of the foregoing shall be to increase the cost to the Lender of making or maintaining the Loans, or to reduce the amount of any sum received or receivable by the Lender hereunder or under the Loans (whether of principal, interest or any other amount) then, upon written request of the Lender as set forth in subsection (c)(ii) below, the Borrower shall promptly

pay to the Lender, as the case may be, such additional amount or amounts as will compensate the Lender, as the case may be, for such additional costs incurred or reduction suffered.

(ii) *Capital or Liquidity Requirements.* If the Lender determines that any Change in Law affecting the Lender or the Lender's parent or holding company, if any, regarding capital or liquidity requirements, has or would have the effect of either (1) affecting the amount of capital or liquidity required or expected to be maintained by the Lender or the Lender's parent or holding company, if any, or (2) reducing the rate of return on the Lender's capital or liquidity or the capital or liquidity of the Lender's parent or holding company, if any, as a consequence of this Agreement or ownership of the Loans, to a level below that which the Lender or the Lender's parent or holding company could have achieved but for such Change in Law (taking into consideration the Lender's policies and the policies of the Lender's parent or holding company with respect to capital or liquidity adequacy), then from time to time upon written request of the Lender as set forth in subsection (c)(iii) below, the Borrower shall promptly pay to the Lender, as the case may be, such additional amount or amounts as will compensate the Lender or the Lender's parent or holding company for any such reduction suffered.

(iii) *Certificates for Reimbursement.* A certificate of the Lender setting forth the amount or amounts necessary to compensate the Lender or the Lender's parent or holding company, as the case may be, as specified in paragraph (i) or (ii) of this Section 5(c) above and delivered to the Borrower, shall be conclusive absent manifest error. The Borrower shall pay the Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(iv) *Delay in Requests.* Failure or delay on the part of the Lender to demand compensation pursuant to this Section 5(c) shall not constitute a waiver of the Lender's right to demand such compensation.

(v) *Survival.* Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in this Section 5(c) shall survive the termination of this Agreement and the payment in full of the Loans and the obligations of the Borrower thereunder and hereunder.

## SECTION 6. REPRESENTATIONS AND WARRANTIES.

The Borrower represents and warrants to the Lender as follows:

(a) the Borrower is duly organized, validly existing and in good standing as a non-profit corporation under the laws of the State of California and has the power and authority to own its property (other than real property), lease its properties and to carry on its businesses as now being conducted and as currently contemplated to be conducted hereafter and is duly qualified to do business in each jurisdiction in which the character of the properties leased by it or in which the transactions of any material portion of its business (as now conducted and as currently contemplated to be conducted) makes such qualification necessary;

(b) (i) the Borrower is in compliance in all material respects with all Laws applicable to it, and all contractual obligations to which it is party;

(ii) the Borrower has neither received notice nor does it have knowledge that any Governmental Authority or accreditation organization is considering limiting, suspending, terminating, or revoking any Permit, except for notices or occurrences for which the Borrower is pursuing a plan of compliance or taking similar actions to correct any such deficiency in a manner acceptable to the related Governmental Authority or related accreditation organization such that upon completion of the related plan of compliance the Borrower does not reasonably expect a limitation, suspension, termination or revocation of such Permit;

(iii) all Permits are valid and in full force and effect;

(iv) to the extent it participates in a particular Program, the Borrower meets all of the requirements of participation and payment of Medicare, Medicaid, any other state or federal government health care programs and any other public or private third party payor programs (each, a “*Program*” and, collectively, “*Programs*”) and is a party to valid participation agreements for payment by such Programs;

(v) there is no investigation, audit, claim review, or other action pending or, to the knowledge of the Borrower, threatened which could result in a revocation, suspension, termination, probation, material restriction, material limitation, or non-renewal of any Program participation agreement or result in the Borrower’s exclusion from any Program;

(iv) neither the Borrower nor any of its officers and directors has been or is currently excluded from participation in any government health care programs pursuant to 42 U.S.C. § 1320a-7;

(c) the execution, delivery and performance by the Borrower of this Agreement is within its corporate powers, has been duly authorized by all necessary action and does not (i) contravene the Borrower’s articles of incorporation, by-laws or other similar organizational documents, (ii) require any consent or approval of any creditor of the Borrower, (iii) violate any Laws (including, without limitation, Regulations T, U or X of the Board of Governors of the Federal Reserve System of the United States, or any successor regulations), (iv) conflict with, result in a breach of or constitute a default under any contract to which the Borrower is a party or by which it or any of its respective property may be bound or (v) result in or require the creation or imposition of any Lien upon or with respect to any property now owned or hereafter acquired by the Borrower or any affiliate thereof except such Liens, if any, expressly created by a Related Document;

(d) no authorization, approval or other action by, or notice to or filing with, any governmental authority or regulatory body (other than the filing of an appropriate UCC-1 financing statement under Section 7) is required for the due execution, delivery and performance by the Borrower of this Agreement;

(e) this Agreement and the other Related Documents to which the Borrower is a party are the legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles;

(f) the Borrower will use the proceeds of the Loans solely for its operating cash needs and for other expenses in accordance with the DDS Agreement and no part of the proceeds from the Loans will be used to purchase or carry any such Margin Stock or extend credit to others for the purpose of purchasing or carrying any such Margin Stock;

(g) there is no litigation, proceeding, labor strike, condemnation or other dispute pending, or, to the best knowledge of the Borrower, threatened against or affecting the Borrower or its property;

(h) as to the DDS Agreement, (i) the Borrower has delivered to the Lender a true and correct copy of such Agreement, including all amendments and supplements thereto and (ii) such DDS Agreement is in full force and effect with no defaults by either party thereunder;

(i) all financial statements and other financial information regarding the Borrower provided to the Lender present fairly the financial condition and results of operation of the Borrower, are correct and complete in all material respects, and are consistent with the books and records of the Borrower and since June 30, 2022, there has been no material adverse change in the financial condition or operations of the Borrower that could reasonably be expected to result in a Material Adverse Effect;

(j) there is no environmental contamination at, under or about any properties leased by the Borrower, or material violation of any environmental law with respect to such properties or the business conducted at such properties, nor has the Borrower received any notice of any such violation;

(k) the Borrower's exact legal name, and the place of formation of the Borrower, are as set forth in the preamble to this Agreement;

(l) the Borrower is the legal and beneficial owner of the Collateral free and clear of all Liens except for Liens permitted by Section 9(h). Section 7 of this Agreement provides a Lien on and security interest in the Collateral to secure the prompt payment of (i) the Loans and (ii) all Obligations owing to the Lender hereunder. The Borrower has taken any and all action necessary to perfect the Lien on and security interest in the Collateral, pursuant to Section 7 hereof, by the filing of appropriate financing statements;

(m) all information, reports and other papers and data with respect to the Borrower furnished by the Borrower to the Lender were, at the time the same were so furnished, correct in all material respects. Any financial, budget and other projections furnished by the Borrower to the Lender were prepared in good faith on the basis of the

assumptions stated therein, which assumptions were fair and reasonable in light of conditions existing at the time of delivery of such financial, budget or other projections, and represented, and as of the date of this representation, represent (subject to the updating or supplementation of any such financial, budget or other projections by any additional information provided to the Lender in writing, the representations contained in this Agreement being limited to financial, budget or other projections as so updated or supplemented), in the judgment of the Borrower, a reasonable, good faith estimate of the information purported to be set forth, it being understood that uncertainty is inherent in any projections and that no assurance can be given that the results set forth in the projections will actually be obtained. No fact is known to the Borrower that materially and adversely affects or in the future may (as far as it can reasonably foresee) materially and adversely affect the security for any of the Loans, or the ability of the Borrower to repay when due the Obligations, that has not been set forth in the financial statements and other documents referred to in this Section 6(m) or in such information, reports, papers and data or otherwise disclosed in writing to the Lender. The documents furnished and statements made by the Borrower in connection with the negotiation, preparation or execution of this Agreement and the Related Documents do not contain untrue statements of material facts;

(n) no default by the Borrower has occurred and is continuing in the payment of the principal of or premium, if any, or interest on any Indebtedness. No bankruptcy, insolvency or other similar proceedings pertaining to the Borrower or any agency or instrumentality of the Borrower are pending or presently contemplated. No Default or Event of Default has occurred and is continuing hereunder. No “default” or “event of default” under, and as defined in, any of the other Related Documents has occurred and is continuing. The Borrower is not presently in default under any material agreement to which it is a party which could reasonably be expected to have a Material Adverse Effect. The Borrower is not in violation of any material term of the Organizational Documents applicable to the Borrower or any material term of any bond indenture or agreement to which it is a party or by which any of its property is bound which could reasonably be expected to result in a Material Adverse Effect. The Borrower is solvent;

(o) none of the Related Documents or this Agreement provide for any payments that would violate any applicable law regarding permissible maximum rates of interest;

(p) the Borrower has not entered into any transaction of any kind with any affiliate, whether or not in the ordinary course of business, other than on fair and reasonable terms substantially as favorable to the subject affiliate as would be obtainable by the subject affiliate at the time in a comparable arm’s length transaction with a Person other than the Borrower;

(q) the Borrower has good and marketable title to its assets except where the failure to have good and marketable title to any of its assets would not have a Material Adverse Effect free and clear of all liens except for those permitted by the Related Documents;

(r) the Borrower currently maintains insurance coverage with insurance companies believed by the Borrower to be capable of performing their obligations under the respective insurance policies issued by such insurance companies to the Borrower (as determined in its reasonable discretion) and in full compliance with Section 9(d) hereof;

(s) the representations and warranties of the Borrower contained in the other Related Documents, together with the related definitions of terms contained therein, are hereby incorporated by reference in this Agreement as if each and every such representation and warranty and definition were set forth herein in its entirety, and the representations and warranties made by the Borrower in such Sections are hereby made for the benefit of the Lender. No amendment to or waiver of such representations and warranties or definitions made pursuant to the relevant Related Document or incorporated by reference shall be effective to amend such representations and warranties and definitions as incorporated by reference herein without the prior written consent of the Lender;

(t) all representations and warranties made hereunder and in any other Related Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Lender, regardless of any investigation made by the Lender or on its behalf and notwithstanding that the Lender may have had notice or knowledge of any Default or Event of Default at the time of the making of any Loan, and shall continue in full force and effect as long as any Obligation hereunder shall remain unpaid or unsatisfied;

(u) the Borrower, its Subsidiaries and their respective directors, officers, and employees and, to the knowledge of the Borrower, the agents of the Borrower and its Subsidiaries are in compliance with Anti-Corruption Laws and all applicable Sanctions in all material respects. The Borrower and its Subsidiaries have implemented and maintain in effect policies and procedures designed to ensure compliance with Anti-Corruption Laws and applicable Sanctions. None of the Borrower, any of its Subsidiaries or any director, officer, employee, agent or affiliate of the Borrower or any of its Subsidiaries is an individual or entity that is, or is 50% or more owned (individually or in the aggregate, directly or indirectly) or controlled by individuals or entities (including any agency, political subdivision or instrumentality of any government) that are (a) the target of any Sanctions or (b) located, organized or resident in a country or territory that is the subject of Sanctions;

(v) (i) neither the Borrower nor any ERISA Affiliate maintains, contributes to or is obligated to maintain or contribute to, or has at any time within the past six years, maintained, contributed to or been obligated to maintain or contribute to, any pension plan as defined in section 3(2) of ERISA which is subject to ERISA;

(ii) all Governmental Plans have been established, operated, administered and maintained in compliance with all laws, regulations and orders applicable thereto, except where such failure so to comply would not reasonably be expected to have a Material Adverse Effect. All contributions and any other

amounts required by applicable law to be paid or accrued by the Borrower with respect to a Governmental Plan has been paid or accrued as required, except where failure so to pay or accrue would not be reasonably be expected to have a Material Adverse Effect;

(iii) the present value of the accrued benefit liabilities under each Governmental Plan that is funded, determined as of the end of the Borrower's most recently ended fiscal year on the basis of reasonable actuarial assumptions, did not exceed the current value of the assets of such Governmental Plan allocable to such benefit liabilities by an amount which would reasonably be expected to have a Material Adverse Effect; and

(w) the Borrower has no knowledge of any existing or pending strike, walkout or work stoppage.

#### SECTION 7. COLLATERAL.

(a) To secure the payment and performance of the Obligations, the Borrower hereby grants to the Lender a continuing security interest in all personal property and assets of the Borrower, whether now owned or hereafter acquired and wherever located (collectively, the "*Collateral*"), including but not limited to the following: (i) all present and future accounts, accounts receivable, general intangibles, payment intangibles, supporting obligations, agreements, guarantees, contracts, instruments, documents, chattel paper, leases, licenses, contract rights, letter-of-credit rights and other rights to payment, including but not limited to all rights to payment under the DDS Agreement (which such DDS Agreement is not intended to limit or prohibit the granting of a security interest in such rights to payment pursuant to Section 4630 of the California Welfare and Institutions Code) and all warrants issued by the State of California, whether registered or unregistered; (ii) all present and future demand, time, savings, deposit, securities and like accounts, and all money, cash and cash equivalents, whether or not deposited in any such account; (iii) all present and future stocks, bonds, securities, security entitlements, subscription rights, investment and/or brokerage accounts, and all other investment property, and all rights, preferences, privileges, dividends, distributions, redemption payments or liquidation payments with respect thereto; and (iv) any and all proceeds of the foregoing; *provided* that the Collateral shall not include any governmental permit or any license, contract or agreement to the extent that the collateral assignment thereof or the creation of a security interest therein would constitute a breach of the terms of such permit, license, contract or agreement, or would permit the relevant governmental authority or any party to such agreement to terminate such permit, license, contract or agreement, except the Collateral expressly shall include any proceeds of any of the foregoing assets; *provided further* that, any permit, license, contract or agreement excluded in accordance with the foregoing shall cease to be so excluded to the extent (x) such term is rendered ineffective under Sections 9-406, 9-407, 9-408 or 9-409 of the UCC of any relevant jurisdiction or (y) all required consents to such assignment and security interest are obtained.

(b) The Lender is hereby authorized to file all such financing statements relating to the Collateral, and to take all such other actions as the Lender may deem appropriate to perfect and to maintain perfected the security interests granted herein. The Borrower shall execute and deliver

to the Lender, at the Borrower's expense, all instruments and documents requested by the Lender to fully perfect, protect and maintain the Lender's security interests granted herein or to enable the Lender to exercise and enforce its rights and remedies hereunder.

(c) The Lender may at any time: (i) itself or through its representatives, visit and inspect the Borrower's properties and examine and make abstracts from any of its books and records at any reasonable time, and (ii) during the existence of an Event of Default, notify obligors on the Collateral that the Collateral has been assigned as security to the Lender, request from such obligors information concerning the Collateral and the amounts owing thereon and direct such obligors to direct their performance to the Lender. Nothing contained herein shall constitute an assumption by the Lender of any obligations of the Borrower under any contracts assigned hereunder.

(d) During the existence of an Event of Default, the Lender shall have all rights and remedies under applicable laws or in equity, under this Agreement, and all rights and remedies of a secured party under the UCC, and in addition the following rights and remedies, all of which shall be cumulative and not exclusive and may be exercised with or without notice to the Borrower except as specifically required by applicable law: (i) to foreclose the Liens created hereunder by any available judicial procedure or without judicial process; (ii) to enter any premises where any Collateral may be located for the purpose of securing, protecting, inventorying, appraising, inspecting, repairing, preserving, storing, preparing, processing, taking possession of or removing the same; (iii) to sell, assign, lease or otherwise dispose of any Collateral or any part thereof for cash, on credit or otherwise, with or without representations or warranties and upon such terms as shall be commercially reasonable; (iv) to collect by legal proceedings or otherwise all dividends, distributions, interest, principal or other sums now or hereafter payable upon or on account of the Collateral; (v) to enter into any extension, reorganization, disposition or any other agreement relating to or affecting the Collateral; (vi) to settle, compromise or release, on terms acceptable to the Lender, any amounts owing on the Collateral and/or any disputes with respect thereto; (vii) to extend the time of payment, make allowances and adjustments and issue credits in connection with the Collateral; (viii) to enforce payment and prosecute any action or proceeding with respect to the Collateral and take or bring, in the name of the Lender or the Borrower, any and all steps, actions, suits or proceedings deemed necessary or desirable by the Lender to effect collection of or to realize upon the Collateral in such order and manner as the Lender in its sole discretion shall determine; (ix) the right to receive, receipt for, endorse, assign, deposit and deliver, in the name of the Lender or the Borrower, any and all checks, notes, drafts and other instruments for the payment of money constituting proceeds of or otherwise relating to the Collateral; (x) to the extent permitted by applicable law, to operate the business of the Borrower, directly or through a receiver, by taking possession of the Collateral or any part thereof and collecting and receiving the rents, issues, profits, income and proceeds thereof, pending the exercise of any and all other rights and remedies available to the Lender; and (xi) to set-off and appropriate and apply against the Obligations any and all deposits (general or special, time or demand, provisional or final) at any time held or owing by the Lender to or for the credit or the account of the Borrower. The Borrower hereby irrevocably appoints the Lender as its attorney-in-fact, effective upon an Event of Default, with full authority in the place and stead of the Borrower to do all acts and things and to execute all documents necessary or advisable to perfect and continue perfected and to preserve, maintain and protect the Collateral.

(e) The proceeds resulting from the collection, sale or other disposition of the Collateral shall be applied, *first*, to the costs and expenses (including reasonable attorneys' fees) of retaking, holding, storing and preparing for sale, selling, collecting and liquidating the Collateral; and *second*, to the satisfaction of all Obligations. The Borrower shall be liable for any deficiency. The Borrower waives all claims against the Lenders arising out of the repossession, retention or sale of the Collateral, or any part or parts thereof.

(f) (i) In the event that (1) an Event of Default has occurred and is continuing pursuant to this Agreement, (2) the Lender has notified the Borrower in writing of the occurrence and continuance of such Event of Default, and (3) the Borrower has failed to cure such Event of Default within fifteen (15) days of the receipt of such notice from the Lender; then, the Lender shall provide written notice to DDS of such Event of Default and request reimbursement of any amounts then due and owing under this Agreement. The Lender shall not request reimbursement from DDS of any amounts that constitute Advance Funds or in excess of funds otherwise due and payable by DDS to the Borrower. Such notice shall be sent to the State of California, Department of Developmental Services, 1600 9th Street, Room 300, MS3-18, Sacramento, California 95814, Attention: Hiren Patel, Esq. Such notice shall specify the amount of defaulted Obligations owing by the Borrower and shall include wire instructions and the address of the Lender.

(ii) The Borrower hereby irrevocably directs the Lender to immediately apply to the Obligations the proceeds of any wire transfer, check or other payment received by the Lender from DDS as contemplated in this subsection (f). To the extent the Lender receives funds from DDS, (1) the Lender shall apply such funds received to the Borrower's Obligations and (2) the Borrower shall credit such payment against sums owed to it by DDS under the DDS Agreement.

#### SECTION 8. CONDITIONS.

(a) *Conditions to Closing Date.* This Agreement shall become effective upon receipt by the Lender of the following, in each case in form and substance acceptable to the Lender;

(i) this Agreement, duly executed by the Borrower;

(ii) with respect to the Borrower, (A) resolutions of its board of directors or similar governing body, authorizing this Agreement and (B) its signature and incumbency certificate; *provided*, that with respect to clauses (A) and (B), such items may be in the form of an "authorization to obtain credit, grant security, guarantee or subordinate," in form and substance satisfactory to the Lender;

(iii) a certificate issued by an appropriate official of the Borrower's jurisdiction of organization stating that the Borrower is in good standing in such jurisdiction;

(iv) a copy of the DDS Agreement, along with the most recent amendment to such Agreement extending such Agreement through the Availability Period;

(v) (A) a UCC search against the Borrower, showing no Liens against the Collateral and (B) such Uniform Commercial Code financing statements (appropriately

completed) for filing in such jurisdictions as the Lender may reasonably request to evidence the Liens granted to Lender herein;

(vi) an executed Certificate of Beneficial Ownership and such other documentation and other information requested in connection with applicable “know your customer” and anti-money laundering rules and regulations, including the Patriot Act;

(vii) Chapman and Cutler LLP, as counsel to the Lender, shall have received payment of its reasonable legal fees and expenses incurred in connection with the preparation, review, negotiation, execution and delivery of the Related Documents; and

(viii) such other approvals, opinions and documents as it may reasonably request and all legal matters incident to the making of the Loan shall be satisfactory to the Lender.

(b) *Additional Conditions to Loans.* The agreement of the Lender to make each Loan from time to time requested to be made hereunder is subject to the satisfaction, immediately prior to or concurrently with the making of such Loan, of the following: (i) the following statements shall be true and the Borrower’s acceptance of the proceeds of such Loan shall be deemed to be a representation and warranty of the Borrower, on the date of such Loan, that: (A) the representations and warranties contained in this Agreement and each certificate or other writing delivered to the Lender in connection herewith are correct on and as of such date in all material respects as though made on and as of such date; (B) no Default or Event of Default has occurred and is continuing or would result from the making of the Loan to be made on such date; and (C) the aggregate amount of such Loan and all outstanding Loans does not exceed the lesser of (1) the aggregate amount of Reimbursable Amounts already approved by DDS or (2) amounts certified by DDS to the Borrower as payable to the Borrower under its DDS-approved Budget and, in either case as demonstrated the Lender in writing and (ii) the making of such Loan shall not contravene any law, rule or regulation applicable to the Lender or the Borrower.

#### SECTION 9. COVENANTS.

So long as any Obligation shall be outstanding or any Commitment shall remain, the Borrower shall:

(a) (i) preserve and maintain its corporate existence and good standing in California, and comply in all material respects with all applicable laws, rules, regulations and orders, (ii) take all reasonable action to maintain all Permits necessary for the normal conduct of its business, including, without limitation, the maintenance of its status as a provider of acute care services eligible for reimbursement under the Medicare and Medicaid programs, and such other similar federal and state reimbursement or repayment programs unless the failure to maintain any such Permit could not reasonably be expected to result in a Material Adverse Effect, (iii) maintain, preserve and protect all of its material properties and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear excepted; (iv) make all necessary repairs thereto and renewals and replacements thereof except where the failure to do so could not reasonably be expected to result in a Material Adverse Effect; and (v) use commercially reasonable

efforts to operate and maintain the facilities owned, leased or operated by such Person now or in the future in a manner believed by such Person to be consistent with prevailing industry standards in the locations where the facilities exist from time to time, except to the extent failure to do so could not reasonably be expected to result in a Material Adverse Effect;

(b) (i) keep adequate records and books of account, in which full and correct entries shall be made in accordance with GAAP of all financial transactions of the Borrower, its assets and its business and (ii) permit any Person designated by the Lender (at the expense of the Borrower) to visit any of the offices of the Borrower to examine the books and financial records (except books and financial records the examination of which by the Lender is prohibited by Law, including, without limitation, any Health Care Law, or by attorney or client privilege), including minutes of meetings of any relevant governmental committees or agencies, and make copies thereof or extracts therefrom, and to discuss the affairs, finances and accounts of the Borrower with their principal officers, employees and independent public accountants, all at such reasonable times and as often as the Lender may reasonably request;

(c) furnish to the Lender: (i) as soon as available and in any event within two hundred seventy (270) days after its fiscal year end, a copy of its financial statements audited by an independent accounting firm satisfactory to the Lender, (ii) within three Business Days after receipt thereof, notice of (A) any default under the DDS Agreement or any rejection or reduction by DDS in any Reimbursable Amount previously notified to the Lender, any material adverse change in its business, (B) any Default or Event of Default, or notice thereof, hereunder, which shall be accompanied by a certificate signed by an authorized representative of the Borrower specifying in reasonable detail the nature and period of existence thereof and what action the Borrower has taken or proposes to take with respect thereto, (C) all actions, suits, disputes or proceedings pending or threatened against the Borrower before any arbitrator of any kind or before any court or any other Governmental Authority which could reasonably be expected to result in a Material Adverse Effect, (D) any event, situation or circumstance which could reasonably be expected to result in a Material Adverse Effect, accompanied by a certificate signed by an authorized representative of the Borrower specifying in reasonable detail the nature and period of existence and what action the Borrower has taken or proposes to take with respect thereto and (E) the occurrence of any Health Care Reportable Event, (iii) promptly following a written request of the Lender, and in any event within three Business Days of the receipt of such request, a certificate of an authorized representative of the Borrower as to the existence or absence, as the case may be, of a Default or an Event of Default under this Agreement and (iv) for the first three cash advance claims under the DDS Agreement for its fiscal year, within three Business Days after delivery thereof, a copy of each written request to DDS for reimbursement;

(d) maintain, with financially sound and reputable insurance companies or associations liability insurance and property insurance in at least such amounts and against such risks as are typically insured against in the same general area by companies engaged

in the same or a similar business; and furnish to the Lender, upon request, full information as to the insurance carried;

(e) (i) maintain its primary depository relationship with the Lender, and substantially all its deposit accounts with the Lender and (ii) not enter into any deposit account control agreement, securities account control agreement or any other agreement of similar force and effect with respect to the Primary Operating Account unless the Lender is a party thereto;

(f) upon receipt of any registered warrants issued by the State of California, either (i) apply the proceeds thereof to payment of the Obligations or (ii) promptly endorse the same in favor of the Lender as additional collateral, as the Lender may elect in its discretion;

(g) not create, incur, assume or suffer to exist any Indebtedness except for (i) Indebtedness created under this Agreement or otherwise owing to the Lender and (ii) capital leases in each case approved by the Lender in writing;

(h) not create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues except for: (i) Liens created under this Agreement or otherwise secured Indebtedness owing to the Lender, (ii) Liens securing capital leases approved by the Lender in writing and (iii) Liens in favor of DDS and existing pursuant to the terms of the DDS Agreement;

(i) not (i) enter into any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution); (ii) sell, transfer, convey, exchange, lease or otherwise dispose of any of its properties, business or assets; (iii) make any advance, loan, extension of credit or other investment in any Person except short-term liquid investments acceptable to the Lender or (iv) engage in any material line of business substantially different from those lines of business conducted by the Borrower on the date hereof or any business substantially related or incidental thereto;

(j) not change its legal name, or its place of incorporation, formation or organization (as applicable) from those specified in the preamble to this Agreement;

(k) (i) (A) comply with all Laws (including, without limitation, environmental laws, Health Care Laws, Anti-Corruption Laws and applicable Sanctions) applicable to it and its property, and (B) perform in all material respects its obligations under material agreements to which it is a party except, in each case, where non-compliance could not reasonably be expected to result in a Material Adverse Effect, such compliance to include, without limitation, paying all taxes, assessments and governmental charges imposed upon it or its property before the same become delinquent, unless and to the extent that the same are being contested in good faith and by appropriate proceedings and reserves are provided therefor that in the opinion of the Borrower are adequate;

(ii) (A) maintain in effect and enforce policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions; and (B) not use or allow any tenants or subtenants to use, or permit any Subsidiary to use or allow any tenants or subtenants to use, its property for any business activity that violates any applicable federal or state law or that supports a business that violates any federal or state law;

(l) not enter into, nor will it permit any other affiliate to, enter into any transaction of any kind with any affiliate of the Borrower, whether or not in the ordinary course of business, other than on fair and reasonable terms substantially as favorable to the subject party as would be obtainable by the subject party at the time in a comparable arm's length transaction with a Person other than the Borrower or an affiliate;

(m) not modify, amend or consent to any modification, amendment or waiver in any material respect of any Related Document (other than amendments to the DDS Agreement to allocate funds made available from budget augmentations) or the Organizational Documents of the Borrower without the prior written consent of the Lender;

(n) (i) provide notice of any liability with respect to one or more Governmental Plans which could reasonably be expected to have a Material Adverse Effect;

(ii) not maintain, contribute to or be obligated to maintain or contribute to or have any liabilities with respect to any pension plan as defined in section 3(2) of ERISA which is subject to ERISA;

(o) not take or omit to take any action, which action or omission will in any way (i) result in the proceeds from the of the Loans being applied in a manner other than as provided herein, (ii) which would materially adversely affect the rights, interests, remedies or security of the Lender under this Agreement or any other Related Document or which could reasonably be expected to result in a Material Adverse Effect, (iii) directly or indirectly, use the proceeds of the Loans, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person (A) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws or (B)(1) to fund any activities or business of or with any Person, or in any country or territory, that, at the time of such funding, is the subject of Sanctions, or (2) in any other manner that would result in a violation of Sanctions by any Person (including any Person participating in the Loans, whether as Lender, underwriter, advisor, investor, or otherwise);

(p) perform and comply with each and every covenant and agreement required to be performed or observed by it in the Related Documents to which it is a party;

(q) to the extent permitted by the DDS Agreement, law and the State of California, ensure that the Lender has the sole lien on Reimbursed Funds in the Borrower's

accounts and a junior lien (subject only to the paramount lien of DDS) on Advance Funds in the accounts; and

(r) provide, and shall cause each Subsidiary to provide, such information and take such actions as are reasonably requested by the Lender in order to assist the Lender in maintaining compliance with anti-money laundering laws and regulations.

#### SECTION 10. EVENTS OF DEFAULT.

The term “*Event of Default*” shall mean any of the following:

- (a) the use of the proceeds of the Loans in any manner not permitted hereunder;
- (b) the failure of the Borrower to make any payment required under this Agreement when due;
- (c) any breach, misrepresentation or other default by Borrower under any term or provision of this Agreement or any other agreement with the Lender or in any certificate or statement delivered hereunder or thereunder;
- (d) the Borrower shall (i) have entered involuntarily against it an order for relief under the United States Bankruptcy Code, as amended, (ii) become insolvent or shall not pay, or be unable to pay, or admit in writing its inability to pay, its debts generally as they become due, (iii) make an assignment for the benefit of creditors, (iv) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its property, (v) institute any proceeding seeking to have entered against it an order for relief under the United States Bankruptcy Code, as amended, to adjudicate it insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, marshalling of assets, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (vi) take any corporate action in furtherance of any matter described in parts (i) through (v) above, or (vii) fail to contest in good faith any appointment or proceeding described in Section 10(e) of this Agreement;
- (e) a custodian, receiver, trustee, examiner, liquidator or similar official shall be appointed for the Borrower or any substantial part of its property, or a proceeding described in Section 10(d)(v) hereof shall be instituted against the Borrower and such proceeding continues undischarged or any such proceeding continues undismissed or unstayed for a period of thirty (30) or more days;
- (f) the failure of the Borrower to comply with any order, judgment, injunction, decree, writ or demand of any court or other public authority;
- (g) the filing or recording against the Borrower, or the property of the Borrower, of any notice of levy, notice to withhold, or other legal process for taxes;

(h) the default by the Borrower on any Obligation hereunder; or the default in the observance or performance of any agreement or condition relating to any Indebtedness of the Borrower or contained in any instrument or agreement evidencing, securing or relating thereto, or any other default, event of default or similar event shall occur or condition exist, the effect of which default, event of default or similar event or condition is to cause, or permit (determined without regard to whether any notice is required), any such Indebtedness to become immediately due and payable in full as the result of the acceleration, mandatory redemption or mandatory tender of such Indebtedness;

(i) the issuance against the Borrower, or the property of the Borrower, of any writ of attachment, execution, or other judicial lien or any final, unappealable judgment or judgments, writ or writs or warrant or warrants of attachment, or any similar process or processes, which are not covered in full by insurance, with written acknowledgement of such coverage having been provided by the provider of such insurance coverage to the Lender, in an aggregate amount not less than \$100,000 shall be entered or filed against the Borrower or against any of its property and remain unpaid, unvacated, unbonded or unstayed for a period of thirty (30) days;

(j) the sale or transfer of greater than ten percent (10%) of the assets of the Borrower or a change of ownership or membership interest of the Borrower;

(k) any of Fitch Ratings, Inc., Moody's Investors Service and Standard & Poor's Ratings Services shall have downgraded its unenhanced credit rating assigned to the State of California below "BBB-" (or its equivalent), "Baa3" (or its equivalent), or "BBB-" (or its equivalent) respectively, or suspended or withdrawn its rating of the same;

(l) the DDS Agreement shall be terminated by either party, or any material amendment or modification thereto shall be made that could have a material adverse effect on the Borrower's ability to pay the Obligations;

(m) any Related Document or any material provision thereof, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of the Lender, all the Obligations, ceases to be in full force and effect, or the Borrower or any Governmental Authority contests in any manner the validity or enforceability of any Related Document or any provision thereof, or any the Borrower denies that it has any or further liability or obligation under any Related Document, or purports to revoke, terminate, or rescind any Related Document or any provision thereof;

(n) the Borrower shall default in the due performance or observance of any of the covenants set forth in Section 9 hereof; or the Borrower shall default in the due performance or observance of any other term, covenant or agreement contained in this Agreement (other than with respect to any Event of Default specified in this Section 10) or any other Related Document and such default shall remain unremedied for a period of thirty (30) days after the occurrence thereof; or

(o) (i) the amount (if any) by which the aggregate present value of accrued benefit liabilities under all funded Governmental Plans exceeds the aggregate current value of assets of such Governmental Plans by an amount which would reasonably be expected to result in a Material Adverse Effect; or (ii) the Borrower becomes subject to any liability with respect to one or more Governmental Plans that would reasonably be expected to result in a Material Adverse Effect; or (iii) the Borrower fails to administer or maintain a Governmental Plan in compliance with the requirements of any applicable laws, statutes, rules, regulations or court orders and such failure would reasonably be expected to result in a Material Adverse Effect.

Upon the occurrence of any Event of Default, the Lender, in its discretion, may cease making Loans hereunder and may declare the Loans and all other Obligations under this Agreement immediately due and payable; however, upon the occurrence of any Event of Default described in subsections (d), (e), (f) or (g) above, all principal, interest, fees, expenses, charges and other Obligations owing under this Agreement shall automatically become immediately due and payable. Upon the occurrence of an Event of Default, the Lender may, at its option, compute the interest rate applicable to Borrower's obligations hereunder at a per annum rate equal to five percent (5%) in excess of the applicable interest rate specified in Section 3(a) above, calculated from the date of the occurrence of such Event of Default until all amounts due and payable hereunder are paid in full. Upon the occurrence of an Event of Default, the Lender may exercise, or cause to be exercised, any and all remedies as it may have under the Related Documents (other than as provided for in this paragraph) and as otherwise available at law and at equity. Upon any failure by the Borrower to make required payments of principal, interest or other amounts due and owing with respect to any Loan, no provision in the DDS Agreement is intended to limit or prohibit the Lender from setting off against or otherwise applying funds on deposit in the accounts of the Borrower at the Lender to satisfy the Obligations of the Borrower.

#### SECTION 11. DEFINITIONS.

Unless the context otherwise requires, terms defined in the UCC and not otherwise defined in this Agreement shall have the meanings defined for those terms therein. In addition, capitalized terms not otherwise defined herein shall have the following respective meanings:

*"Advance Funds"* means any fund paid in advance by DDS to the Borrower pursuant to Section III(3) of the DDS Agreement for services not yet rendered by the Borrower, including DDS's reimbursements to the Borrower for its expenditures that are then applied to replenish Advance Funds. The Borrower is indebted to DDS for the amount of Advance Funds received by the Borrower for any fiscal year, until such amount is either repaid by the Borrower or DDS or reduced through offset by DDS against reimbursement claims submitted by the Borrower to DDS.

*"Anti-Corruption Laws"* means the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder, and any other anti-corruption law applicable to the Borrower and its Subsidiaries.

*"Availability Period"* has the meaning set forth in the recitals hereof.

“*Beneficial Owner*” means a single individual with significant responsibility to control, manage or direct the Borrower.

“*Borrowing Date*” means the date on which the proceeds of a Loan will be available in the Borrower’s Primary Operating Account.

“*Budgets*” means the Borrower’s purchase of services (POS) and operations (OPS) budgets, each as set forth in Exhibit A to the DDS Agreement, as each budget may be amended from time to time in accordance with the DDS Agreement.

“*Business Day*” a day other than a Saturday, Sunday, a day on which the New York Stock Exchange or the Federal Reserve Bank is closed or other day on which commercial banks in the State of California are authorized or required by law to close.

“*Certificate of Beneficial Ownership*” means a certificate in form and substance acceptable to the Lender (as amended or modified by the Lender from time to time in its sole discretion), certifying, among other things, the Beneficial Owner of the Borrower.

“*Change in Law*” means the occurrence, after the Closing Date, of any of the following: (a) the adoption or taking effect of any Law, including, without limitation, Risk-Based Capital Guidelines, (b) any change in any Law or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, ruling, guideline, regulation or directive (whether or not having the force of law) by any Governmental Authority; *provided that* notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, ruling, guidelines, regulations or directives thereunder or issued in connection therewith and (ii) all requests, rules, rulings, guidelines, regulations or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States of America or foreign regulatory authorities shall in each case be deemed to be a “Change in Law,” regardless of the date enacted, adopted or issued.

“*Code*” means the Internal Revenue Code of 1986, as amended, and, where appropriate any statutory predecessor or any successor thereto.

“*Confidential Information*” means any sensitive or confidential information regarding the Borrower, the Lender or any affiliate of the Lender including, without limitation, address and account information, e-mail addresses, telephone numbers, facsimile numbers, names and signatures of officers, employees and signatories.

“*DDS*” the Department of Developmental Services, an agency of the State of California, and any successor agency having the same function.

“*DDS Agreement*” that certain written agreement between the DDS and the Borrower, pursuant to which the Borrower provides services to persons with disabilities as

contemplated by the Lanterman Developmental Disabilities Services Act, as such agreement may be amended, extended, supplemented or replaced from time to time.

“*Default*” any of the events specified in Section 10, whether or not any requirement for the giving of notice, the lapse of time, or both, or any other condition, has been satisfied.

“*ERISA*” means the Employee Retirement Income Security Act of 1974, as amended from time to time.

“*ERISA Affiliate*” means any trade or business (whether or not incorporated) under common control with the Borrower within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

“*Excluded Taxes*” means, with respect to the Lender, Taxes imposed on or measured by its overall net income (however denominated), franchise Taxes and branch profit Taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the Laws of which it is incorporated or is organized or in which its principal executive office is located.

“*Generally Accepted Accounting Principles*” or “*GAAP*” means generally accepted accounting principles in effect from time to time in the United States and applicable to entities such as the Borrower.

“*Governmental Authority*” means the government of the United States of America or any other nation or any political subdivision thereof or any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or European Central Bank), or any arbitrator, mediator or other Person with authority to bind a party at law.

“*Governmental Plan*” means any plan, fund or similar program that is established or maintained by a or for a governmental entity which plan, fund or similar program provides, or results in, retirement income, a deferral of income in contemplation of retirement of payments to be made upon termination of employment for which the Borrower could be liable and which is not subject to ERISA.

