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LandVest®

APPRAISAL REPORT

OFFICERS OF THE GRAMMAR SCHOOL PROPERTY
IPSWICH, MASSACHUSETTS

Located:

Little Neck Estate
Ipswich, Massachusetts 01938

Report Date:

January 4, 2001

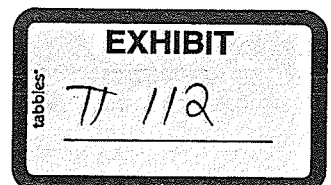
Requested by:

Mr. Donald M. Greenough
Ipswich Cooperative Bank Building
Depot Square - P. O. Box 790
Ipswich, Massachusetts 01938-0790

Prepared by:

James E. Monahan, Associate Director
Real Estate Consulting Group
LandVest, Inc.
Ten Post Office Square
Boston, MA 02109

Report #3200



REGIONAL OFFICES

January 4, 2001

148 Middle Street
Portland, ME 04101
Telephone 207 774-8518
Fax 207 774-5845

Mr. Donald M. Greenough
Ipswich Cooperative Bank Building
Depot Square - P. O. Box 790
Ipswich, MA 01938-0790

9 Elm Street
Post Office Box 1262
Camden, ME 04843
Telephone 207 236-3543
Fax 207 236-2172

RE: APPRAISAL REPORT

"Little Neck Estate" - Ipswich, Massachusetts

4A Tracy Road
P.O. Box 1068
Northeast Harbor, ME 04662
Telephone 207 276-3840
Fax 207 276-3837

Dear Don:

126 College Street
Burlington, VT 05401
Telephone 802 660-2900
Fax 802 660-2543

In accordance with your request, I have inspected the above-referenced real property generally known as *Little Neck Estate* in Ipswich, Southern Essex County, Massachusetts for the propose of estimating the property's market value in fee simple.

5 The Green
Woodstock, VT 05091
Telephone 802 457-4977
Fax 802 457-9021

The attached document represents a "complete appraisal" within a *restricted-use* report format prepared in full conformance and without departure from the Uniform Standards of Professional Appraisal Practice (USPAP) and the Appraisal Standards Board. It is my understanding that this appraisal is to be used by the Feoffees of the Grammar School and their assigns in the context of on-going asset management and disposition planning. It should be noted that this report contains opinions as to the subject property's value under alternate assumptions of sale to a third party buyer (i.e., *market value*) or to a buyer group comprised of the current tenancy (i.e., investment value).

33 Fuller Street
Martha's Vineyard
Edgartown, MA 02539
Telephone 508 627-4400
Fax 508 627-7044

109 North Main Street
Concord, NH 03301
Telephone 603 228-2020
Fax 603 226-4391

This appraisal constitutes an update of an opinion of market value set forth in LandVest's Real Estate Advisory Report dated April 15, 1997. The 1997 Advisory Report is included herein by reference.

Based on my inspections, research and analysis, it is my opinion that as of December 1, 2000 (date of most recent inspection) it is my opinion that the value of a fee simple interest in the property assuming a condominium conversion (land only) was:

Market Value (to third party buyer): \$7,700,000

Investment Value (to current tenancy): \$10,290,000

Mr. Donald M Greenough

January 4, 2001

Page 2

Additional documentation in support of this market value estimate is provided within the attached report, respectfully submitted for your review.

Sincerely,

A handwritten signature in black ink, appearing to read "James E. Monahan", with a long horizontal flourish extending to the right.

James E. Monahan

Associate Director

Real Estate Consulting Group

LandVest, Inc.

I. SCOPE OF APPRAISAL AND DEFINITIONS

A. Purpose

The purpose of this appraisal is to provide the client with an opinion as to the property's market value.

B. Function or Use of Appraisal

The function and intended use of the report is to establish the current market value of the property as part of an internal review of disposition options.

C. Effective Date of Valuation

The subject property was inspected most recently by James E. Monahan on December 1, 2000. This date serves as the effective valuation date.

D. Definitions

1. Fee Simple Estate

Fee Simple Estate is defined as:

Absolute ownership unencumbered by any other interest or estate; subject only to the limitations of eminent domain, escheat, police power, and taxation.¹

2. Tenancy At Will

Tenancy At Will is defined as:

An estate in real estate that has no fixed term and may be canceled at will by the landlord or the tenant.

¹The Dictionary of Real Estate Appraisal: The Appraisal Institute, 1993.

