

MEMORANDUM OF UNDERSTANDING

Between

Homeless Veterans of America (HVOA)

and **Passive Partners Capital Group (PPCG)** for Horizon Studios Housing project located at: 7039 Orangethorpe, Buena Park, California

1. Purpose

This Memorandum of Understanding (“MOU”) establishes a collaborative partnership between Homeless Veterans of America (HVOA) and PPCG / Horizon Studios (“PPCG”) for the purpose of securing, managing, and implementing federal, state, and private grant funding to support the Buena Park housing project serving veterans and vulnerable populations.

HVOA will serve as the lead applicant, fiscal agent, and responsible entity for all grants pursued on behalf of PPCG for this project.

2. Federal Grant-Compliance Framework

Both parties acknowledge that grants pursued under this partnership may be subject to federal regulations, including but not limited to:

- 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- VA GPD Program Regulations
- HUD-VASH Program Requirements
- VA TIP Program Requirements
- OMB Guidance for Federal Financial Assistance

Both parties agree to comply with all applicable federal, state, and local regulations, including procurement, allowable costs, reporting, record retention, nondiscrimination, and audit requirements.

HVOA retains authority over all fiscal management, reporting, and compliance functions required under federal awards.

3. Partnership Overview

HVOA and PPCG agree to collaborate in good faith to support the development, operation, and long-term sustainability of the Buena Park units. PPCG will participate as an active partner in planning, operations, and service coordination.

4. Roles and Responsibilities

4.1 HVOA Responsibilities

- Serve as the primary grant applicant, fiscal agent, and compliance authority.
- Prepare, submit, and manage all grant applications, reporting, and required documentation.
- Ensure compliance with federal, state, and private funder requirements.
- Allocate grant funds to support direct and indirect costs, including:
 - Unit operations and maintenance
 - Supportive services
 - Program staffing
 - Administrative and overhead expenses
- Maintain financial records, audits, and documentation required by funders.
- Coordinate with VA, HUD, and other agencies as required.

4.2 PPCG Responsibilities

- Provide property access, operational information, and documentation required for grant applications and reporting.
- Maintain units in compliance with federal habitability, safety, and inspection standards.
- Participate in service coordination, outcome tracking, and program implementation.
- Ensure that units and services funded through grants are used in alignment with grant requirements.
- Provide timely access to units, records, and staff for audits, inspections, and monitoring.

5. Use of Grant Funds

Grant funds secured through this partnership will be used to support:

- Direct costs: operations, maintenance, repairs, furnishings, and on-site services.
- Indirect costs: administrative, compliance, reporting, and organizational overhead required for HVOA to manage the grants.

- Supportive services: case management, referrals, veteran support, and other services aligned with funder requirements.

All expenditures must comply with 2 CFR 200 Subpart E – Cost Principles.

6. Insurance Requirements

PPCG agrees to maintain, at minimum:

- General liability insurance
- Property insurance
- Workers' compensation (if applicable)
- Any additional insurance required by federal or state funders

HVOA shall be listed as an additional insured on applicable policies.

Proof of insurance must be provided upon request.

7. Indemnification

PPCG agrees to indemnify, defend, and hold harmless HVOA, its officers, employees, and agents from any claims, damages, liabilities, or losses arising from:

- Property conditions
- Negligence or misconduct by PPCG or its contractors
- Failure to comply with federal, state, or local regulations
- Failure to meet program requirements under GPD, HUD-VASH, TIP, or other grants

This clause survives termination of the MOU.

8. Data-Sharing and Confidentiality

Both parties agree to comply with all applicable privacy and confidentiality laws, including:

- HIPAA (if applicable)
- VA privacy requirements
- HUD data-sharing requirements
- Federal record retention rules

Shared data may only be used for grant compliance, reporting, and program operations. No party may disclose confidential information without written consent unless required by law.

9. Partnership Withdrawal, Funding Implications, and Non-Transferability

If PPCG elects to discontinue or withdraw from this partnership, PPCG acknowledges:

1. Grant funds are tied to HVOA's nonprofit status, compliance systems, and fiscal authority. All grant eligibility, pending applications, and awarded funds will immediately cease for PPCG.
2. Grant awards cannot be transferred to PPCG or any other entity.
3. PPCG must establish its own nonprofit organization to pursue future funding independently.
4. Costs incurred prior to withdrawal remain PPCG's responsibility.
5. PPCG must provide 30 days written notice prior to withdrawal.
6. HVOA will close out or withdraw grant applications in compliance with funder rules.

10. Program-Specific Requirements (GPD, HUD-VASH, TIP)

10.1 GPD Requirements

- Units must meet VA habitability and inspection standards.
- HVOA manages all reporting, invoicing, and compliance.
- Funds may only be used for allowable GPD costs.
- PPCG must maintain units to VA standards.
- Funding terminates immediately if PPCG withdraws.

10.2 HUD-VASH Requirements

- Units must meet HQS and local inspection requirements.
- HVOA coordinates with VA case managers and PHAs.
- Rent and occupancy must follow HUD-VASH rules.
- PPCG must maintain units to HUD/VA expectations.
- Support ends immediately if PPCG withdraws.

10.3 TIP Requirements

- Units must support transition-in-place service models.
- HVOA manages TIP reporting and compliance.
- PPCG must maintain long-term tenancy standards.
- TIP funds cannot be transferred or reassigned.

10.4 Shared Requirements

- All federal regulations must be followed.
- HVOA retains compliance authority.
- PPCG must provide access for audits and inspections.
- Non-compliance may result in suspension of partnership activities.

11. Term and Termination

This MOU remains in effect until modified or terminated by mutual written agreement. Either party may request amendments to meet funder requirements.

12. Non-Binding Agreement

This MOU reflects the intentions of both parties to collaborate in good faith. It is not a legally binding contract but serves as a framework for partnership and grant collaboration.

13. Signatures

Homeless Veterans of America (HVOA)

Name: Jeff McCann

Signature: *Jeff McCann*

Title: Secretary

Date: 23/01/2026

PPCG / Horizon Studios

Name: Hector Garcia

Signature: *Hector Garcia*
Hector Garcia (Feb 9, 2026 08:35:12 PST)

Title: CEO

Date: 02/09/2026