“*Health Care Laws*” means all relevant federal and state Laws regulating health services or payment, including, but not limited to, Section 1128B(b) and Section 1877 of the Social Security Act, the federal Anti-Kickback Statute (42 U.S.C. § 1320a-7b(b)), the Stark Law (42 U.S.C. § 1395nn), the Anti-Inducement Law (42 U.S.C. § 1320a-7a(a)(5)), the civil False Claims Act (31 U.S.C. § 3729 *et seq.*), the administrative False Claims Law (42 U.S.C. § 1320a-7b(a)), the exclusion laws (42 U.S.C. § 1320a-7), the civil monetary

penalty laws (42 U.S.C. § 1320a-7a), the administrative simplification provisions of the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. §§ 1320d-1320d-8), Medicare, Medicaid, and any other state or federal law, regulation, guidance document, manual provision, program memorandum, opinion letter, or other issuance which regulates kickbacks, patient or program charges, recordkeeping, referrals, the hiring of employees or acquisition of services or supplies from those who have been excluded from government health care programs, quality, safety, privacy, security, licensure, accreditation, or any other aspect of providing health care.

*“Health Care Reportable Event”* means (a) the Borrower becomes subject to any civil or criminal investigations, or any material inquiries, validation reviews, program integrity reviews, reimbursement audits or statements of deficiencies, involving and/or related to its compliance with Health Care Laws; (b) any material exclusion, voluntary disclosure, notice of claim to recover material overpayments, revocation, suspension, termination, probation, restriction, limitation, denial, or non-renewal affecting the Borrower with respect to any material Program; or (c) the occurrence of any reportable event under any settlement agreement or corporate integrity agreement involving and/or related to its compliance with Health Care Laws entered into with any Governmental Authority.

*“Indebtedness”* as to any Person, means (i) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services, (ii) all obligations of such Person evidenced by notes, bonds, debentures, loan agreements or other similar instruments, (iii) all indebtedness created or arising under any conditional-sale or other title-retention agreement with respect to property acquired by such Person, (iv) all capitalized leases obligations of such Person, (v) all obligations of such Person under a Swap Contract, (vi) all obligations, contingent or otherwise, of such Person under acceptance, under letters of credit (including standby and commercial), bankers’ acceptances, bank guaranties, surety bonds and similar instruments, (vii) all guarantee obligations of such Person and all other obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to secure a credit against loss in respect of, indebtedness or obligations of others of the kinds referred to above and (viii) all indebtedness of others secured by a lien on any asset of such Person, whether or not such indebtedness is assumed by such Person.

*“Indemnified Taxes”* means Taxes imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Related Document, other than Excluded Taxes and Other Taxes.

*“Law”* means, collectively, any treaty or any international, foreign, federal, regional, state and local law, statute, rule, guideline, ordinance, regulation, code, license, authorization, decision, injunction, interpretation or administration, order or decree or precedent of any court, or other Governmental Authority and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

“*Lien*” means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, security agreement, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

“*Margin Stock*” has the meaning ascribed to such term in Regulation U promulgated by the Board of Governors of the Federal Reserve System of the United States, as now and hereafter from time to time in effect.

“*Material Adverse Effect*” means: (a) a material adverse change in, or a material adverse effect upon, the operations, business, properties, liabilities (actual or contingent), condition (financial or otherwise) or prospects of the Borrower; (b) a material impairment of the ability of the Borrower to perform its obligations under any Related Document to which it is a party; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against the Borrower of any Related Document to which it is a party or the rights, security, interests or remedies of the Lender hereunder or under any other Related Document.

“*Maturity Date*” means the last day of the Availability Period.

“*Medicaid*” means, collectively, the health care assistance program established by Title XIX of the Social Security Act (42 U.S.C. §§ 1396 *et seq.*) and any statutes succeeding thereto, and all Laws, rules, regulations, manuals, orders, guidelines or requirements pertaining to such program including (a) all federal statutes (whether set forth in Title XIX of the Social Security Act or elsewhere) affecting such program; (b) all state statutes and plans for medical assistance enacted in connection with such program and federal rules and regulations promulgated in connection with such program; and (c) all applicable provisions of all rules, regulations, manuals, orders and administrative and reimbursement guidelines and requirements of all government authorities promulgated in connection with such program (whether or not having the force of law), in each case, as the same may be amended, supplemented or otherwise modified from time to time.

“*Medicare*” means, collectively, the health insurance program for the aged and disabled established by Title XVIII of the Social Security Act (42 U.S.C. §§ 1395 *et seq.*) and any statutes succeeding thereto, and all Laws, rules, regulations, manuals, orders or guidelines pertaining to such program including (a) all federal statutes (whether set forth in Title XVIII of the Social Security Act or elsewhere) affecting such program; and (b) all applicable provisions of all rules, regulations, manuals, orders and administrative and reimbursement guidelines and requirements of all governmental authorities promulgated in connected with such program (whether or not having the force of law), in each case, as the same may be amended, supplemented or otherwise modified from time to time.

*“Obligations”* the unpaid principal of and interest on (including, without limitation, interest accruing after the maturity of the Loans and interest accruing on or after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding and whether or not at a default rate) the Loans, and all other obligations and liabilities of the Borrower to the Lender, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement and any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses or otherwise.

*“OFAC”* means the U.S. Department of the Treasury’s Office of Foreign Assets Control, and any successor thereto.

*“Organizational Documents”* means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

*“Other Taxes”* means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Related Document.

*“Patriot Act”* means the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), as amended from time to time, and any successor statute.

*“Permit”* means any permit, approval, authorization, certification, license, variance, accreditation or permission required from a Governmental Authority under an applicable Law or any accrediting organization.

*“Person”* any individual, firm, partnership, joint venture, corporation, limited liability company, association, business enterprise trust, unincorporated organization, government or department or agency thereof or other entity, whether acting in an individual, fiduciary or other capacity.

*“Primary Operating Account”* means the account of the Borrower held at U.S. Bank National Association, DDA Number 158300223118, CIF Number 202340127, Fed ABA Number 122235821, DDA Account Name: Regional Center of Orange County, Inc.

“*Reference Rate*” the rate of interest per annum publicly announced from time to time by the Lender as its “*reference rate*” or “*prime rate*” in effect at its office in New York, New York. Such rate is a rate set by the Lender based upon various factors including the Lender’s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. The Reference Rate hereunder shall automatically change as and when the “*reference rate*” announced by the Lender shall change. Notwithstanding anything set forth herein to the contrary, in the event that the Reference Rate is less than zero, it shall be deemed to be zero for purposes of this Agreement.

“*Reimbursable Amount*” means, on any date, the aggregate amount owing and unpaid by the DDS to the Borrower under the DDS Agreement, which amounts (i) represent compensation for services that have been rendered by the Borrower (and not advance payments by the DDS) in accordance with the terms of the DDS Agreement and (ii) are the subject of written requests for reimbursement sent by the Borrower to the DDS.

“*Reimbursed Funds*” means any funds received by the Borrower from DDS that are not Advance Funds.

“*Related Documents*” means this Agreement, the DDS Agreement, and any other documents related to any of the foregoing or executed in connection therewith, and any and all future renewals and extensions or restatements of, or amendments or supplements to, any of the foregoing permitted hereunder and thereunder.

“*Risk-Based Capital Guidelines*” means (a) the risk-based capital guidelines in effect in the United States of America, including transition rules, and (b) the corresponding capital regulations promulgated by regulatory authorities outside the United States of America including transition rules, and any amendment to such regulations.

“*Sanctions*” means sanctions administered or enforced from time to time by the U.S. government, including those administered by OFAC, the U.S. Department of State, the United Nations Security Council, the European Union, His Majesty’s Treasury or other relevant sanctions authority.

“*Subsidiary*” of a Person means (i) any corporation more than 50% of the outstanding securities having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries, or (ii) any partnership, limited liability company, association, joint venture or similar business organization more than 50% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled.

“*Swap Contract*” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond

index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “*Master Agreement*”), including any such obligations or liabilities under any Master Agreement.

“*Taxes*” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, fines, additions to tax or penalties applicable thereto.

“*UCC*” the Uniform Commercial Code of the State of California.

SECTION 12. MISCELLANEOUS.

(a) No amendment or waiver of any provision of this Agreement, or consent to any departure by the Borrower herefrom, shall in any event be effective unless the same shall be in writing and signed by the Lender, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. In the case of any such waiver or consent relating to any provision hereof, any Default or Event of Default so waived or consented to shall be deemed to be cured and not continuing, but no such waiver or consent shall extend to any other or subsequent Default or Event of Default or impair any right consequent thereto.

(b) All notices and other communications to be given with respect hereto shall be in writing and mailed or delivered by reputable courier or by fax or by e mail or by other electronic means of communication capable of creating a written record of such notice and its receipt. To the extent that any electronic means of communication notice is permitted hereunder, the parties hereto shall provide appropriate e mail addresses or facsimile numbers. All such notices and communications shall be sent to the respective addresses for the parties set forth below, or to such other address as a party may specify by notice given in accordance with the provisions hereof:

If to the Borrower:

Regional Center of Orange County, Inc.  
1525 North Tustin Avenue  
Santa Ana, California 92705  
PO Box 22010  
Santa Ana, California 92702-2010

If to the Lender for Advances:

U.S. Bank National Association  
Cupertino De Anza

10381 S De Anza Blvd  
Cupertino, CA 95014  
Attention: Credit Support  
Email: GBDCreditSupport@usbank.com

Attention: Diane Henry  
Email: diane.henry1@usbank.com

Attention: Brian D. Richter  
Telephone: (414) 588-7722  
Email: brian.richter@usbank.com

Attention: Christy Chambless  
Telephone: (931) 684-8043  
Email: christy.chambless@usbank.com

Attention: Tiana Cabrera  
Telephone: (510) 314-9924  
Email: tiana.cabrera@usbank.com

If to the Lender for all other matters:

U.S. Bank National Association  
Attention: Diane Henry  
Email: diane.henry1@usbank.com

U.S. Bank National Association  
U.S. Bank Center Milwaukee  
777 E Wisconsin Avenue  
Milwaukee, WI 53202  
MK-WI-T5GB  
Attention: Brian D. Richter  
Telephone: (414) 588-7722  
Email: brian.richter@usbank.com

(c) No failure on the part of the Lender to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided, and provided under each other Related Document, are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

(d) The Borrower agrees to pay on demand all costs and expenses incurred by the Lender (including all attorneys' fees, including the allocated costs of in-house counsel to the Lender) in connection with the enforcement of this Agreement and any instrument or document executed in connection herewith, including losses, costs and expenses sustained as a result of a default by the Borrower in the performance of its obligations contained herein or in any related document. The Borrower agrees to pay, and indemnify and hold harmless the Lender and its officers, directors

and agents (each, an “*Indemnitee*”) from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits and costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery and enforcement of this Agreement and any document or instrument executed in connection herewith or the use of the proceeds of the Loans (all the foregoing, collectively, the “*indemnified liabilities*”), other than indemnified liabilities arising from the gross negligence or willful misconduct of the Lender, as determined in a final, non-appealable judgment by a court of competent jurisdiction. To the fullest extent permitted by applicable Law, the Borrower shall not assert, and hereby waives, and acknowledges that no other Person shall have, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Related Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, the making of the Loans or the use of the proceeds thereof. No Indemnitee shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Related Documents or the transactions contemplated hereby or thereby. The obligations of the Borrower under this paragraph shall survive the payment in full of the Loans.

(e) (i) All covenants, agreements, representations and warranties made herein and in the certificates delivered pursuant hereto shall survive the making of any Loan hereunder and shall continue in full force and effect until all of the Obligations hereunder shall have been paid in full. This Agreement shall be binding upon and inure to the benefit of the Borrower and the Lender and their respective successors and assigns; provided that the Borrower may not assign any interest in this Agreement without the prior written consent of the Lender. The Lender may assign to any Person all or any part of, or any interest in, the Lender’s rights and benefits under this Agreement and any document or instrument executed in connection herewith and to the extent of such assignment such assignee shall have the same rights and benefits against the Borrower as it would have had if it were the Lender hereunder. The Lender may at any time, without the consent of, or notice to, the Borrower, sell participations to any Person (other than a natural person) in all or a portion of the Lender’s rights and/or obligations under this Agreement (including all or a portion of the Loans owing to it) and such participants shall be entitled to the benefits of this Agreement to the same extent as if they were a direct party hereto. Whenever in this Agreement any of the parties hereto is referred to, such reference shall, be deemed to include the successors and assigns of such party.

(ii) The Lender may at any time pledge or grant a security interest in all or any portion of its rights under the Loans, this Agreement and the Related Documents to secure obligations of the Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; *provided* that no such pledge or assignment shall release the Lender from any of its obligations hereunder or substitute any such pledgee or assignee for the Lender as a party hereto.

(f) This Agreement shall be governed by, and construed in accordance with, the laws of the State of California (without reference to its choice of law rules).

(g) ALL CLAIMS, CAUSES OF ACTION OR OTHER DISPUTES CONCERNING THIS AGREEMENT (EACH A "CLAIM"), INCLUDING ANY AND ALL QUESTIONS OF LAW OR FACT RELATING THERETO, SHALL, AT THE WRITTEN REQUEST OF ANY PARTY TO THIS AGREEMENT, BE DETERMINED BY JUDICIAL REFERENCE PURSUANT TO CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638 ("REFERENCE"). THE PARTIES SHALL SELECT A SINGLE NEUTRAL REFEREE, WHO SHALL BE A RETIRED STATE OR FEDERAL JUDGE. IN THE EVENT THAT THE PARTIES CANNOT AGREE UPON A REFEREE, THE REFEREE SHALL BE APPOINTED BY THE COURT. THE REFEREE SHALL REPORT A STATEMENT OF DECISION TO THE COURT. NOTHING IN THIS PARAGRAPH SHALL LIMIT THE RIGHT OF ANY PARTY AT ANY TIME TO EXERCISE SELF-HELP REMEDIES, FORECLOSE AGAINST COLLATERAL OR OBTAIN PROVISIONAL REMEDIES. THE PARTIES SHALL BEAR THE FEES AND EXPENSES OF THE REFEREE EQUALLY UNLESS THE REFEREE ORDERS OTHERWISE. THE REFEREE SHALL ALSO DETERMINE ALL ISSUES RELATING TO THE APPLICABILITY, INTERPRETATION, AND ENFORCEABILITY OF THIS PARAGRAPH. THE PARTIES ACKNOWLEDGE THAT THE CLAIMS WILL NOT BE ADJUDICATED BY A JURY. IF ANY ACTION OR PROCEEDING IS FILED IN A COURT OF THE STATE OF CALIFORNIA BY OR AGAINST ANY PARTY HERETO IN CONNECTION WITH ANY OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY OTHER RELATED DOCUMENT, (A) THE COURT SHALL, AND IS HEREBY DIRECTED TO, MAKE A GENERAL REFERENCE PURSUANT TO CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638 TO A REFEREE (WHO SHALL BE A SINGLE ACTIVE OR RETIRED JUDGE) TO HEAR AND DETERMINE ALL OF THE ISSUES IN SUCH ACTION OR PROCEEDING (WHETHER OF FACT OR OF LAW) AND TO REPORT A STATEMENT OF DECISION, PROVIDED THAT AT THE OPTION OF ANY PARTY TO SUCH PROCEEDING, ANY SUCH ISSUES PERTAINING TO A "PROVISIONAL REMEDY" AS DEFINED IN CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 1281.8 SHALL BE HEARD AND DETERMINED BY THE COURT, AND (B) WITHOUT LIMITING THE GENERALITY OF SECTION 12(D) HEREOF, THE BORROWER SHALL BE SOLELY RESPONSIBLE TO PAY ALL FEES AND EXPENSES OF ANY REFEREE APPOINTED IN SUCH ACTION OR PROCEEDING.

Subject to the foregoing, each party hereto hereby irrevocably and unconditionally:

(i) submits for itself and its property in any legal action or proceeding relating to this Agreement, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of California, the courts of the United States of America for the Central District of California, and appellate courts from any thereof;

(ii) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient forum and agrees not to plead or claim the same; and

(iii) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail, postage prepaid, to any party at its address set forth in Section 12(b) (with, in the case of the Lender, a copy of such service of process to the following address: Office of the General Counsel, 400 California Street, San Francisco, California 94104).

(h) This Agreement sets forth the entire agreement between the Borrower and the Lender relating to the subject matter hereof. This Agreement may be executed by one or more of the parties hereto in any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement electronically shall be effective as delivery of a manually executed counterpart of this Agreement.

(i) (i) The Lender hereby notifies the Borrower that pursuant to the requirements of the Patriot Act it is required to obtain, verify and record information that identifies the Borrower and its affiliates, which information includes the name and address of the Borrower and its affiliates and other information that will allow the Lender to identify the Borrower and its affiliates in accordance with the Patriot Act. The Borrower hereby agree that it shall promptly provide such information upon request by the Lender.

(ii) The Borrower shall (a) ensure that no person who owns a controlling interest in or otherwise controls the Borrower or its affiliates is or shall be listed on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by OFAC, the Department of the Treasury or included in any Executive Orders, that prohibits or limits the Lender from making any advance or extension of credit to the Borrower or its affiliates or from otherwise conducting business with the Borrower or its affiliates, and (b) ensure that the Loan proceeds shall not be used to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto. Further, the Borrower shall comply, and cause each of its affiliates and any of their respective subsidiaries to comply, with all applicable Bank Secrecy Act (“BSA”) laws and regulations, as amended. The Borrower agrees to provide documentary and other evidence of the Borrower’s and the Borrower’s affiliates’ identities as may be requested by the Lender at any time to enable the Lender to verify the Borrower’s and the Borrower’s affiliates identity or to comply with any applicable law or regulation.

(j) (i) Upon the occurrence of an Event of Default, the Lender may, at any time and from time to time, without notice to the Borrower or any other person (any such notice being expressly waived), set off and appropriate and apply against and on account of any Obligations under this Agreement, without regard to whether or not the Lender shall have made any demand therefor, and although such Obligations may be contingent or unmatured, any and all deposits (general or special, including but not limited to deposits made pursuant to this Agreement and debt evidenced by certificates of deposit, whether matured or unmatured, but not including trust accounts, such as restricted donor accounts) and any other debt at any time held or owing by the Lender to or for the credit or the account of any or all of the Borrower.

(ii) The Lender agrees promptly to notify the Borrower after any such set-off and application referred to in subsection (i) above, *provided* that the failure to give such notice shall not affect the validity of such set-off and application. Subject to the provisions of subsection (i) above, the rights of the Lender under this Section 12(j) are in addition to other rights and remedies (including, without limitation, other rights of set-off) which the Lender may have.

(k) If any provision of this Agreement or the other Related Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining

provisions of this Agreement and the other Related Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(l) From time to time upon the request of either party hereto, the other shall promptly and duly execute, acknowledge and deliver any and all such further instruments and documents as the requesting party may in its reasonable discretion deem necessary or desirable to confirm this Agreement, and the other Related Documents, to carry out the purpose and intent hereof and thereof or to enable the requesting party to enforce any of its rights hereunder or thereunder. At any time, and from time to time, upon request by the Lender, the Borrower will, at the Borrower's expense, (a) correct any defect, error or omission which may be discovered in the form or content of any of the Related Documents, and (b) make, execute, deliver and record, or cause to be made, executed, delivered and recorded, any and all further instruments, certificates, and other documents as may, in the opinion of the Lender, be necessary or desirable in order to complete, perfect or continue and preserve the Lien hereof. Upon any failure by the Borrower to do so, the Lender may make, execute and record any and all such instruments, certificates and other documents for and in the name of the Borrower, all at the sole expense of the Borrower, and the Borrower hereby appoints the Lender the agent and attorney-in-fact of the Borrower to do so, this appointment being coupled with an interest and being irrevocable. Without limitation of the foregoing, the Borrower irrevocably authorizes the Lender at any time and from time to time to file any initial financing statements, amendments thereto and continuation statements deemed necessary or desirable by the Lender to establish or maintain the validity, perfection and priority of the security interests granted herein, and the Borrower ratifies any such filings made by the Lender prior to the date hereof. In addition, at any time, and from time to time, upon request by the Lender, the Borrower will, at the Borrower's expense, provide any and all further instruments, certificates and other documents as may, in the opinion of the Lender, be necessary or desirable in order to verify the Borrower's identity and background in a manner satisfactory to the Lender.

(m) Nothing in this Agreement, whether express or implied, shall be construed to give to any Person other than the parties hereto any legal or equitable right, remedy or claim under or in respect of this Agreement, which is intended for the sole and exclusive benefit of the parties hereto.

(n) In connection with all aspects of the transactions contemplated by this Agreement and the Related Documents (including in connection with any amendment, waiver or other modification hereof or of any other Related Document), the Borrower, on behalf of itself, its affiliates, acknowledges and agrees, and acknowledges its affiliates' understanding, that: (a) (i) the services regarding this Agreement and the Related Documents provided by the Lender and any affiliate of the Lender are arm's-length commercial transactions between the Borrower and its affiliates on the one hand, and the Lender and its affiliates, on the other hand, (ii) each of the Borrower and its affiliates has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, (iii) the Borrower, on behalf of itself, and its affiliates is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Related Documents and (iv) the Lender has not

provided any advice or assumed any (and has no) advisory or fiduciary responsibility in favor of the Borrower with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (whether or not the Lender or any affiliate of the Lender has provided other services or advised or is currently providing other services or advising the Borrower on other matters); (b) (i) the Lender and its affiliates each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor (as a municipal advisor (as defined in Section 15B of the Securities and Exchange Act of 1934, as amended) or otherwise), agent or fiduciary, for the Borrower or its affiliates, or any other Person and (ii) neither the Lender nor any of its affiliates has any obligation to the Borrower or its affiliates with respect to the transactions contemplated by this Agreement and the Related Documents except those obligations expressly set forth herein; and (c) the Lender and its affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and its affiliates and neither the Lender nor any of its affiliates has any obligation to disclose any of such interests to the Borrower or its affiliates. To the fullest extent permitted by Law, the Borrower, on behalf of itself and its affiliates, hereby waives and releases any claims that it may have against the Lender or any of its affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transactions contemplated by this Agreement or the other Related Documents.

(o) In the event the Borrower files with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system, or its successor ("*EMMA*"), this Agreement, any Related Documents or any description of the material terms thereof or notice of any agreement to covenants, events of default, remedies, priority rights or other similar terms, either voluntarily or as required pursuant a continuing disclosure agreement or Rule 15c2-12 promulgated pursuant to the Securities and Exchange Act of 1934, as amended (the "*Rule*") (each such posting, an "*EMMA Posting*"), the Borrower shall (i) provide the Lender with a copy of each EMMA Posting prior to submitting or posting on EMMA and (ii) shall not file or permit the filing of any EMMA Posting that includes Confidential Information. The Borrower acknowledges and agrees that although the Lender may request review, edits or redactions of such materials prior to filing, the Lender is not responsible for the Borrower's or any other entity's (including, but not limited to, any broker-dealer's) compliance or noncompliance (or any claims, losses or liabilities arising therefrom) with any continuing disclosure agreement or any applicable securities or other laws, including, but not limited to, those relating to the Rule.

(p) The words "execute," "execution," "signed," "signature," and words of like import in any Related Document (including waivers and consents) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Lender, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused their respective representatives to execute this Agreement, as of the date first above written.

REGIONAL CENTER OF ORANGE COUNTY, INC., a  
California non-profit corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

U.S. BANK NATIONAL ASSOCIATION

By: \_\_\_\_\_  
Name: Brian D. Richter  
Title: Senior Vice President

**EXHIBIT A**

**FORM OF BORROWING NOTICE AND CERTIFICATION**

\_\_\_\_\_, 2023

U.S. Bank National Association  
Cupertino De Anza  
10381 S De Anza Blvd  
Cupertino, CA 95014  
Attention: Credit Support  
Email: GBDCreditSupport@usbank.com

Attention: Diane Henry  
Email: diane.henry1@usbank.com

Attention: Brian D. Richter  
Telephone: (414) 588-7722  
Email: brian.richter@usbank.com

Attention: Christy Chambless  
Telephone: (931) 684-8043  
Email: christy.chambless@usbank.com

Attention: Tiana Cabrera  
Telephone: (510) 314-9924  
Email: tiana.cabrera@usbank.com

Ladies and Gentlemen:

REGIONAL CENTER OF ORANGE COUNTY, INC., a nonprofit corporation organized under the laws of the State of California (the "*Borrower*"), refers to that certain Credit and Security Agreement (Revolving Loan Facility) dated as of June 1, 2023 (as it may be amended, restated, modified or supplemented from time to time, the "*Credit Agreement*") between the Borrower and U.S. Bank National Association (together with its successors and assigns, the "*Lender*"). Terms defined in the Credit Agreement and not otherwise defined herein have the same respective meanings when used herein.

Pursuant to Section 1 of the Credit Agreement, the undersigned hereby requests a Loan under the Credit Agreement and in that connection sets forth below the information relating to such Loan (the "*Requested Loan*"), as required by the Credit Agreement.

1. The date of the Requested Loan, which is the date the Borrower is requesting funds be credited to its account, is \_\_\_\_\_, 2023.
2. The aggregate amount of the Requested Loan is \$ \_\_\_\_\_.

3. Attached hereto is a copy of the Borrower's written request to DDS for reimbursement (the "Reimbursement Request") under the DDS Agreement in an amount at least equal to the principal amount of the Requested Loan.

In connection with the Requested Loan, the Borrower, by executing below, hereby certifies to the Lender as follows:

(a) The amount(s) referenced in the Reimbursement Request (1) are due and owing to the Borrower from DDS in full and (2) have been certified by DDS to the Borrower as payable to the Borrower under its DDS approved Budgets, and, in each case, no such amount is, to the best knowledge of the Borrower, subject to offset or defense by DDS. Such amount(s) represent compensation for services that have been rendered by the Borrower in accordance with the terms of the DDS Agreement. Such amounts relate solely to the Borrower's [20\_\_-20\_\_] fiscal year. No part of such amount(s) have been previously received by the Borrower from the DDS.

(b) Upon funding of the Requested Loan, the aggregate principal amount of Loans outstanding under the Credit Agreement on such date will be \$\_\_\_\_\_ (the "Total Outstanding Loans") and the total Reimbursable Amount due to the Borrower will be \$\_\_\_\_\_ (the "Total Reimbursable Amount"), such amount consisting of the following unpaid reimbursement requests sent by the Borrower to DDS:

DATE OF REQUEST TO DDS	AMOUNT
_____	\$ _____
_____	\$ _____
	[and so on]
TOTAL:	\$ _____

(c) As of the date hereof, (i) the total amount appropriated to the Borrower by DDS under the DDS Agreement for the Borrower's [20\_\_-20\_\_] fiscal year is \$\_\_\_\_\_ (the "Appropriated Amount") and (ii) the Borrower has received from DDS \$\_\_\_\_\_ of reimbursements for the [20\_\_-20\_\_] fiscal year, leaving a remaining available Appropriated Amount of \$\_\_\_\_\_ (the "Available Appropriated Amount"). As of the date hereof, there are no amounts due from the Borrower to DDS (whether as a result of disputed or rejected reimbursement claims or otherwise), other than \$\_\_\_\_\_ (such amounts, if any, the "Amounts Owing"). In summary: Appropriated Amount (\$\_\_\_\_\_ ) – Reimbursements received (\$\_\_\_\_\_ ) – Amounts owing (\$\_\_\_\_\_ ) – Available Appropriated Amount (\$\_\_\_\_\_ ).

(d) Upon the borrowing of the Requested Loan, the Total Outstanding Loans will not exceed the lesser of (i) the Total Reimbursable Amount due to the Borrower and (ii) the Available Appropriated Amount less any Amounts Owing.

The foregoing request and certification are hereby made as of \_\_\_\_\_, 2023, by the duly authorized officer executing below, for the benefit of the Lender, with knowledge that the Lender is relying thereon in making the requested Loan.

REGIONAL CENTER OF ORANGE COUNTY, INC., a  
California non-profit corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

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ACTION   X    
ACTION/CONSENT             
DISCUSSION             
INFO ONLY           

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DATE: June 1, 2023  
TO: Board of Directors  
FROM: Budget and Finance Committee  
SUBJECT: **Approval of Audited Financial Statements for the Year Ended June 30, 2022**

BACKGROUND:

Audited financial statements are required in California’s Welfare and Institutions Code Section 4639, and Article III, section 8 of RCOC’s contract with the Department of Developmental Services.

REASON FOR CURRENT ITEM:

Compliance with the requirements as stated above.

FISCAL IMPACT:

None.

RECOMMENDATION:

That the Board approve the independent audit firm’s financial statements as presented.

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

DATE: June 1, 2023  
TO: RCOC Board of Directors  
FROM: Larry Landauer, Executive Director

ACTION	X
ACTION/CONSENT	
DISCUSSION	
INFO ONLY	

SUBJECT: **Approval of Property Acquisition Agreement with Non-Profit Housing Corporation, Brilliant Corners, for Development of an Enhanced Behavioral Supports Home (CRDP Project No. 2223-3)**

BACKGROUND:

The Department of Developmental Services (DDS) has made a special allocation to RCOC’s Community Resource Development Plan (CRDP) for the development of an Enhanced Behavioral Supports Home (EBSH). This facility will serve individuals with severe behaviors who currently reside in a restrictive setting, such as a psychiatric hospital, crisis facility, or locked facility, or who are at risk of being placed in a restrictive setting.

The “buy it once” model will be used for development of the EBSH, which separates ownership of the home from service delivery, so that a service provider can be changed without moving the residents. A non-profit corporation receives CRDP start-up funds to acquire and renovate a property; the non-profit corporation then leases the property to a service provider.

REASON FOR CURRENT ITEM:

DDS has allocated \$350,000 in CRDP start-up funding for the acquisition of a property to serve as an EBSH. In March, RCOC posted a Request for Proposals (RFP) for a non-profit housing corporation. Brilliant Corners was the only applicant. Based on Brilliant Corners’ proposal and interview, as well as RCOC’s prior experience with Brilliant Corners developing CRDP homes, the RFP Review Committee recommends approval of the Property Acquisition Agreement with Brilliant Corners for the development of an EBSH.

FISCAL IMPACT:

DDS has approved \$350,000 in CRDP start-up funds for the restricted use as defined above.

RECOMMENDATION:

That the Board approve the Property Acquisition Agreement as presented.

**AGREEMENT**  
**BY AND BETWEEN**  
**REGIONAL CENTER OF ORANGE COUNTY**  
**AND**  
**BRILLIANT CORNERS**  
**FOR ACQUISITION OF HOUSING**  
**RCOC CRDP PROJECT NO. 2223-3**

This **AGREEMENT** (“Agreement”) is entered into and effective this \_\_\_\_ day of June, 2023 (“Date of Agreement”), by and between the **REGIONAL CENTER OF ORANGE COUNTY**, a California non-profit corporation located at 1525 N. Tustin Avenue, Santa Ana, California, hereinafter referred to as "RCOC," and **BRILLIANT CORNERS**, a California non-profit corporation located at 1390 Market Street Suite 405, San Francisco, California, hereinafter referred to as "NPO". This Agreement shall be administered by the Associate Director of Housing for RCOC or his/her designee (hereinafter referred to as the “Project Manager”).

**RECITALS**

A. WHEREAS, the Department of Developmental Services (DDS) has allocated Community Resource Development Plan Start-Up funds (CRDP funds) to RCOC for the purpose of developing permanent housing in the community that will be used exclusively, in perpetuity, by regional center persons served; and

B. WHEREAS, DDS Guidelines for Purchasing and Developing Permanent Housing through the Regional Center Community Placement Plan for Fiscal Year 2017-18, as amended, are applicable to the use of CRDP funds and allow regional centers to contract with non-profit organizations to acquire property and/or modify existing housing to meet individuals’ unique needs; and

C. WHEREAS, NPO desires to acquire property to be used for the development of an Enhanced Behavioral Supports Home (EBSH) to serve regional center persons served; and

D. WHEREAS, DDS has approved the expenditure of up to Three Hundred Fifty Thousand Dollars (\$350,000) for RCOC to contract with the NPO to acquire property to be leased to a third-party service provider to operate an EBSH;

NOW, THEREFORE, based on the Recitals, and in consideration of the covenants, conditions and representations contained in this Agreement, RCOC and NPO agree as follows:

1. **SCOPE OF WORK.** NPO shall identify and acquire through purchase one (1) single family residence ("Property") to be leased to a third-party service provider and used in perpetuity as an EBSH, as set forth in the Scope of Work attached hereto as Exhibit "A" and incorporated herein by reference. For purposes of this Agreement "in perpetuity" shall mean a 99 year term.

2. **HOUSING GUIDELINES.** The provisions of the "Guidelines for Purchasing and Developing Permanent Housing through the Regional Center Community Placement Plan," as amended, and including Appendices "A" through "O," issued by DDS for Fiscal Year 2017-2018 and attached hereto as Exhibit "B" and incorporated herein by reference, ("Housing Guidelines") shall apply to this Agreement. In the event of any inconsistencies between the Housing Guidelines and this Agreement, the Housing Guidelines shall control.

3. **ALTERATION OF TERMS.** This Agreement, together with the Scope of Work, Exhibit "A", and the Housing Guidelines, Exhibit "B", that are attached to this Agreement and fully incorporated by this reference (together, "Exhibits"), express all understanding of the parties with respect to the subject matter of this Agreement, and shall constitute the total Agreement between the parties, except as otherwise expressly provided in this Section 3. No amendment, addition to, or alteration of, the terms of this Agreement, whether written or oral, shall be valid unless the amendment is made in writing and formally approved and executed by both parties, except as provided in this Section 3 in this Agreement.

a. **Project Manager Modification Authority.** Notwithstanding anything to the contrary and provided any modifications do not alter the overall goals and basic purpose of the Agreement, and provided these modifications do not increase RCOC's Maximum Payment Obligation during the term of the Agreement, Project Manager has the authority to, with the agreement of NPO, make modification(s) to the activities, tasks, deliverables, and/or performance timeframes specified in the Scope of Work in Exhibit "A" as described in this Agreement.

4. **STATUS OF NPO.** NPO will act as an independent contractor and is not an employee, officer, agent, partner, or joint venture of RCOC by virtue of this Agreement. NPO agrees that its workers performing services under this Agreement shall be either (1) employees of NPO, or (2) shall meet all of the following three requirements to qualify as independent contractors: (a) be free from control and direction of NPO; (b) perform work that is outside the usual course of NPO's business; and (c) be customarily engaged in an independently established trade, occupation, or business of the same nature as the work the individual performs for NPO. NPO will defend, indemnify, and hold RCOC harmless from any claims, demand, liabilities, costs, and expenses arising from NPO's misclassification of workers providing services as independent contractors under this Agreement.

5. **DELEGATION AND ASSIGNMENT.** NPO shall not delegate or assign or otherwise transfer its duties, nor assign its rights under this Agreement, either in whole or in part, without the prior written consent of Project Manager. The request must be in writing with a full explanation for the request. Any consent granted by Project Manager may be conditioned upon and subject to certain actions by NPO as determined by Project Manager. Any attempted assignment or delegation in derogation of this Section 5 shall be deemed void.

6. **GENERAL INDEMNIFICATION.**

a. **NPO Indemnification of RCOC.** NPO agrees that, except for the sole negligence of RCOC, NPO shall indemnify, defend, hold harmless RCOC, and its officers, agents, and employees from and against any and all liability, claims, losses and demands, damages to property

or injuries to or death of any person or persons, including property of directors, officers, employees, or agents of RCOC, including defense costs (together, "Claims"), whether resulting from court action or otherwise, resulting from, related in any manner to, or arising out of the performance of this Agreement by NPO, its officers, employees, agents, and/or its subcontractors. NPO, at its own expense and risk, shall defend any action, legal proceeding, arbitration, or mediation proceeding that may be brought against the RCOC, its directors, officers, agents and employees on any such claim or demand, and shall pay and satisfy any settlement, or any judgment which may be rendered against RCOC and/or against any of RCOC's directors, officers, agents or employees for any injuries or damages arising therefrom. NPO'S obligation to indemnify, defend, and hold harmless RCOC shall survive the term of this Agreement.

i. Without limiting NPO's indemnification, it is agreed that NPO shall maintain in force at all times during the term of this Agreement, the policy or policies of insurance covering its operations and performance under this Agreement in the form and amounts set forth in Section 7, which insurance obligations shall apply independently of all indemnification provided under this Agreement.

ii. No officer or director, no committee member, no employee, and no agent of RCOC shall be personally liable to NPO, or any successor in interest, (or to any subcontractor) in the event of any default or breach by RCOC or for any amount that may become due to NPO or to its successor (or subcontractor) or for breach of any obligation or the terms of this Agreement.

b. Cooperation with Claims. Each party to this Agreement shall cooperate with another party to this Agreement in the defense of any action brought for conduct resulting under this Agreement and shall make available to said party any and all records in their respective possessions or control reasonably required by a party for use in contesting or defending liability.

7. **INSURANCE.** Without limiting NPO's liability for indemnification of RCOC as set forth in Section 6 above, NPO shall obtain and maintain in effect, during the term of this Agreement, the following insurance coverage and provisions:

a. Evidence of Coverage. Prior to commencement of any Work under this Agreement, NPO shall provide on an insurance industry approved form a Certificate of Insurance certifying that coverage as required in this Paragraph 7 has been obtained and remains in force for the period required by this Agreement. In addition, NPO shall produce a certified copy of the policy or policies to RCOC upon request. Each policy shall meet the following requirements:

i. Additional Insured Endorsement. Except for Worker's Compensation, each policy shall include an endorsement evidencing that the policy also applies to RCOC and DDS, their officers, directors, agents, employees and volunteers, as additional insureds against loss or liability caused by or connected with NPO's performance or non-performance under this Agreement.

(1) Primary Insurance Endorsement. Each policy shall include an endorsement evidencing that the policy afforded by the additional insured endorsement shall apply as primary insurance, and other insurance maintained by DDS or RCOC, their officers, directors,

agents, and employees shall be excess only and not contributing with insurance provided under this policy.

ii. Notice of Cancellation or Change of Coverage Endorsement. Each policy shall include an endorsement evidencing that the policy shall not be canceled or changed so as to no longer meet the specified RCOC insurance requirements without thirty (30) days prior written notice of the cancellation or change being delivered to Project Manager at the address shown on the Certificate of Insurance.

iii. Separation Clause Endorsement. Each policy shall include an endorsement evidencing that the policy provides coverage separately to each insured who is seeking coverage or against whom a Claim is made or a suit is brought, except with respect to the company's limit of liability.

iv. Termination of Insurance. If insurance is terminated for any reason, NPO agrees to purchase an extended reporting provision of at least two (2) years to report Claims arising from work performed, or any action or any inaction in connection with this Agreement.

v. Qualifying Insurers. All coverages shall be issued by insurance companies that must be:

(1) Rated A-:VII or better according to the current Best's Key Rating Guide/Property-Casualty/United States; or

(2) A company of equal financial stability that is approved by Project Manager or his/her designee; and

(3) Admitted in the State of California.

vi. Deductible Amounts in Standard Policy. Any policy deductible or self-insured retention on any insurance policy (except auto) which exceeds \$10,000 requires prior written approval of Project Manager or his/her designee. Any policy deductible or self-insured retention on automobile liability over \$5,000 requires prior written approval of Project Manager or his/her designee. No approved deductible shall in any way limit liabilities assumed by NPO under this Agreement.

vii. Subcontractor Insurance Requirements. Should any of the Services under this Agreement be provided by a subcontractor, NPO shall require each subcontractor (of any tier) to provide the coverages specified in this Section 7, or NPO may insure any subcontractor under its own policies.

viii. Occurrence vs. Claims Based Insurance. All policies are required to be written on an occurrence basis.

b. Types of Insurance Policies/Coverage Required. NPO shall provide insurance through a policy or policies with the following types and coverage, subject to the requirements above.

i. Comprehensive General Liability Insurance. Comprehensive General Liability Insurance for bodily injury (including death) and property damage which is consistent with the DDS Deed of Trust, attached hereto as Appendix "D" to Exhibit "B", and which provides not less than One Million Dollars (\$1,000,000) combined single limit (CSL) per occurrence and not less than Two Million Dollars (\$2,000,000) annual aggregate.