3. Market Value

Market value is defined as follows:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. *Buyer and seller are typically motivated;*
2. *Both parties are well-informed or well-advised, and acting in what they consider their best interests;*
3. *A reasonable time is allowed for exposure to the open market;*
4. *Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and*
5. *The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.²*

4. Investment Value

Investment Value is defined as follows:

The specific value of an investment to a particular investor or class of investors based on individual investment requirements; distinguished from market value, which is impersonal and detached.

5. Condominium

Condominium is defined as follows:

A form of fee ownership of separate units or portions of multiple unit buildings that provides for formal filing and recording of a divided interest in real property and/or a multi-unit structure or property in which persons hold fee simple title to individual units and an undivided interest in common areas.

²The Uniform Standards of Professional Appraisal Practice (USPAP): The Appraisal Foundation, 1997.

E. Scope of Investigation and Analysis Parameters

The subject physical analysis is based on personal inspections of the subject property, as well as reference to public records including; Federal Flood Insurance Rate Maps; U.S.G.S. Topographic Maps; aerial orthophotos; Town of Ipswich Assessor's Maps and Field Cards; written offers to purchase; and, Title V inspections prepared by H.L. Graham Associates, Inc. of Ipswich, Massachusetts.

The legal and regulatory analysis includes a review of the Town of Ipswich's zoning and subdivision regulations in effect as of the effective valuation date. In addition, State and local health regulations, wetland, flood plain and other land use regulations are considered as they may affect the additional development potential and market value of the subject property.

The sources of data presented in the valuation analysis contained in this appraisal include public records, local real estate professionals, private individuals and companies, and/or the appraisers' files. All sales were confirmed with at least one or two of the following sources: buyer, seller, listing agent, selling agent, recorded deed, or other private individuals familiar with the terms of a particular transaction.

F. Statement of Competency

LandVest and the subject appraiser have experience appraising all types of residential, commercial and industrial properties throughout New England, including northeastern Massachusetts. LandVest's Real Estate Consulting Group staff includes appraisers and land planners with the experience and skills required to evaluate the physical and legal constraints on land use, and to develop reliable estimates of Highest and Best Use. A thorough review of the subject property's greater Essex County market, as documented in this report, provides support for the market value options developed in this appraisal.

James E. Monahan is the primary appraiser and is a Certified General Appraiser in the Commonwealth of Massachusetts (#3481).

Reporting Format

This report constitutes a "complete appraisal" presented in a *Restricted-Use Appraisal Report* format. In accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) Rule 2-2(c), the report includes only summary analyses and reasoning in support of market value estimates. Additional supporting documentation concerning the data, reasoning and analysis is retained in the appraisers' files. The appraisers are not responsible for unauthorized use of this report.

II. IDENTIFICATION OF SUBJECT PROPERTY

A. Address and Legal References

The subject property is generally located at the end of Jeffrey's Neck Road in the eastern portion of the Town of Ipswich. The address is simply referred to as:

**Little Neck Estate
Ipswich, Massachusetts 01938**

A full legal description of the subject property is recorded in the Essex County South Registry of Deeds, Book 16320, Page 170. A copy of the subject legal description, as well as other relevant legal instruments are contained in the *Appendix* to this report.

B. Subject Ownership

As of the effective valuation date, fee simple title to the subject property vested in:

**The Feoffees of the Grammar School in Ipswich
c/o Donald Whiston**

For the Feoffees title, see the Acts of 1765 of the Legislature of Massachusetts Colony in confirming the title to the premises of the Feoffees which originated by grant of the Town of Ipswich in 1650.

C. Parcel Inventory and Current Assessments

The following pages of this report provide tabular summaries of leased parcels (both improved and vacant) and various parcels (not leased) held by the Feoffees. These summaries include proposed (F.Y. 2001) assessed values for all land and improvements.

