The Salvation Army, National Capital and Virginia Division

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (MOU) is made effective as of this Wednesday, the13th day of October, 2004 by and between **The Salvation Army, National Capital and Virginia Division (SA)** a nonprofit organization with offices at 2626 Pennsylvania Avenue NW, Washington DC 20037, and **Spiritual Partnership in Realizing Individual Transformation (S.P.I.R.I.T.),** a nonprofit organization with offices at 1225 W Street SE, Washington, DC 20020.

The parties to this MOU express their desire to work together to establish a "full-service holistic wellness center and related educational, social and spiritual development programs" (the program) to benefit the East of the River/Anacostia community in the Salvation Army Corps Center (the Center). The Center is located in the 2300 block of Martin Luther King Jr. Avenue, SE, Washington, DC 20020.

SA and S.P.I.R.I.T. intend to enter into a Lease and Services Agreement for space to operate the program when the Center opens in late 2006.

The purpose of this MOU is to outline the mutual understandings between SA and S.P.I.R.I.T. that will guide their joint efforts during the planning and program design period while the Center is being built and until such time as the Lease and Services Agreement is executed.

SA and S.P.I.R.I.T. agree as follows:

1. It is the intent of SA to complete the design and construction of the Center, and place the building into service by the end of 2006. During this period SA and S.P.I.R.I.T. will work cooperatively on the physical and program design aspects of the Center and share information as appropriate to facilitate implementation of a successful program.

2. It is the intent of SA to conduct good faith negotiations with S.P.I.R.I.T. to make space available on the fifth floor of the Center for classes and activities supporting a full-service holistic wellness center and related educational, social and spiritual development programs. It is understood that these programs will have a special focus on serving youth and adult residents of East of the River neighborhoods. It is further understood that S.P.I.R.I.T. intends to contract with a professional manager for the Center and that the contractor must manage the Center in a manner that is fully consistent with the mission and core values of SA. S.P.I.R.I.T agrees to provide SA with sufficient information to determine its approval of the manager, or any successor, which approval will not be unreasonably withheld. Any subcontractors or subtenants of the Center must also operate in a manner fully consistent with SA mission and core values.

3. S.P.I.R.I.T. understands the need for adequate, safe parking for the Center and therefore intends through its relationship with Union Temple Baptist Church (UTBC) to make approximately 200 parking spaces on its property on W Street SE available for those attending activities of the Center, except during those occasions when these spaces are needed for activities of UTBC.

4. Other planned purposes of the Center include the administrative, social service and church components of SA, a licensed child care program, after school care, a job-training and work force development program, retail businesses and other compatible services as they are determined by SA with advice from S.P.I.R.I.T., other partners and the community. SA and S.P.I.R.I.T. agree to seek every means of assuring that all of the uses and partners of the Center are thoughtfully connected so that each is respected and honored as a partner in ministry.

5. During the term of this MOU, SA and S.P.I.R.I.T, to the extent that each party is permitted to do so, shall exchange such information as is reasonably required for each to perform its obligations hereunder. SA and S.P.I.R.I.T each agree to keep in strict confidence all information received from the other which is designated

ZONING COMMISSION
District of Columbia
CASE NO.04-35
EXHIBIT NO.3B

in writing to be of a proprietary nature and to use such information only in connection with their obligations under this MOU. Upon termination of this MOU, each party shall promptly return all such confidential information of the other party.

6. Neither party shall knowingly solicit, recruit, hire or otherwise employ or retain the employees of the other party without the other party's written consent during the term of this MOU.

7. Each of the parties intends to adhere fully to the terms set forth in this MOU, and each of the parties acknowledges that the other has and will expend considerable time, effort and resources in order to achieve the goals set forth above. The parties, by entering into this MOU, agree to work together in a spirit of cooperation and patience in their joint efforts to design and implement a program that will benefit many individuals and families in the East of the River community.

8. The parties to this MOU understand that unforeseen circumstances, conditions beyond each party's control and/or irreconcilable differences may arise which make a continued relationship not feasible, or not desirable. In that event, either party may terminate this MOU without any claims against or liability to the other party by providing 30 days written notice to the other party of its intent to terminate.

9. This MOU is meant to establish a good faith agreement of the parties to carry out the program and activities contemplated by this MOU to the best of their ability and available resources without creating or forming the basis for legal action or liability of any nature between the parties. This MOU shall not be considered to be any other type of agreement including, but not limited to, a partnership or joint venture.

10. The parties to this MOU may propose amendments modifying the MOU at any time. No amendment shall become effective, unless in writing signed by both parties.

11. All notices, acknowledgements, requests, reports and other communications under this MOU shall be addressed as follows to the following representatives:

Major Todd Smith
General Secretary
The Salvation Army
National Capital and Virginia Division (TSA)
2626 Pennsylvania Avenue, N.W.
Washington, D.C. 20036

Reverend Willie Wilson
Board Chairman
Spiritual Partnership in Realizing Individual Transformation
1225 W Street, SE
Washington, DC 20020

All such communication may be sent by: (1) overnight delivery with confirmation of receipt; (2) facsimile with confirmation of receipt; (3) certified mail, return receipt requested, with receipt deemed to be two days after deposit with the US Postal Service.

By the signing of this MOU, the parties, through their duly authorized representatives, hereby agree to the goals, principles, terms and conditions set forth above.

For The Salvation Army:

Major Todd Smith, General Secretary

10/13/04
Date

For Spiritual Partnership in Realizing Individual Transformation:

Rev. Willie Wilson, Board Chairman

10/26/04
Date