(1) The coverage shall include:

- (a) Premises and Operations
- (b) Contractual Liability expressly including liability assumed under this agreement, excepting the requirement does not apply for service contracts.
- (c) Personal Injury Liability.
- (d) Property damage.

ii. Comprehensive Automobile Liability Insurance. Comprehensive Automobile Liability Insurance for bodily injury (including death) and property damage which provides total limits of not less than One Million Dollars (\$1,000,000) combined single limit per occurrence applicable to all owned, non-owned and hired vehicles/watercraft, One Million Dollars (\$1,000,000) annual aggregate.

iii. Workers' Compensation Insurance. Workers' Compensation Insurance shall be maintained. Statutory California Workers' Compensation coverage shall include a broad form all-states endorsement and waiver of subrogation.

iv. Employers' Liability Coverage. Employers' Liability Coverage of not less than One Million Dollars (\$1,000,000) per occurrence for all employees engaged in Work or operations under this Agreement.

v. Professional Liability. Professional liability/errors and omissions is required in an amount not less than One Million Dollars (\$1,000,000) per occurrence made and One Million Dollars (\$1,000,000) aggregate.

vi. Sexual Misconduct Liability. Sexual misconduct liability insurance in an amount equal to One Million Dollars (\$1,000,000) per occurrence and One Million Dollars (\$1,000,000) aggregate.

vii. Property Hazard Insurance. Property hazard insurance consistent with the DDS Deed of Trust, attached hereto as Appendix "D" to Exhibit "B", and in an amount equal to the replacement value of the Property. DDS shall be named as loss payee.

viii. Title Insurance. NPO shall procure lender's title insurance for the Property for DDS and owner's title insurance for the Property in accordance with the requirements set forth in Exhibit "B."

c. Duration of Insurance. NPO shall maintain all coverage and insurance for the entire term and for any extended period agreed upon within this Agreement.

d. Maintain Records re Insurance Coverage. NPO shall maintain records regarding all coverage and insurance for the term of this Agreement and for any extended period agreed upon within this Agreement.

e. Withhold Payment for Lack of Required Coverage. RCOC reserves the right to withhold payment of CRDP Funds in the event of material noncompliance with the applicable insurance requirements outlined in this Section 7.

f. Remedies for Failure to Provide or Maintain Required Insurance or Endorsements. In addition to any other remedies RCOC may have if NPO (or any subcontractor) fails to provide or maintain any insurance required by this Section 7 to the extent and within the time required by this Agreement, RCOC may, at its sole option:

i. Obtain the insurance and deduct and retain the amount of the premiums for the insurance from any monies due under this Agreement.

ii. Order NPO (and any subcontractor) to cease performance of the Work and/or withhold funding until NPO (or subcontractor) demonstrates compliance with the insurance requirements of this Agreement.

iii. Immediately and without further cause terminate this Agreement.

Exercise of any of the above remedies are in addition to any other remedies RCOC may have and are not the exclusive remedies for NPO's (or subcontractor's) failure to maintain or secure appropriate policies or endorsements. Nothing in this Agreement shall be construed as limiting in any way the extent to which NPO (or any subcontractor) may be held responsible for payments of damages to persons or property resulting from NPO's (or any subcontractor's) performance under this Agreement.

g. Modification of Insurance Requirements. RCOC may modify the insurance requirements set forth above if at any time during the term of this Agreement RCOC determines, in its sole discretion, that additional coverage is necessary to protect RCOC's and DDS's interests.

**8. REPRESENTATIONS AND WARRANTIES OF NPO.** CONTRACTOR makes the following representations and warranties to RCOC. These representations and warranties are ongoing and NPO shall advise Project Manager in writing if there is any change pertaining to any matters set forth or referenced in the following subparagraphs.

a. No Conflict. To the best of NPO's knowledge, NPO's negotiation, consideration and action on this Agreement and NPO's execution, delivery and performance of its obligations under this Agreement will not constitute a default or a breach under any contract, agreement or order to which NPO is a party or by which it is bound.

i. NPO agrees that no officer, employee, agent or assignee of RCOC having direct or indirect control of any monies allocated by RCOC, inclusive of the subject funds, shall serve as an officer or director of NPO.

ii. Further, NPO shall complete the Conflict of Interest Statement for CPP Funding, attached hereto as Appendix "J" to Exhibit "B", and submit said Statement to RCOC within five (5) days of the Date of Agreement.

b. No Bankruptcy. NPO is not the subject of any current or threatened bankruptcy.

c. No Pending Legal Proceedings. NPO is not the subject of a current or threatened litigation that would or may materially affect NPO's performance under this Agreement.

d. Licenses and Standards; Compliance with Laws. NPO warrants that it has all necessary licenses and permits required by the laws of the United States, State of California, County of Orange, and any local jurisdiction in which it may do business and/or provide services, and agrees to maintain these licenses and permits in effect for the duration of this Agreement. Further, NPO shall only contract with subcontractors that are duly licensed, insured, and qualified to provide Work under this Agreement, as applicable. Further, NPO warrants that its employees, agents, contractors, and subcontractors shall conduct themselves in compliance with the laws and licensure requirements including, without limitation, compliance with laws applicable to nondiscrimination, sexual harassment, and ethical behavior.

i. Failure to Obtain or Maintain Licenses. NPO shall notify Project Manager immediately and in writing of its inability to obtain or maintain, irrespective of the pendency of any appeal, any required permits, licenses, approvals, certificates, waivers and exemptions. The inability shall be cause for termination of this Agreement by RCOC or Project Manager.

e. NPO Certification. NPO certifies that no person or entity has been employed or retained by it to solicit or secure this Agreement for a commission, percentage, brokerage fee, or contingent fee.

9. **MAXIMUM PAYMENT OBLIGATION.** The "Maximum Payment Obligation" of RCOC to NPO under this Agreement shall be Three Hundred Fifty Thousand Dollars (\$350,000) ("CRDP Funds").

a. The Maximum Payment Obligation shall apply to all Work. It is anticipated that the costs associated with completion of the Work will exceed \$350,000, and NPO shall be solely responsible for the payment of said additional costs. If it is determined that the costs associated with the Work is less than \$350,000, the Maximum Payment Obligation shall be deemed to be that lower amount. In the event that the Maximum Payment Obligation is less than \$350,000, RCOC shall retain the remaining CRDP Funds to be returned to DDS.

i. Renovation Funding. RCOC and NPO anticipate some renovation to the Property may be necessary in order for the Property to be used for an EBSH. Renovation funding, if any, provided by RCOC for renovation costs will be negotiated as part of a separate agreement and is not provided for under this Agreement nor guaranteed. In the event that RCOC and NPO

are unable to reach an agreement regarding funding for renovation costs, NPO shall be solely responsible for any and all costs associated with any and all renovations necessary in order for the Property to be used for an EBSH.

ii. Financing. Subject to DDS approval, NPO shall be permitted to obtain funding for additional costs associated with acquisition of the Property above the Maximum Payment Obligation through a lender ("Senior Lender").

1. Under no circumstances shall CRDP Funds and the Senior Lender loan be utilized for the same cost or expense.

2. NPO shall obtain and provide to RCOC an executed Agreement to Provide Notice and Cure Rights from the Senior Lender in the form attached hereto as Appendix "G" to Exhibit "B" no later than the close of escrow.

3. Any Senior Lender loan on the Property shall not exceed a 15 year term, and shall not include adjustable rate or balloon payment loan options.

4. NPO shall provide a minimum down payment amount of 20% of the purchase price of the Property.

b. CRDP Funds shall be used only for eligible acquisition costs, as set forth in Exhibit "B."

c. CRDP Funds will be distributed as follows:

i. It is agreed that NPO will open an escrow account ("Escrow Account") for purchase of the Property with a mutually agreed upon escrow company ("Escrow Agent"). In addition to any escrow instructions agreed upon between NPO and the seller of the Property, escrow shall be governed by the DDS approved Escrow Instructions attached hereto as Appendix "L" to Exhibit "B" ("Escrow Instructions"). In the event of any inconsistencies between escrow instructions agreed upon between NPO and the seller of the Property and the Escrow Instructions, the Escrow Instructions shall control. Under no circumstances shall the Escrow Agent be permitted to close escrow on the Property until all of the requirements set forth in the Escrow Instructions have been satisfied.

ii. RCOC shall deposit the CRDP Funds into the Escrow Account in accordance with the Escrow Instructions, and not later than the last business day before the scheduled date for close of escrow, subject to the conditions set forth in this Agreement.

c. Funding Contingent Upon Appropriation. Notwithstanding anything in this Agreement to the contrary, RCOC's obligation to remit funds to NPO under this Agreement or to any Service Provider is conditioned on RCOC receipt of adequate funds from DDS to pay for such costs (the "Funding Contingency"). RCOC shall have the right and option to terminate this Agreement on 30 days' notice to NPO without liability, and such termination shall be deemed a failure of the Funding Contingency if (1) RCOC does not receive the funds necessary to retain NPO's services hereunder or a Service Provider's services at the Property; or (2) RCOC receives funds for NPO under this Agreement or a Service Provider's services but RCOC determines that

such funds are inadequate to pay for all of the vendor services and other expenses which RCOC expects to incur in such fiscal year relating to the Property. If there is a failure of the Funding Contingency, then (1) RCOC shall have no liability to pay funds to NPO under this Agreement or any Service Provider (other than funds for services previously validly performed by NPO and for which RCOC has received 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 RCOC exercises the Funding Contingency, RCOC agrees to use best efforts to negotiate a workout for the Property.

10. **CRDP FUND RECOUPMENT.** As a condition of receiving funding under this Agreement, NPO is required to acquire and lease the Property to a third-party service provider to be used in perpetuity as an EBSH for regional center persons served, as set forth in Exhibit "A." In addition, NPO is required to complete any and all requirements, improvements, work or activities to ensure that the Property meets all statutory and regulatory requirements to be utilized as an EBSH. If for any reason NPO ceases to lease the Property during the 99 year term as required under the terms of this Agreement, or the Property is not eligible for use as an EBSH, the funds provided under this Agreement shall immediately become due and payable as provided below. A temporary cessation of use of the Property by regional center persons served due to casualty or temporary condemnation not caused by the NPO shall not require the NPO to repay CRDP Funds.

a. If NPO ceases to lease the Property for use as an EBSH or if the Property is determined not to meet all statutory and regulatory requirements to be utilized as an EBSH in accordance with the terms of this Agreement at any time up to twenty (20) years after the Property is acquired, then NPO shall immediately repay RCOC 100% of all CRDP Funds paid by RCOC pursuant to this Agreement.

b. If NPO ceases to lease the Property for use as an EBSH or if the Property is determined not to meet all statutory and regulatory requirements to be utilized as an EBSH in accordance with the terms of this Agreement at any time which is more than twenty (20) years but less than forty (40) years after the Property is acquired, then NPO shall immediately repay RCOC 80% of all CRDP Funds paid by RCOC pursuant to this Agreement.

c. If NPO ceases to lease the Property for use as an EBSH or if the Property is determined not to meet all statutory and regulatory requirements to be utilized as an EBSH in accordance with the terms of this Agreement at any time which is more than forty (40) years but less than sixty (60) years after the Property is acquired, then NPO shall immediately repay RCOC 60% of all CRDP Funds paid by RCOC pursuant to this Agreement.

d. If NPO ceases to lease the Property for use as an EBSH or if the Property is determined not to meet all statutory and regulatory requirements to be utilized as an EBSH in accordance with the terms of this Agreement at any time which is more than sixty (60) years but less than eighty (80) years after the Property is acquired, then NPO shall immediately repay RCOC 40% of all CRDP Funds paid by RCOC pursuant to this Agreement.

e. If NPO ceases to lease the Property for use as an EBSH or if the Property is determined not to meet all statutory and regulatory requirements to be utilized as an EBSH in accordance with the terms of this Agreement at any time which is more than eighty (80) years but less than ninety-nine (99) years after the Property is acquired, then NPO shall immediately repay RCOC 20% of all CRDP Funds paid by RCOC pursuant to this Agreement.

11. **SECURITY.** As security for the completion of the Work set forth in Exhibit "A" in accordance with the provisions of this Agreement, the following documents shall be recorded on the Property as set forth in the Escrow Instructions:

- a. DDS Restrictive Covenant, attached hereto as Appendix "A" to Exhibit "B";
- b. DDS Deed of Trust, attached hereto as Appendix "D" to Exhibit "B";
- c. DDS Promissory Note, attached hereto as Appendix "C" to Exhibit "B";
- d. DDS Request for Notice of Default and/or Sale, attached hereto as Appendix "E" to Exhibit "B"; and
- e. Regional Center's Request for Notice of Default and/or Sale, attached hereto as Appendix "F" to Exhibit "B."

Changes to the documents set forth in subsections (a) through (e) above and any future encumbrances against the Property are prohibited without the prior written consent of DDS. The documents in subsections (a) through (e) above may be recorded subordinate only to a DDS approved Senior Lender Deed of Trust.

12. **LEASE RATE.**

- a. The lease rate ("Lease Rate") for the Property will be negotiated between NPO and the third-party service provider selected by RCOC, and shall be subject to RCOC approval.
- b. Upon payment in full of the Senior Lender loan or upon the reduction or elimination of other operating costs, RCOC may require reasonable adjustments to the Lease Rate as RCOC, in its sole discretion, determines appropriate.
- c. The lease agreement negotiated between NPO and the third-party service provider selected by RCOC shall comply with all requirements set forth in Exhibit "B."

13. **PROPERTY TAX EXEMPTION.** In the event that the third-party service provider selected by RCOC is a 501(c)(3) non-profit organization, NPO shall file a property tax exemption application as early as possible after the NPO purchases the Property and has signed a lease with the third-party service provider, but no later than the first day the first regional center resident occupies the Property.

14. **REPLACEMENT RESERVE ACCOUNT.** NPO shall maintain a replacement reserve account for the Property and provide an annual accounting in accordance with the requirements set forth in Section IV.O.iv. of Exhibit "B."

15. **RIGHT OF ACCESS.** Without limiting any rights of access which RCOC and/or DDS may have irrespective of this Agreement, representatives of RCOC and/or DDS shall have a reasonable right of access to the Property for purposes of inspecting and evaluating the Property and any construction or other work being performed thereon. NPO shall cooperate with providing RCOC access and information as required for RCOC to complete all monitoring and reporting requirements, including the Community Placement Plan Housing Annual Report, attached hereto as Appendix "M" to Exhibit "B."

16. **LIENS AND STOP NOTICES.** If a claim of a lien or stop notice is given or recorded affecting the Property, NPO shall within thirty (30) days of such recording or service:

- a. Pay or discharge the same; or
- b. Affect the release thereof by recording and delivering to RCOC a surety bond in sufficient form and amount, or otherwise; or
- c. Provide RCOC with other assurance that RCOC deems, in RCOC's sole discretion, to be satisfactory for the payment of such lien or bonded stop notice and for the full and continuous protection of RCOC and DDS from the effect of such lien or bonded stop notice.

17. **RECORDS.**

a. Maintain Complete Books and Records. In addition to any statutory and regulatory requirements regarding recordkeeping, NPO shall keep books and records as shall be necessary relating to the Work so as to enable RCOC to evaluate performance under this Agreement. Books and records pertaining to costs shall be kept and prepared in accordance with Generally Accepted Accounting Principles (GAAP). Project Manager, RCOC and their staff, legal counsel, and other RCOC consultants (as approved by Project Manager) shall have full and free access to all books and records of NPO (and any subcontractor), pertinent to this Agreement, at all reasonable times, including the right to inspect, copy, audit and make records and transcripts from the records.

i. NPO shall prepare and maintain accurate and complete financial records of its business operations, and in particular records related to the Work, in accordance with all statutory and regulatory requirements.

b. Inspection and Access to Records. Without limiting any rights to access which RCOC may have irrespective of this Agreement, Project Manager and any authorized RCOC representatives shall have access to NPO's records for the purpose of monitoring performance and provision of the Work pursuant to this Agreement. NPO shall make available its records within the borders of Orange County within ten (10) days after receipt of written demand by Project Manager or his/her designee. In the event NPO does not make available its records within the borders of Orange County, NPO agrees to pay all necessary and reasonable direct and indirect expenses incurred by RCOC or RCOC's designee necessary to obtain NPO's records.

c. Reports. Upon request by the Project Manager, NPO shall submit a written progress report addressing the objectives and timelines identified in the Scope of Work and shall

describe the Work performed, progress toward the objective of the Agreement, difficulties encountered during the reporting period, and any remedial/corrective action taken.

**18. NOTICES.**

a. Method and Form of Notice. Unless otherwise specified, all formal notices, claims, correspondence, or reports shall be addressed as follows:

**RCOC:** Regional Center of Orange County  
1525 N. Tustin Avenue  
Santa Ana, CA 92705  
Attn: Jack Stanton

**NPO:** Brilliant Corners  
1360 Mission St., Suite 300  
San Francisco CA 94103  
Attn: Serena Fields, Dir. Housing Development & Management

All notices shall be deemed effective when in writing and personally delivered or deposited in the United States mail, express, priority or first class, postage prepaid and addressed as above. Any notices addressed in any other fashion shall be deemed not given. Project Manager and NPO may mutually agree in writing to change the addresses to which notices are sent.

b. Advisory Notices Required. NPO shall immediately notify RCOC, in writing, whenever NPO has knowledge that there is or may be a delay in the timely performance of this Agreement. NPO shall include all relevant information with respect to the actual or potential delay.

**19. TERM AND TERMINATION.**

a. Term of Agreement. The term of this Agreement shall commence on Date of the Agreement provided above and shall terminate one (1) year therefrom, unless earlier terminated pursuant to the provisions of this Section 19 of this Agreement.

b. Grounds for Immediate Termination. RCOC may immediately terminate this Agreement in any of the following circumstances:

i. In the event RCOC has reasonable grounds to believe that NPO has offered or given any gratuity to any officer or employee of RCOC that would tend to influence that person's decision regarding any aspect of this Agreement.

ii. In the event an enforcement action, such as a vendorization termination, is taken against NPO which frustrates the purposes of this Agreement. In the event of such termination, NPO shall repay to RCOC all funds provided pursuant to this Agreement.

c. Termination for Cause Due to Default of NPO. RCOC reserves the express right to terminate this Agreement for cause due to the default (as defined in Section 20) of NPO in its performance of obligations under this Agreement, provided that RCOC shall first provide NPO with written notice of any such default and, if such default is susceptible to cure, provide NPO with thirty (30) calendar days in which to cure such default to RCOC's satisfaction (in which event such notice of termination shall be deemed rescinded, and this Agreement shall remain in full force and effect in accordance with its terms). If NPO fails to cure the default within the thirty (30) day period, RCOC shall be entitled to terminate the Agreement for cause by providing NPO written notice thereof. In the event this Agreement is terminated pursuant to this subsection, NPO shall immediately repay RCOC all funds provided pursuant to this Agreement.

20. **DEFAULT.** Failure by NPO to perform and/or comply with any provision, covenant, or condition of this Agreement shall be a default of this Agreement. In the event of default RCOC may avail itself of any remedies available at law, in equity, or otherwise specified in this Agreement (including immediate termination for cause as set forth in Section 19(c) above).

21. **COUNTERPARTS.** This agreement may be executed in several counterparts, all of which shall constitute but one and the same instrument. Faxed and/or electronically scanned signatures shall have the same force and effect as an original signature.

22. **GENERAL TERMS AND CONDITIONS.**

a. Compliance with Laws. NPO shall provide all Work in accordance with all applicable federal and state laws, statutes and regulations and local ordinances and resolutions. NPO shall comply with all laws, rules or regulations applicable to the Scope of Work and provision of Work, as any may now exist or as changed or added after the Date of Agreement.

b. Familiarity with Work. By executing this Agreement and prior to performing or providing any Work under this Agreement, NPO warrants and shall be satisfied that (a) it has thoroughly investigated and considered the Work, (b) it has carefully considered how the Work should be performed, will be implemented, and will be completed, and (c) it fully understands the facilities, difficulties, and restrictions, attending carrying out the performance obligations of this Agreement.

c. Care of Work. NPO shall adopt reasonable methods during the term of this Agreement to furnish continuous protection to the Property, facilities, equipment, and persons providing the Work, and to the work product, records, and other papers to prevent losses or damages. NPO shall be responsible for all losses or damages, to persons or property (including real property, personal property, both tangible and intangible), except the losses or damages as may be caused by RCOC's sole negligence. The performance of Work by NPO shall not relieve NPO from any obligation to correct any incomplete, inaccurate, or defective work or service at no further cost to RCOC, when the inaccuracies are due to the negligence, action, or inaction of NPO.

d. Severability. If a court of competent jurisdiction declares any provision of this Agreement or its application to any person or circumstances to be invalid or if any provision of this Agreement contravenes any federal, state, or county statute, ordinance, or regulation, the

remaining provisions of this Agreement or its application shall remain valid, and the remaining provisions of this Agreement shall remain in full force and effect, and to that extent the provisions of this Agreement are severable.

e. California Law. This Agreement shall be construed and interpreted both as to validity and to performance in accordance with the laws of the State of California. Legal actions concerning any default, dispute, interpretation, declaration of rights, or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Orange, State of California, or any other appropriate court in the county, and NPO covenants and agrees to submit to the personal jurisdiction of the court in the event of any action.

f. Waiver. No delay or omission in the exercise of any right or remedy of a non-defaulting party on any default shall impair any right or remedy or be construed as a waiver. One party's consent or approval of any act by the other party requiring the other party's consent or approval shall not be deemed to waive or render unnecessary the party's consent to or approval of any subsequent act of the party. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

g. Rights and Remedies Cumulative. Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of the rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

h. Covenant Against Discrimination. In the performance of this Agreement, NPO shall not engage in, nor permit any employee or agent to engage in discrimination in employment of persons or provision of Services or assistance, nor exclude any person from participation in, nor deny any person the benefits of, nor or subject any person to discrimination under any program or activity funded in whole or in part with RCOC funds on the grounds of race, religion, color, national origin, ancestry, physical handicap, medical condition, marital status, gender or sexual orientation, except as permitted by applicable provisions of Federal and State law. NPO shall comply with Title II of the Americans with Disabilities Act, (42 U.S.C. §12101, *et. seq.*) as it relates to public accommodations.

i. Legal Action. In addition to any other rights or remedies, either party may take legal action, at law or at equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement.

j. Attorneys' Fees. If either party commences an action against the other party arising out of or in connection with this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs of suit from the non-prevailing party.

k. Waiver of Jury Trial. Both RCOC and NPO agree and acknowledge that each is aware of and has had the opportunity to seek advice of counsel of its choice with respect to its

rights to trial by jury, and each party, for itself and its successors, creditors, and assigns, expressly and knowingly waives and releases all rights to trial by jury in any action, proceeding or counterclaim brought by any party against the other (and/or against its officers, directors, employees, agents, or subsidiary or affiliated entities) on or with regard to any matters of any kind or type arising out of or in any way connected with this Agreement and/or any other claim of injury or damage.

l. Time of Essence. Time is of the essence in the performance of this Agreement.

m. Confidentiality of Records. The NPO shall maintain confidentiality of records in accordance with the law, including, but not limited to, the provisions of Welfare and Institutions Code §§4514, 5328, and 14100.2. The NPO and all employees shall respect the confidentiality of all client information they receive.

n. Survival. The rights and obligations set forth in this Agreement shall extend beyond the term or termination of this Agreement only to the extent expressly provided for herein, or to the extent that the survival of such rights or obligations are necessary to permit their complete fulfillment or discharge.

IN WITNESS WHEREOF, RCOC and NPO have executed this Agreement in the County of Orange, State of California.

**REGIONAL CENTER OF ORANGE COUNTY**

\_\_\_\_\_  
Larry Landauer, M.S.W., Executive Director

**BRILLIANT CORNERS**

\_\_\_\_\_  
Name/Title: \_\_\_\_\_

**EXHIBIT "A"**  
**SCOPE OF WORK**

Brilliant Corners ("NPO") shall identify and acquire through purchase one (1) single family residence ("Property") to be leased to a third-party service provider selected by RCOC ("Service Provider") and used in perpetuity as an EBSH. EBSH shall mean an Enhanced Behavioral Supports Home meeting the requirements of Article 3.6 of Chapter 6 of Division 4.6 of the California Welfare and Institutions Code (§§4684.80 - 4684.86).

The Property shall be located in a residential neighborhood that is deemed to be safe, within close proximity to necessary services and supports, transportation, employment, and recreational activities. NPO shall renovate the home as necessary to meet all statutory and regulatory requirements for the Property to be utilized as an EBSH, as well as to meet the unique needs of the regional center persons served that will reside there. Selection of the Property shall be subject to the approval of RCOC. Upon RCOC approval of the Property, NPO shall complete the steps to purchase the Property as set forth below. Acquisition of the Property shall be completed no later than one hundred twenty (120) days from the Date of Agreement, unless an extension is approved by RCOC in writing, in RCOC's sole discretion.

NPO will research available properties within the target area, using all means available. The Property selected shall be at a minimum four to five bedrooms and/or adequate square footage to renovate the home to accommodate identified residents. In addition, adequate storage space including an enclosed garage area, backyard, and/or frontage area to allow for off-street parking for staff and visitors will be a priority.

NPO shall provide a minimum down payment amount of 20% of the Property purchase price. In addition, NPO shall provide a detailed sources and uses of funds schedule to RCOC. This schedule shall detail the funds necessary for the acquisition of the Property, and shall include but not be limited to, down payment costs, due diligence costs, closing costs, property inspections and replacement reserve analysis, developer fees, legal, accounting, consultant, and project managers fees, lenders title insurance, and/or home warranty contracts. NPO shall also obtain an appraisal of the value of the Property. An appraisal report completed for the Senior Lender shall be sufficient to meet this requirement. Under no circumstances shall the purchase price for the Property exceed the appraised value of the Property.

Following acquisition of the Property, NPO shall lease the Property to a third-party service provider selected by RCOC for the purpose of delivery of services. NPO shall ensure the Property is ready for occupancy, including any and all necessary renovations, no later than six (6) months from the date of close of escrow.

**EXHIBIT “B”**  
**FISCAL YEAR 2017-18 COMMUNITY PLACEMENT PLAN**  
**HOUSING GUIDELINES**  
**INCLUDING OCTOBER 5, 2020 AMENDMENTS**

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

DATE: June 1, 2023  
TO: RCOC Board of Directors  
FROM: Larry Landauer, Executive Director

ACTION	X
ACTION/CONSENT	
DISCUSSION	
INFO ONLY	

SUBJECT: **Approval of Property Renovation Agreement with Non-Profit Housing Corporation, Brilliant Corners, for Development of an Enhanced Behavioral Supports Home (CRDP Project No. 2223-3)**

BACKGROUND:

The Department of Developmental Services (DDS) has made a special allocation to RCOC’s Community Resource Development Plan (CRDP) for the development of an Enhanced Behavioral Supports Home (EBSH). This facility will serve individuals with severe behaviors who currently reside in a restrictive setting, such as a psychiatric hospital, crisis facility, or locked facility, or who are at risk of being placed in a restrictive setting.

The “buy it once” model will be used for development of the EBSH, which separates ownership of the home from service delivery, so that a service provider can be changed without moving the residents. A non-profit corporation receives CRDP start-up funds to acquire and renovate a property; the non-profit corporation then leases the property to a service provider.

REASON FOR CURRENT ITEM:

DDS has allocated \$400,000 in CRDP start-up funding for the renovation of a property to serve as an EBSH. In March, RCOC posted a Request for Proposals (RFP) for a non-profit housing corporation. Brilliant Corners was the only applicant. Based on Brilliant Corners’ proposal and interview, as well as RCOC’s prior experience with Brilliant Corners developing CRDP homes, the RFP Review Committee recommends approval of the Property Renovation Agreement with Brilliant Corners for the development of an EBSH.

FISCAL IMPACT:

DDS has approved \$400,000 in CRDP start-up funds for the restricted use as defined above.

RECOMMENDATION:

That the Board approve the Property Renovation Agreement as presented.

**AGREEMENT**  
**BY AND BETWEEN**  
**REGIONAL CENTER OF ORANGE COUNTY**  
**AND**  
**BRILLIANT CORNERS**  
**FOR DEVELOPMENT OF HOUSING**  
**RCOC CRDP PROJECT NO. 2223-3**

This **AGREEMENT** (“Agreement”) is entered into and effective this \_\_\_\_ day of June, 2023 (“Date of Agreement”), by and between the **REGIONAL CENTER OF ORANGE COUNTY**, a California non-profit corporation located at 1525 N. Tustin Avenue, Santa Ana, California, hereinafter referred to as "RCOC," and **BRILLIANT CORNERS**, a California non-profit corporation located at 1390 Market Street Suite 405, San Francisco, California, hereinafter referred to as "NPO". This Agreement shall be administered by the Associate Director of Housing for RCOC or his/her authorized designee (hereinafter referred to as the “Project Manager”).

**RECITALS**

A. WHEREAS, the Department of Developmental Services (“DDS”) has allocated Community Resource Development Plan Start-Up funds (“CRDP Funds”) to RCOC for the purpose of developing permanent housing in the community that will be used exclusively, in perpetuity, by persons served by a regional center (“Persons Served”); and

B. WHEREAS, DDS Guidelines for Purchasing and Developing Permanent Housing through the Regional Center Community Placement Plan for Fiscal Year 2017-2018, as amended, are applicable to the use of CRDP funds and allow regional centers to contract with non-profit organizations to acquire property and/or modify existing housing to meet the unique needs of Persons Served; and

C. WHEREAS, NPO desires to acquire and renovate property to be used for the development of an Enhanced Behavioral Supports Home (“EBSH”) to serve regional center Persons Served; and

D. WHEREAS, RCOC and NPO have entered into a separate property acquisition agreement (“Acquisition Agreement”) under which RCOC will provide NPO with start-up grant funding to acquire property to be leased to a third party service provider to operate an EBSH (“Property”); and

E. WHEREAS, DDS has approved the expenditure of additional CRDP Funds for RCOC to contract with NPO to renovate the Property;

NOW, THEREFORE, based on the Recitals, and in consideration of the covenants, conditions and representations contained in this Agreement, RCOC and NPO agree as follows:

1. **SCOPE OF WORK.** NPO shall renovate the Property to be leased to a third-party service provider vendored with RCOC ("Service Provider") and used in perpetuity as an EBSH, in accordance with the terms of this Agreement and as set forth in the Scope of Work attached hereto as Exhibit "A" and incorporated herein by reference. For purposes of this Agreement "in perpetuity" shall mean a ninety-nine (99) year term.

2. **HOUSING GUIDELINES.** The provisions of the "Guidelines for Purchasing and Developing Permanent Housing through the Regional Center Community Placement Plan," as amended, including Appendices "A" through "O," issued by DDS for Fiscal Year 2017-2018 and attached hereto as Exhibit "B" and incorporated herein by reference, ("CPP Guidelines") shall apply to this Agreement. In the event of any inconsistencies between the CPP Guidelines and this Agreement, the CPP Guidelines shall control.

3. **ALTERATION OF TERMS.** This Agreement, together with the Scope of Work, Exhibit "A", the CPP Guidelines, Exhibit "B", the Certificate of Acceptance, Exhibit "C", and the Addendum to Lease, Exhibit "D", that are attached to this Agreement and fully incorporated by this reference (together, "Exhibits"), express all understanding of the parties with respect to the subject matter of this Agreement, and shall constitute the total Agreement between the parties, except as otherwise expressly provided in this Section 3. No amendment, addition to, or alteration of, the terms of this Agreement, whether written or oral, shall be valid unless the amendment is made in writing and formally approved and executed by both parties, except as provided in this Section 3 in this Agreement.

a. Project Manager Modification Authority. Notwithstanding anything to the contrary and provided any modifications do not alter the overall goals and basic purpose of the Agreement, and provided these modifications do not increase RCOC's Maximum Payment Obligation during the term of the Agreement, Project Manager has the authority to, with the agreement of NPO, make modification(s) to the activities, tasks, deliverables, and/or performance timeframes specified in this Agreement.

4. **STATUS OF NPO.** NPO will act as an independent contractor and is not an employee, officer, agent, partner, or joint venture of RCOC by virtue of this Agreement. NPO agrees that its workers performing services under this Agreement shall be either (1) employees of NPO, or (2) shall meet all of the following three requirements to qualify as independent contractors: (a) be free from control and direction of NPO; (b) perform work that is outside the usual course of NPO's business; and (c) be customarily engaged in an independently established trade, occupation, or business of the same nature as the work the individual performs for NPO. NPO will defend, indemnify, and hold RCOC harmless from any claims, demand, liabilities, costs, and expenses arising from NPO's misclassification of workers providing services as independent contractors under this Agreement.

5. **DELEGATION AND ASSIGNMENT.** NPO shall not delegate or assign or otherwise transfer its duties, nor assign its rights under this Agreement, either in whole or in part, without

the prior written consent of Project Manager. The request must be in writing with a full explanation for the request. Any consent granted by Project Manager may be conditioned upon and subject to certain actions by NPO as determined by Project Manager. Any attempted assignment or delegation in derogation of this Section 5 shall be deemed void.

**6. GENERAL INDEMNIFICATION.**

a. NPO Indemnification of RCOC. NPO agrees that, except for the sole negligence of RCOC, NPO shall indemnify, defend, hold harmless RCOC, and its officers, agents, and employees from and against any and all liability, claims, losses and demands, damages to property or injuries to or death of any person or persons, including property of directors, officers, employees, or agents of RCOC, including defense costs (together, "Claims"), whether resulting from court action or otherwise, resulting from, related in any manner to, or arising out of the performance of this Agreement by NPO, its officers, employees, agents, and/or its subcontractors. NPO, at its own expense and risk, shall defend any action, legal proceeding, arbitration, or mediation proceeding that may be brought against the RCOC, its directors, officers, agents and employees on any such claim or demand, and shall pay and satisfy any settlement, or any judgment which may be rendered against RCOC and/or against any of RCOC's directors, officers, agents or employees for any injuries or damages arising therefrom. NPO'S obligation to indemnify, defend, and hold harmless RCOC shall survive the term of this Agreement.

i. Without limiting NPO's indemnification, it is agreed that NPO shall maintain in force at all times during the term of this Agreement, the policy or policies of insurance covering its operations and performance under this Agreement in the form and amounts set forth in Section 7, which insurance obligations shall apply independently of all indemnification provided under this Agreement.

ii. No officer or director, no committee member, no employee, and no agent of RCOC shall be personally liable to NPO, or any successor in interest, (or to any subcontractor) in the event of any default or breach by RCOC or for any amount that may become due to NPO or to its successor (or subcontractor) or for breach of any obligation or the terms of this Agreement.

b. Cooperation with Claims. Each party to this Agreement shall cooperate with another party to this Agreement in the defense of any action brought for conduct resulting under this Agreement and shall make available to said party any and all records in their respective possessions or control reasonably required by a party for use in contesting or defending liability.

**7. INSURANCE.** Without limiting NPO's liability for indemnification of RCOC as set forth in Section 6 above, NPO shall obtain and maintain in effect, during the term of this Agreement, the following insurance coverage and provisions:

a. Evidence of Coverage. Prior to commencement of any Work under this Agreement, NPO shall provide on an insurance industry approved form a Certificate of Insurance certifying that coverage as required in this Paragraph 7 has been obtained and remains in force for the period

required by this Agreement. In addition, NPO shall produce a certified copy of the policy or policies to RCOC upon request. Each policy shall meet the following requirements:

i. Additional Insured Endorsement. Except for Worker's Compensation and Professional Liability insurance, each policy shall include an endorsement evidencing that the policy also applies to RCOC and DDS, their officers, directors, agents, employees and volunteers, as additional insureds against loss or liability caused by or connected with NPO's performance or non-performance under this Agreement.

(1) Primary Insurance Endorsement. Each policy shall include an endorsement evidencing that the policy afforded by the additional insured endorsement shall apply as primary insurance, and other insurance maintained by DDS or RCOC, their officers, directors, agents, and employees shall be excess only and not contributing with insurance provided under this policy.

ii. Notice of Cancellation or Change of Coverage Endorsement. Each policy shall include an endorsement evidencing that the policy shall not be canceled or changed so as to no longer meet the specified RCOC insurance requirements without thirty (30) days prior written notice of the cancellation or change being delivered to Project Manager at the address shown on the Certificate of Insurance.

iii. Separation Clause Endorsement. Each policy shall include an endorsement evidencing that the policy provides coverage separately to each insured who is seeking coverage or against whom a Claim is made or a suit is brought, except with respect to the company's limit of liability.

iv. Termination of Insurance. If insurance is terminated for any reason, NPO agrees to purchase an extended reporting provision of at least two (2) years to report Claims arising from work performed, or any action or any inaction in connection with this Agreement.

v. Qualifying Insurers. All coverages shall be issued by insurance companies that must be:

(1) Rated A-:VII or better according to the current Best's Key Rating Guide/Property-Casualty/United States; or

(2) A company of equal financial stability that is approved by Project Manager or his/her designee; and

(3) Admitted in the State of California.

vi. Deductible Amounts in Standard Policy. Any policy deductible or self-insured retention on any insurance policy (except auto) which exceeds \$10,000 requires prior written approval of Project Manager or his/her designee. Any policy deductible or self-insured retention on automobile liability over \$5,000 requires prior written approval of Project Manager

or his/her designee. No approved deductible shall in any way limit liabilities assumed by NPO under this Agreement.

vii. Subcontractor Insurance Requirements. Should any of the Services under this Agreement be provided by a subcontractor, NPO shall require each subcontractor (of any tier) to provide the coverages specified in this Section 7, or NPO may insure any subcontractor under its own policies.

viii. Occurrence vs. Claims Based Insurance. All policies are required to be written on an occurrence basis.

b. Types of Insurance Policies/Coverage Required. NPO shall provide insurance through a policy or policies with the following types and coverage, subject to the requirements above.

i. Comprehensive General Liability Insurance. Comprehensive General Liability Insurance for bodily injury (including death) and property damage which is consistent with the DDS Deed of Trust, attached hereto as Appendix "D" to Exhibit "B", and which provides not less than One Million Dollars (\$1,000,000) combined single limit (CSL) per occurrence and not less than Two Million Dollars (\$2,000,000) annual aggregate.