TABLE I

PARCEL INVENTORY
LITTLE NECK ESTATE - IPSWICH, MASSACHUSETTS

I. Leased Parcel Assessments F.Y. 2001 (proposed)

Parcel #	Address	Owner	Lot Area	Assessments			Total
				Land	Yard	Bldg	
1*	63 River Road	P. Regal	3,060 SF	\$105,400	0	\$110,300	\$215,700
2*	61 River Road	C. Harris	2,843 SF	\$104,500	0	\$47,200	\$151,700
3	59 River Road	N. Wilkey	3,327 SF	\$106,500	0	\$51,300	\$157,800
4	57 River Road	A. Anderson	3,400 SF	\$106,700	0	\$54,500	\$161,200
5	55 River Road	K. Rodman	3,210 SF	\$106,000	0	\$55,600	\$161,600
6	53 River Road	M. Sandberg	3,458 SF	\$107,000	0	\$132,600	\$239,600
7	49 River Road	W. Hough	2,400 SF	\$102,800	0	\$75,600	\$178,400
8	47 River Road	R. Saunders	1,980 SF	\$92,700	0	\$41,000	\$133,700
9	44 River Road	R. Aiello	2,860 SF	\$104,600	0	\$84,500	\$189,100
10	46 River Road	J. Cronin	5,160 SF	\$113,800	0	\$87,200	\$201,000
11	48 River Road	T. Ciolek	3,720 SF	\$108,000	\$900	\$196,600	\$305,500
12	50 River Road	J. Blake	3,360 SF	\$106,600	0	\$63,600	\$170,200
13	45 River Road	P. Saunders	2,600 SF	\$95,000	0	\$38,100	\$133,100
14	43 River Road	K. Rodman	2,340 SF	\$102,500	0	\$141,300	\$243,800
15*	41 River Road	C. Hebel	2,350 SF	\$102,600	0	\$123,500	\$226,100
16	39 River Road	J. Foley	2,400 SF	\$102,800	\$5,500	\$61,000	\$169,300
17	37 River Road	J. Survilas	2,600 SF	\$103,600	0	\$63,500	\$167,100
18*	35 River Road	R. Bowman	2,500 SF	\$103,200	0	\$28,400	\$131,600
20*	31 River Road	Darimiro Trust	3,000 SF	\$105,100	\$4,600	\$79,600	\$189,300
21*	29 River Road	R. Maloney	3,250 SF	\$106,100	0	\$53,700	\$159,800
22	27 River Road	F. Lalikos	2,770 SF	\$104,200	\$1,200	\$65,700	\$171,100
23	25 River Road	K. Tetreault	2,400 SF	\$102,800	\$500	\$77,700	\$181,000
24	6 Bay Crest Rd.	R. Watson	3,000 SF	\$96,500	0	\$50,600	\$147,100

*denotes change in ownership since 1997

Parcel #	Address	Owner	Lot Area	Assessments			Total
				Land	Yard	Bldg.	
25	31 Middle Road	R. Doherty	2,980 SF	\$96,400	0	\$62,500	\$158,900
26*	29 Middle Road	Lot 26 L.N. Nom. Tr.	3,540 SF	\$98,400	0	\$54,900	\$153,300
28*	21 Middle Road	M. O'Flahaven	3,000 SF	\$96,500	0	\$58,400	\$154,900
29	19 Middle Road	E. Kaine	3,000 SF	\$96,500	0	\$115,600	\$212,100
30	15 Middle Road	D. Wallace	2,000 SF	\$16,600	\$13,000	0	\$31,600
31	11 Middle Road	D. Wallace	2,780 SF	\$95,700	\$7,700	\$69,600	\$165,300
32*	9 Middle Road	D. Anderson	4,020 SF	\$100,200	0	\$58,600	\$158,800
33	7 Middle Road	M. Kelly	3,870 SF	\$99,600	0	\$44,300	\$143,900
34	5 Middle Road	R. Passarelli	3,870 SF	\$99,600	0	\$71,200	\$170,800
35	3 Middle Road	M. Kelly	3,870 SF	\$99,600	0	\$44,500	\$144,100
37	1 Hilltop Road	W. Russo	2,159 SF	\$61,300	0	\$52,900	\$114,200
38	4 Middle Road	D. Gresek	2,230 SF	\$68,300	0	\$130,200	\$198,500
39	6 Middle Road	M. Kelly	2,400 SF	\$68,800	0	\$88,700	\$157,500
40*	8 Hilltop Road	P. Scioletti	4,240 SF	\$70,400	0	\$103,100	\$173,500
41*	12 Hilltop Road	M. Casey	3,840 SF	\$70,400	0	\$55,400	\$125,800
42*	16 Hilltop Road	K. Annen	5,300 SF	\$67,100	0	\$43,900	\$111,000
43*	20 Hilltop Road	M. Disalvo	4,360 SF	\$70,400	0	\$51,200	\$121,600
44*	22 Hilltop Road	P. Surette	4,280 SF	\$70,400	0	\$123,300	\$193,700
45*	24 Hilltop Road	E. Okeefe	3,590 SF	\$70,400	0	\$77,800	\$148,200
46*	26 Hilltop Road	D. Greenwood	3,370 SF	\$70,400	0	\$57,800	\$128,200
47	28 Middle Road	B. Roy	3,240 SF	\$71,000	0	\$71,000	\$142,000
48*	30 Middle Road	P. McDonald	3,000 SF	\$73,000	0	\$70,400	\$143,400
49	25 Hilltop Road	R. Saunders	4,225 SF	\$73,700	0	\$169,800	\$243,500
50	23 Hilltop Road	V. Cutler	3,591 SF	\$72,000	0	\$45,500	\$117,500
51	21 Hilltop Road	R. Thorngren	3,450 SF	\$71,600	\$500	\$56,300	\$128,400
52	19 Hilltop Road	A. Donahoe	3,575 SF	\$71,900	0	\$63,100	\$135,000
53*	15 Hilltop Road	E. Erickson	3,950 SF	\$72,900	0	\$73,800	\$146,700
54	11 Hilltop Road	J. Reardon	7,420 SF	\$82,200	0	\$117,800	\$200,000

