

**Memorandum of Understanding
between South Church in Andover and
Andover Community Trust, Inc. and Merrimack Valley Habitat for Humanity**

This Memorandum of Understanding (“MOU”) sets forth the terms and understanding by and between South Church in Andover (“South Church”) and Andover Community Trust, Inc. (“ACT”) and Merrimack Valley Habitat for Humanity (“Habitat”) as of this day, March __, 2017.

Whereas, the South Church mission and service, caring both locally and globally, has been a continuous passion at South Church; and

Whereas, ACT’s mission is to develop permanently affordable housing in Andover; and

Whereas, Habitat seeks to eliminate poverty housing and homelessness from the world and to make decent shelter a matter of conscience and action; and

Whereas South Church has long committed volunteers and funds to Habitat for the purpose of building affordable homes, and

Whereas, ACT has successfully developed seven permanently affordable homes in Andover, half of them in partnership with the Greater Lawrence Technical School, and

Whereas, based on the most recent Abagis survey, South Church owns a 1.14 acre parcel at 8 Lupine Road, Andover, (“Property”), adjacent to the South Church cemetery, donated to South Church in 1938 by Mary Byers Smith without restrictions, and

Whereas, Habitat and ACT have entered into a Memorandum of Understanding to work together collaboratively to develop affordable homes on the Property, and

Whereas, ACT, Habitat and South Church all wish to work in good faith with current and future neighbors, the neighbors will be offered an opportunity to see and comment on the site plan and the design prior to commencing the permitting process.

Now, therefore, be it resolved that South Church and ACT and Habitat intend to enter into agreement(s) to establish the following terms:

1. ACT will purchase the Property from South Church with financial assistance from Habitat. The offer to purchase will be \$200,000, based upon the approved building of three duplexes as described in Section 2 and comprised of \$100,000 for the ACT duplex (\$50,000 per dwelling unit) + \$50,000 for each Habitat duplex (\$25,000 per dwelling unit) permitted to build. The purchase price will be adjusted based on the final number of duplexes permitted by the Andover ZBA; however, it is the parties’ expectation that the Property will be developed with no fewer than two duplexes. As such, the minimum purchase offer for the Property would be \$150,000.

2. ACT and Habitat will form the 8 Lupine Road Project Committee with representatives from each organization for the purpose of developing a six dwelling unit comprehensive permit proposal (three duplexes). If three duplexes are approved and permitted by Andover ZBA, ACT will build one duplex and Habitat will build two duplexes. In the case that only two duplexes are approved and permitted by Andover ZBA, ACT will build one duplex and Habitat will build one duplex.
3. ACT will own the land under all dwelling units, and the completed homes will be sold at an affordable price as condominiums to homeowners with a 99-year ground lease. The resale formula in the ground lease, issued by ACT, will insure that the homes remain affordable in perpetuity.
4. The proposed affordable home project will be presented to the South Church congregation for approval. After approval, ACT and South Church will enter into good faith negotiations for a formal purchase and sale agreement ("P&S"). ACT and Habitat will then proceed to finalize documents to permit the proposed six dwelling unit development through the Local Initiative Program ("LIP") under Chapter 40B of Massachusetts General Laws.
5. Final plans will include, as required and agreed by all parties: (1) a permanent location and use permission for South Church yard waste composting on the Property; (2) temporary access via the Property to certain sections of South Church property for purposes of tree removal prior to construction of the duplexes; and (3) an easement or other accommodation along South Church property for sewer access to School Street.
6. Steps to be taken following the signing of the P&S will include:
 - Presentation of the final plans to South Church.
 - Presentation of final plans to interested neighbors.
 - Submission of the 40B application to the Andover Housing Partnership Committee ("AHPC") to request their support.
 - Submission of the 40B application to the Andover Board of Selectmen ("BOS") to request their support.
 - Submission of the 40B application to the Massachusetts Department of Housing and Community Development ("DHCD") to obtain a site approval letter.
 - Submission of the comprehensive permit application to the Andover ZBA.
7. It is anticipated that the entire approval process will take at least twelve months to complete. ACT and Habitat will provide South Church with a quarterly progress report. If requested by South Church, a nonbinding detailed project timeline may be included in the P&S. ACT may request that South Church grant an extension of any closing deadlines that may be set forth in the P&S.
8. South Church agrees to encourage church member representation at the required Town of Andover public meetings for approval of the Project and to speak in favor of the

application(s).

9. Upon approval by the ZBA and after the appeal period has concluded, ACT and South Church will close on the sale of the Property.
10. Following the closing on the Property, ACT and Habitat will have sole authority for implementing the project to develop and build the affordable homes on the Property.
11. Habitat will include the South Church congregation in the volunteer opportunities to build affordable homes in Andover.
12. Habitat and ACT will both invite South Church to send a representative to their respective owner selection committee. ACT will select the homeowners for its two units and Habitat will select the homeowners for its four units, each utilizing their own income eligibility guidelines and owner selection processes to the extent legally permissible under 40B.

This MOU represents an expression of intent and not of obligation with respect to the terms set forth herein. Any actions by a party in reliance on this MOU are at that party's sole cost and expense. Except for any existing non-disclosure or other valid contractual obligations between the parties, no party to this MOU shall be legally bound or otherwise incur any obligations to the others with respect to the proposed transaction unless and until the applicable definitive written agreement(s) are executed and then only to the extent and subject to the terms and conditions set forth therein.

This MOU will remain valid for one (1) year from its effective date or until the P&S is executed (whichever shall occur first). If the P&S is not executed and delivered for any reason, no party to this MOU shall have any liability to any other party hereto based upon, arising from or relating to the provisions hereof (except as specifically noted herein). Any party may terminate this MOU at any time, with or without cause, by providing a written notice of termination, via electronic or physical delivery to the other party.

Signed:

South Church in Andover

John Pearson, President
Andover Community Trust, Inc.

Richard Sumberg, President
Merrimack Valley Habitat for Humanity