(1) The coverage shall include:

(a) Premises and Operations

(b) Contractual Liability expressly including liability assumed under this agreement, excepting the requirement does not apply for service contracts.

(c) Personal Injury Liability.

(d) Property damage.

ii. Comprehensive Automobile Liability Insurance. Comprehensive Automobile Liability Insurance for bodily injury (including death) and property damage which provides total limits of not less than One Million Dollars (\$1,000,000) combined single limit per occurrence applicable to all owned, non-owned and hired vehicles/watercraft, One Million Dollars (\$1,000,000) annual aggregate.

iii. Workers' Compensation Insurance. Workers' Compensation Insurance shall be maintained. Statutory California Workers' Compensation coverage shall include a broad form all-states endorsement and waiver of subrogation.

iv. Employers' Liability Coverage. Employers' Liability Coverage of not less than One Million Dollars (\$1,000,000) per occurrence for all employees engaged in Work or operations under this Agreement.

v. Professional Liability. Professional liability/errors and omissions is required in an amount not less than One Million Dollars (\$1,000,000) per occurrence made and One Million Dollars (\$1,000,000) aggregate.

vi. Sexual Misconduct Liability. Sexual misconduct liability insurance in an amount equal to One Million Dollars (\$1,000,000) per occurrence and One Million Dollars (\$1,000,000) aggregate.

vii. Property Hazard Insurance. Property hazard insurance consistent with the DDS Deed of Trust, attached hereto as Appendix "D" to Exhibit "B", and in an amount equal to the replacement value of the Property. DDS shall be named as loss payee.

viii. Title Insurance. NPO shall procure lender's title insurance for the Property for DDS and owner's title insurance for the Property in accordance with the requirements set forth in Exhibit "B."

c. Duration of Insurance. NPO shall maintain all coverage and insurance for the entire term and for any extended period agreed upon within this Agreement.

d. Maintain Records re Insurance Coverage. NPO shall maintain records regarding all coverage and insurance for the term of this Agreement and for any extended period agreed upon within this Agreement.

e. Withhold Payment for Lack of Required Coverage. RCOC reserves the right to withhold payment of CRDP Funds in the event of material noncompliance with the applicable insurance requirements outlined in this Section 7.

f. Remedies for Failure to Provide or Maintain Required Insurance or Endorsements. In addition to any other remedies RCOC may have if NPO (or any subcontractor) fails to provide or maintain any insurance required by this Section 7 to the extent and within the time required by this Agreement, RCOC may, at its sole option:

i. Obtain the insurance and deduct and retain the amount of the premiums for the insurance from any monies due under this Agreement.

ii. Order NPO (and any subcontractor) to cease performance of the Work and/or withhold funding until NPO (or subcontractor) demonstrates compliance with the insurance requirements of this Agreement.

iii. Immediately and without further cause terminate this Agreement.

Exercise of any of the above remedies are in addition to any other remedies RCOC may have and are not the exclusive remedies for NPO's (or subcontractor's) failure to maintain or secure appropriate policies or endorsements. Nothing in this Agreement shall be construed as limiting in any way the extent to which NPO (or any subcontractor) may be held responsible for payments of

damages to persons or property resulting from NPO's (or any subcontractor's) performance under this Agreement.

g. Modification of Insurance Requirements. RCOC may modify the insurance requirements set forth above if at any time during the term of this Agreement RCOC determines, in its sole discretion, that additional coverage is necessary to protect RCOC's and DDS's interests.

8. **REPRESENTATIONS AND WARRANTIES OF NPO.** CONTRACTOR makes the following representations and warranties to RCOC. These representations and warranties are ongoing and NPO shall advise Project Manager in writing if there is any change pertaining to any matters set forth or referenced in the following subparagraphs.

a. No Conflict. To the best of NPO's knowledge, NPO's negotiation, consideration and action on this Agreement and NPO's execution, delivery and performance of its obligations under this Agreement will not constitute a default or a breach under any contract, agreement or order to which NPO is a party or by which it is bound.

i. NPO agrees that no officer, employee, agent or assignee of RCOC having direct or indirect control of any monies allocated by RCOC, inclusive of the subject funds, shall serve as an officer or director of NPO.

ii. Further, NPO shall complete the Conflict of Interest Statement for CPP Funding, attached hereto as Appendix "J" to Exhibit "B", and submit said Statement to RCOC within five (5) days of the Date of Agreement.

b. No Bankruptcy. NPO is not the subject of any current or threatened bankruptcy.

c. No Pending Legal Proceedings. NPO is not the subject of a current or threatened litigation that would or may materially affect NPO's performance under this Agreement.

d. Licenses and Standards; Compliance with Laws. NPO warrants that it has all necessary licenses and permits required by the laws of the United States, State of California, County of Orange, and any local jurisdiction in which it may do business and/or provide services, and agrees to maintain these licenses and permits in effect for the duration of this Agreement. Further, NPO shall only contract with subcontractors that are duly licensed, insured, and qualified to provide Work under this Agreement, as applicable. Further, NPO warrants that its employees, agents, contractors, and subcontractors shall conduct themselves in compliance with the laws and licensure requirements including, without limitation, compliance with laws applicable to nondiscrimination, sexual harassment, and ethical behavior.

i. Failure to Obtain or Maintain Licenses. NPO shall notify Project Manager immediately and in writing of its inability to obtain or maintain, irrespective of the pendency of any appeal, any required permits, licenses, approvals, certificates, waivers and exemptions. The inability shall be cause for termination of this Agreement by RCOC or Project Manager.

e. NPO Certification. NPO certifies that no person or entity has been employed or retained by it to solicit or secure this Agreement for a commission, percentage, brokerage fee, or contingent fee.

9. **MAXIMUM PAYMENT OBLIGATION.** The “Maximum Payment Obligation” of RCOC to NPO under this Agreement shall be Four Hundred Thousand Dollars (\$400,000) ("CRDP Funds").

a. The Maximum Payment Obligation shall apply to all Work. It is anticipated that the costs associated with completion of the Work may exceed the Maximum Payment Obligation, and NPO shall be solely responsible for the payment of said additional costs. If it is determined that the costs associated with the Work is less than \$400,000, the Maximum Payment Obligation shall be deemed to be that lower amount. In the event that the Maximum Payment Obligation is less than \$400,000, RCOC shall retain the remaining CRDP Funds to be returned to DDS.

b. Funding Contingent Upon Appropriation. Notwithstanding anything in this Agreement to the contrary, RCOC’s obligation to remit funds to NPO under this Agreement or to any Service Provider is conditioned on RCOC’s receipt of adequate funds from DDS to pay for such costs (the “Funding Contingency”). RCOC shall have the right and option to terminate this Agreement on 30 days’ notice to NPO without liability, and such termination shall be deemed a failure of the Funding Contingency if (1) RCOC does not receive the funds necessary to retain NPO’s services hereunder or a Service Provider’s services at the Property; or (2) RCOC receives funds for NPO under this Agreement or a Service Provider’s services but RCOC determines that such funds are inadequate to pay for all of the vendor services and other expenses which RCOC expects to incur in such fiscal year relating to the Property. If there is a failure of the Funding Contingency, then (1) RCOC shall have no liability to pay funds to NPO under this Agreement or any Service Provider (other than funds for services previously validly performed by NPO and for which RCOC has received 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 RCOC exercises the Funding Contingency, RCOC agrees to use best efforts to negotiate a workout for the Property.

10. **RENOVATION WORK.**

a. Development/Improvements. NPO may not make any improvements, alterations, additions or changes (collectively, the "Improvements") to the Property without first procuring the prior written consent of RCOC, which consent shall be requested by NPO prior to the commencement of the Work, and which consent shall not be unreasonably withheld by RCOC; provided, however, it shall be deemed reasonable for RCOC 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 RCOC's Persons Served to use the Property. Notwithstanding the foregoing, NPO shall be permitted to make Improvements without RCOC'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 RCOC's Persons Served. Except to the extent permitted by DDS' Letter of Conditional Approval (as defined by the CPP Guidelines), RCOC shall have no obligation to pay for the cost of any of the Improvements performed at the Property.

b. Deliverables. RCOC's obligation to disburse CRDP Funds relating to renovation work at the Property shall be conditioned on NPO's delivery to RCOC, and RCOC'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 NPO 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 NPO 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, NPO shall provide evidence that the applicable jurisdiction has issued a final Certificate of Occupancy or its equivalent for the Property.

c. Manner of Construction; Terms of Construction Contract. RCOC 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 RCOC in its reasonable discretion may deem desirable, including, but not limited to, the requirement that NPO utilize for such purposes only contractors, subcontractors, materials, mechanics and materialmen mutually approved by the parties. RCOC shall have the right to review and approve the terms and conditions of the construction contract between NPO and its general contractor for all Improvements. Further, each 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) NPO 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), RCOC has completed its final walk through, and NPO and the Service Provider have signed the Certificate of Acceptance attached hereto as Exhibit "C" and incorporated herein by reference. NPO shall also include the following statement in each construction contract between NPO and the general contractor: "*Regional Center of Orange County is a third party beneficiary of all of Brilliant Corners' rights under this Contract.*"

d. Construction Insurance. Prior to the commencement of Improvements at each Property, NPO shall provide RCOC 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 RCOC) is obtained/maintained in an amount approved by RCOC (which shall in no event be less than the amount actually carried by NPO) covering the construction of such Improvements, it being understood and agreed that all of such Improvements shall be adequately insured by NPO immediately upon completion thereof.

e. Compliance With Laws. NPO 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 applicable Property is located, all in conformance with any commercially reasonable construction rules and regulations RCOC may promulgate from time to time.

f. Payment and Performance Bond; Alternative Performance Assurances. RCOC's disbursement of CRDP Funds for the Improvements shall be conditioned on either of the following, at RCOC's election: (i) NPO's delivery to RCOC of a Payment and Performance Bond from NPO's contractor in favor of NPO, in an amount equal to 100% of the expected costs of construction; or (ii) DDS' approval of, and NPO's compliance with, the "alternative performance assurances" described in Section IV(N) of the CPP Guidelines.

g. Timely Development. NPO is responsible and accountable for timely developing the Property so that it can be occupied by Persons Served pursuant to the terms of, and by the deadlines contained within, the CPP Guidelines. RCOC shall be responsible for timely identifying and selecting the Service Provider as well as the Persons Served for each 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 Persons Served.

h. Disbursements; Procedures. RCOC shall disburse CRDP Funds for renovation work to NPO for the Property in accordance with the procedures in Section 11 below.

i. Monitoring of Plans and Work. RCOC may, in RCOC's sole and absolute discretion, monitor NPO's preparation of the plans and the contractor's performance of the renovation work, and NPO shall promptly respond to all inquiries, and cooperate, coordinate, and otherwise comply with RCOC's requests.

j. Monthly Updates. On a monthly basis during the installation of the Improvements, and at all times upon RCOC's request, NPO shall provide RCOC with an update as to the progress of its work.

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

l. RCOC's Option to Deliver CRDP Funds to Third Parties. If a third party has recorded a lien or threatened to record a lien against a Property as a result of nonpayment for their services, equipment or materials, or if RCOC otherwise reasonably believes that NPO may

be in breach of contract with any third party, then RCOC may elect to disburse certain CRDP Funds directly to such third parties for NPO' benefit, rather than to NPO directly.

m. Purchased Furniture, Fixtures and Equipment. Any item of furniture, trade fixture, equipment or other personal property costing over two thousand dollars (\$2,000) that NPO 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.

n. Additional Requirements and Agreements. RCOC reserves the right to require NPO to enter into further agreements with RCOC to address the costs and procedures relating to NPO's renovation of the Property.

11. **DISBURSEMENT OF RENOVATION FUNDS.** RCOC shall disburse renovation funds to NPO for the Property in installments, as milestones are satisfied, as provided below, but never more than the Maximum Payment Obligation. RCOC shall remit each payment to NPO within thirty (30) days after RCOC receives a properly documented invoice from NPO, along with all applicable backup documentation as described below, as determined by RCOC. Any funds disbursed by RCOC in advance shall be subject to true up once NPO has incurred such expenses.

a. First Milestone: NPO's submission of documentation reasonably acceptable to RCOC that NPO has closed escrow on the Property and is the owner of fee title to the Property.

i. Amount of funds Payable to NPO upon its Completion of First Milestone: Thirty Percent (30%) of the Maximum Payment Obligation.

b. Second Milestone: NPO's submittal to RCOC, and RCOC'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 NPO 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 NPO and its general contractor, including contractor's fixed price or time & materials bid to perform its work and install the Improvements.

i. Amount of Funds Payable to NPO upon its Completion of Second Milestone: Thirty Percent (30%) of the Maximum Payment Obligation.

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

i. Amount of Funds Payable to NPO upon its Completion of Third Milestone: Thirty Percent (30%) of the Maximum Payment Obligation.

d. Fourth Milestone: RCOC's satisfaction that all of the Improvements have been properly completed and that the Property is physically ready for occupancy by Persons Served, after RCOC's completion of a walk-through of the Property. NPO's written certification to RCOC that the city or county inspector has approved the final completion of the Property, along with NPO's delivery to RCOC of evidence of such approval (such as a signed inspection card from the inspector) (collectively, the "Inspector's Approval"), as well as full execution of the Certificate of Acceptance attached hereto as Exhibit "C" shall constitute NPO's satisfaction of this milestone.

i. Amount of Funds Payable to NPO upon its Completion of Fourth Milestone: Ten Percent (10%) of the Maximum Payment Obligation.

e. Deadline to Expend Funds. Notwithstanding anything in this Agreement to the contrary, the deadline for RCOC to disburse renovation funds to NPO is June 30, 2025, and NPO must submit invoices no later than March 5, 2025; NPO must therefore complete all renovations prior to March 5, 2025, unless directed otherwise in writing by RCOC. All of RCOC's disbursements are conditioned upon NPO's compliance with the project milestones for the Property by such deadline; provided, however, the deadline for NPO to satisfy the Second Milestone for the Property shall be the earlier of the above deadline date or the 90<sup>th</sup> day after NPO purchases the Property.

11. **CRDP FUND RECOUPMENT.** As a condition of receiving funding under this Agreement, NPO is required to renovate and lease the Property to a third-party Service Provider to be used in perpetuity as an EBSH for regional center Persons Served, as set forth in this Agreement. This ninety-nine (99) year term shall run concurrently with the ninety-nine (99) year term required pursuant to Section 10 of the Acquisition Agreement. In addition, NPO is required to complete any and all requirements, improvements, work or activities to ensure that the Property meets all statutory and regulatory requirements to be utilized as an EBSH. If for any reason NPO ceases to lease the Property during the 99 year term as required under the terms of this Agreement, or the Property is not eligible for use as an EBSH, the funds provided under this Agreement shall immediately become due and payable as provided below. A temporary cessation of use of the Property by regional center Persons Served due to casualty or temporary condemnation not caused by the NPO shall not require the NPO to repay CRDP Funds.

a. If NPO ceases to lease the Property for use as an EBSH or if the Property is determined not to meet all statutory and regulatory requirements to be utilized as an EBSH in accordance with the terms of this Agreement at any time up to twenty (20) years after the Property is acquired, then NPO shall immediately repay RCOC one hundred percent (100%) of all CRDP Funds paid by RCOC pursuant to this Agreement.

b. If NPO ceases to lease the Property for use as an EBSH or if the Property is determined not to meet all statutory and regulatory requirements to be utilized as an EBSH in

accordance with the terms of this Agreement at any time which is more than twenty (20) years but less than forty (40) years after the Property is acquired, then NPO shall immediately repay RCOC eighty percent (80%) of all CRDP Funds paid by RCOC pursuant to this Agreement.

c. If NPO ceases to lease the Property for use as an EBSH or if the Property is determined not to meet all statutory and regulatory requirements to be utilized as an EBSH in accordance with the terms of this Agreement at any time which is more than forty (40) years but less than sixty (60) years after the Property is acquired, then NPO shall immediately repay RCOC sixty percent (60%) of all CRDP Funds paid by RCOC pursuant to this Agreement.

d. If NPO ceases to lease the Property for use as an EBSH or if the Property is determined not to meet all statutory and regulatory requirements to be utilized as an EBSH in accordance with the terms of this Agreement at any time which is more than sixty (60) years but less than eighty (80) years after the Property is acquired, then NPO shall immediately repay RCOC forty percent (40%) of all CRDP Funds paid by RCOC pursuant to this Agreement.

e. If NPO ceases to lease the Property for use as an EBSH or if the Property is determined not to meet all statutory and regulatory requirements to be utilized as an EBSH in accordance with the terms of this Agreement at any time which is more than eighty (80) years but less than ninety-nine (99) years after the Property is acquired, then NPO shall immediately repay RCOC twenty percent (20%) of all CRDP Funds paid by RCOC pursuant to this Agreement.

12. **SECURITY.** The following documents shall be recorded on the Property as set forth in the Acquisition Agreement:

- a. DDS Restrictive Covenant, attached hereto as Appendix "A" to Exhibit "B";
- b. DDS Deed of Trust, attached hereto as Appendix "D" to Exhibit "B";
- c. DDS Promissory Note, attached hereto as Appendix "C" to Exhibit "B";
- d. DDS Request for Notice of Default and/or Sale, attached hereto as Appendix "E" to Exhibit "B"; and
- e. Regional Center's Request for Notice of Default and/or Sale, attached hereto as Appendix "F" to Exhibit "B."

The recorded documents set forth above in this Section 12 shall include the total amount of CRDP Funds provided to NPO pursuant to both the Acquisition Agreement and this Agreement. Changes to the documents set forth in subsections (a) through (e) above and any future encumbrances against the Property are prohibited without the prior written consent of DDS. The documents in subsections (a) through (e) above may be recorded subordinate only to a DDS approved Senior Lender Deed of Trust.

13. **LEASE.** RCOC and NPO agree as follows with respect to leasing the Property:

a. Selection of Tenant. NPO acknowledges that, despite its position as landlord under the Lease, NPO has no right to select the master tenant. Rather, RCOC shall have the sole right to select the initial tenant and all replacement tenants for the Property; provided, however, each master tenant must be a service provider vendored by RCOC. Similarly, RCOC 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. NPO may use any form of lease it chooses, provided that RCOC approves such form in writing in advance. The Lease shall include a Lease Addendum that is identical to the Lease Addendum template attached hereto as Exhibit “D”. All references in this Agreement to the “Lease” include the Lease Addendum. RCOC may require changes to the form of the Lease if so requested or required by DDS.

c. Specific Lease Restrictions. NPO shall not do any of the following without first obtaining RCOC’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 any Lease (including but not limited to the amount of the rent) or terminate any Lease; or (3) unreasonably hinder a Service Provider in providing services to the Persons Served residing in the Property.

d. Notification of Service Provider Delinquencies. As soon as NPO 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, NPO shall promptly notify RCOC of such fact in writing.

e. RCOC’s Reimbursement to Service Provider. Subject to (1) NPO’s compliance with the terms of this Agreement and (2) the Service Provider’s compliance with the terms of its service provider agreement with RCOC for the Property (the “Service Provider Agreement”), RCOC will pay the Service Provider the amounts to which the Service Provider is entitled to receive under its Service Provider Agreement, including amounts sufficient satisfy the Debt Service (defined below).

i. Amount of Debt Service; Determination of Agreed Rent. The term “Debt Service” means NPO’s total monthly repayment obligation for a senior lender loan (“Loan”) encumbering the Property. With respect to the Property that NPO intends to purchase, the parties shall comply with the following procedure: (1) as soon as practicable before NPO purchases the Property, NPO shall inform RCOC of the expected Debt Service for such 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 13(i) below) and the cost of maintenance and repairs); (2) RCOC 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 RCOC is the “Agreed Rent”; (3) NPO shall have the right to approve RCOC’s determination of the Agreed Rent; and (4) if NPO informs RCOC in writing that NPO does not agree with the amount of the Agreed Rent within 10 days

after RCOC notifies NPO of the determination of the Agreed Rent, then such Property shall not be subject to this Agreement or entitled to any CRDP Funds.

ii. Payment of Agreed Rent. The Agreed Rent for the Property (1) shall become the monthly rent for such Property; and (2) shall be recognized by RCOC as a valid expense of the Service Provider as part of RCOC's calculation of the sums which the Service Provider shall be entitled to receive from RCOC under the Service Provider Agreement relating to such Property. Once the Service Provider's obligation to pay the Agreed Rent commences, 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 writing that the Agreed Rent will fluctuate with the Debt Service during the Loan term.

(1) Reduction of Agreed Rent Upon Repayment of a Loan. Notwithstanding the provisions in Section 13(e)(ii) above, at such time(s) as the Loan to NPO has been repaid in full (without refinancing), the Agreed Rent for the applicable Property shall be reduced by an amount equal to the Debt Service previously owed (and, in such event, RCOC's payment to the Service Provider leasing the applicable 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 13(e)(ii) above, if the Service Provider or any successor Service Provider is a nonprofit entity under Internal Revenue Code section 501(c)(3), then once NPO receives the tax exemption described in Section 14 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 NPO acquired fee title to the applicable Property and (ii) the amount of the reduction in real property taxes as a result of obtaining the tax exemption (and, in such event, RCOC's payment to the Service Provider leasing the Property shall be automatically reduced by the same amount). Further, if the tax exemption is retroactive, NPO shall promptly remit to RCOC an amount equal to any tax refund payment NPO 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, RCOC's payment to the Service Provider leasing the applicable 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 13(e)(ii), at NPO's request the parties shall meet (but not more often than every 12 months) to discuss whether to increase the Agreed Rent to the extent NPO's net operating, maintenance and/or repair costs have increased during such previous 12-month period (after taking into account any additional funds NPO has received from RCOC, the Service Provider or any third party during such time period to compensate NPO 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; *provided, however*, (i) RCOC may consent or withhold its consent to

any increase in Agreed Rent at RCOC's sole and absolute discretion; and (ii) RCOC may condition its agreement to increase the Agreed Rent on DDS's approval of such rent increase.

iii. Refinancing. If NPO refinances a Loan, the Agreed Rent for the Property shall remain its original fixed amount even if the amount of the Debt Service for the refinanced Loan is greater than, or less than, the Debt Service for the original Loan. If the refinanced Loan has a variable interest rate or other features that cause the Debt Service under the refinanced Loan to fluctuate, the Agreed Rent shall remain a fixed amount, unless the parties expressly agree a written agreement that the Agreed Rent will fluctuate with the Debt Service during the term of any refinanced Loan. Notwithstanding anything herein to the contrary, at any time the Debt Service for any Loan or refinanced Loan is reduced to below the original Debt Service, RCOC shall have the option to reduce the Agreed Rent to an amount determined by RCOC in its sole and absolute discretion; provided, however, such reduction of Agreed Rent shall not be more than the amount of the reduction between the original Debt Service and the new Debt Service. The parties acknowledge that DDS must consent to the refinancing of the Property.

f. NPO's Lease Obligations. At minimum, NPO shall be responsible for all of the following obligations under the Lease (at no additional cost to the Service Provider or RCOC, as such costs are built into the rent): (1) all expenses, costs and amounts of every kind and nature reasonably necessary or appropriate to manage the Property; (2) maintaining and repairing the residence on the Property ("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 NPO determines to carry; (4) fees, charges and other costs, including consulting fees, legal fees and accounting fees, of all contractors engaged by NPO or otherwise reasonably incurred by NPO in connection with the management, renovation, improvement, maintenance and repair of each 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 Section 14 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 Person Served shall be the responsibility of the Service Provider.

g. Compliance with RCOC's Instructions. NPO agrees to promptly perform all acts and sign all documents relating to the Lease as RCOC may from time to time instruct. Thus, for example, if RCOC decides that a Lease should be amended in a manner that will not materially increase NPO's obligations or materially reduce its rights thereunder, or that a 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 NPO shall promptly take the necessary action to accomplish the same in accordance with RCOC's instructions.

h. Use by Service Provider. Once the initial Service Provider has leased a Property, RCOC shall be solely responsible for replacing the Service Provider during the Lease term, and RCOC shall pay an amount equal to the Agreed Rent when such Property is not leased during the term of this Agreement.

i. The Reserve Account.

i. From each payment of Agreed Rent with respect to the Property, NPO shall deposit the sum of \$500 per month per home (the "Reserve") into a segregated account in NPO's name (the "Reserve Account"). The purpose of the Reserve is to create a fund for repairs and replacements to the capital improvements at the Properties, including but not limited to the roof, foundation, and structural elements of the Residences thereon. The Parties agree that the proposed Reserve deposit may be adjusted by mutual agreement during the DDS escrow phase proposal or upon completion of renovations.

ii. The funds in the Reserve Account shall be segregated from NPO's operating account and other accounts. However, NPO may hold reserves for other homes in the Reserve Account, as long as (i) such homes are also occupied by RCOC's Persons Served, (ii) such homes are located in RCOC's catchment area (unless otherwise approved by RCOC in writing) and (iii) NPO's books and records at all times reflect the amount of the funds in the Reserve Account applicable to the Property. NPO shall not use the Reserve for any other property without first obtaining RCOC's written consent.

iii. NPO's release and application of funds from the Reserve Account shall be subject to monitoring by RCOC. NPO shall notify RCOC in writing each time NPO withdraws funds from the Reserve Account. Further, NPO shall not expend more than One Thousand Dollars (\$1,000) from the Reserve Account for any one repair at the Property without first obtaining RCOC's written approval, which shall not be unreasonably withheld.

iv. At any time during the term of the Lease, at RCOC's request and for reasonable cause, NPO 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.

v. At least once per year, and more often if requested by RCOC, NPO shall provide a Reserve Report to RCOC. The 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.

14. **PROPERTY TAX EXEMPTION.** In the event that the third-party service provider selected by RCOC is a 501(c)(3) non-profit organization, NPO shall file a property tax exemption application as early as possible after the NPO purchases the Property and has signed a lease with the third-party service provider, but no later than the first day the first regional center Person

Served occupies the Property. If the Property is exempt (or intended to be exempt) from real property taxes, NPO 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. If the Property is not exempt from real property taxes, NPO shall insure all property taxes and assessments are timely paid.

15. **RIGHT OF ACCESS.** Without limiting any rights of access which RCOC and/or DDS may have irrespective of this Agreement, representatives of RCOC and/or DDS shall have a reasonable right of access to the Property for purposes of inspecting and evaluating the Property and any construction or other work being performed thereon. NPO shall cooperate with providing RCOC access and information as required for RCOC to complete all monitoring and reporting requirements, including the Community Placement Plan Housing Annual Report, attached hereto as Appendix "M" to Exhibit "B."

16. **MANAGEMENT AND MAINTENANCE.** NPO shall, at NPO's 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. NPO 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 residences (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 its intended purpose. In addition, NPO shall, at NPO's 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 RCOC's option, or if NPO fails to make such repairs, RCOC may, but need not, make such repairs and replacements, and NPO shall pay RCOC the cost thereof. Each Property shall be subject to periodic inspections by RCOC. Notwithstanding the foregoing, to the extent NPO and RCOC agree that some or all of NPO's obligations hereunder are to be performed by a third-party entity or individual (such as pursuant to a management agreement), NPO shall be responsible for ensuring that any such third-party contractor shall comply with the requirements imposed on NPO pursuant to the terms of this Agreement, and in any event NPO shall continue to remain ultimately responsible to RCOC for the performance of all of the obligations set forth in this Agreement.

17. **LIENS AND STOP NOTICES.** If a claim of a lien or stop notice is given or recorded affecting the Property, NPO shall within thirty (30) days of such recording or service:

- a. Pay or discharge the same; or
- b. Affect the release thereof by recording and delivering to RCOC a surety bond in sufficient form and amount, or otherwise; or

c. Provide RCOC with other assurance that it deems, in RCOC's sole discretion, to be satisfactory for the payment of such lien or bonded stop notice and for the full and continuous protection of RCOC and DDS from the effect of such lien or bonded stop notice.

17. **RECORDS.**

a. Maintain Complete Books and Records. In addition to any statutory and regulatory requirements regarding recordkeeping, NPO shall keep books and records as shall be necessary relating to the Work so as to enable RCOC to evaluate performance under this Agreement. Books and records pertaining to costs shall be kept and prepared in accordance with Generally Accepted Accounting Principles (GAAP). Project Manager, RCOC and their staff, legal counsel, and other RCOC consultants (as approved by Project Manager) shall have full and free access to all books and records of NPO (and any subcontractor), pertinent to this Agreement, at all reasonable times, including the right to inspect, copy, audit and make records and transcripts from the records.

i. NPO shall prepare and maintain accurate and complete financial records of its business operations, and in particular records related to the Work, in accordance with all statutory and regulatory requirements.

b. Inspection and Access to Records. Without limiting any rights to access which RCOC may have irrespective of this Agreement, Project Manager and any authorized RCOC representatives shall have access to NPO's records for the purpose of monitoring performance and provision of the Work pursuant to this Agreement. NPO shall make available its records within the borders of Orange County within ten (10) days after receipt of written demand by Project Manager or his/her designee. In the event NPO does not make available its records within the borders of Orange County, NPO agrees to pay all necessary and reasonable direct and indirect expenses incurred by RCOC or RCOC's designee necessary to obtain NPO's records.

c. Reports. Upon request by the Project Manager, NPO shall submit a written progress report addressing the Work performed, progress toward the objective of the Agreement, difficulties encountered during the reporting period, and any remedial/corrective action taken.

18. **ZERO TOLERANCE POLICY.** NPO shall ensure all of its employees are fully informed upon hire, and annually thereafter, about RCOC's Zero Tolerance Policy Regarding Abuse or Neglect of Those We Serve, 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 RCOC's website. Any NPO employee or agent who fails to report Person Served 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 Person Served, NPO shall take immediate action to protect the health and safety of the involved Person Served and all other Persons Served. NPO shall ensure its staff has knowledge of the signs of abuse and neglect, the process for reporting suspected abuse or neglect, and the consequences of failing to follow the law or adhere to RCOC's

Zero Tolerance Policy. NPO's failure to comply with the policy and the abuse/neglect reporting laws is considered a material breach of this Agreement.

19. **NOTICES.**

a. Method and Form of Notice. Unless otherwise specified, all formal notices, claims, correspondence, or reports shall be addressed as follows:

**RCOC:** Regional Center of Orange County  
1525 N. Tustin Avenue  
Santa Ana, CA 92705  
Attn: Jack Stanton

**NPO:** Brilliant Corners  
1360 Mission St., Suite 300  
San Francisco CA 94103  
Attn: Serena Fields, Dir. Housing Development & Management

All notices shall be deemed effective when in writing and personally delivered or deposited in the United States mail, express, priority or first class, postage prepaid and addressed as above. Any notices addressed in any other fashion shall be deemed not given. Project Manager and NPO may mutually agree in writing to change the addresses to which notices are sent.

b. Advisory Notices Required. NPO shall immediately notify RCOC, in writing, whenever NPO has knowledge that there is or may be a delay in the timely performance of this Agreement. NPO shall include all relevant information with respect to the actual or potential delay.

20. **TERM AND TERMINATION.**

a. Term of Agreement. The term of this Agreement shall commence on Date of the Agreement provided above and shall terminate two (2) years therefrom, unless earlier terminated pursuant to the provisions of this Section 20 of this Agreement.

b. Grounds for Immediate Termination. RCOC may immediately terminate this Agreement in any of the following circumstances:

i. In the event RCOC has reasonable grounds to believe that NPO has offered or given any gratuity to any officer or employee of RCOC that would tend to influence that person's decision regarding any aspect of this Agreement.

ii. In the event an enforcement action, such as a vendorization termination, is taken against NPO which frustrates the purposes of this Agreement. In the event of such termination, NPO shall repay to RCOC all funds provided pursuant to this Agreement.

c. Termination for Cause Due to Default of NPO. RCOC reserves the express right to terminate this Agreement for cause due to the default (as defined in Section 21) of NPO in its performance of obligations under this Agreement, provided that RCOC shall first provide NPO with written notice of any such default and, if such default is susceptible to cure, provide NPO with thirty (30) calendar days in which to cure such default to RCOC's satisfaction (in which event such notice of termination shall be deemed rescinded, and this Agreement shall remain in full force and effect in accordance with its terms). If NPO fails to cure the default within the thirty (30) day period, RCOC shall be entitled to terminate the Agreement for cause by providing NPO written notice thereof. In the event this Agreement is terminated pursuant to this subsection, NPO shall immediately repay RCOC all funds provided pursuant to this Agreement.

21. **DEFAULT.** Failure by NPO to perform and/or comply with any provision, covenant, or condition of this Agreement shall be a default of this Agreement. In the event of default RCOC may avail itself of any remedies available at law, in equity, or otherwise specified in this Agreement (including immediate termination for cause as set forth in Section 20(c) above).

22. **COUNTERPARTS.** This agreement may be executed in several counterparts, all of which shall constitute but one and the same instrument. Faxed and/or electronically scanned signatures shall have the same force and effect as an original signature.

23. **DISPOSAL POLICY.** NPO shall develop a written policy on the disposal of any existing fixtures and major appliances that are included in the Property's purchase. The disposal policy shall be provided to RCOC prior to the commencement of any work on the Property.

24. **GENERAL TERMS AND CONDITIONS.**

a. Compliance with Laws. NPO shall provide all Work in accordance with all applicable federal and state laws, statutes and regulations and local ordinances and resolutions. NPO shall comply with all laws, rules or regulations applicable to the Scope of Work and provision of Work, as any may now exist or as changed or added after the Date of Agreement.

b. Familiarity with Work. By executing this Agreement and prior to performing or providing any Work under this Agreement, NPO warrants and shall be satisfied that (a) it has thoroughly investigated and considered the Work, (b) it has carefully considered how the Work should be performed, will be implemented, and will be completed, and (c) it fully understands the facilities, difficulties, and restrictions, attending carrying out the performance obligations of this Agreement.

c. Care of Work. NPO shall adopt reasonable methods during the term of this Agreement to furnish continuous protection to the Property, facilities, equipment, and persons providing the Work, and to the work product, records, and other papers to prevent losses or damages. NPO shall be responsible for all losses or damages, to persons or property (including real property, personal property, both tangible and intangible), except the losses or damages as may be caused by RCOC's sole negligence. The performance of Work by NPO shall not relieve

NPO from any obligation to correct any incomplete, inaccurate, or defective work or service at no further cost to RCOC, when the inaccuracies are due to the negligence, action, or inaction of NPO.

d. Severability. If a court of competent jurisdiction declares any provision of this Agreement or its application to any person or circumstances to be invalid or if any provision of this Agreement contravenes any federal, state, or county statute, ordinance, or regulation, the remaining provisions of this Agreement or its application shall remain valid, and the remaining provisions of this Agreement shall remain in full force and effect, and to that extent the provisions of this Agreement are severable.

e. California Law. This Agreement shall be construed and interpreted both as to validity and to performance in accordance with the laws of the State of California. Legal actions concerning any default, dispute, interpretation, declaration of rights, or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Orange, State of California, or any other appropriate court in the county, and NPO covenants and agrees to submit to the personal jurisdiction of the court in the event of any action.

f. Waiver. No delay or omission in the exercise of any right or remedy of a non-defaulting party on any default shall impair any right or remedy or be construed as a waiver. One party's consent or approval of any act by the other party requiring the other party's consent or approval shall not be deemed to waive or render unnecessary the party's consent to or approval of any subsequent act of the party. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

g. Rights and Remedies Cumulative. Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of the rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

h. Covenant Against Discrimination. In the performance of this Agreement, NPO shall not engage in, nor permit any employee or agent to engage in discrimination in employment of persons or provision of Services or assistance, nor exclude any person from participation in, nor deny any person the benefits of, nor or subject any person to discrimination under any program or activity funded in whole or in part with RCOC funds on the grounds of race, religion, color, national origin, ancestry, physical handicap, medical condition, marital status, gender or sexual orientation, except as permitted by applicable provisions of Federal and State law. NPO shall comply with Title II of the Americans with Disabilities Act, (42 U.S.C. §12101, *et. seq.*) as it relates to public accommodations.

i. Legal Action. In addition to any other rights or remedies, either party may take legal action, at law or at equity, to cure, correct or remedy any default, to recover damages for any

default, to compel specific performance of this Agreement, to obtain injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement.

j. Attorneys' Fees. If either party commences an action against the other party arising out of or in connection with this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs of suit from the non-prevailing party.

k. Waiver of Jury Trial. Both RCOC and NPO agree and acknowledge that each is aware of and has had the opportunity to seek advice of counsel of its choice with respect to its rights to trial by jury, and each party, for itself and its successors, creditors, and assigns, expressly and knowingly waives and releases all rights to trial by jury in any action, proceeding or counterclaim brought by any party against the other (and/or against its officers, directors, employees, agents, or subsidiary or affiliated entities) on or with regard to any matters of any kind or type arising out of or in any way connected with this Agreement and/or any other claim of injury or damage.

l. Time of Essence. Time is of the essence in the performance of this Agreement.

m. Confidentiality of Records. The NPO shall maintain confidentiality of records in accordance with the law, including, but not limited to, the provisions of Welfare and Institutions Code §§4514, 5328, and 14100.2. The NPO and all employees shall respect the confidentiality of all person served information they receive.

n. Survival. The rights and obligations set forth in this Agreement shall extend beyond the term or termination of this Agreement only to the extent expressly provided for herein, or to the extent that the survival of such rights or obligations are necessary to permit their complete fulfillment or discharge.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, RCOC and NPO have executed this Agreement as of the date first written above.

**REGIONAL CENTER OF ORANGE COUNTY**

\_\_\_\_\_  
Larry Landauer, M.S.W., Executive Director

**BRILLIANT CORNERS**

\_\_\_\_\_  
Name/Title: \_\_\_\_\_

**EXHIBIT "A"**  
**SCOPE OF WORK**

Brilliant Corners ("NPO") shall renovate and maintain one (1) single family residence ("Property") acquired pursuant to the Acquisition Agreement to be leased to a third-party service provider selected by RCOC ("Service Provider") and used in perpetuity as an EBSH. EBSH shall mean an Enhanced Behavioral Supports Home meeting the requirements of Article 3.6 of Chapter 6 of Division 4.6 of the California Welfare and Institutions Code (§§4684.80 - 4684.86).

NPO shall renovate the home as necessary to meet all statutory and regulatory requirements for the Property to be utilized as an EBSH, as well as to meet the unique needs of the identified regional center Persons Served that will reside there. NPO shall only be reimbursed for eligible renovation costs, as set forth in Section VII.B. of Exhibit "B", unless otherwise approved in advance by RCOC. NPO shall take all actions reasonably within its control to have the Property ready for occupancy by Persons Served no later than six (6) months from the date of close of escrow.