*denotes change in ownership since 1997

Parcel #	Address	Owner	Lot Area	Assessments			Total
				Land	Yard	Bldg.	
55*	9 Hilltop Road	R. Harrington	3,500 SF	\$71,700	\$500	\$114,900	\$187,100
56	10 Middle Road	J. Duran	3,210 SF	\$64,700	0	\$72,600	\$140,000
57	7 Hilltop Road	D. Dieringer	3,660 SF	\$72,200	\$600	\$95,300	\$168,100
59	35 Bay Road	C. Bouvier	4,550 SF	\$102,100	\$500	\$153,700	\$256,300
60	33 Bay Road	C. Laughton	2,400 SF	\$94,300	\$500	\$98,400	\$193,200
61	31 Bay Road	H. Akerstrom	2,160 SF	\$93,400	0	\$49,100	\$142,500
62	29 Bay Road	B. Carbone	2,400 SF	\$94,300	0	\$75,800	\$170,100
63	27 Bay Road	A. Yemma	2,470 SF	\$94,500	\$600	\$173,800	\$268,900
64	25 Bay Road	J. Gallagher	3,000 SF	\$96,500	\$700	\$35,700	\$132,900
65	23 Bay Road	C. Lichoulas	3,000 SF	\$96,500	0	\$47,600	\$144,100
66*	19 Bay Road	M. Johnson	3,600 SF	\$98,700	0	\$61,000	\$159,700
67	17 Bay Road	M. Holden	3,180 SF	\$97,100	0	\$48,800	\$145,900
68	15 Bay Road	W. Moskowitz	3,230 SF	\$97,300	0	\$56,300	\$153,600
70	16 Bay Road	M. Donaldson	4,510 SF	\$74,400	0	\$72,400	\$146,800
71	18 Bay Road	T. Allen	4,410 SF	\$74,200	\$400	\$161,800	\$236,400
72	5 Gala Way	R. Hamlin	3,000 SF	\$70,400	0	\$60,500	\$130,900
75	8 Hilltop Road	R. Scioletti	3,000 SF	\$70,400	0	\$108,100	\$173,500
76	10 Hilltop Road	J. Dowling	3,000 SF	\$70,400	0	\$56,400	\$126,800
77	12 Hilltop Road	M. Casey	3,000 SF	\$70,400	0	\$55,400	\$125,800
79	4 Cove Road	B. Horsman	5,110 SF	\$76,000	0	\$52,500	\$128,500
80	6 Cove Road	S. Ruta	3,000 SF	\$70,400	0	\$44,300	\$114,700
81	8 Cove Road	C. Robinson	3,000 SF	\$70,400	0	\$56,600	\$127,000
82	10 Cove Road	N. Ball	3,000 SF	\$70,400	\$600	\$59,200	\$130,200
83	12 Cove Road	M. Anderson	5,100 SF	\$76,000	0	\$53,800	\$129,800
84	12 Bay Road	N. Fidrocki	4,260 SF	\$73,800	0	\$71,600	\$145,400
85	17 Cove Road	K. Gilletti	3,000 SF	\$70,400	0	\$52,100	\$122,500
86	15 Cove Road	R. Varney	3,000 SF	\$70,400	\$1,800	\$54,100	\$126,300
87	9 Cove Road	P. Mattson	3,000 SF	\$70,400	0	\$127,700	\$198,100