**EXHIBIT “B”**  
**FISCAL YEAR 2017-18 COMMUNITY PLACEMENT PLAN**  
**HOUSING GUIDELINES**  
**INCLUDING OCTOBER 5, 2020 AMENDMENTS**

**EXHIBIT C**  
**FORM OF CERTIFICATE OF ACCEPTANCE**

CERTIFICATE OF ACCEPTANCE

Reference is made to that certain Lease dated as of \_\_\_\_\_, 20\_\_ (the "Lease"), by and between Brilliant Corners, as Landlord, and \_\_\_\_\_, as Tenant, for the property located at \_\_\_\_\_. Capitalized terms used, but not defined, herein shall have the meaning set forth in the Lease.

In accordance with the Lease, the Parties have inspected the Premises and have determined that all work required to be performed by, or on behalf, of the Landlord necessary to permit the Premises to be utilized by the Tenant for the Permitted Use has been completed. Therefore, the Parties desire to execute this Certificate of Acceptance, and the Parties mutually agree and acknowledge as follows:

The date of inspection of the Premises by the Parties was: \_\_\_\_\_.

The Commencement Date is: \_\_\_\_\_.

The Rent Reduction Period commences as of: \_\_\_\_\_.

The first payment of Base Rent is due no later than: \_\_\_\_\_ **[INSERT DATE 6 MONTHS AFTER THE COMMENCEMENT DATE]** (provided, however, as set forth in the Lease, the Parties acknowledge that the Rent Reduction Period shall end sooner if full occupancy of the Building occurs prior to the first (1st) day of the seventh (7th) full calendar month after the Commencement Date).

As of the Commencement Date (as set forth above), the Tenant acknowledges that the Landlord has delivered exclusive occupancy of the Premises to the Tenant, that the Tenant accepts the Premises in its current and existing condition, and that the Tenant is obligated to pay Rent to the Landlord in accordance with the terms of the Lease. Nothing in this Certificate of Acceptance shall be deemed to waive any provision of the Lease.

AGREED AND ACCEPTED BY:

**LANDLORD:**

BRILLIANT CORNERS, a California  
nonprofit public benefit corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

**TENANT:**

\_\_\_\_\_, a \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

**EXHIBIT D**  
**ADDENDUM TO LEASE**

## 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. Regional Center of Orange County, a California nonprofit corporation ("RCOC"), 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 with developmental disabilities and eligible for services from RCOC (the "Intended 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) RCOC'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 RCOC; (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 RCOC (hereinafter collectively, the "Vendorization Requirements"). RCOC'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, RCOC will not provide such notice to Landlord until after (1) RCOC 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 RCOC's notice (based on the notice and cure periods set forth in the Service Provider Agreement between RCOC 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 RCOC as provided in Section 5 below); provided, however, (1) all costs of such eviction or lease assignment shall be borne by RCOC and (2) at RCOC's request, Landlord will delegate to RCOC 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 RCOC and (b) in the case of liability policies, contain a named insured endorsement and name Landlord and RCOC as "additional named insureds". Certificates of insurance shall be provided to Landlord and RCOC upon request during the Term.

5. Default; Special Notice, Cure and Assignment Rights Available to RCOC. Notwithstanding anything in the Lease to the contrary, no Tenant default shall occur until Landlord has also notified RCOC in writing of the breach and has given RCOC the same amount of time to cure the breach as Tenant is entitled under this Lease. If RCOC timely cures the breach, then RCOC 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 (and RCOC shall be responsible for paying all rent in the interim). 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 RCOC'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 RCOC 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 RCOC 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 RCOC 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 RCOC,

and RCOC 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. RCOC 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 RCOC or its Designee. RCOC or its Designee shall cooperate with Tenant in Tenant's collection of its remaining accounts receivable. Neither RCOC 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 RCOC 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 RCOC or any of them, Tenant shall transfer ownership of such equipment and furnishings to RCOC or its Designee for no additional consideration). RCOC 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 RCOC or its Designee elects to purchase, RCOC shall remit what it reasonably believes to be fair market value, Tenant shall transfer the items to RCOC 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. RCOC 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 RCOC 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 RCOC 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 RCOC 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 RCOC'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 RCOC), 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 RCOC 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 Intended 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 RCOC) or receiver.

5.10 Without limiting the foregoing, Tenant agrees, after a breach and upon RCOC'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 RCOC 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 RCOC.

6.2 Lease Modifications/Terminations Require Consent of RCOC. Neither Landlord nor Tenant shall amend or modify this Lease without first obtaining the written consent of RCOC. Neither Landlord nor Tenant shall terminate this Lease without first obtaining the written consent of RCOC. Any such purported amendment, modification or termination without RCOC's written consent shall be voidable at RCOC's option. RCOC 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 the RCOC 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 RCOC from and against any and all liabilities, claims, damages, costs and expenses, including reasonable attorneys', consultants' and experts' fees and expenses, imposed upon or incurred by Landlord or RCOC to the extent resulting from: (a) any personal injury to RCOC's consumers or other third parties or property damage occurring during the 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 RCOC 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 RCOC 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 RCOC. Landlord and Tenant shall each provide Estoppel Certificates to RCOC 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 RCOC 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 RCOC; and (ii) the other matters set forth in such request are true and correct.

10. Changes in Rent.

10.1 Reduction of Rent Upon Repayment of a Loan. At such time(s) as each loan secured by a deed of trust encumbering the Premises has been 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 RCOC 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 RCOC shall be reduced by the same amount).

10.3 Change of Rent Due to Changes in Operating, Maintenance and/or Repair Costs. At Landlord's request to RCOC, 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 RCOC, 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 RCOC shall be automatically increased by the same amount); *provided, however,* (i) RCOC's may consent or withhold its consent to any increase in rent at RCOC's sole and absolute discretion and (ii) RCOC 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 RCOC, 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 RCOC and the California Department of Developmental Services.

12. Notices. All notices to RCOC under this Lease shall be addressed as follows (although RCOC may, by notice to the other parties from time to time, specify a different address for notice purposes):

Regional Center of Orange County  
Attention: Executive Director  
1525 North Tustin Avenue  
Santa Ana, CA 92705  
Phone: (714) 796-5100

Executed at \_\_\_\_\_, California as of the date first written above.

**“Landlord”**

**BRILLIANT CORNERS,**  
a California nonprofit corporation

By \_\_\_\_\_  
William F. Pickel, CEO

**“Tenant”**

\_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



**Summary of Information About Persons Served - April 2023**

<b>NUMBER OF PERSONS SERVED</b>	<b>24,660</b>	<b>100%</b>
Children - Birth to Age Three Receiving Early Start Services	3,599	15%
Children - Ages Three to Five Receiving Provisional Services	460	2%
Children - Ages Three to 17 Receiving Lanterman Services	7,566	31%
Adults - Ages 18 and Older Receiving Lanterman Services	13,035	53%

<b>Children - Birth to Age Three Receiving Prevention Resource and Referral Services</b>	<b>525</b>
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*Children and Adults - Ages Three and Older Receiving Lanterman Services with the Following Diagnoses:*

Intellectual Disability	11,538	60%
Epilepsy	2,850	14%
Cerebral Palsy	2,518	13%
Autism	9,433	44%
Fifth Category*	1,847	9%

\* condition closely related to intellectual disability and requiring similar treatment

*Note: Many persons served have more than one diagnosis so the percentage equals more than 100%.*

<b>NUMBER OF PERSONS REQUESTING ELIGIBILITY DETERMINATION</b>	<b>515</b>
Early Start / Under Age Three / 45 days to complete determination	328 / 64%
Lanterman / Over Age Three / 120 days to complete determination	84 / 16%
Provisional / Up to Age Five / 90 days to complete determination	1 / 0%

<b>NUMBER OF PERSONS DETERMINED ELIGIBLE</b>	<b>75</b>
Children - Birth to Age Three Eligible for Early Start Services	1
Children and Adults - Ages Three and Older Eligible for Lanterman Services	32
<ul style="list-style-type: none"> <li>• Number of children who received Early Start services</li> </ul>	29
<ul style="list-style-type: none"> <li>• Number of children who received Early Start services and had a diagnosis of autism</li> </ul>	13
Children - Birth to Age Three Eligible for Prevention Resource and Referral Services	0

<b>NUMBER OF CHILDREN NO LONGER ELIGIBLE FOR EARLY START OR PREVENTION RESOURCE AND REFERRAL SERVICES</b>	<b>136</b>
Children - Age Three No Longer Eligible for Early Start Services	136
Children - Age Three No Longer Eligible for Prevention Resource and Referral Services	0

# REGIONAL CENTER OF ORANGE COUNTY



## OPERATIONS REPORT

### APRIL 2023 ACTIVITY

#### *Mission Statement*

*The Regional Center of Orange County (RCOC) is a private non-profit organization that, as mandated by the Lanterman Developmental Disabilities Services Act, collaborates with persons with developmental disabilities, their families and the community to secure individualized services and supports that enhance the quality of life for the people we serve and assist them in realizing their full potential.*

## COMMUNITY LIFE

### Related Guiding Principles

- *Persons served are in safe and supportive settings that promote a life of independence, acknowledge diverse cultural perspectives and that respect the inherent risks and valuable learning experiences that come from living in the community.*

### Provider Monitoring, Technical Support and Special Incident Investigation Activities Fiscal Year 2022-23

Type and Number of Reviews	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
Annual Review	39	42	36	33	33	37
Unannounced	42	43	36	44	41	39
<b>Total Number of Reviews</b>	<b>81</b>	<b>85</b>	<b>72</b>	<b>77</b>	<b>74</b>	<b>76</b>

Provider Trainings	0	0	0	0	0	0
Technical Support	161	164	145	159	186	137
Corrective Action Plans	1	5	13	2	3	1
Special Incident Investigations*	9	20	27	39	16	21
COVID-19 Checklist	0	0	0	0	0	0

Type and Number of Reviews	Jan.	Feb.	Mar.	Apr.	May	June	Total
Annual Review	39	37	40	81			417
Unannounced	45	84	83	75			532
<b>Total Number of Reviews</b>	<b>84</b>	<b>121</b>	<b>123</b>	<b>156</b>	<b>0</b>	<b>0</b>	<b>949</b>

Provider Trainings	0	0	0	0			0
Technical Support	131	0	0	0			1,083
Corrective Action Plans	2	3	8	11			49
Special Incident Investigations*	18	18	31	31			230

\* California Code of Regulations, Title 17, Division 2, Chapter 3 - Community Services SubChapter 2 - Vendorization Article 2 - Vendorization Process, Section 54327 requires all vendors, excluding parents and consumers, to report the following special incidents.

Type of Special Incidents (from California Code of Regulations, Title 17)

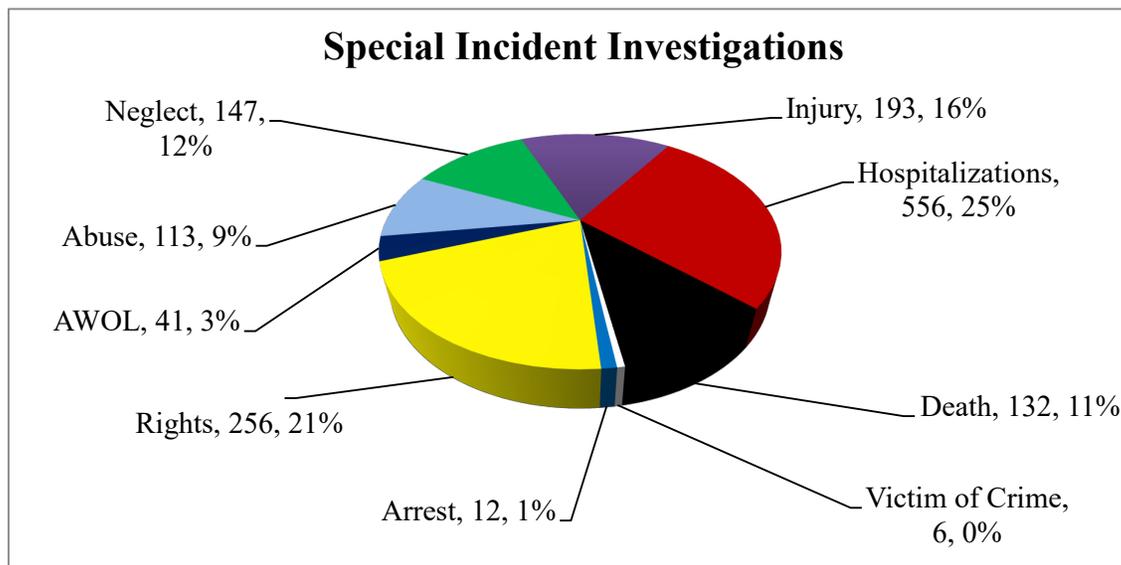
- (A) The consumer is missing and the vendor or long-term health care facility has filed a missing persons report with a law enforcement agency;
- (B) Reasonably suspected abuse/exploitation including:
  - 1. Physical;
  - 2. Sexual;
  - 3. Fiduciary;
  - 4. Emotional/mental; or
  - 5. Physical and/or chemical restraint.
- (C) Reasonably suspected neglect including failure to:
  - 1. Provide medical care for physical and mental health needs;
  - 2. Prevent malnutrition or dehydration;
  - 3. Protect from health and safety hazards;
  - 4. Assist in personal hygiene or the provision of food, clothing or shelter or
  - 5. Exercise the degree of care that a reasonable person would exercise in the position of having the care and custody of an elder or a dependent adult.
- (D) A serious injury/accident including:
  - 1. Lacerations requiring sutures or staples;
  - 2. Puncture wounds requiring medical treatment beyond first aid;
  - 3. Fractures;
  - 4. Dislocations;
  - 5. Bites that break the skin and require medical treatment beyond first aid;
  - 6. Internal bleeding requiring medical treatment beyond first aid;
  - 7. Any medication errors;
  - 8. Medication reactions that require medical treatment beyond first aid; or
  - 9. Burns that require medical treatment beyond first aid.
- (E) Any unplanned or unscheduled hospitalization due to the following conditions:
  - 1. Respiratory illness, including but not limited, to asthma; tuberculosis; and chronic obstructive pulmonary disease;
  - 2. Seizure-related;
  - 3. Cardiac-related, including but not limited to, congestive heart failure; hypertension; and angina;
  - 4. Internal infections, including but not limited to, ear, nose and throat; gastrointestinal; kidney; dental; pelvic; or urinary tract;
  - 5. Diabetes, including diabetes-related complications;
  - 6. Wound/skin care, including but not limited to, cellulitis and decubitus;
  - 7. Nutritional deficiencies, including but not limited to, anemia and dehydration; or
  - 8. Involuntary psychiatric admission;
- (2) The following special incidents regardless of when or where they occurred:
  - (A) The death of any consumer, regardless of cause;
  - (B) The consumer is the victim of a crime including the following:
    - 1. Robbery, including theft using a firearm, knife, or cutting instrument or other dangerous weapons or methods which force or threaten a victim;
    - 2. Aggravated assault, including a physical attack on a victim using hands, fist, feet or a firearm, knife or cutting instrument or other dangerous weapon;
    - 3. Larceny, including the unlawful taking, carrying, leading, or riding away of property, except for motor vehicles, from the possession or constructive possession of another person;
    - 4. Burglary, including forcible entry; unlawful non-forcible entry; and, attempted forcible entry of a structure to commit a felony or theft therein;
    - 5. Rape, including rape and attempts to commit rape.

Title 17 does not require reporting on arrest or consumer rights violations; however, RCOC includes arrest and rights violations as reportable incidents.

**Type and Number of Special Incident Investigations**  
**Fiscal Year 2022-23**

Type of Incident	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
AWOL	9	9	2	3	4	2
Abuse	8	16	11	13	22	9
Neglect	14	16	17	26	11	9
Injury	18	25	15	16	17	16
Hospitalizations - Total	34	29	27	32	28	33
<i>Psychiatric</i>	4	3	2	4	2	1
<i>Medical</i>	30	26	25	28	26	32
Death	7	11	16	12	14	13
Victim of crime	2	1	0	1	1	0
Arrest	2	0	0	0	1	2
Rights	27	7	31	29	13	26
<b>Total</b>	<b>121</b>	<b>114</b>	<b>119</b>	<b>132</b>	<b>111</b>	<b>110</b>

Type of Incident	Jan.	Feb.	Mar.	Apr.	May	June	Total
AWOL	2	7	2	1			41
Abuse	9	3	15	7			113
Neglect	8	11	18	17			147
Injury	16	25	21	24			193
Hospitalizations - Total	33	38	50	32	0	0	336
<i>Psychiatric</i>	1	2	2	3			24
<i>Medical</i>	30	36	48	29			310
Death	13	16	18	12			132
Victim of Crime	0	0	1	0			6
Arrest	2	0	2	3			12
Rights	26	22	39	36			256
<b>Total</b>	<b>109</b>	<b>122</b>	<b>166</b>	<b>132</b>	<b>0</b>	<b>0</b>	<b>1,236</b>



**COMMUNITY LIFE continued**

**Provider Audits**  
**Fiscal Year 2022-23**

**Number of Audits / Appeals / Recoveries**

Type of Audit	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
Service Billing	0	1	0	0	0	0
Staffing	0	0	0	0	0	0
Level 4I Consultant	0	0	0	0	0	0
P&I (consumer funds)	0	0	0	0	0	0
<b>Total Number of Audits</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Number of Appeals / Recoveries (Vendors may appeal after monthly data is reported)**

State Appeal	0	0	0	0	0	0
Recovery	0	0	0	0	0	0

**Audit Findings (Dollar Amount)**

Amount of Recovery	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
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Type of Audit	Jan.	Feb.	Mar.	Apr.	May	June	Total
Service Billing	0	0	1	3			<b>5</b>
Staffing	0	0	1	5			<b>6</b>
Level 4I Consultant	0	0	0	0			<b>0</b>
P&I (consumer funds)	0	0	9	0			<b>9</b>
<b>Total Number of Audits</b>	<b>0</b>	<b>0</b>	<b>11</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>20</b>

**Number of Appeals / Recoveries**

State Appeal	0	0	0	0			<b>0</b>
Recovery	0	0	2	8			<b>10</b>

**Audit Findings (Dollar Amount)**

Amount of Recovery	\$0.00	\$0.00	\$28,746.51	\$224,796.66	\$0.00	\$0.00	<b>\$253,543.17</b>
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## FAMILY SUPPORTS

### Related Guiding Principles

- *Families are informed advocates for their loved ones with developmental disabilities.*
- *Families are the decision makers for their minor children.*
- *Family support services are flexible and innovative in meeting the family's needs as they evolve over time, are tailored to the preferences of the individual family, and are consistent with their cultural norms and customs.*
- *Services and supports for families recognize, facilitate and build on family strengths, natural supports and existing community resources.*

### *Fiscal Year 2022-23*

#### Number of Authorizations for Voucher Services

Type of Service	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
Day Care - Family Member	68	68	73	70	77	78
Diapers - Family Member	7	6	6	6	5	5
Nursing Service - Family Member	62	59	61	60	60	61
Respite Service - Family Member	595	616	640	642	656	651
Transportation - Family Member	150	152	160	162	166	165
<b><i>Total Number of Voucher Authorizations</i></b>	<b><i>882</i></b>	<b><i>901</i></b>	<b><i>940</i></b>	<b><i>940</i></b>	<b><i>964</i></b>	<b><i>960</i></b>

#### Number of Authorizations for Voucher Services

Type of Service	Jan.	Feb.	Mar.	Apr.	May	June
Day Care - Family Member	190	76	78	79		
Diapers - Family Member	5	5	7	7		
Nursing Service - Family Member	62	58	56	55		
Respite Service - Family Member	658	663	658	650		
Transportation - Family Member	165	179	185	195		
<b><i>Total Number of Voucher Authorizations</i></b>	<b><i>1,080</i></b>	<b><i>981</i></b>	<b><i>984</i></b>	<b><i>986</i></b>	<b><i>0</i></b>	<b><i>0</i></b>

## FAMILY SUPPORTS

### Related Guiding Principles

- Family support services are flexible and innovative in meeting the family's needs as they evolve over time, are tailored to the preferences of the individual family, and are consistent with their cultural norms and customs.
- Services and supports for families recognize, facilitate and build on family strengths, natural supports and existing community resources.

### Notifications of Community Events and Activities

*Fiscal Year 2022-23*

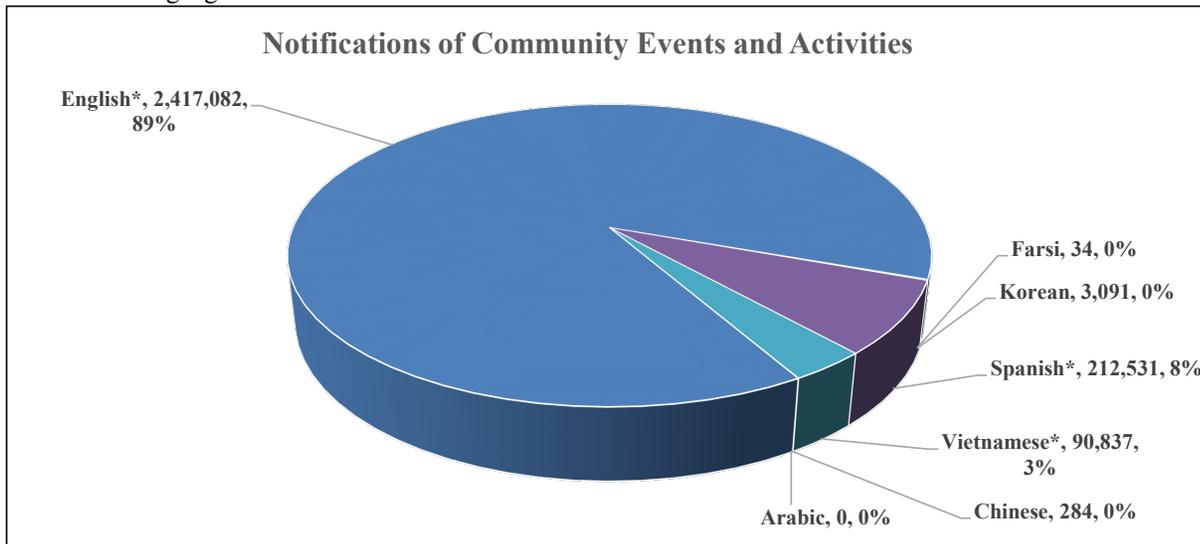
#### Number of Notifications

Language	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
English*	257,772	172,167	357,798	224,681	172,252	144,292
Farsi				34		
Korean		479	203		21	49
Spanish*	10,805	19,473	19,493	28,100	25,986	19,654
Vietnamese*	6,593	2,418	5,849	3,131	3,436	30,701
Chinese			152			
Arabic						
<b>Total Number of Notifications</b>	<b>275,170</b>	<b>194,537</b>	<b>383,495</b>	<b>255,946</b>	<b>201,695</b>	<b>194,696</b>

#### Number of Notifications

Language	Jan.	Feb.	Mar.	Apr.	May	June	Total
English*	233,089	372,242	292,033	190,756			2,417,082
Farsi							34
Korean	352	1,218	121	648			3,091
Spanish*	28,282	20,323	13,864	26,551			212,531
Vietnamese*	24,354	8,535	1,812	4,008			90,837
Chinese		132					284
Arabic							0
<b>Total Number of Notifications</b>	<b>286,077</b>	<b>402,450</b>	<b>307,830</b>	<b>221,963</b>	<b>0</b>	<b>0</b>	<b>2,723,859</b>

\* Threshold languages for RCOG



## FAMILY SUPPORTS

### Related Guiding Principles

- *Family support services are flexible and innovative in meeting the family's needs as they evolve over time, are tailored to the preferences of the individual family, and are consistent with their cultural norms and customs.*
- *Services and supports for families recognize, facilitate and build on family strengths, natural supports and existing community resources.*

### Community Outreach

*Fiscal Year 2022-23*

#### Number of Outreach Events

Type of Outreach / Language	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
<b>In Person</b>						
English		12	7	7	8	6
Spanish	1	1	4	1	3	3
Vietnamese		2	3			4
Other Languages		1 (Korean)		1 (Korean)	1 (Korean)	
<b>In Print</b>						
English	3		3		4	3
Spanish	1					
Vietnamese						
Other Languages						
<b>TV / Radio</b>						
English						
Spanish						
Vietnamese			1	1		1
Other Languages						
<b>Total Number of Outreach Events</b>	<b>5</b>	<b>16</b>	<b>18</b>	<b>10</b>	<b>16</b>	<b>17</b>

#### Number of Outreach Events

Language	Jan.	Feb.	Mar.	Apr.*	May*	June*	Total
<b>In Person</b>							
English	5	5	10	8			<b>68</b>
Spanish	1	2	1				<b>17</b>
Vietnamese		3					<b>12</b>
Other Languages							<b>3</b>
<b>In Print</b>							
English				6			<b>19</b>
Spanish							<b>1</b>
Vietnamese							<b>0</b>
Other Languages							<b>0</b>
<b>TV / Radio</b>							
English				2			<b>2</b>
Spanish							<b>0</b>
Vietnamese	5	4	4	6			<b>22</b>
Other Languages							<b>0</b>
<b>Total Number of Outreach Events</b>	<b>11</b>	<b>14</b>	<b>15</b>	<b>22</b>	<b>0</b>	<b>0</b>	<b>144</b>

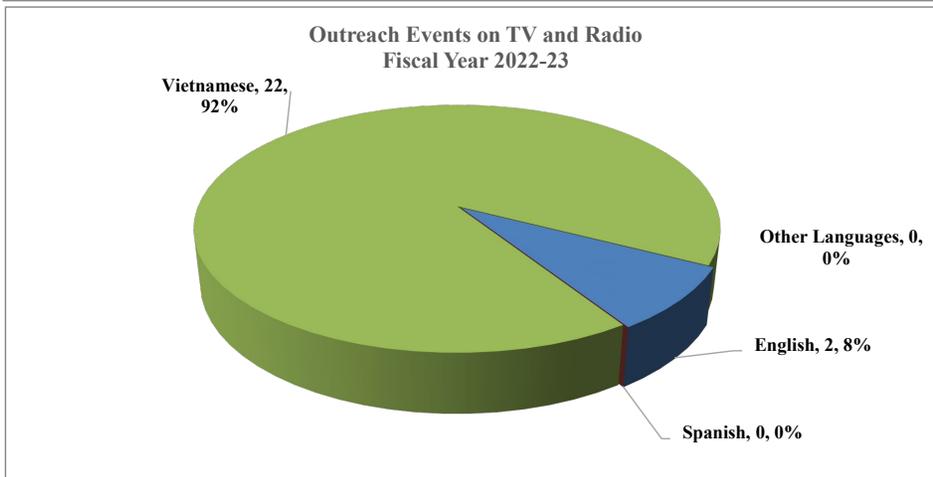
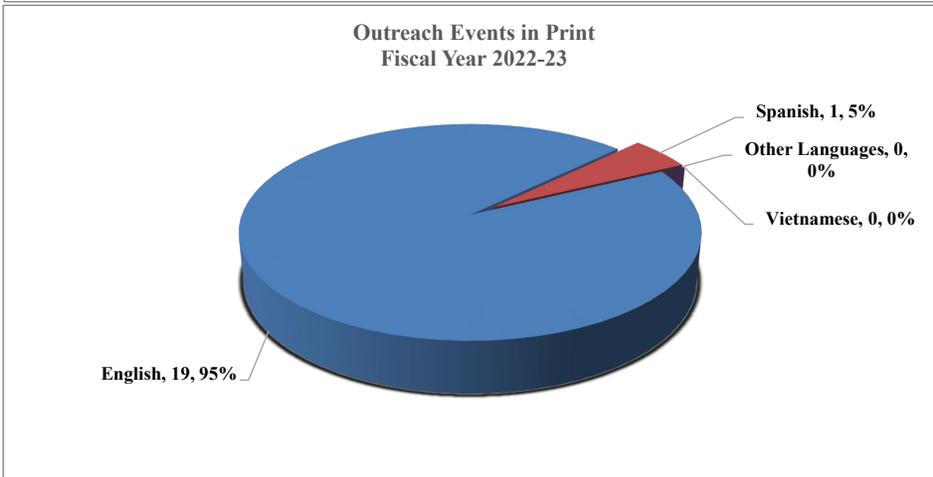
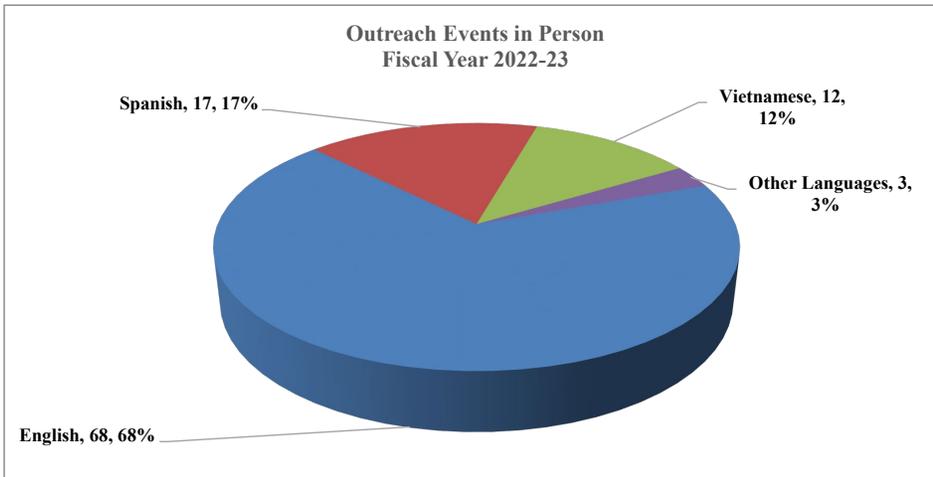
\* Virtual Meetings

## FAMILY SUPPORTS

### Related Guiding Principles

- Family support services are flexible and innovative in meeting the family's needs as they evolve over time, are tailored to the preferences of the individual family, and are consistent with their cultural norms and customs.
- Services and supports for families recognize, facilitate and build on family strengths, natural supports and existing community resources.

### Community Outreach Events in Person, in Print, on TV and Radio Fiscal Year 2022-23



## EARLY INTERVENTION / PREVENTION

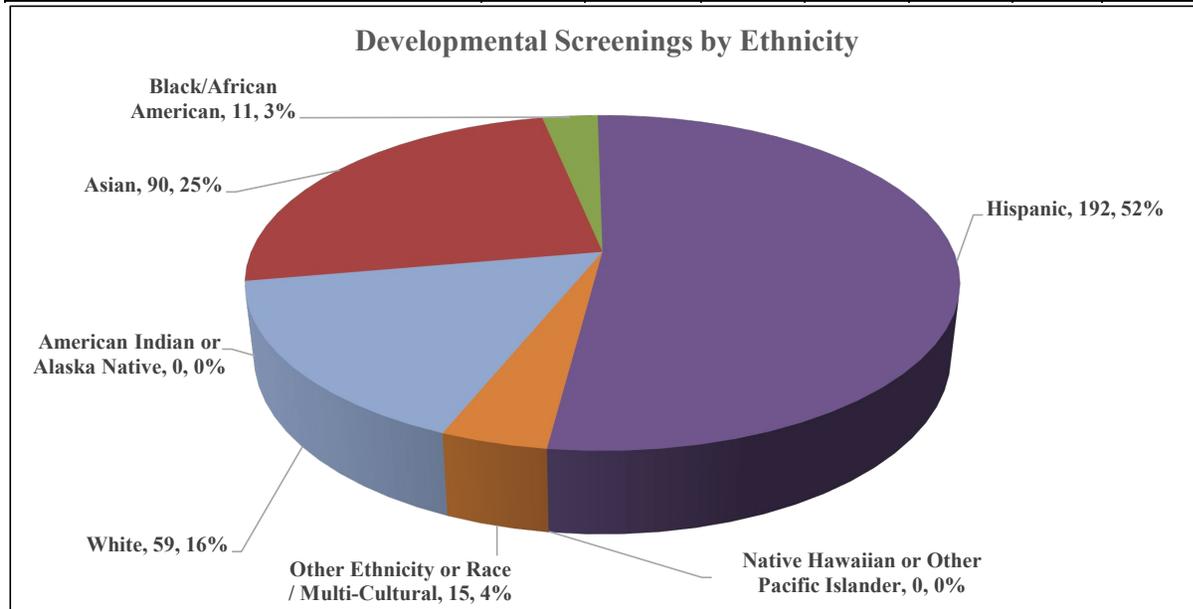
### Related Guiding Principles

- Prevention and early intervention services, supports and public awareness activities are designed and implemented to prevent the onset of a disability and/or to improve developmental outcomes.
- Persons served are provided with needed services and supports in a family-focused and collaborative fashion.

### Fiscal Year 2022-23

Developmental Screenings by Ethnicity	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
American Indian or Alaska Native	0	0	0	0	0	0
Asian	19	7	30	7	0	0
Black/African American	3	1	0	1	0	0
Hispanic	19	42	28	32	0	0
Native Hawaiian or Other Pacific Islander	0	0	0	0	0	0
Other Ethnicity or Race / Multi-Cultural	8	1	2	0	0	0
White	5	4	11	17	0	0
<b>Total Number Screened</b>	<b>54</b>	<b>55</b>	<b>71</b>	<b>57</b>	<b>0</b>	<b>0</b>
<b>Total Number Referred to RCOC</b>	<b>18</b>	<b>25</b>	<b>13</b>	<b>18</b>	<b>0</b>	<b>0</b>

Developmental Screenings by Ethnicity	Jan.	Feb.	Mar.	Apr.	May	June	Total
American Indian or Alaska Native	0	0	0	0			0
Asian	1	6	14	6			90
Black/African American	0	5	0	1			11
Hispanic	7	30	11	23			192
Native Hawaiian or Other Pacific Islander	0	0	0	0			0
Other Ethnicity or Race / Multi-Cultural	1	1	0	2			15
White	1	8	3	10			59
<b>Total Number Screened</b>	<b>10</b>	<b>50</b>	<b>28</b>	<b>42</b>	<b>0</b>	<b>0</b>	<b>367</b>
<b>Total Number Referred to RCOC</b>	<b>3</b>	<b>14</b>	<b>9</b>	<b>15</b>			<b>115</b>

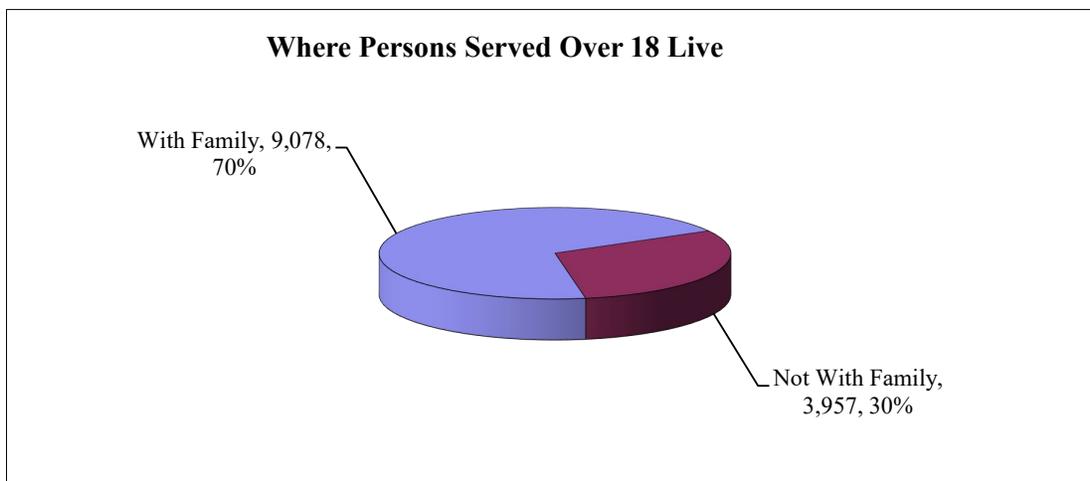
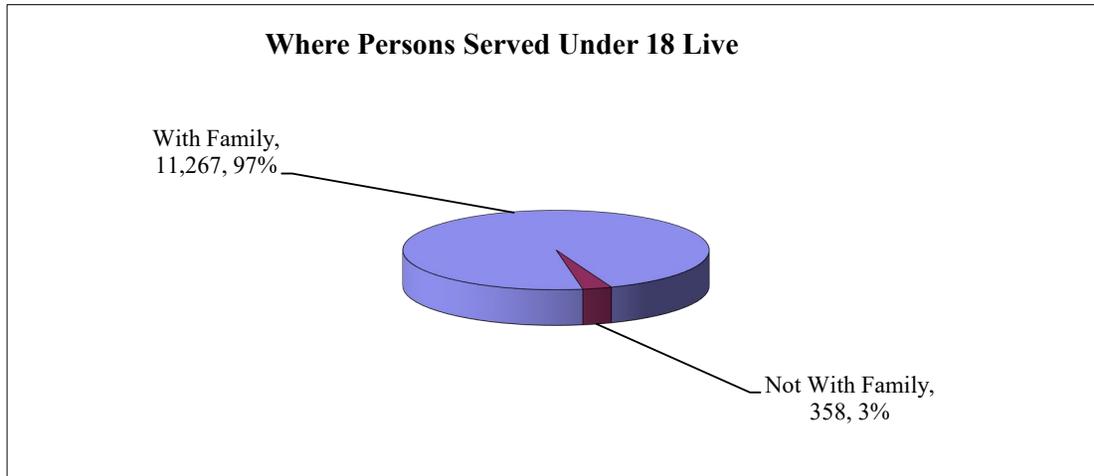


## LIVING OPTIONS

### Related Guiding Principles

- *Culturally-sensitive services and supports are provided so that persons served can make informed choices on where and with whom they live, including owning or renting their own homes.*
- *Families whose minor or adult children choose to remain in the family home are supported through available resources.*
- *Persons served live in homes where they receive quality care and can form relationships.*

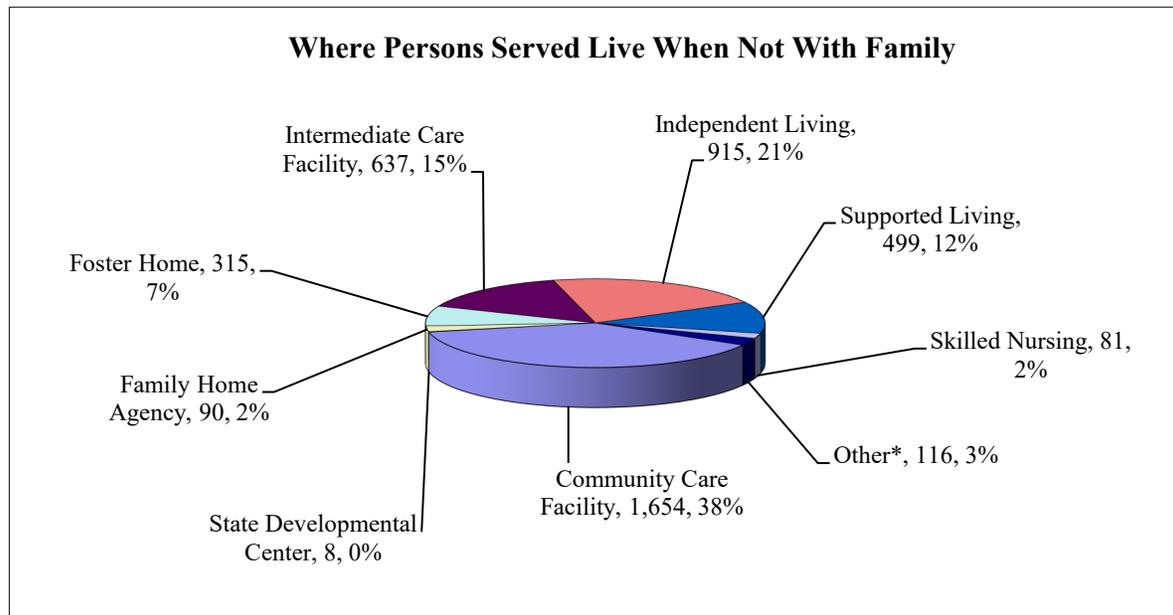
Where Persons Served Live	Persons Served All	Persons Served Under 18	Persons Served Over 18
With Family	20,345	11,267	9,078
Not With Family	4,315	358	3,957
<b>Totals</b>	<b>24,660</b>	<b>11,625</b>	<b>13,035</b>



**LIVING OPTIONS, continued**

Where Persons Served Live	All Persons Served	Persons Served Under 18	Persons Served Over 18
Family Home	20,345	11,267	9,078
Community Care Facility	1,654	20	1,634
State Developmental Center	8	0	8
Family Home Agency	90	0	90
Foster Home	315	310	5
Intermediate Care Facility	637	3	634
Independent Living	915	0	915
Supported Living	499	0	499
Skilled Nursing	81	0	81
Other*	116	25	91
<b>Total</b>	<b>24,660</b>	<b>11,625</b>	<b>13,035</b>

<b>Other*</b>			
Acute General Hospital	1	0	1
California Youth Authority	1	1	0
Community Treatment	2	1	1
Correctional Institution	1	0	1
County Jail	3	0	3
Other	0	0	0
Out of State	1	1	0
Psychiatric Treatment	17	3	14
Rehabilitation Center	7	0	7
SDC / State Hospital	8	0	8
Sub-Acute	40	13	27
Transient / Homeless	16	1	15
<b>Total, Other*</b>	<b>97</b>	<b>20</b>	<b>77</b>



## LIVING OPTIONS, continued

### Other Living Options

#### Family Home Agency

A Family Home Agency (FHA) is a private, not-for-profit agency that is vendored to recruit, approve, train, and monitor family home providers, provide services and supports to family home providers, and assist persons served with moving into or relocating from family homes.

#### Foster Family Agency

Under the California Department of Social Services, county placement agencies use licensed, private Foster Family Agencies (FFAs) for the placement of children. By statute, FFAs are organized and operated on a non-profit basis and are engaged in the following activities: recruiting, certifying, and training foster parents, providing professional support to foster parents, and finding homes or other temporary or permanent placements for children who require more intensive care.

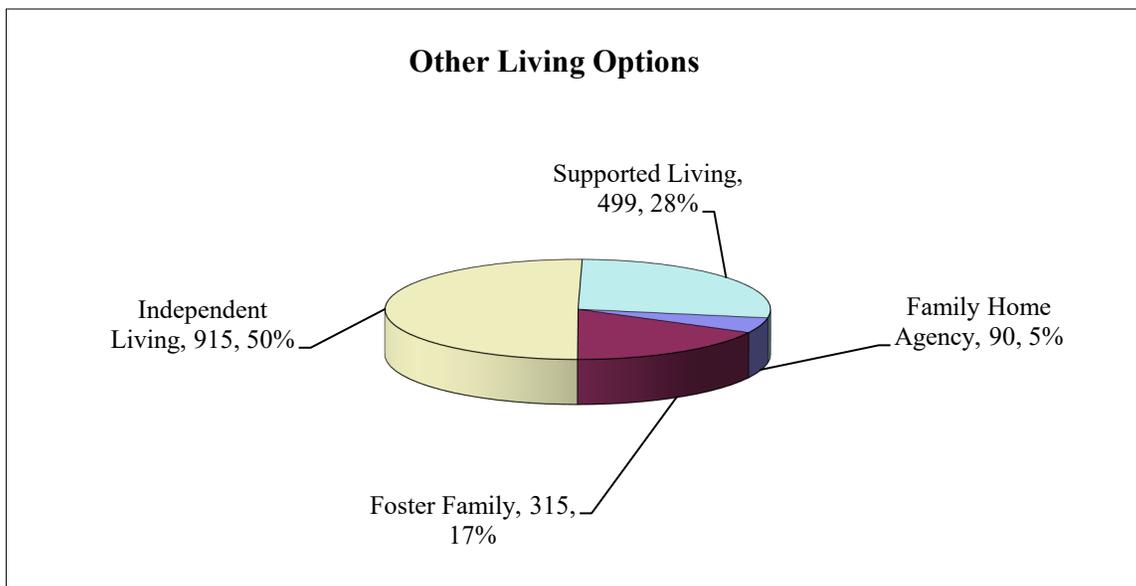
#### Independent Living

Independent Living services help persons served over 18 with the functional skills necessary to secure a self-sustaining, independent living situation in the community and/or may provide the support necessary to maintain those skills.

#### Supported Living

Supported Living Services (SLS) support efforts for persons served to live in their own home.

<b>Other Living Options</b>	<b>Total</b>	<b>Under 18</b>	<b>Over 18</b>
Family Home Agency	90	0	90
Foster Family	315	310	5
Independent Living	915	0	915
Supported Living	499	0	499
<b>Total</b>	<b>1,819</b>	<b>310</b>	<b>1,509</b>



## LIVING OPTIONS, continued

### **Living Options, facilities licensed by the State of California, Departments of Community Care Licensing, or Department of Health Care Services**

#### Health Licensed Facilities

Health facilities are licensed by the State of California, Department of Health Services to provide 24-hour medical residential care. Health facilities are funded by Medi-Cal. Health licensed facilities

General Acute Care Hospitals,  
Acute Psychiatric Hospitals,  
Skilled Nursing Facilities,  
Intermediate Care Facilities,  
Intermediate Care Facility – Developmentally Disabled,  
Intermediate Care Facility – Developmentally Disabled, – Habilitative,  
Intermediate Care Facility – Developmentally Disabled, – Nursing,  
Home Health Agencies and  
Congregate Living Health Facilities.

#### Community Care Licensed Facilities

Community Care Facilities (CCFs) are licensed by the State of California, Department of Social Services, Community Care Licensing Division to provide 24-hour non-medical residential care to children and adults with developmental disabilities who are in need of personal services, supervision, and/or assistance essential for self-protection or sustaining the activities of daily living. CCFs are funded by regional centers. Based upon the types of services provided and the persons served, each CCF vendored by a regional center is designated one of the following service levels:

*SERVICE LEVEL 1:* Limited care and supervision for persons with self-care skills and no behavior problems.

*SERVICE LEVEL 2:* Care, supervision, and incidental training for persons with some self-care skills and no major behavior problems.

*SERVICE LEVEL 3:* Care, supervision, and ongoing training for persons with significant deficits in self-help skills, and/or some limitations in physical coordination and mobility, and/or disruptive or self-injurious behavior.

*SERVICE LEVEL 4:* Care, supervision, and professionally supervised training for persons with deficits in self-help skills, and/or severe impairment in physical coordination and mobility, and/or severely disruptive or self-injurious behavior. Service Level 4 is subdivided into Levels 4A through 4I, in which staffing levels are increased to correspond to the escalating severity of disability levels.

## LIVING OPTIONS, continued

### Persons Served Who Reside in Licensed Facilities Funded by RCOC Fiscal Year 2022-23

<b>Licensed Facilities</b>	<b>Total</b>	<b>Over 18</b>	<b>Under 18</b>
Level 2	189	189	0
Level 3	261	261	0
Level 4A	32	32	0
Level 4B	5	5	0
Level 4C	49	49	0
Level 4D	37	37	0
Level 4E	19	19	0
Level 4F	62	62	0
Level 4G	29	29	0
Level 4H	1	1	0
Level 4I	306	305	1
Elderly	1	1	0
ICF/DD-H	0	0	0
ICF/DD-N	3	3	0
ICF/DD	0	0	0
Skilled Nursing	0	0	0
<b>Total</b>	<b>994</b>	<b>993</b>	<b>1</b>

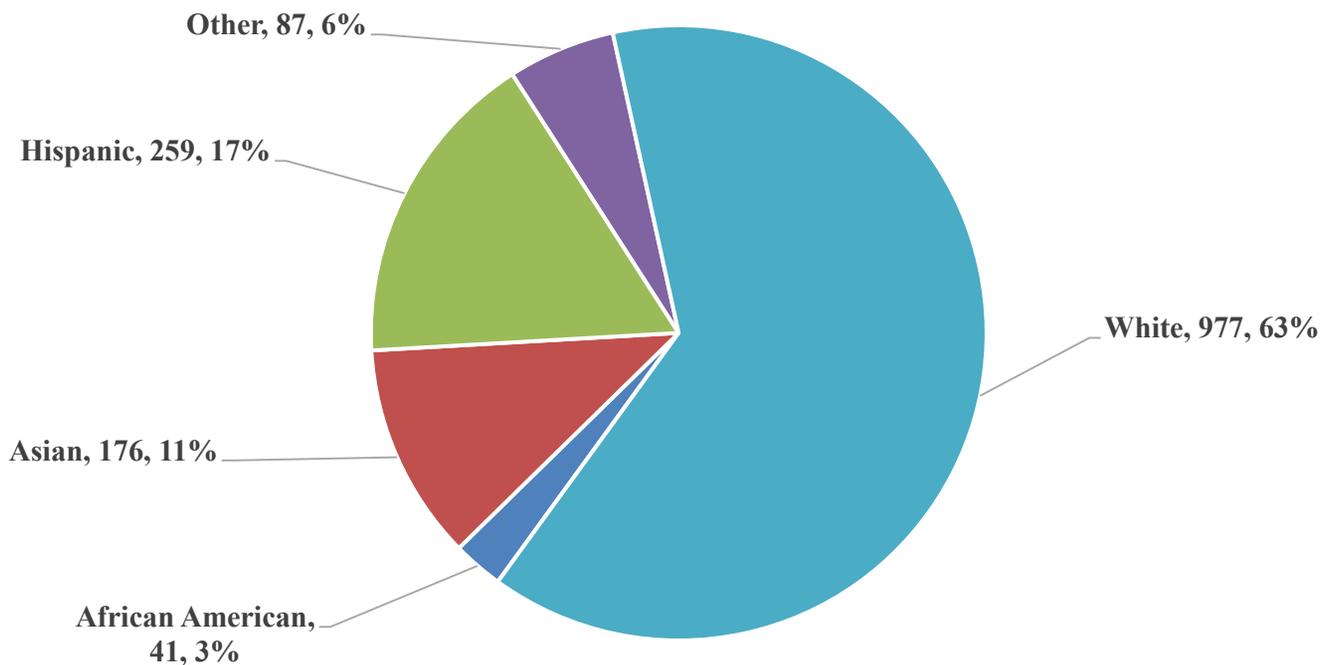
<b>Licensed Facilities Summary</b>	<b>Total</b>	<b>Over 18</b>	<b>Under 18</b>
Level 2	189	189	0
Level 3	261	261	0
Level 4	540	539	1
ICF/DD-H	0	0	0
ICF/DD-N	3	3	0
Elderly	1	1	0
Skilled Nursing	0	0	0
<b>Total</b>	<b>994</b>	<b>993</b>	<b>1</b>

**LIVING OPTIONS, continued**

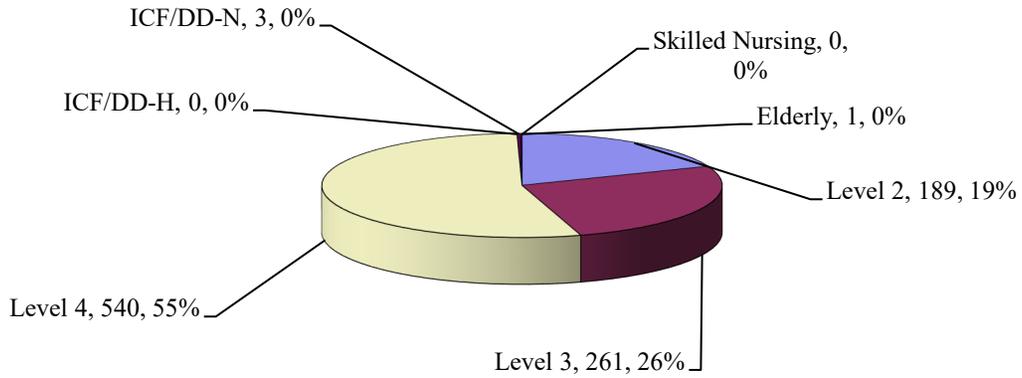
**Persons Served Who Reside in Licensed Facilities Funded by RCOC by Ethnicity**  
*Fiscal Year 2022-23*

Licensed Facilities	African American	Asian	Hispanic	Other	White	Total
Level 2	10	24	56	12	210	312
Level 3	11	31	65	23	228	358
Level 4A	0	5	6	2	24	37
Level 4B	0	1	0	0	8	9
Level 4C	3	12	12	2	60	89
Level 4D	0	10	6	2	28	46
Level 4E	0	4	8	2	18	32
Level 4F	3	14	9	2	42	70
Level 4G	0	8	3	3	38	52
Level 4H	0	0	2	0	1	3
Level 4I	14	67	92	39	320	532
<b>Total</b>	<b>41</b>	<b>176</b>	<b>259</b>	<b>87</b>	<b>977</b>	<b>1,540</b>

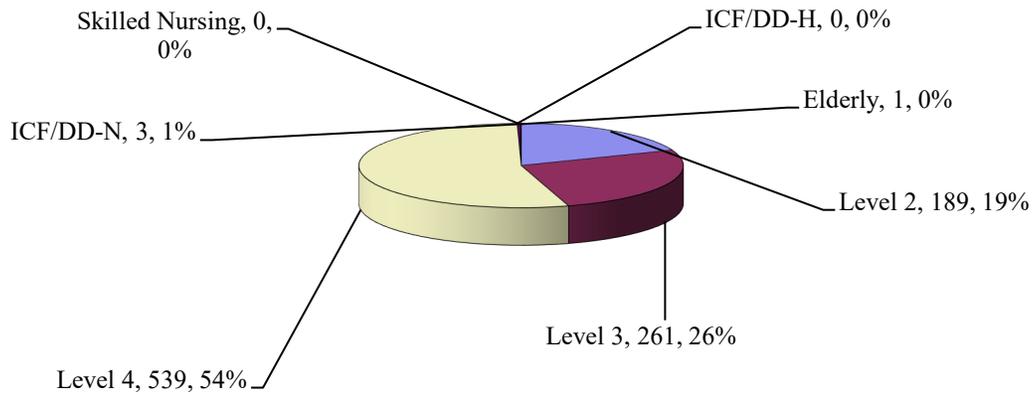
**Residents in Community Care Licensed Facilities by Ethnicity**



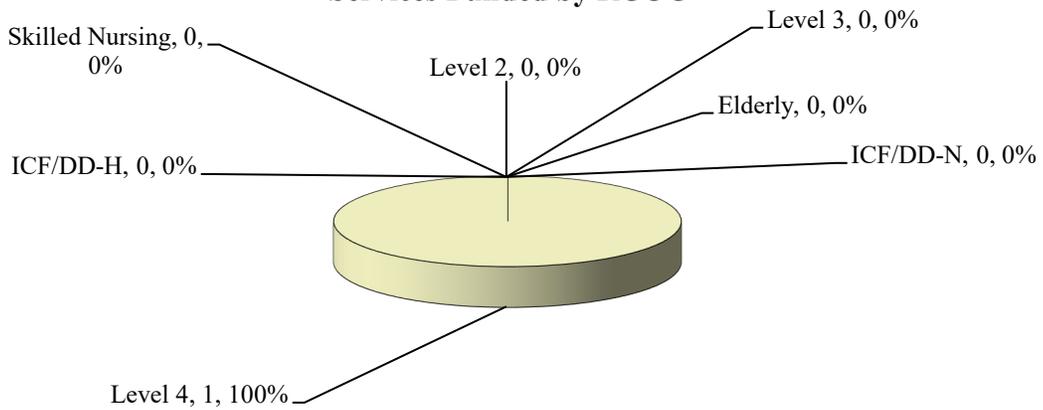
**Persons Served Who Reside in Licensed Facilities  
Services Funded by RCOC**



**Persons Served Over Age 18 Who Reside in Licensed Facilities  
Services Funded by RCOC**



**Persons Served Under Age 18 Who Reside in Licensed Facilities  
Services Funded by RCOC**

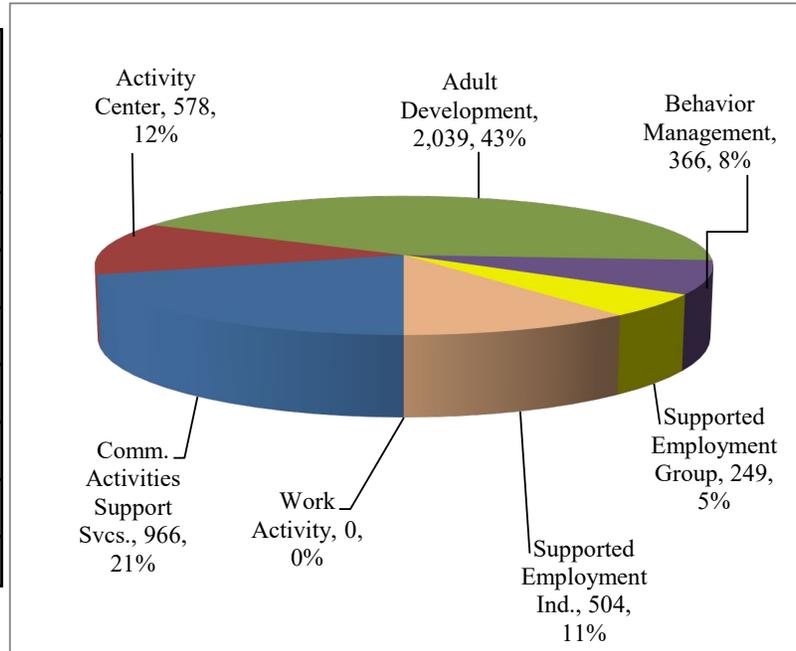


## WORK

### Related Guiding Principle

- *Persons served have the opportunity and support to work in integrated employment settings that are meaningful, valued by the community, and in which they are appropriately compensated and respected.*

Adult Day & Employment Services	Persons Served Over 18
Comm. Activities Support Svcs.	966
Activity Center	578
Adult Development	2,039
Behavior Management	366
Supported Employment Group	249
Supported Employment Ind.	504
Work Activity	0
<b>Total</b>	<b>4,702</b>



### Definitions:

**Community Activities Support Services** similar to a Behavior Management Program, this is a behavior management program with an enhanced ration of 1:1 or 1:2 due to severe behavioral challenges.

**Activity Center** means a day program that serves adults who generally have acquired most basic self-care skills, have some ability to interact with others, are able to make their needs known, and respond to instructions. Activity center programs focus on the development and maintenance of the functional skills required for self-advocacy, community integration and employment. Staff ratio ranges from 1:6 to 1:8.

**Adult Development Center** means a day program that serves adults who are in the process of acquiring self-help skills. Individuals who attend adult development centers generally need sustained support and direction in developing the ability to interact with others, to make their needs known, and to respond to instructions. Adult development center programs focus on the development and maintenance of the functional skills required for self-advocacy, community integration, employment, and self-care. Staff ratio ranges from 1:3 to 1:4.

**Behavior Management Program** means a day program that serves adults with severe behavior disorders and/or dual diagnosis who, because of their behavior problems, are not eligible for or acceptable in any other community-based day program. Staff ratio is 1:3.

**Supported Employment Program** means a program that meets the requirements of the term supported employment, i.e. services that are provided by a job coach in order to support and maintain an individual with developmental disabilities in employment, and of the terms, integrated work, supported employment placement, allowable supported employment services, group and individualized services. Staff ratio ranges from 1:1 to 1:4.

**Work Activity Program** includes, but is not limited to, Work Activity centers or settings that provide support to persons served engaged in paid work and have demonstrated that the program is in compliance with Department of Rehabilitation certification standards or are accredited by CARF. Staff ratio ranges from 1:12 to 1:20.

## SERVICE PLANNING AND COORDINATION

### Related Guiding Principles

- *Service coordinators are caring, knowledgeable and competent in service planning, coordination and resources.*
- *Service coordinators inform families of their rights and the services and supports available to them.*
- *Service planning and coordination is a collaborative effort between RCOC, persons served and their families to identify needed services and supports.*
- *Person-centered planning is based upon the choices and preferences of the persons served and their families, and the identification of generic services and natural supports.*
- *Services and supports assist person served and their families to develop support networks leading to reduced dependence on paid supports.*
- *Services and supports are sensitive to the diverse religious, cultural, language, socioeconomic and ethnic characteristics of persons' served and their families' communities.*

### Service Coordination

#### *Fiscal Year 2022-23*

Service Coordination:	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
Number of Service Coordinators (SC)	322.0	321.3	320.4	345.4	341.4	337.4
Number of Case-Carrying SCs	296.4	294.7	293.9	318.9	314.9	310.9
Number of Intake SCs	25.7	26.7	26.7	26.7	26.7	26.7
Number of Active Persons Served	23,980	24,028	24,161	24,276	24,367	24,488
Caseload Ratio, # of Active Persons Served/SCs	80.9	81.5	82.2	76.1	77.4	78.8

Service Coordination:	Jan.	Feb.	Mar.	Apr.	May	June
Number of Service Coordinators (SC)	339.4	344.4	346.4	352.4		
Number of Case-Carrying SCs	312.9	317.8	319.8	325.9		
Number of Intake SCs	26.7	26.7	26.7	26.7		
Number of Active Persons Served	24,550	24,622	24,774	24,912		
Caseload Ratio, # of Active Persons Served/SCs	78.5	77.5	77.5	76.4		

**SERVICE PLANNING AND COORDINATION continued**

**Fair Hearings**  
**Fiscal Year 2022-23**

	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
<b>Number of Unsettled Hearing Requests*</b>	<b>15</b>	<b>17</b>	<b>15</b>	<b>15</b>	<b>20</b>	<b>23</b>	<b>23</b>	<b>24</b>	<b>27</b>	<b>31</b>		
Eligibility - Lanterman	3	4	4	2	2	3	3	2	2	7		
Behavioral services	1	1	1	2	2	5	7	4	3	3		
Respite	3	2	1	2	4	6	6	5	5	3		
Day Care			1	1	1	1	1					
ILS/SLS												
Personal Assistance	2	1	1	1		2	5	5	4	3		
Other**	10	9	7	7	11	12	12	9	9	10		

\* Hearing Requests may list more than one issue; so, the number of issues may equal more than the number of hearing requests.

\*\* Other issues include but are not limited to living options.

<b>Number of New Hearing Requests Filed*</b>	<b>9</b>	<b>5</b>	<b>3</b>	<b>8</b>	<b>8</b>	<b>13</b>	<b>10</b>	<b>15</b>	<b>12</b>	<b>11</b>		
Eligibility - Lanterman	3	2		1	2	1	1	1	1	6		
Eligibility - Early Start												
Behavioral services				2		3	2	1	1			
Respite	1			1	2	3		1	1			
Day Care			1									
Social/Recreational						2	2	3	3	1		
Personal Assistance		1				2	3			1		
Other**	5	2	2	4	4	2	2	7	2	2		

\* Hearing Requests may list more than one issue; so, the number of issues may equal more than the number of hearing requests.

\*\* Other issues include but are not limited to living options.

<b>Number of All Meetings Held</b>	<b>7</b>	<b>6</b>	<b>6</b>	<b>3</b>	<b>3</b>	<b>9</b>	<b>5</b>	<b>5</b>	<b>11</b>	<b>9</b>		
Number of Informal Meetings Held	7	2	5	3	3	7	4	5	8	3		
Number of Mediations Held		4				2	1		3	5		
Number of SLFHs Held			1							1		

<b>Number of Requests in Scheduling*</b>	<b>4</b>	<b>9</b>	<b>5</b>	<b>9</b>	<b>17</b>	<b>8</b>	<b>10</b>	<b>11</b>	<b>11</b>	<b>15</b>		
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\* Meetings in process of being scheduled; meetings on schedule but not yet held; meetings scheduled but not held due to continuances.

<b>Number of Requests Pending*</b>	<b>0</b>											
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\* State Level Fair Hearing (SLFH) held but awaiting decision.

<b>Number of Requests Settled</b>	<b>4</b>	<b>2</b>	<b>4</b>	<b>3</b>	<b>0</b>	<b>6</b>	<b>8</b>	<b>8</b>	<b>5</b>	<b>7</b>		
Withdrawn by Person Served/Family				2		1	0	2		3		
Settled in Informal	4	1	3	1		2	5	4	3	2		
Settled after further follow-up by RCOC						1	2	2	1			
Settled in Mediation		1				2	1		1	2		
SLFH Decision			1									

**State Level Fair Hearing Decisions**

<b>Prevailing Party</b>												
Person Served/Family												
RCOC			1									
Split												

## ADMINISTRATION AND GOVERNANCE

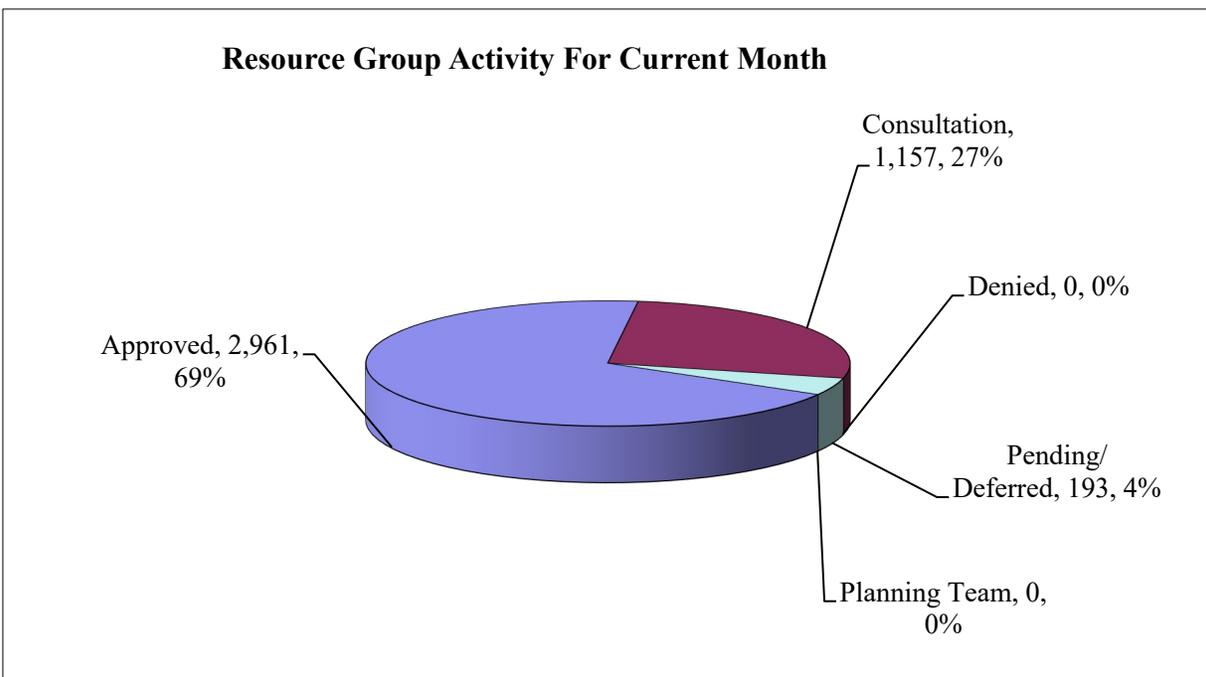
### Guiding Principle

- RCOC will maximize all alternative sources of funding for necessary services and supports including federal and generic funding.
- The public funds that support the service system are expended in a fashion that is cost-effective, consumer-directed, consistent with good business practices, and that reflect RCOC's Guiding Principles and diligent stewardship.

### Resource Group Activity for April 2023 and Fiscal Year to Date

Disposition	Approved	Consultation	Denied	Pending/Deferred	Planning Team	Total
Adult Day	692	374	0	65	0	1,131
Behavioral	96	68	0	18	0	182
Education	0	0	0	0	0	0
Eligibility/Health	74	6	0	6	0	86
Early Start	562	156	0	27	0	745
Living Options	254	180	0	4	0	438
Supported/Ind.	257	163	0	29	0	449
All Others	1026	210	0	44	0	1,280
<b>Monthly Total</b>	<b>2,961</b>	<b>1,157</b>	<b>0</b>	<b>193</b>	<b>0</b>	<b>4,311</b>

<b>FY 2022-23 Total to Date</b>	31,845	13,985	0	2,063	0	<b>47,893</b>
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## Operations Report Summary - April 2023

About Persons Served	Early Start	Medicaid Waiver	All Other	SDC	Total	Under 18	Over 18
Number of Persons Served	3,599	8,732	11,649	8	<b>23,988</b>	11,625	13,035
<i>Percentage of Total</i>	<i>15%</i>	<i>36%</i>	<i>49%</i>	<i>0%</i>	<i>100%</i>	<i>48%</i>	<i>54%</i>

<b>Children served in Prevention Resource and Referral Services</b>	<b>458</b>
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Persons Served by Residence Status	All	Under 18	Over 18
Family Home	20,345	11,267	9,078
Community Care Facility	1,654	20	1,634
State Developmental Center	8	0	8
Family Home Agency	90	0	90
Foster Home	315	310	5
Intermediate Care Facility	637	3	634
Independent Living	915	0	915
Supported Living	499	0	499
Skilled Nursing	81	0	81
Other	116	25	91
<b>Total</b>	<b>24,660</b>	<b>11,625</b>	<b>13,035</b>

Special Incident Investigations	Year to Date
AWOL	41
Abuse	113
Neglect	147
Injury	193
Hospitalizations - Total	336
Death	132
Victim of crime	6
Arrest	12
Rights	256
<b>Total</b>	<b>1,236</b>

### Number of Licensed Facilities

<i>Community Care Facilities</i>	Total	Under 18	Over 18
Level 2	70	0	70
Level 3	81	0	81
Level 4	202	11	191
<b>Total Community Care Facilities</b>	<b>353</b>	<b>11</b>	<b>342</b>

Licensed Facility Monitoring	Year to Date
Annual Review	417
Unannounced	532
Total Number of Reviews	949
Provider Trainings	0
Technical Support	1,083
Corrective Action Plans	49

### *Intermediate Care Facilities (ICF)*

ICF-DD	0
ICF-DD/Habilitation	74
ICF-DD/Nursing	40
<b>Total ICF Facilities</b>	<b>114</b>

<b>Number of Audits</b>	<b>20</b>
<b>Amount of Recovery from Audits</b>	<b>\$253,543</b>

<b>Total Licensed Facilities</b>	<b>467</b>
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## Performance Contract Summary

RCOC as of 05/01/2023	All	RCOC #	Goal	Percentage	# Attained
Developmental Center (DC)	24,906	9	0	0.04%	-9
Children in Foster Homes (FH)	11,832	315	315	2.66%	0
Children Own Home Parent/Guardian	11,832	11,475	11,300	96.98%	175
Total # Children (FH,Parent/Guardian)	11,832	11,790	11,615	99.65%	175
Adult FHA	13,065	90	110	0.69%	-20
Independent Living (IL)	13,065	924	924	7.07%	0
Adults Residing Own Home - Parent	13,065	9,134	9,150	69.91%	-16
Supported Living (SL)	13,065	498	512	3.81%	-14
Total # Adults (FHA, IL,Parent/Guardian, SL)	13,065	10,646	10,696	81.48%	-50
Children Residing in a CCF (7+ beds)	11,832	1	0	0.01%	-1
Children Residing in a ICF (7+ beds)	11,832	0	0	0.00%	0
Children Residing in a Nursing Facility (7+ beds)	11,832	0	0	0%	0
Total Children Residing in 7+ bed facilities	11,832	1	0	0.01%	-1
Adults Residing in a CCF (7+ beds)	13,065	118	114	0.90%	-4
Adults Residing in a ICF (7+ beds)	13,065	14	6	0.11%	-8
Adults Residing in a Nursing Facility (7+ beds)	13,065	91	74	0.70%	-17
Total Adults Residing in 7+ bed facilities	13,065	223	194	1.71%	-29
Total Individuals Over Age 3 with <=120 days	285	285	100%	100.00%	100.00%
Total Individuals Over Age 3 with 121-240 days	285	0	0%	0.00%	0.00%
Total Individuals Over Age 3 Over 240 days	285	0	0%	0.00%	0.00%
Adults with Integrated Employment Goal	13,065	48%	65%		
Total Number of Incentive Payments Made	13,065	207			
Avg. Wage per Hour After Incentive Payment	13,065	\$14.40			
Number of Persons Served with Earned Income	13,065	1,726			
Percentage of 16-64 Earned Income	13,065	22%			
Annual Earnings of 16-64	13,065	\$7,656			
Number of Adults in CIE After Paid Intern	13,065	0			
Percentage Adults Transitioned Internship to CIE	13,065	0%			
Total Annual Expenditures Race/Ethnicity	24,906				

**Performance Contract 2023-2024 Cover Sheet**



= Better than Statewide Average



= Below Regional Center of Orange County Goal



= Met Regional Center of Orange County Goal



= Met or Exceeded Regional Center of Orange County Goal



= Exceeded Regional Center of Orange County Goal

There will be a variance between consumer data in the Operations Report and the Performance Contract. Consumer data for the Operations Report and the Performance Contract are produced on different dates and from different databases. The Operations Report numbers are based on RCOC's local database as of the end of the month. The Performance Contract numbers are based on RCOC's information as submitted to DDS on a different date.



**Performance Contract 2023-2024**

A. Regional Center of Orange County will maintain compliance in the following areas based upon criteria set forth in RCOC's contract with the Department of Developmental Services.

Compliance Measure	Outcome
Unqualified audit with no material findings	Yes
Substantial compliance with DDS fiscal audit	Yes
Operates within OPS budget	Yes
Certified to participate in Waiver	Yes
Compliance with vendor audit requirements per contract, Article III, sec. 10	Met
CDER/ESR current	96.8
Intake/Assessment and IFSP (0-2)	99.52
IPP development biennial	Annual, 99.46
IFSP development	69.28



## Performance Contract 2023-2024

### I. Developmental Center

#### Planned Activities

**Statement:** The Regional Center of Orange County (RCOC) is committed to providing assistance to individuals and their families who choose to move from a State Developmental Center (SDC) into a less restrictive environment within their home communities.

**Objective:** RCOC will continue to seek new and innovative methods of utilizing available resources, developing non-existing resources, and creating and implementing transition plans that will allow individuals to establish themselves and participate successfully in their home community living arrangements.

- Implementation of Community Placement Plan/Resource Development Plan for FYs 2021-2022 and 2022-2023.

**Progress:** In FY 2019-2020, RCOC moved the last persons served from Fairview Developmental Center into the community. The remaining individuals are served at Porterville Developmental Center where they remain for competency issues. During Public Meetings in August 2022, RCOC had 8 persons served, or 0.03%, in Developmental Centers.

#### A. Total number and % of regional center caseload in developmental centers.

	Percentage	All Consumers	Consumers in DC			
Statewide Average	0.06%	384,188	233			
RCOC Public Hearing 8/17/22	0.03%	23,394	8	Goal	%	# Attained
RCOC 05/01/23	0.04%	24,906	9	0	0.04%	-9
Analysis as of Public Hearing	RCOC % of DD pop		6.09%	RCOC % of DC pop		3.43%

Number of Persons Served Residing DC's



	Total Active Caseload	Goal	DC	%	Number Attained
Jan-23	24,544	0	10	0.04%	-10
Feb-23	24,616	0	10	0.04%	-10
Mar-23	24,769	0	10	0.04%	-10
Apr-23	24,906	0	9	0.04%	-9
May-23		0			
Jun-23		0			
Jul-23		0			
Aug-23		0			
Sep-23		0			
Oct-23		0			
Nov-23		0			
Dec-23		0			
Jan-24		0			
Feb-24		0			
Mar-24		0			
Apr-24		0			
May-24		0			
Jun-24		0			



## Performance Contract 2023-2024

### II. Children Residing with Families (*Child is defined as under 18 years of age*)

#### Planned Activities

**Statement:** The Regional Center of Orange County (RCOC) ensures that children will reside with their families by providing the needed supports and services regardless of the severity of the child's disability.

- Continue to assess current supports and services.
- RCOC will work with the Orange County community in an effort to support programs, trainings, and services designed to provide equal access to child care for families of children with special needs (autism).
- Continue to develop innovative resources for children 0-3 years old (i.e. respite placements).
- RCOC will insure that persons served are provided opportunities for safety awareness training through schools and other similar programs available.
- Review and revise services, e.g. respite and family support.
- RCOC will insure that families receive full information about the developmental needs of the persons served and what types of services are available.
- RCOC will assure that persons served and their caregivers receive complete assessments and have the opportunity to ask questions, advocate, and access to services. To be evaluated and monitored by a National Core Indicators (NCI) survey of persons served and their caregivers.

Progress: A. During public meetings, RCOC had 284, or 2.64%, of children in foster homes.

A. Number and % of regional center children in foster homes.

	Percentage	All Children	Children in FH	Goal	%	# Attained
Statewide Average	2.66%	197,711	5,256			
RCOC Public Hearing 8/17/22	2.64%	10,752	284			
RCOC 05/01/23	2.66%	11,832	315	315	2.66%	0
Analysis as of Public Hearing	RCOC % of DD pop.		5.44%	RCOC % of FH pop.		5.40%



	Total Children Status 1&2	Goal	Children in Foster Homes	%	Number Attained
Jan-23	11,574	315	316	2.73%	1
Feb-23	11,616	315	313	2.69%	-2
Mar-23	11,706	315	308	2.63%	-7
Apr-23	11,832	315	315	2.66%	0
May-23		315			
Jun-23		315			
Jul-23		315			
Aug-23		315			
Sep-23		315			
Oct-23		315			
Nov-23		315			
Dec-23		315			
Jan-24		315			
Feb-24		315			
Mar-24		315			
Apr-24		315			
May-24		315			
Jun-24		315			



Progress: B. During public meetings, RCOC had 10,425, or 96.96%, of children in own-home-parent/guardian.

B. Number and % of regional center children in own home-parent/guardian.

	%	All Children	Children in own home Parent/Guardian			
Statewide Average	96.94%	197,711	191,657			
RCOC Public Hearing 8/17/22	96.96%	10,752	10,425	Goal	%	# Attained
RCOC 05/01/23	96.98%	11,832	11,475	11,300	96.98%	175
Analysis as of Public Hearing	RCOC % of DD pop.		5.44%	RCOC % of Home		96.96%



	Total Children	Children in own home Parent/Guardian	Children in Own Home Parent/Guardian	%	Number Attained
Jan-23	11,574	11,300	11,220	96.94%	-80
Feb-23	11,616	11,300	11,264	96.97%	-36
Mar-23	11,706	11,300	11,359	97.04%	59
Apr-23	11,832	11,300	11,475	96.89%	175
May-23		11,300			
Jun-23		11,300			
Jul-23		11,300			
Aug-23		11,300			
Sep-23		11,300			
Oct-23		11,300			
Nov-23		11,300			
Dec-23		11,300			
Jan-24		11,300			
Feb-24		11,300			
Mar-24		11,300			
Apr-24		11,300			
May-24		11,300			
Jun-24		11,300			



Progress: C. During public meetings, RCOC had 10,079, or 99.46%, of children in homes.

C. Total number and % of regional center children in homes (*this is a total of sections A and B above*).

	%	All Children	Total Number Children in Homes	Goal	%	# Attained
Statewide Average	99.65%	197,611	196,913			
RCOC Public Hearing 8/17/22	99.60%	10,752	10,709			
RCOC 05/01/23	99.65%	11,832	11,790	11,615	99.65%	175
Analysis of Public Hearing	RCOC % of DD pop		5.44%	RCOC % Homes		90.83%

	Total Children Status 1&2	Goal	Total Number Children in Homes	%	Number Attained
Jan-23	11,574	11,615	11,536	99.67%	-79
Feb-23	11,616	11,615	11,577	99.66%	-38
Mar-23	11,706	11,615	11,667	99.67%	52
Apr-23	11,832	11,615	11,790	99.65%	175
May-23		11,615			
Jun-23		11,615			
Jul-23		11,615			
Aug-23		11,615			
Sep-23		11,615			
Oct-23		11,615			
Nov-23		11,615			
Dec-23		11,615			
Jan-24		11,615			
Feb-24		11,615			
Mar-24		11,615			
Apr-24		11,615			
May-24		11,615			
Jun-24		11,615			



## Performance Contract 2023-2024

### III. Adults Residing in Home Settings

#### Planned Activities

**Statement:** RCOC works with persons served and their caregivers and advocates to empower and enable them to assert the rights of persons served to determine and control the living arrangements of their choice. This may include owning, renting, or leasing the home where the persons served reside.

**Objective:** Using the Person Centered Thinking (PCT) Individual Program Planning process, Service Coordinators will continue to identify regional center adult persons served who have the hopes and desires to live in a new living arrangement. Cases are reviewed at least annually for the least restrictive environment.

- RCOC will provide service coordinator training to assist families in establishing maintenance plans in the event of temporary caregiver illness/incapacity and for eventual transition plans.
- RCOC will request vendors to include successional maintenance and transitional plans in the event of temporary illness/incapacity and transfer of ownership in their program designs.
- RCOC will ensure that persons served are provided opportunities for safety awareness training on a regular and as needed basis.
- RCOC will review and revise services, e.g. respite and family support.
- RCOC will assure that persons served and their caregivers receive complete assessments and have opportunities to ask questions, advocate, and access services. To be evaluated and monitored by an NCI survey of persons served and their caregivers.



**Progress:** A. During public meetings, RCOC had 99, or 0.78%, of adults residing in Adult FHA.

A. Total number and % of regional center adult caseload residing in an Adult Family Home Agency (FHA).

	Percentage	Total Adults Status 2	Adults in FHA	Goal	%	# Attained
Statewide Average	0.82%	186,242	1,529			
RCOC Public Hearing 8/17/22	0.78%	12,634	99	110	0.69%	-20
RCOC 05/01/23	0.69%	13,065	90			
Analysis as of Public Hearing	RCOC % of DD pop		6.78%	RCOC % of FHA pop		6.47%



	Total Adults Status 2	Goal	Adults in FHA	%	Number Attained
Jan-23	12,970	110	91	0.70%	-19
Feb-23	12,990	110	90	0.69%	-20
Mar-23	13,053	110	90	0.69%	-20
Apr-23	13,065	110	90	0.69%	-20
May-23		110			
Jun-23		110			
Jul-23		110			
Aug-23		110			
Sep-23		110			
Oct-23		110			
Nov-23		110			
Dec-23		110			
Jan-24		110			
Feb-24		110			
Mar-24		110			
Apr-24		110			
May-24		110			
Jun-24		110			



**Progress:** B. During public meetings, RCOC had 903, or 7.15%, of adults residing in independent living.

B. Total number and % of regional center adults in independent living.

	Percentage	Total Adults Status 2	Adults in Independent Living	Goal	%	# Attained
Statewide Average	9.48%	186,242	17,651			
RCOC Public Hearing 8/17/22	7.15%	12,634	903			
RCOC 05/01/23	7.07%	13,065	924	924	7.07%	0
Analysis of Public Hearing	RCOC % of DD pop		6.78%	RCOC % of IL pop		5.12%

	Total Adults Status 2	Goal	Adults in Independent Living	%	Num Attained
Jan-23	12,970	924	907	6.99%	-17
Feb-23	12,990	924	912	7.02%	-12
Mar-23	13,053	924	917	7.03%	-7
Apr-23	13,065	924	924	7.07%	0
May-23		924			
Jun-23		924			
Jul-23		924			
Aug-23		924			
Sep-23		924			
Oct-23		924			
Nov-23		924			
Dec-23		924			
Jan-24		924			
Feb-24		924			
Mar-24		924			
Apr-24		924			
May-24		924			
Jun-24		924			



**Progress:** C. During public meetings, RCOC had 8,719, or 69.01%, of adults residing in own home-parent.

C. Total number and % of regional center adults residing in own home-parent.

	Percentage	Total Adults Status 2	Adults Residing Own Home Parent	Goal	%	# Attained
Statewide Average	67.43%	186,242	125,589			
RCOC Public Hearing 8/17/22	69.01%	12,634	8,719			
RCOC 05/01/23	69.90%	13,065	9,132	9,150	69.90%	-18
Analysis of Public Hearing	RCOC % of DD pop		6.78%	RCOC % of own home		6.94%



	Total Adults Status 2	Goal	Adults Residing Own Home Parent	%	Number Attained
Jan-23	12,970	9,150	9,052	69.79%	-98
Feb-23	12,990	9,150	9,072	69.84%	-78
Mar-23	13,053	9,150	9,120	69.87%	-30
Apr-23	13,065	9,150	9,132	69.90%	-18
May-23		9,150			
Jun-23		9,150			
Jul-23		9,150			
Aug-23		9,150			
Sep-23		9,150			
Oct-23		9,150			
Nov-23		9,150			
Dec-23		9,150			
Jan-24		9,150			
Feb-24		9,150			
Mar-24		9,150			
Apr-24		9,150			
May-24		9,150			
Jun-24		9,150			



**Progress:** D. During public meetings, RCOC had 496, or 3.93%, of adults residing in supported living.

**D. Total number and % of regional center adults residing in supported living.**

	Percentage	Total Adults Status 2	Adults Residing in Supported Living			
Statewide Average	5.02%	186,242	9,359			
RCOC Public Hearing 8/17/22	3.93%	12,634	496	Goal	%	# Attained
RCOC 05/01/23	3.81%	13,065	498	512	3.81%	-14
Analysis of Public Hearing	RCOC % of DD pop		6.78%	RCOC % of SL pop		5.30%

	Total Adults Status 2	Goal	Adults Residing Supported Living	%	Number Attained
Jan-23	12,970	512	492	3.79%	-20
Feb-23	12,990	512	493	3.80%	-19
Mar-23	13,053	512	499	3.82%	-13
Apr-23	13,065	512	498	3.81%	-12
May-23		512			
Jun-23		512			
Jul-23		512			
Aug-23		512			
Sep-23		512			
Oct-23		512			
Nov-23		512			
Dec-23		512			
Jan-24		512			
Feb-24		512			
Mar-24		512			
Apr-24		512			
May-24		512			
Jun-24		512			





Progress: E. During public meetings, RCOC had 10,217, or 80.97%, of adults residing in home settings.

E. Total number and % of regional center adults in home settings (*this is a total of sections A, B, C, and D above*).

	Percentage	Total Adults Status 2	Total Number Adults in Home Settings	Goal	%	# Attained
Statewide Average	82.75%	186,242	154,119			
RCOC Public Heaing 8/17/22	80.97%	12,634	10,217	10,696	81.47%	-52
RCOC 05/01/23	81.47%	13,065	10,644	10,696	81.47%	-52
Analysis of Public Hearing	RCOC % of DD pop		6.78%	RCOC % of Home		6.63%

	Total Adults Status 2	Goal	Total Number Adults in Home Settings	%	Number Attained
Jan-23	12,970	10,696	10,542	81.28%	-154
Feb-23	12,990	10,696	10,567	81.35%	-129
Mar-23	13,053	10,696	10,626	81.41%	-70
Apr-23	13,065	10,696	10,644	81.47%	-52
May-23		10,696			
Jun-23		10,696			
Jul-23		10,696			
Aug-23		10,696			
Sep-23		10,696			
Oct-23		10,696			
Nov-23		10,696			
Dec-23		10,696			
Jan-24		10,696			
Feb-24		10,696			
Mar-24		10,696			
Apr-24		10,696			
May-24		10,696			
Jun-24		10,696			



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### IV. Children Residing in Facilities with Seven or More Beds (Excluding Developmental Centers)

#### Planned Activities

**Statement:** RCOC provides for the needs of children with medical issues or challenging behaviors in seven or greater bed facilities for limited time periods when smaller facilities cannot meet needs.

**Objective:** RCOC will place only those children with medical issues or challenging behaviors in seven or greater facilities.

- RCOC will continue seeking appropriate placement in smaller facilities for these children and to support creative services and supports which would allow placement in existing small facilities, as well as development of new small facilities as needed, utilizing appropriate services and supports to ensure success for these persons served.
- RCOC will adhere to Trailer Bill Language relating to the use of larger facilities to ensure the least restrictive environment is supported.

**Progress:** A. During public meetings, RCOC had 0, or 0.00%, of children residing in a Community Care Facility (CCF) 7+ beds. Placements to 7+ bed CCF facilities are at family request and/or due to specialized services.

A. Total number and % of regional center children residing in a CCF 7+ beds.

	Percentage	Total Children Status 1&2	Children Residing in CCF 7+ Beds			
Statewide Average	0.01%	197,711	13			
RCOC Public Hearing 8/17/22	0.00%	10,752	0	Goal	%	# Attained
RCOC 05/01/23	0.01%	11,832	1	0	0.01%	-1
Analysis of Public Hearing	RCOC % of DD pop		5.44%	RCOC % of CCF 7+		0.00%



	Total Children Status 1&2	Goal	Children Residing CCF 7+ Beds	%	Number Attained
Jan-23	11,574	0	1	0.01%	-1
Feb-23	11,616	0	1	0.01%	-1
Mar-23	11,706	0	1	0.01%	-1
Apr-23	11,832	0	1	0.01%	-1
May-23		0			
Jun-23		0			
Jul-23		0			
Aug-23		0			
Sep-23		0			
Oct-23		0			
Nov-23		0			
Dec-23		0			
Jan-24		0			
Feb-24		0			
Mar-24		0			
Apr-24		0			
May-24		0			
Jun-24		0			



**Progress:** B. During public meetings, RCOC had 0, or 0.00%, of children residing in an Intermediate Care Facility (ICF) 7+ beds.

B. Total number and % of regional center children residing in an ICF 7+ beds.

	Percentage	Total Children Status 1&2	Children Residing in an ICF 7+ beds	Goal	%	# Attained
Statewide Average	0.02%	197,711	34			
RCOC Public Hearing 8/17/22	0.00%	10,752	0	0	0.00%	0
RCOC 05/01/23	0.00%	11,832	0	0	0.00%	0
Analysis of Public Hearing	RCOC % of DD pop		5.44%	RCOC % of ICF 7+		0.00%



	Total Children Status 1&2	Goal	Children Residing ICF 7+ Beds	%	Number Attained
Jan-23	12,574	0	0	0.00%	0
Feb-23	11,616	0	0	0.00%	0
Mar-23	11,706	0	0	0.00%	0
Apr-23	11,832	0	0	0.00%	0
May-23		0			
Jun-23		0			
Jul-23		0			
Aug-23		0			
Sep-23		0			
Oct-23		0			
Nov-23		0			
Dec-23		0			
Jan-24		0			
Feb-24		0			
Mar-24		0			
Apr-24		0			
May-24		0			
Jun-24		0			

**Progress: C.** During public meetings, RCOC had no children residing in a nursing facility. Placements to nursing facilities are at family request and/or due to specialized services.

**C. Total number and % of regional center children residing in a nursing facility.**

	Percentage	Total Children Status 1&2	Children Residing in a Nursing Facility			
Statewide Average	0.00%	197,711	7			
RCOC Public Hearing 8/17/22	0.00%	10,752	0	Goal	%	# Attained
RCOC 05/01/23	0.00%	11,832	0	0	0.00%	0
Analysis of Public Hearing	RCOC % of DD pop		5.44%	RCOC % of NF		0.00%



	Total Children Status 1&2	Goal	Children Residing in a Nursing Facility (NF)	%	Number Attained
Jan-23	12,574	0	0	0.00%	0
Feb-23	11,616	0	0	0.00%	0
Mar-23	11,706	0	0	0.00%	0
Apr-23	11,832	0	0	0.00%	0
May-23		0			
Jun-23		0			
Jul-23		0			
Aug-23		0			
Sep-23		0			
Oct-23		0			
Nov-23		0			
Dec-23		0			
Jan-24		0			
Feb-24		0			
Mar-24		0			
Apr-24		0			
May-24		0			
Jun-24		0			



**Progress:** D. During public meetings, RCOC had 0, or 0.00%, of children residing in a facility with 7+ beds. Placements to 7+ bed facilities are at family request and/or due to specialized services.

D.Total number and % of regional center children residing in a facility with 7+ beds (*this is a total of sections A, B, and C above*).

	Percentage	Total Children Status 1&2	Total Children Residing in a 7+ Bed Facility	Goal	%	# Attained
Statewide Average	0.03%	197,711	54			
RCOC Public Hearing 8/17/22	0.00%	10,752	0	0	0.01%	-1
RCOC 05/01/23	0.00%	11,832	1			
Analysis of Public Hearing	RCOC % of DD pop		5.44%	RCOC % 7+ Bed		0.00%



	Total Children Status 1&2	Goal	Total Children Residing in 7+ Bed	%	Number Attained
Jan-23	11,574	0	1	0.01%	-1
Feb-23	11,616	0	1	0.01%	-1
Mar-23	11,706	0	1	0.01%	-1
Apr-23	11,832	0	1	0.01%	1-
May-23		0			
Jun-23		0			
Jul-23		0			
Aug-23		0			
Sep-23		0			
Oct-23		0			
Nov-23		0			
Dec-23		0			
Jan-24		0			
Feb-24		0			
Mar-24		0			
Apr-24		0			
May-24		0			
Jun-24		0			



**Performance Contract 2023-2024**

**V. Adults Residing in Facilities with Seven or More Beds  
(Excluding Developmental Centers)**

**Planned Activities**

**Statement:** RCOC continues to ensure that individuals with developmental disabilities have more choices in living options regardless of the severity of their disabilities.

**Objective:** RCOC will place only those adults with medical issues or challenging behaviors in seven bed or greater facilities.

- RCOC will continue seeking appropriate placement in smaller facilities for these persons served and to support creative services and supports which would allow placement in existing small facilities, as well development of new small facilities as needed, utilizing appropriate services and supports to ensure success for these persons served.
- RCOC will adhere to Trailer Bill Language relating to the use of larger residential facilities to ensure the least restrictive environment is supported.



**Progress:** A. During public meetings, RCOC had 122, or 0.97%, of adults residing in a CCF 7+ bed. Placements to 7+ CCF are at family request and/or due to specialized services. RCOC has several long term vendors with 7+ bed homes, and will continue to work together to implement Trailer Bill Language regarding the use of these homes.

A. Total number and % of regional center adults residing in a Community Care Facility (CCF) 7+ beds.

	Percentage	Total Adults Status 2	Adults in CCF 7+ Beds	Goal	%	# Attained
Statewide Average	0.79%	186,242	1,466			
RCOC Public Hearing 8/17/22	0.97%	12,634	122	114	0.90%	-4
RCOC 05/01/23	0.90%	13,065	118	114	0.90%	-4
Analysis of Public Hearing	RCOC % of DD pop		6.78%	RCOC % Adult 7+ CCF		8.32%

	Total Adults Status 2	Goal	Adults Residing in CCF 7+ Beds	%	Number Attained
Jan-23	12,970	114	120	0.93%	-6
Feb-23	12,990	114	121	0.93%	-7
Mar-23	13,053	114	119	0.91%	-5
Apr-23	13,065	114	118	0.90%	-4
May-23		114			
Jun-23		114			
Jul-23		114			
Aug-23		114			
Sep-23		114			
Oct-23		114			
Nov-23		114			
Dec-23		114			
Jan-24		114			
Feb-24		114			
Mar-24		114			
Apr-24		114			
May-24		114			
Jun-24		114			



**Progress:** B. During public meetings, RCOC had 12, or 0.09%, of adults residing in an Intermediate Care Facility (ICF) 7+ beds. Placements to 7+ bed facilities are at family request and/or due to specialized services.

**B. Total number and % of regional center adults residing in an ICF 7+ beds.**

	Percentage	Total Adults Status 2	Adults Residing ICF 7+ Beds	Goal	%	# Attained
Statewide Average	0.41%	186,242	755			
RCOC Public Hearing 8/17/22	0.09%	12,634	12			
RCOC 05/01/23	0.11%	13,065	14	6	0.11%	-8
Analysis of Public Hearing	RCOC % of DD pop		6.78%	RCOC % ICF 7+		1.59%



	Total Adults Status 2	Goal	Adults Residing ICF 7+ Beds	%	Number Attained
Jan-23	12,970	6	14	0.11%	-8
Feb-23	12,990	6	13	0.10%	-7
Mar-23	13,053	6	13	0.10%	-7
Apr-23	13,065	6	14	0.11%	-8
May-23		6			
Jun-23		6			
Jul-23		6			
Aug-23		6			
Sep-23		6			
Oct-23		6			
Nov-23		6			
Dec-23		6			
Jan-24		6			
Feb-24		6			
Mar-24		6			
Apr-24		6			
May-24		6			
Jun-24		6			





**Progress:** C. During public meetings, RCOC had 78, or 0.62%, of adults residing in a nursing facility (NF). Placements to nursing facilities are at family request and/or due to medical or specialized services.

**C. Total number and % of regional center adults residing in a nursing facility.**

	Percentage	Total Adults Status 2	Adults Residing in NF	Goal	%	# Attained
Statewide Average	0.52%	186,242	967			
RCOC Public Hearing 8/17/22	0.62%	12,634	78			
RCOC 05/01/23	0.70%	13,065	91	74	0.70%	-17
Analysis of Public Hearing	RCOC % DD pop		6.78%	RCOC % NF		8.07%

	Total Adults Status 2	Goal	Adults Residing in NF	%	Number Attained
Jan-23	12,970	74	79	0.61%	-5
Feb-23	12,990	74	80	0.62%	-6
Mar-23	13,053	74	91	0.70%	-17
Apr-23	13,065	74	91	0.70%	-17
May-23		74			
Jun-23		74			
Jul-23		74			
Aug-23		74			
Sep-23		74			
Oct-23		74			
Nov-23		74			
Dec-23		74			
Jan-24		74			
Feb-24		74			
Mar-24		74			
Apr-24		74			
May-24		74			
Jun-24		74			



**Progress:** D. During public meetings, RCOC had 212, or 1.68%, of adults residing in a facility with 7+ beds. Placements to 7+ bed facilities are at family request and/or due to specialized services.

D. Total number and % of adults residing in a facility with 7+ beds (*this is a total of sections A, B, and C above*).

	Percentage	Total Adults Status 2	Total Adults Residing in 7+ Bed	Goal	%	# Attained
Statewide Average	1.71%	186,242	3,188			
RCOC Public Hearing 8/17/22	1.68%	12,634	212			
RCOC 05/01/23	1.71%	13,065	223	194	1.71%	-29
Analysis of Public Meeting	RCOC % of DD pop		6.78%	RCOC % 7+ Bed		6.65%



	Total Adults Status 2	Goal	Total Adults Residing in 7+ Beds	%	Number Attained
Jan-23	12,970	194	194	1.64%	-19
Feb-23	12,990	194	214	1.65%	-20
Mar-23	13,053	194	223	1.71%	-29
Apr-23	13,065	194	223	1.71%	-29
May-23		194			
Jun-23		194			
Jul-23		194			
Aug-23		194			
Sep-23		194			
Oct-23		194			
Nov-23		194			
Dec-23		194			
Jan-24		194			
Feb-24		194			
Mar-24		194			
Apr-24		194			
May-24		194			
Jun-24		194			



## Performance Contract 2023

### VI. Intake Duration

#### Planned Activities

**Statement:** Management and Service Coordinator staff receive a monthly report on the duration of individuals age 3 and over who are in the intake process.

**Objective:** RCOC will continue to ensure that the duration of individuals ages 3 and over in the Intake process is within mandated timeline.

- RCOC will provide persons served and their caregivers/advocates with initial information about developmental needs, and about the services and supports available, inside and outside of RCOC.

**Progress:** A. During public meetings, RCOC had 222, or 98.23%, of regional center individuals over age 3 with <=120 days.

A. Total number and % of regional center individuals over age 3 with <=120 days.

	Percentage	Total # Age 3 or Over	Total # Over Age 3 with <=120 Days	Goal	% Attained
Statewide Average	95.05%	9,095	8,645		
RCOC Public Hearing 8/17/22	98.00%	226	222		
RCOC 05/01/23	100.00%	285	285	100.00%	100.00%



	Total Number Individuals Age 3 or Over	Goal	Total Number Individuals Over Age 3 with <=120 Days	% Attained
Jan-23	242	100%	240	99.17%
Feb-23	262	100%	260	99.24%
Mar-23	237	100%	237	100%
Apr-23	285	100%	285	100%
May-23		100%		
Jun-23		100%		
Jul-23		100%		
Aug-23		100%		
Sep-23		100%		
Oct-23		100%		
Nov-23		100%		
Dec-23		100%		
Jan-24		100%		
Feb-24		100%		
Mar-24		100%		
Apr-24		100%		
May-24		100%		
Jun-24		100%		



**Progress:** B. During public meetings, RCOC had 4, or 1.77%, of regional center individuals over age 3 with 121-240 days.

B. Total number and % of regional center individuals over age 3 with 121-240 days.

	Percentage	Total Number Individual s Age 3 and Over	Total Number of Individuals Over Age 3 With 121-240 Days	Goal	% Attained
Statewide Average	3.83%	9,095	348		
RCOC Public Hearing 8/17/22	2.00%	226	4		
RCOC 05/01/23	0.00%	285	0	0.00%	0.00%



	Total Number of Individuals Age 3 or Over	Goal	Total Number Individuals Over Age 3 With 121-240 Days	%
Jan-23	242	0.00%	1	0.41%
Feb-23	262	0.00%	1	0.38%
Mar-23	237	0.00%	0	0.00%
Apr-23	285	0.00%	0	0.00%
May-23		0.00%		
Jun-23		0.00%		
Jul-23		0.00%		
Aug-23		0.00%		
Sep-23		0.00%		
Oct-23		0.00%		
Nov-23		0.00%		
Dec-23		0.00%		
Jan-24		0.00%		
Feb-24		0.00%		
Mar-24		0.00%		
Apr-24		0.00%		
May-24		0.00%		
Jun-24		0.00%		



**Progress:** C. During public meetings, RCOC had 0, or 0.00%, of regional center individuals over age 3 with over 240 days.

C. Total number and % of regional center individuals over age 3 with over 240 days.

	Percentage	Total Number Individuals Age 3 or Over	Total Number Individuals Over Age 3 Over 240 Days	Goal	% Attained
Statewide Average	1.12%	9,095	102		
RCOC Public Meeting 8/17/22	0.00%	226	0		
RCOC 05/01/23	0.00%	285	0	0.00%	0.00%



	Total Number Individuals Age 3 or Over	Goal	Total Number Individuals Over Age 3 Over 240 Days	% Attained
Jan-23	242	0%	1	0.41%
Feb-23	262	0%	1	0.38%
Mar-23	237	0%	0	0.00%
Apr-23	285	0%	0	0.00%
May-23		0%		
Jun-23		0%		
Jul-23		0%		
Aug-23		0%		
Sep-23		0%		
Oct-23		0%		
Nov-23		0%		
Dec-23		0%		
Jan-24		0%		
Feb-24		0%		
Mar-24		0%		
Apr-24		0%		
May-24		0%		
Jun-24		0%		



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**VII. National Core Indicators (NCI) Employment**

**Planned Activities**

**Statement:** RCOC has adopted an Employment First Policy making competitive integrated employment (CIE) the first option considered by planning teams for every working adult served by RCOC.

**Objective:** RCOC will implement its Employment First Policy by providing persons served and family members with information regarding the opportunity and support to work in employment settings that are meaningful to them and by annually reviewing those opportunities with individuals to ensure they are engaged in activities of their choosing. RCOC will make incentive payments to vendors who assist individuals obtain CIE and maintain those positions over time.

**Progress:** A. Results from the National Core Indicator surveys conducted in FY 2014-15, 47% of those interviewed indicated a desire for work in the community. For FY 2021-22, 48% of those interviewed also expressed a desire for employment in their community.

A. Percentage of adults who reported having integrated employment as a goal in their IPP.

	Percentage	
RCOC FY 2011-12	46%	Goal
RCOC FY 2014-15	47%	50%
RCOC FY 2018-19	57%	65%
RCOC FY 2020-21	48%	70%



**Progress:** B. RCOC will authorize incentive payments to service providers who assist individuals obtaining competitive integrated employment. RCOC will make initial payments based upon hire date, and additional payments will be made upon subsequent milestones related to length of employment.

B. Total number of 30 day, 6 month, and 12 month incentive payments made within the fiscal year.

Fiscal Year	30 Day	6 Month	12 Month
2017-18	155	97	78
2018-19	151	128	83
2019-20	131	115	90
2020-21	84	63	60
Goal	110	85	75

**Progress:** C. RCOC will work with local employment agencies and businesses to assist individuals obtain desired hours of employment on a weekly/monthly basis. Individuals will review this during the initial hiring phase when incentive payments are being sought.

C. Average wages and hours worked for adults engaged in CIE when incentive payments have been made on their behalf.

Fiscal Year	Hours Week	Wage
2017-18	23.5	\$11.31
2018-19	21	\$12.06
2019-20	22	\$13.06
2020-21	20	\$14.40
Goal	24	\$15.50

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**VIII. Employment Development Department (EDD) Employment**

**Planned Activities**

**Statement:** RCOC service coordinators and vendors are implementing RCOC's Employment First Policy of competitive integrated employment (CIE) as the first option for persons served.

**Objective:** RCOC service coordinators will implement Employment First Policy by providing persons served and families information on job preparation and procurement at annual Individual Transition Meetings (ITP) through the school and Individual Program Planning (IPP) meetings through RCOC. RCOC will continue to work on development of new programs that will emphasize a focus on CIE as a primary outcome. RCOC will work with service providers and employers to move individuals participating in Paid Internship Program (PIP) into CIE.

**Progress:** A. Results from the Employment Development Department (EDD) conducted in 2019 indicate that 2,335 persons served ages 16-64 had earned income. In 2020, 1,726 persons served ages 16-64 had earned income.

A. Number of persons served ages 16-64 with earned income.



	RCOC	Statewide Avg.
2016	2,085	1,201
2017	2,341	1,294
2018	3,336	1,311
2019	2,335	1,341
2020	1,726	1,082

**Progress:** B. Results from the EDD in 2019 indicate that 20% of persons served ages 16-64 reported having earned income. In 2020, the percentage of persons served ages 16-64 reporting earned income was 22.22%.

B. Percentage of persons served ages 16-64 reporting earned income.



	RCOC	Statewide Avg.
2017	21%	17%
2018	21%	16%
2019	20%	16%
2020	22%	19%

**Progress:** C. Results from the EDD in 2018 indicate that average annual wages for persons served ages 16-64 was \$8,806. In 2019, the average annual wage for persons served ages 16-64 was \$9,578. This measure will also compare average annual wages of all people with disabilities

C. Annual earnings of age group 16-64 of people with intellectual disabilities, compared with all persons with disabilities in California.

	RCOC	Statewide Avg.
2017	\$7,580	\$9,033
2018	\$8,806	\$10,317
2019	\$9,578	\$11,327
2020	\$7,656	\$9,733



**Progress:** D. In FY 2016-17, RCOC began working with service providers to place individuals into Paid Internship Program (PIP) opportunities to help develop employment interests and lead into CIE opportunities. In 2020 RCOC had 11 individuals within a PIP that resulted in employment, and for 2021 that number decreased to 0 individuals.

D. Number of adults placed in CIE following participation in a PIP.

	Total
2017-18	1
2018-19	7
2019-20	11
2020-21	0

**Progress:** E. RCOC will obtain data related to the overall percentage of adults participating in a paid internship who transition into a competitive employment setting. This program began in FY 2016-17. In FY 2020-21, 0% of adults transitioned from an Internship to Competitive Employment.

E. Percentage of adults who transitioned from internship to competitive employment.

	% Adults
2018-19	21%
2019-20	14%
2020-21	0%

**Progress:** F. RCOC will monitor the hourly/salaried wages and hours worked per week for persons served who participate in a paid internship. Hours and wages will be competitively based on the job type and market rate for each setting.

F. Average hourly wage and weekly hours worked in PIP during the previous fiscal year.

	Hours Week	Wage
2018-19	18	\$12.34
2019-20	13	\$13.43
2020-21	13	\$13.98

## Performance Contract 2023-2024

### IX. Reducing Disparities and Improving Equity in Purchase of Service Expenditures.

**Statement:** RCOC works to ensure that the support services are flexible and innovative in meeting the family's needs as they evolve over time, are tailored to the preferences of the individual family, and are consistent with their cultural norms and customs.

**Objective:** RCOC service coordinators will work with persons served and families to develop IPP goals and objectives to address their choices of living situations. RCOC will work to develop services in the community that meet the cultural and background preferences of persons served and family members to ensure the availability of resources. RCOC will continue outreach efforts within our community to overcome potential cultural barriers when identifying appropriate services. RCOC is working to expand family outreach and support options by developing new resources within our community. RCOC will continue to develop community programs that allow for a range of options for persons served when selecting those services. RCOC service coordinators will receive initial and ongoing training related to IPP development that ensures meaningful participation of persons served and their families and will focus on Person Centered Thinking skills and outcomes. RCOC will be working to simplify and translate important documents. RCOC continues to outreach with outside agencies such as parent support groups leaders, family support groups, social services agencies, faith-based organizations and educational agencies, as well as providing information via e-mail in the primary language of the family.



**Progress:** A. Review of fiscal year 2017-18 purchase of service data and client master file (CMF) for initial data source. Fiscal year 2020-21 data reflects either an increase or decrease in services and expenditures related to disparity criteria.

A. Percent of total annual purchase of service (POS) expenditures by individuals ethnicity and age: Birth to age 2; Age 3-21; 22 and older.

<b>Birth to Age 2</b>				
<b>Ethnicity</b>	<b>Total Persons</b>	<b>Percentage of Expenditures</b>	<b>Total Authorized</b>	<b>Utilized</b>
American Indian or Alaska Native	7 ↑	0.08% ↑	\$27,709 ↑	46.8% ↓
Asian	888 ↑	19% ↑	\$6,974,303 ↓	62.3% ↓
Black/African American	78 ↑	1.42% ↑	\$521,436 ↑	57.1% ↑
Hispanic	1,808 ↓	32.71% ↓	\$11,986,479 ↓	58.1% ↓
Native Hawaiian or Other Pacific Islander	12↑	0.24% ↑	\$89,096 ↑	64.6% ↑
Other Ethnicity or Race / Multi-Cultural	1,314 ↓	27.2% ↑	\$9,968,093 ↓	60.8% ↑
White	1,067 ↑	19.31% ↑	\$7,075,012 ↓	57% ↓
<b>Totals</b>	<b>5,174 ↓</b>	<b>100.0%</b>	<b>\$36,642,130 ↓</b>	

<b>Age 3 to 21 Years</b>				
<b>Ethnicity</b>	<b>Total Persons</b>	<b>Percentage of Expenditures</b>	<b>Total Authorized</b>	<b>Utilized</b>
American Indian or Alaska Native	15 ↑	0.9% ↑	\$94,851 ↓	49.9% ↓
Asian	1,913 ↑	16.68% ↓	\$17,881,688 ↑	51.6% ↓
Black/African American	199 ↑	2% ↑	\$2,162,089 ↑	55.1% ↓
Hispanic	3,974 ↑	28.43% ↓	\$30,489,363 ↑	56.7% ↓
Native Hawaiian or Other Pacific Islander	18 ↓	0.2% ↑	\$217,214 ↑	57% ↓
Other Ethnicity or Race / Multi-Cultural	1,933 ↑	19.97% ↑	\$21,410,236 ↑	53.5% ↓
White	2,213 ↓	32.62% ↓	\$34,978,597 ↑	63.8% ↓
<b>Totals</b>	<b>10,265 ↑</b>	<b>100.0%</b>	<b>\$107,234,038 ↑</b>	



<b>Age 22 and Over</b>				
<b>Ethnicity</b>	<b>Total Persons</b>	<b>Percentage of Expenditures</b>	<b>Total Authorized</b>	<b>Utilized</b>
American Indian or Alaska Native	22 ↓	0.3% ↔	\$1,474,983 ↑	82.8% ↓
Asian	1,442 ↑	11.3% ↓	\$53,498,601 ↑	74.6% ↓
Black/African American	261 ↑	2.7% ↓	\$12,799,478 ↑	80.7% ↓
Hispanic	2,793 ↑	18.76% ↓	\$88,798,778 ↑	76.7% ↓
Native Hawaiian or Other Pacific Islander	12 ↑	1%	\$349,818 ↑	71.6% ↓
Other Ethnicity or Race / Multi-Cultural	848 ↑	7.5% ↑	\$35,244,572 ↑	78% ↓
White	4,757 ↑	59.39% ↑	\$281,084,614 ↑	79.3% ↓
<b>Totals</b>	<b>10,135 ↑</b>	<b>100.0%</b>	<b>\$473,250,844 ↑</b>	



**Progress:** B. Review of fiscal year 2020-21 POS date and regional center caseload data. Initial data generation will be compared to subsequent FY information.

B. Number of individuals receiving only case management services by age and ethnicity: Birth to age 2; Age 3-21; Age 22 and older.

<b>Birth to 2 Years</b>			
<b>Ethnicity</b>	<b>Total Eligible</b>	<b>Case Management</b>	<b>Percent No Services</b>
American Indian or Alaska Native	7 ↑	0 ↓	0.0% ↓
Asian	888 ↑	77 ↑	8.7% ↑
Black/African American	78 ↑	4 ↑	5.1% ↑
Hispanic	1,808 ↓	181 ↑	10% ↑
Native Hawaiian or Other Pacific Islander	12 ↑	0	0.0%
Other Ethnicity or Race / Multi-Cultural	1,314 ↓	70 ↑	8.6% ↑
White	1,067 ↑	70 ↑	6.6% ↑
<b>Totals</b>	<b>5,174↓</b>	<b>445 ↑</b>	<b>8.6% ↑</b>

<b>Age 3 to 21 Years</b>			
<b>Ethnicity</b>	<b>Total Eligible</b>	<b>Case Management</b>	<b>Percent No Services</b>
American Indian or Alaska Native	15	7 ↑	46.7% ↑
Asian	1,913 ↑	779 ↑	40.7% ↑
Black/African American	199 ↑	83 ↑	41.7% ↑
Hispanic	3,974 ↑	1,984 ↑	46.9% ↓
Native Hawaiian or Other Pacific Islander	18 ↓	11	61.1% ↑
Other Ethnicity or Race / Multi-Cultural	1,933 ↑	742 ↑	38.4% ↑
White	2,213 ↑	789 ↑	35.7% ↑
<b>Totals</b>	<b>10,265 ↑</b>	<b>4,395 ↑</b>	<b>42.8% ↑</b>



<b>Age 22 and Older</b>			
<b>Ethnicity</b>	<b>Total Eligible</b>	<b>Case Management</b>	<b>Percent No Services</b>
American Indian or Alaska Native	22 ↓	3 ↓	13.6% ↓
Asian	1,442 ↑	337 ↑	23.4% ↑
Black/African American	261 ↑	58 ↑	22.2% ↑
Hispanic	2,793 ↑	712 ↑	25.5% ↑
Native Hawaiian or Other Pacific Islander	12 ↑	4 ↑	33.3% ↑
Other Ethnicity or Race / Multi-Cultural	848 ↑	192 ↑	22.6% ↑
White	4,757 ↑	716 ↑	15.1% ↑
<b>Totals</b>	<b>10,135 ↑</b>	<b>2,022 ↑</b>	<b>20% ↑</b>



**Progress:** C. Review of fiscal year 2020-21 POS and CMF data. Initial data generation will be compared to subsequent FY information.

C. Per capita purchase of service (POS) expenditures by individual's primary language for all ages (30 or more people with identified language).

Primary Language	Total People	POS Authorized Per Capita	Percentage Utilized
ASL (American Sign Language)	30 ↑	\$47,662 ↓	84.1% ↑
English	19,553 ↑	\$20,140 ↓	74.2% ↓
Spanish	4,499 ↓	\$9,146 ↑	68.3% ↓
Mandarin Chinese	67 ↓	\$7,105 ↓	58.7% ↓
Vietnamese	1,084 ↑	\$9,421 ↓	69.3% ↓
Korean	141 ↑	\$23,888 ↑	77.8% ↓
Tagalog	20 ↓	\$29,933 ↑	81.2% ↓
Arabic	47 ↑	\$7,363 ↑	61.4% ↓
Farsi	51	\$9,545	64%

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

DATE: June 1, 2023  
TO: Board of Directors  
FROM: John “Chip” Wright  
Chair, Executive Committee

ACTION	X
ACTION/CONSENT	
DISCUSSION	
INFO ONLY	

SUBJECT: **Approval of Renewal of Board Membership for Yvonne Kluttz for a Three-Year Term Commencing July 1, 2023 and Ending June 30, 2026**

BACKGROUND:

The Board’s policy on Board Membership and Application Process states that the composition of the Board shall comply with the provisions of the Lanterman Developmental Disabilities Services Act (Welfare and Institutions Code, §4622). In addition to the provisions of the Lanterman Act, the Board may also consider for membership persons whose skills include, but are not limited to, education, community service and public health.

REASON FOR CURRENT ITEM:

Ms. Yvonne Kluttz will complete her first one-year term on June 30, 2023. The Executive Committee recommends that the Board renew Ms. Kluttz’s membership for a three-year term, commencing July 1, 2023 and ending June 30, 2026.

FISCAL IMPACT:

None.

RECOMMENDATIONS:

That the Board approve Ms. Yvonne Kluttz’s Board membership for a three-year term, commencing July 1, 2023 and ending June 30, 2026.

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

DATE: June 1, 2023

TO: Board of Directors

FROM: John “Chip” Wright  
Chair, Executive Committee

ACTION	X
ACTION/CONSENT	
DISCUSSION	
INFO ONLY	

SUBJECT: **Approval of Board of Directors’ Meeting Schedule for Fiscal Year 2023-24**

BACKGROUND:

The Board of Directors approves its meeting schedule annually.

REASON FOR CURRENT ITEM:

The proposed meeting schedule is attached.

FISCAL IMPACT:

None.

RECOMMENDATIONS:

That the Board approve its meeting schedule for fiscal year 2023-24 as presented.

## FY 2023-24 Meeting Schedule for RCOC Board of Directors

<b>Board of Directors Meeting 5-8 p.m.</b>	<b>Board of Directors Training 5:30-7 p.m.</b>	<b>Board Packet Review 3-4 p.m.</b>	<b>Budget &amp; Finance 4-5 p.m.</b>	<b>Peer Advisory 3-4 p.m.</b>	<b>Executive 5-6 p.m.</b>	<b>Legislative &amp; Community Awareness 5-6 p.m.</b>	<b>Policies &amp; Outcomes 6-7 p.m.</b>	<b>Board Recruitment &amp; Training 5-6 p.m.</b>	<b>Vendor Advisory 2-4 p.m.</b>
<i>Board Rooms</i>	<i>Board Rooms</i>	<i>Board Rooms</i>	<i>Board Rooms</i>	<i>Board Room C</i>	<i>Executive Board/Closed Session Room</i>	<i>Executive Board/Closed Session Room</i>	<i>Executive Board/Closed Session Room</i>	<i>Executive Board/Closed Session Room</i>	<i>Board Room C</i>
<i>Minimum of Six 1<sup>st</sup> Thursdays</i>	<i>1<sup>st</sup> Thursday</i>	<i>1<sup>st</sup> Thursday</i>	<i>1<sup>st</sup> Thursday</i>	<i>3<sup>rd</sup> Wednesday</i>	<i>3<sup>rd</sup> Monday</i>	<i>2<sup>nd</sup> Tuesday</i>	<i>3<sup>rd</sup> Monday</i>	<i>2<sup>nd</sup> Monday</i>	<i>2<sup>nd</sup> Tuesday</i>
<b>Dark</b>	7/13/23*	<b>Dark</b>	<b>Dark</b>	<b>Dark</b>	7/17/23	7/11/23	7/17/23	7/10/23	7/11/23
<b>Dark</b>	<b>Dark</b>	<b>Dark</b>	<b>Dark</b>	<b>Dark</b>	<b>Dark</b>	<b>Dark</b>	<b>Dark</b>	<b>Dark</b>	<b>Dark</b>
9/7/23	<b>Dark</b>	9/7/23	9/7/23	9/20/23	9/18/23	<b>Dark</b>	<b>Dark</b>	9/11/23	9/12/23
<b>Dark</b>	10/5/23	<b>Dark</b>	<b>Dark</b>	10/18/23	10/16/23	10/10/23	10/16/23	<b>Dark</b>	10/10/23
11/2/23	<b>Dark</b>	11/2/23	11/2/23	<b>Dark</b>	11/20/23	<b>Dark</b>	<b>Dark</b>	11/13/23	11/14/23
<b>Dark</b>	<b>Dark</b>	<b>Dark</b>	<b>Dark</b>	<b>Dark</b>	<b>Dark</b>	<b>Dark</b>	<b>Dark</b>	<b>Dark</b>	<b>Dark</b>
1/11/24*	<b>Dark</b>	1/11/24*	1/11/24*	1/17/24	1/16/24**	1/9/24	<b>Dark</b>	1/8/24	1/9/24
<b>Dark</b>	2/1/24	<b>Dark</b>	<b>Dark</b>	2/21/24	2/20/24**	<b>Dark</b>	2/20/24**	2/12/24	2/13/24
3/7/24	<b>Dark</b>	3/7/24	3/7/24	3/20/24	3/18/24	<b>Dark</b>	<b>Dark</b>	<b>Dark</b>	3/12/24
<b>Dark</b>	4/4/24	<b>Dark</b>	<b>Dark</b>	<b>Dark</b>	4/15/24	4/9/24	4/15/24	4/8/24	4/9/24
5/2/24	<b>Dark</b>	5/2/24	5/2/24	5/22/24	5/20/24	<b>Dark</b>	5/20/24	5/13/24	5/14/24
6/6/24	<b>Dark</b>	6/6/24	6/6/24	6/20/24***	6/17/24**	<b>Dark</b>	<b>Dark</b>	<b>Dark</b>	6/11/24

\*Scheduled on second Thursday due to holiday

\*\*Scheduled for Tuesday due to Monday holiday

\*\*\*Scheduled for Thursday due to Wednesday holiday

**Regional Center of Orange County  
Nominating Committee  
May 22, 2023  
Virtual Meeting Minutes**

**Committee Members Present:** John “Chip” Wright, Chair  
Clifford Amsden  
Sylvia Delgado  
Sandy Martin

**RCOC Staff Present:** Larry Landauer, Executive Director

**Corporate Counsel Present:** David Lester, Esq.

Mr. Chip Wright called the meeting to order at 11:35 a.m.

**I. Election of Secretary following Sylvia Delgado’s Board Term Ending July 31, 2023**

Mr. Wright stated that the Committee must nominate a Secretary for approval at the Board meeting on June 1, 2023, as Ms. Sylvia Delgado’s Board term ends on July 31, 2023. The Committee then discussed candidates for Secretary. After much discussion, the Committee proposed Ms. Yvonne Kluttz to fill the remaining eleven months of Ms. Delgado’s term. Ms. Kluttz’s term would commence August 1, 2023 and end June 30, 2024.

*M/S/C to recommend appointment of Yvonne Kluttz as Secretary for a Term Commencing August 1, 2023 and Ending June 30, 2024*

**II. Community Forum**

There were no speakers for community forum.

Mr. Wright adjourned the meeting at 11:44 a.m.

*Recorder: Sandra Lomeli*

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

DATE: June 1, 2023  
TO: RCOC Board of Directors  
FROM: John “Chip” Wright  
Chair, Nominating Committee

ACTION	X
ACTION/CONSENT	
DISCUSSION	
INFO ONLY	

SUBJECT: **Approval of Yvonne Kluttz as Secretary for a Term Commencing August 1, 2023 and Ending June 30, 2024**

BACKGROUND:

RCOC’s Bylaws describe the Term of Office and Vacancies in Section 3.03, “An officer’s term shall be for eighteen months and shall commence January 1 or July 1, whichever date first follows the election of the officer. In the event an office becomes vacant then the Board shall elect a successor who shall serve the unexpired portion of the term.”

REASON FOR CURRENT ITEM:

On November 3, 2022, the Board approved the slate of officers for terms commencing January 1, 2023 and ending June 30, 2024, which included Ms. Sylvia Delgado as Secretary. Ms. Delgado’s second seven-year term ends July 31, 2023. The Nominating Committee met on May 22, 2023, and proposed that Ms. Yvonne Kluttz fill the remaining eleven months of Ms. Delgado’s term as Secretary. Ms. Kluttz’s term would be from August 1, 2023 to June 30, 2024.

FISCAL IMPACT:

None.

RECOMMENDATIONS:

That the Board approve Yvonne Kluttz as Secretary for a term commencing August 1, 2023 and Ending June 30, 2024.

**Regional Center of Orange County  
Board Recruitment and Training Committee  
May 8, 2023  
Videoconference Minutes**

**Committee Members Present:** John “Chip” Wright, Chair  
Sylvia Delgado  
Sandy Martin (*joined at 5:02 p.m.*)  
Hilda Mendez  
Chinh Nguyen

**Committee Member Absent:** Frances Hernandez  
Fernando Peña

**Other Board Member Present:** Bruce Hall

**RCOC Staff Present:** Larry Landauer, Executive Director  
Bette Baber, Chief Financial Officer  
Arturo Cazares, Director of Community Services  
Bonnie Ivers, Director of Clinical Services  
Jennifer Montanez, Director of Case Management  
Marta Vasquez, Director of Finance  
Stacy Wong, Director of Human Resources

Mr. Chip Wright called the videoconference meeting to order at 5:01 p.m.

**I. Board Recruitment**

**A. Review Board Members’ Terms of Office and Upcoming Turnover**

Mr. Wright reviewed the current Terms of Office and the Committee discussed upcoming term end dates.

**B. Discuss Recruitment Needs – Review of Board Applicant Interview**

The Committee discussed recruitment efforts and the need to recruit new members to ensure compliance with the composition requirements of the Lanterman Act. The Committee also discussed Board composition and DDS’ method for calculating compliance.

**1. Review of New Board Application – Marcell Bassett**

The Committee reviewed and discussed Mr. Marcell Bassett’s application within the context of the Board’s current composition and its needs and decided to recommend him for Board membership for a one-year term.

***M/S/C to recommend appointment of Marcell Bassett to RCOC’s Board of Directors for a one-year term***

## **II. Board Development and Training**

### **A. Discuss Board Training Schedule and Topics**

Mr. Wright reported that the next Board of Directors' training will be on July 13, 2023. The training will consist of annual training topics required by DDS including a Review of Board Governance, Conflict of Interest, Whistleblower Policies and Linguistic and Cultural Competency. The Committee agreed to hold the training in-person. Ms. Sandy Martin requested that Mr. Landauer provide an overview of California Assembly Bill (AB) 1147, Disability Equity and Accountability Act of 2023.

The Committee also reviewed and discussed potential training topics for calendar year 2024, including Person-Centered Thinking, the Self-Determination Program (SDP) and risk management.

## **III. Community Forum**

No community members were present at the meeting.

Mr. Wright adjourned the meeting at 5:49 p.m.

*Recorder: Sandra Lomeli*

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

DATE: June 1, 2023

TO: Board of Directors

FROM: John “Chip” Wright, Chair  
Board Recruitment and Training Committee

ACTION	X
ACTION/CONSENT	
DISCUSSION	
INFO ONLY	

SUBJECT: **Approval of Board Membership for Marcell Bassett, for a One-Year Term Commencing July 1, 2023 and Ending June 30, 2024**

BACKGROUND:

The Board’s policy on Board Membership and Application Process states that the composition of the Board shall comply with the provisions of the Lanterman Developmental Disabilities Services Act (Welfare and Institutions Code, §4622). In order to achieve balance and diversity, and comply with the mandates of the Lanterman Act, the RCOC Bylaws state that the Board shall consist of no more than nineteen (19) members and it is very desirable that the Board consist of no less than eight (8) members. In addition to the provisions of the Lanterman Act, the Board may also consider for membership persons whose skills include education, community service, public health, and others as appropriate to the needs of its constituencies.

REASON FOR CURRENT ITEM:

RCOC received an application for Board Membership from Mr. Marcell Bassett (see attached). The Committee reviewed Mr. Bassett’s application, decided that Mr. Bassett’s membership will benefit the persons that RCOC serves and that it will improve RCOC’s compliance with the balance, diversity and expertise requirements set forth in the Lanterman Act.

FISCAL IMPACT:

None.

RECOMMENDATIONS:

That the Board approve Board membership for Marcell Bassett for a one-year term commencing July 1, 2023 and ending June 30, 2024.

# Regional Center of Orange County

P.O. Box 22010  
Santa Ana, CA 92702-2010

## Board Member Application

Date: 5/2/2023

Name: Marcell Bassett Phone: [REDACTED]

Home Address: [REDACTED] City: [REDACTED] Zip: [REDACTED]

Occupation: [REDACTED] Employer: [REDACTED]

Work Phone: [REDACTED] Email Address: [REDACTED]

How did you develop your interest in or knowledge of developmental disabilities? Describe your employment, education or other activities which demonstrate your interest or knowledge.

I have a special gift in leadership. I demonstrate my education towards success. My interest in leadership is to expand my goal  
\_\_\_\_\_  
\_\_\_\_\_

Please describe your current or past membership in community and/or professional organizations.

I have 7 years experience in serving the board.  
\_\_\_\_\_  
\_\_\_\_\_

Please describe your current or past membership and offices (if any) held on other boards.

My past membership was to investigate the evidence on what happened to caseloads.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Please describe your hobbies and interests.

Running, swimming, playing guitar, clippings, etc.  
\_\_\_\_\_  
\_\_\_\_\_

Do you have any of the following special skills? If so, please check and describe more fully below.

- Business/Management
- Marketing/Public Relations
- Other: \_\_\_\_\_
- Financial Analysis
- Political Activism
- Legal
- Governing Board

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Are you a: (Please check one)

- Person with a developmental disability
- Parent or family member of a person with a developmental disability
- Representative of the general public

In order to assure the representation of all persons served by RCOC on the Board of Directors, please choose one or more of the following choices that best describes your ethnicity:

- African-American
- Hispanic
- Asian/Pacific Islander
- Native American/Indian
- Caucasian
- Other (please specify: \_\_\_\_\_)

If you are a person with a developmental disability or the parent or family member of a person with a developmental disability, please indicate the type of disability (e.g., intellectual disability, autism, cerebral palsy, epilepsy or other). I was diagnosed with autism. \_\_\_\_\_

Please describe why you wish to serve on the Board of Directors and why you believe you are qualified.

I would like to get hands on training.

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## Conflict of Interest Information

A “conflict of interest” generally exists if you have one or more personal, business, or financial interests, or relationships that would cause a reasonable person with knowledge of the relevant facts to question your impartiality with respect to your regional center duties. The specific circumstances and relationships which create a conflict of interest are set forth in the California Code of Regulations, Title 17, sections 54500 through 54530. You should review these provisions to understand the specific financial interests and relationships that can create a conflict of interest.

Are you or any of your family members an employee of the State Department of Developmental Services (DDS), the California State Council on Developmental Disabilities or any state or local agency that provides services to persons served by the regional center?  Yes  No

If yes, please explain: \_\_\_\_\_

Do you or any of your family members have a financial interest in any contract with the regional center?  Yes  No If yes, please explain: \_\_\_\_\_

Are you or a family member a director, officer, owner, partner, employee or shareholder of an organization that is a regional center provider or contractor?  Yes  No

If yes, please explain: \_\_\_\_\_

Are you or any of your family members a governing board member of any organization providing service to people with developmental disabilities?  Yes  No

If yes, please explain: \_\_\_\_\_

You may search a list of organizations that are regional center providers at:

<http://www.rcocdd.com/consumers/resources/> or, you may provide the organization’s name and RCOC will notify you if the organization is a regional center provider.

*\*A family member includes all of the following: spouse, domestic partner, parents, stepparents, grandparents, siblings, stepsiblings, children, stepchildren, grandchildren, parents-in-law, brothers-in-law, sisters-in-law, sons-in-law and daughters-in-law.*

## References

Please provide the following information for two people who know you well and can provide a personal and/or professional reference.

Name: Denise Jones Relationship: [REDACTED]

Complete Address: \_\_\_\_\_

Phone Number: [REDACTED] Best Time to Call: \_\_\_\_\_

Name: Wendy McCarthy Relationship: [REDACTED]

Complete Address: \_\_\_\_\_

Phone Number: [REDACTED] Best Time to Call: \_\_\_\_\_

## Signature Page

- After reviewing the Board Service Roles and Responsibilities Sheet, I understand what my duties would be as a Board Member.
  
- I am willing to serve and have attached a statement saying why I wish to serve as a member of the Board of Directors and why I believe I am qualified.
  
- After reviewing RCOC's Conflict of Interest Governance Policy, I assert that I do not have a current or potential conflict of interest.

Signature:  \_\_\_\_\_  
1D9811A0E7C946E

Date: 5/2/2023

Please return completed form to: Executive Office  
Regional Center of Orange County  
P.O. Box 22010  
Santa Ana, CA 92702-2010

If you have questions, please call: (714) 796-5205.

**Regional Center of Orange County  
Policies and Outcomes Committee  
May 15, 2023  
Videoconference Minutes**

**Committee Members Present:** Cliff Amsden, Chairperson  
Meena Chockalingam  
Sandy Martin  
Chip Wright

**Committee Members Absent:** Liza Krassner

**Board Member Present:** Bruce Hall

**RCOC Staff Members Present:** Larry Landauer, Executive Director  
Bette Baber, Chief Financial Officer  
Arturo Cazares, Director of Community Services  
Bonnie Ivers, Director of Clinical Services  
Christy Petteruto, General Counsel  
Jack Stanton, Associate Director of Housing  
Marta Vasquez, Director of Finance  
Stacy Wong, Director of Human Resources

**Corporate Counsel Present:** David Lester, Esq.

Mr. Cliff Amsden called the videoconference meeting to order at 6:03 p.m.

**I. Governance Policies**

**A. Review of the Transparency and Public Information Policy**

The Committee reviewed and proposed revisions to the policy.

*M/S/C to recommend that the Board approve the Transparency and Public Information Policy as proposed*

**B. Review of the Whistleblower Policy**

The Committee reviewed and proposed revisions to the policy.

*M/S/C to recommend that the Board approve the Whistleblower Policy as proposed*

## **II. Outcomes**

### **A. Person Centered Thinking (PCT) Update**

Mr. Landauer reported that there were no updates since the last Board meeting on May 4, 2023.

### **B. Health and Wellness Project Update**

Dr. Bonnie Ivers, RCOC's Clinical Director, reported that there were no updates since the last Board meeting on May 4, 2023.

### **C. Employment Update**

Mr. Arturo Cazares, RCOC's Director of Community Services, reported that there were no updates since the last Board meeting on May 4, 2023.

Mr. Landauer shared an article in CalMatters on May 10, 2023, *Can California find better paying jobs for people with disabilities?* The article covered the stories of many persons with disabilities in California, including Orange County, who will lose their subminimum wage jobs. The passage in 2021 of Senate Bill 639, authored by Senator Durazo, ends the authorization to pay individuals with disabilities subminimum wages effective January 1, 2025. Many fear that there will not be enough job placement services or staff to support workers with disabilities to attain competitive integrated employment.

### **D. Housing Update**

Mr. Jack Stanton, RCOC's Associate Director of Housing, reported that there were no updates since the last Board meeting on May 4, 2023.

### **E. National Core Indicators (NCI) Update**

Mr. Landauer reported that the NCI data from the 2021-22 Adult Family, Child Family, and Family Guardian surveys was published and is under review.

## **III. Community Forum**

No community members were present.

Mr. Amsden adjourned the meeting at 6:22 p.m.

*Recorder: Sandra Lomeli*

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

DATE: June 1, 2023  
TO: Board of Directors  
FROM: Clifford Amsden, Chair  
Policies and Outcomes Committee

ACTION	X
ACTION/CONSENT	
DISCUSSION	
INFO ONLY	

SUBJECT: **Approval of Revisions to the Transparency and Public Information Policy**

BACKGROUND:

The Policies and Outcomes Committee is charged with reviewing and/or drafting policies that are necessary to meet the organization’s Mission. The Committee is also charged with annually or biennially reviewing policies for their continued usefulness and clarity. At its meeting on May 15, 2023, the Policies and Outcomes Committee reviewed the Transparency and Public Information Policy.

REASON FOR CURRENT ITEM:

After review, the Policies and Outcomes Committee recommends revisions to the Transparency and Public Information Policy, as indicated in the attachment.

FISCAL IMPACT:

None.

RECOMMENDATIONS:

That the Board approve the revisions to the Transparency and Public Information Policy, as presented.

## **XVIII. TRANSPARENCY AND PUBLIC INFORMATION POLICY**

### **BACKGROUND**

The Regional Center of Orange County (RCOC) recognizes the importance of transparency and accountability to the community it serves. As established in the Lanterman Developmental Disabilities Services Act, RCOC is committed to reporting information with accuracy and transparency and maintaining full compliance with the laws, rules and regulations that govern RCOC's business. This includes Board composition and other public information posting requirements.

### **POLICY**

#### **Reporting on RCOC Board Composition**

By August 15<sup>th</sup> of each year, RCOC will provide the Department of Developmental Services (DDS) detailed documentation, as determined by DDS, demonstrating that the composition of the RCOC Board of Directors is in compliance or not in compliance with the statutory requirements identified in Welfare and Institutions Code (WIC) Section 4622 (WIC §4622.5).

#### **Posting of Public Information**

RCOC shall comply with the provisions of the Lanterman Developmental Disabilities Services Act and RCOC's contract with DDS regarding transparency and access to public information.

Information regarding requests for proposals and contract awards, service provider rates, documentation related to establishment of negotiated rates, audits, and IRS Form 990 will be posted to RCOC's website and available upon request from RCOC's Custodian of Records.

In accordance with **Article 1, Section 19 of RCOC's** contract with DDS, RCOC will also post to its website all of the following:

- (1) Regional center annual independent audits.
- (2) Biennial fiscal audits conducted by DDS.
- (3) Regional center annual reports pursuant to WIC Section 4639.5.
- (4) Contract awards, including the organization or entity awarded the contract, and the amount and purpose of the award.
- (5) Purchase of service policies.
- (6) The names, types of service, and contact information of all vendors, except persons served or family members of persons served.
- (7) Board meeting agendas and approved minutes of open meetings of the board and all committees of the board.
- (8) Bylaws of the regional center governing board.

- (9) The annual performance contract and year-end performance contract entered into with DDS.
- (10) The biennial Home and Community-based Services Waiver program review conducted by DDS and the State Department of Health Care Services.
- (11) The board-approved transparency and public information policy.
- (12) The board-approved conflict-of-interest policy.
- (13) The board-approved Zero Tolerance Policy.
- (14) Regional center data relating to purchase of service authorization, utilization, and expenditure in accordance with WIC Section 4519.5 and **Article VII, Section 6 of** RCOC's contract with DDS.
- (15) A link to the DDS website.
- (16) The salaries, wages and employee benefits for all managerial positions for which the primary purpose is the administrative management of the regional center, including, but not limited to, directors and chief executive officers.
- (17) Regional center-specific reports generated pursuant to WIC Section 4571(h).

Under no circumstances shall this policy be construed to require production of confidential information regarding persons served which is protected by law from disclosure.

#### **GUIDING PRINCIPLES**

- The governing Board of the Regional Center of Orange County is representative of and accountable to the community served by RCOC.
- RCOC aspires to the highest standards of ethical conduct: doing what we say; reporting information with accuracy and transparency; and maintaining full compliance with the laws, rules and regulations that govern RCOC's business.
- The RCOC Board of Directors will possess the highest personal and professional ethics, integrity and values, and be committed to representing the long-term interests of the Orange County community it serves.

REGIONAL CENTER OF ORANGE COUNTY

BOARD OF DIRECTORS

AGENDA ITEM DETAIL SHEET

DATE: June 1, 2023  
TO: Board of Directors  
FROM: Clifford Amsden, Chair  
Policies and Outcomes Committee

ACTION	X
ACTION/CONSENT	
DISCUSSION	
INFO ONLY	

SUBJECT: **Approval of Revisions to the Whistleblower Policy**

BACKGROUND:

The Policies and Outcomes Committee is charged with reviewing and/or drafting policies that are necessary to meet the organization’s Mission. The Committee is also charged with annually or biennially reviewing policies for their continued usefulness and clarity. At its meeting on May 15, 2023, the Policies and Outcomes Committee reviewed the Whistleblower Policy.

REASON FOR CURRENT ITEM:

After review, the Policies and Outcomes Committee recommends revisions to the Whistleblower Policy, as indicated in the attachment.

FISCAL IMPACT:

None.

RECOMMENDATIONS:

That the Board approve the revisions to the Whistleblower Policy, as presented.

## XIV. WHISTLEBLOWER POLICY

### POLICY

It is the policy of the Regional Center of Orange County (RCOC) that employees, Board members, persons served, their families, and the vendor community have notice of and the opportunity to report alleged improper RCOC and alleged improper vendor/contractor activity through a whistleblower complaint process.

RCOC is contractually required to have a Board-approved Whistleblower Policy pursuant to, in accordance with Article I, Section 18, of RCOC's contract with the Department of Developmental Services (DDS). Improper regional center activity and improper vendor/contractor activity is defined in the contract as:

- An "improper regional center activity" means an activity by a regional center, or an employee, officer, or board member of a regional center, in the conduct of regional center business, that is a violation of a state or federal law or regulation; violation of contract provisions; fraud or fiscal malfeasance; misuse of government property; or constitutes gross misconduct, incompetency, or inefficiency.
- An "improper vendor/contractor activity" means an activity by a vendor/contractor, or an employee, officer, or board member of a vendor/contractor, in the provision of DDS-State funded services, that is a violation of a state or federal law or regulation; violation of contract provisions; fraud or fiscal malfeasance; misuse of government property; or constitutes gross misconduct, incompetency, or inefficiency.

RCOC and DDS have a variety of complaint and appeal processes available to vendors/contractors, agencies, facilities, parents, and persons served. These include: Consumer Rights Complaints, Early Start Complaints, Due Process Requests, Mediation Conference Requests, Lanterman Act, Fair Hearing Appeals Requests, Title 17 Complaints, Citizen Complaints and Comments, and Vendor Appeals. Each of these complaint and appeal processes has separate and distinct procedures for resolution. This separate policy relates only to RCOC and Vendor/Contractor Whistleblower Complaints as described above.

Nothing in this policy shall dissuade or prohibit complaints of alleged improper activity to be made using the foregoing complaint or appeal processes or other less formal means to make such complaints known.

### **Confidentiality**

The investigating party will make every effort to maintain the confidentiality of a complainant making a whistleblower complaint if the complainant requests confidentiality. However, in the rare circumstances where the investigating party is unable to maintain confidentiality due to its statutory responsibilities (including ensuring the health and safety of persons served and RCOC contract compliance and

legally required disclosures), the investigating party will attempt to inform the complainant of its need to disclose certain information prior to releasing identifying information. Additionally, the identity of the complainant may be revealed to appropriate law enforcement agencies conducting a criminal investigation.

### **No Retaliation**

This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns about alleged improper RCOC and/or vendor/contractor activities and to permit an investigating party the opportunity to investigate and take appropriate action.

No person who in good faith reports a violation of this policy shall suffer harassment, retaliation or adverse employment consequences from RCOC. RCOC's Executive Committee or its designee will investigate complaints of retaliation following an established process. An RCOC employee who harasses or retaliates against someone who has reported a violation in good faith is subject to discipline up to and including immediate termination of employment.

### **Notification Requirements**

RCOC's Whistleblower Policy, along with the DDS Whistleblower Complaint Process are posted on RCOC's website. Notification of both RCOC's policy and DDS' Whistleblower Complaint Process will be provided annually to employees, Board members, persons served, their families and the vendor community.

## **PROCEDURE**

A Whistleblower Complaint about alleged improper RCOC and/or vendor/contractor activity may be filed by contacting any of the following:

- RCOC's Senior Management which includes: Executive Director; Director of **Community Services and Supports; Director of Case Management; Chief Financial Officer; Clinical Director; General Counsel; Human Resources Director and Information Technology Director.**
- RCOC's Board of Directors Executive Committee which includes: RCOC Board Chairperson, Vice Chair, Secretary and Treasurer. Counsel to the Board may also be contacted.
- Members of RCOC's Board of Directors may be contacted by phone or e-mail through the RCOC executive assistants to the Board, or attendance at a Board meeting.
- Department of Developmental Services Community Operations Division or the Community Services and Supports Division (for Early Start program services).

However, to ensure proper and timely logging and investigation, it is recommended that whistleblower complaints be submitted to RCOC's Custodian of Records.

RCOC will utilize an established process to investigate and take appropriate action on complaints, including complaints of retaliation. An initial review process will determine the appropriate venue for the complaint which could result in referral to another entity or process as described in the "Policy" section.

A Whistleblower Complaint shall contain a clear and concise statement of the alleged improper activity and any evidence to support the allegation. If a name, or other information (e.g., witness or document), is not provided that clearly identifies the person alleged to have acted improperly, and where that person works, the investigating party may not have sufficient information to investigate. Original documents should be provided when submitting written information. The submitting party should keep copies of all submitted documents for their records.

Although complaints may be filed anonymously, if insufficient information is provided and the investigating party has no means to contact the complainant, it may not be possible to investigate the allegation.

RCOC employees with questions about this policy should contact the Human Resources Director or a member of the Executive Committee.

## **GUIDING PRINCIPLES**

- The public funds that support the service system are expended in a fashion that is cost-effective, consumer-directed, consistent with good business practices, and that reflect careful stewardship.
- The RCOC Board of Directors is representative of, and accountable to its stakeholders and the community it serves.
- The RCOC Board of Directors will be actively involved in the organization (e.g., attendance and participation). The Board will provide appropriate support to maximize effective participation by all its members.
- RCOC aspires to the highest standards of ethical conduct: doing what we say; reporting information with accuracy and transparency; and maintaining full compliance with the laws, rules and regulations that govern RCOC's business.

**Regional Center of Orange County  
Vendor Advisory Committee  
May 9, 2023  
Videoconference Minutes**

**Members:**

**Adult Behavior Management Programs**

Chair, Hector Navarro, absent  
Co-Chair, Atrem Behmanesh, present

**Adult Day Programs**

Chair, Rick Perez, present  
Co-Chair, Member Pending

**Adult Family Home/Foster Family Agency**

Chair, Katherine Gurney, absent  
Co-Chair, Mark Antenucci, present

**Behavior Services**

Chair, Cindy Hebert, present  
Co-Chair, Junie Lazo-Pearson, present

**Community Care Facilities**

Chair, Member Pending  
Co-Chair, Member Pending

**Early Intervention**

Chair, Junie Lazo-Pearson, present  
Co-Chair, Pam Alexander, absent

**Habilitation**

Chair, Jodean Hudson, present (*joined at 2:03 p.m.*)  
Co-Chair, Member Pending

**Independent/Supported Living**

Chair, Christine Molina, present  
Co-Chair, Ana Sandoval, present (*joined at 2:03 p.m.*)

**Intermediate Care Facilities**

Chair, Rich Mraule, absent  
Co-Chair, Member Pending

**Support Services/Allied Health**

Chair, Andrew Velasco, present  
Co-Chair, Alex Saldana, present (*joined at 2:05 p.m.*)

**Liaisons:**

**CalOptima**

Liaison Pending

**Orange County Transit Authority**

Melissa Mungia, present  
Christina Blanco, absent

**RCOC Staff Present:**

Larry Landauer, Executive Director  
Bette Baber, Chief Financial Officer  
Arturo Cazares, Director of Community Services

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Bonnie Ivers, Clinical Director  
Jennifer Montanez, Director of Case Management  
Jack Stanton, Associate Director of Housing  
Marta Vasquez, Finance Director

**Call to Order**

Mr. Rick Perez welcomed all attendees and called the videoconference meeting to order at 2:01 p.m.

**I. RCOC Update**

Mr. Larry Landauer gave his report, which included the following highlights:

- *Little Hoover Commission Hearings.* Mr. Landauer reviewed some highlights from the Little Hoover Commission's report, *A System in Distress: Caring for Californians with Developmental Disabilities*, released to the State Legislature on April 17, 2023. Mr. Landauer reported that the report did not address vendor rates and the staffing challenges affecting direct support providers.
- *California Budget.* Mr. Landauer reported that the May Revise is set to be released on May 15, 2023.
- *Staffing Crisis.* Mr. Landauer shared a graph that reflects day program authorizations paid before, during, and after the COVID-19 pandemic. Prior to the pandemic, 94% of persons served had a full-time day program, 30 or more hours per week. As of June 2022, only 42% of persons served had a full-time program. Total day program authorizations declined from 4,281 in July 2019, to 3,965 in June 2022. In those three years, RCOC had approximately 1,500 graduates who left the school system and should have received adult day program services for the first time.
- *2023 Spotlight Awards.* Mr. Landauer reported that RCOC hosted another successful awards ceremony on April 20, 2023, with Ms. Michele Gile, a reporter with CBS 2/KCAL 9, as emcee.

**A. Vendor Updates**

Mr. Marta Vasquez provided the following updates:

- *Independent Audit or Independent Reviews.* On May 4, 2023, RCOC sent notices to vendors who are required to obtain an independent audit or an independent review of their financial records for the fiscal year including March 2022.

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- *Transportation Agreements for 880, Additional Component.* The transportation agreements on file will expire on June 30, 2023. RCOC will send an updated agreement for signature via DocuSign within the next two weeks.

## **II. Board Report**

Mr. Perez reported that the Board of Directors approved VAC's membership recommendations for subcommittee chairs and co-chairs at its meeting on May 4, 2023. Their terms begin June 1, 2023 and end May 31, 2025.

## **III. VAC Chair and Co-Chair Selections**

Mr. Jack Stanton, RCOC's Associate Director of Housing, reminded the Committee that elections for VAC Chairperson and Co-Chair will take place at the next meeting on June 13, 2023. Members, who would like information about the roles and responsibilities of these positions, may contact Mr. Stanton or Mr. Perez.

## **IV. Peer Advisory Committee (PAC) Report**

RCOC's Peer Advocate was not present and no report was provided.

## **V. Liaison Reports**

### **A. CalOptima – Liaison pending**

No representative from CalOptima was present and no report was provided.

### **B. Orange County Transportation Authority (OCTA) – Melissa Mungia (present)**

Ms. Melissa Mungia reported that the drivers who work for OCTA's third-party provider, First Transit/Transdev, and are represented by Teamsters Local 952, chose to strike on May 3, 2023. First Transit, a third-party contractor, provides OC ACCESS services. First Transit is using contractors to provide OC ACCESS services. Same-Day Taxi and OC ACCESS subscription services are temporarily suspended.

On May 2, 2023, OCTA developed a comprehensive outreach plan to inform riders that they should expect significant service delays beginning May 3, 2023, and to consider making other travel arrangements. This comprehensive outreach plan included direct automated calls to OC ACCESS riders, a recorded message on the OC ACCESS reservation line, a mailing and continuous updates through its website. In addition, RCOC and its adult day programs are in direct communication with OCTA and continue to receive updates about services.

## **VI. Member Reports**

**A. Adult Behavior Management – Hector Navarro (absent)**

**B. Adult Day Programs – Rick Perez (present)**

In Mr. Hector Navarro's absence, Co-Chair Ms. Atrem Behmanesh reported that the two subcommittees met today and discussed the OC ACCESS strike and its effect on persons served, families and programs. Ms. Behmanesh also reported that they encouraged vendors to register for the 2022 Direct Support Professional (DSP) Workforce Survey to secure their participation. The committees also discussed Person-Centered Thinking training for vendors. Many vendors are concerned that they will not be able to participate due to staffing shortages.

**C. Adult Family Home Agency/Foster Family Agency (AFHA/FFA) – Katherine Gurney (absent)**

In Ms. Katherine Gurney's absence, Mr. Mark Antenucci reported that the subcommittee did not meet.

**D. Behavior Services – Cindy Hebert (present)**

Ms. Cindy Hebert reported that the subcommittee did not meet.

**E. Community Care Facilities (CCF) – Member Pending**

Mr. Jack Stanton reported that the subcommittee did not meet.

**F. Early Intervention – Junie Lazo-Pearson (present)**

Ms. Junie Lazo-Pearson had technical issues and provided her update via the Zoom message board. Mr. Perez read the update to the Committee, which stated that the subcommittee met to discuss the Rate Model implementation and its impact on providers.

**G. Habilitation – Jodean Hudson (present)**

Ms. Jodean Hudson reported that the subcommittee did not meet.

**H. Independent Living/Supported Living (IL/SL) – Christine Molina (present)**

Ms. Christine Molina reported that the subcommittee met and held a Q&A with Mr. Stanton, Ms. Leah Saitz, Supported and Independent Living Coordinator, and Ms. Marisa Patterson, RCOC's West Area Supervisor, regarding the service authorization process and funding of transportation services. The subcommittee also discussed hiring challenges.

**I. Intermediate Care Facilities (ICF) – Rich Mraule (absent)**

In Mr. Rich Mraule's absence, Mr. Stanton reported that the subcommittee did not meet.

**J. Support Services/Allied Health – Andrew Velasco (present)**

Mr. Andrew Velasco reported that the subcommittee met today and discussed having a vendor fair for service coordinators.

**VII. Community Forum**

There were no speakers for community forum.

**VIII. Adjournment**

Mr. Perez adjourned the meeting at 2:34 p.m.

The next VAC meeting is scheduled for June 13, 2023.

*Recorder: Sandra Lomeli*

**Regional Center of Orange County  
Peer Advisory Committee  
May 18, 2023  
Videoconference Minutes**

**Committee Members Present:** Sylvia Delgado, Chairperson  
Kerri Adamic  
Cheryl Day  
Amy Jessee (*left at 3:15 p.m.*)  
Peter Kuo  
Fernando Peña

**Committee Members Absent:** Marcell Bassett  
Steven Gersten  
Yvonne Kluttz

**Board Member Present:** Chinh Nguyen

**RCOC Staff Members Present:** Larry Landauer, Executive Director  
Arturo Cazares, Director of Community Services  
Jennifer Montanez, Director of Case Management

**Guests:** Cathy DeMello and Members from Integrity Club House  
Melissa Mungia, OCTA  
Robert Olea  
Ron Ronald, OCTA  
Minaya Wright (*joined at 3:20 p.m.*)

Ms. Sylvia Delgado called the meeting to order at 3:05 p.m.

**I. Welcome and Introductions**

Ms. Delgado welcomed everyone to the Peer Advisory Committee (PAC) meeting.

**II. RCOC's Peer Advocate Report**

Ms. Delgado reported that she presented *My Journey to Employment* at this year's Supported Life Institute (SLI) conference held on May 12<sup>th</sup> and 13<sup>th</sup>.

**III. OCTA – OC ACCESS Service Updates**

Ms. Melissa Mungia, OCTA's Section Manager II, Paratransit Services, addressed Committee members' questions and concerns regarding the OC ACCESS drivers' strike that began on May 3, 2024.

**IV. Community Forum**

No community members were present at the meeting.

**V. Next Scheduled Meeting**

The next PAC meeting is scheduled for June 21, 2023.

Ms. Delgado adjourned the meeting at 3:43 p.m.

*Recorder: Sandra Lomeli*