*denotes change in ownership since 1997

Parcel #	Address	Owner	Lot Area	Assessments			Total
				Land	Yard	Bldg.	
89*	5 Cove Road	H. Cogan	3,000 SF	\$70,400	0	\$64,800	\$135,200
90	3 Cove Road	F. Parker	3,000 SF	\$70,400	0	\$52,200	\$122,600
91*	16 Hilltop Road	K. Annen	1,780 SF	\$67,100	0	\$43,900	\$111,000
92	18 Hilltop Road	R. Stocker	3,140 SF	\$70,800	0	\$46,500	\$117,300
93	18 Baycrest Rd.	J. Fogarty	3,000 SF	\$70,400	0	\$51,200	\$121,600
94	22 Baycrest Rd.	L. Fiske	3,000 SF	\$70,400	0	\$44,900	\$115,300
95	24 Baycrest Rd.	J. Lyon	3,000 SF	\$70,400	0	\$76,800	\$147,200
96*	26 Baycrest Rd.	A. Connolly	3,000 SF	\$70,400	0	\$54,400	\$124,800
97	28 Baycrest Rd.	G. Church	3,000 SF	\$70,400	0	\$138,800	\$209,200
98	30 Baycrest Rd.	C. McGilvary	3,870 SF	\$72,700	0	\$105,300	\$178,000
99	8 Bay Road	M. Attridge	3,750 SF	\$72,400	0	\$63,400	\$135,800
100	27 Baycrest Rd.	E. Williams	3,000 SF	\$70,400	0	\$50,200	\$120,600
101	25 Baycrest Rd.	J. Ferrino	3,000 SF	\$70,400	0	\$63,100	\$135,500
102	21 Baycrest Rd.	D. Carroll	3,000 SF	\$70,400	0	\$57,800	\$128,200
103*	20 Hilltop Road	M. Disalvo	3,000 SF	\$70,400	0	\$51,200	\$121,600
104	33 Hilltop Road	R. Gilbert	3,000 SF	\$70,400	0	\$52,200	\$122,600
105	9 Baycrest Rd.	R. Betts	3,000 SF	\$66,900	0	\$39,900	\$106,800
106*	32 Middle Road	A. Cairns	3,000 SF	\$70,400	0	\$62,900	\$133,300
107	35 Middle Road	P. Rhodes	3,000 SF	\$96,500	0	\$53,300	\$149,800
108*	3 Baycrest Rd.	P. Benjamin	3,000 SF	\$105,100	0	\$42,900	\$148,000
109	21 River Road	Green Trust	3,000 SF	\$105,100	0	\$54,700	\$159,800
110	4 Kings Way	B. Rowell	3,000 SF	\$96,500	0	\$70,800	\$167,300
111	37 Middle Road	C. Johnson	3,000 SF	\$96,500	0	\$72,600	\$169,100
112	8 Kings Way	R. Harrington	3,000 SF	\$70,400	0	\$103,800	\$174,200
113	10 Kings Way	B. Pulsford	3,000 SF	\$66,900	0	\$66,900	\$133,800
114	35 Hilltop Road	M. Obrien	3,000 SF	\$70,400	0	\$65,000	\$135,400
115	22 Hilltop Road	P. Surette	3,000 SF	\$70,400	0	\$123,300	\$193,700
116*	16 Kings Way	C. Ryan	3,000 SF	\$70,400	0	\$66,300	\$136,700

*denotes change in ownership since 1997

Parcel #	Address	Owner	Lot Area	Assessments			Total
				Land	Yard	Bldg.	
117	20 Kings Way	R. McHale	3,000 SF	\$70,400	0	\$68,600	\$139,000
118	22 Kings Way	P. Hull	3,000 SF	\$70,400	0	\$65,600	\$136,000
120	6 Bay Road	G. Donovan	2,700 SF	\$69,600	0	\$43,200	\$112,800
121	29 Kings Way	J. Kurnick	4,410 SF	\$74,200	0	\$49,000	\$123,200
122	27 Kings Way	J. Cook	3,000 SF	\$70,400	0	\$74,000	\$144,400
123*	25 Kings Way	W. Morrison	3,000 SF	\$70,400	0	\$60,000	\$130,400
124	21 Kings Way	M. Varney	3,000 SF	\$70,400	0	\$69,800	\$140,200
125*	19 Kings Way	R. McCaughey	3,000 SF	\$70,400	0	\$39,800	\$110,200
126	17 Kings Way	J. Spenser	3,000 SF	\$70,400	0	\$54,900	\$125,300
127	24 Hilltop Road	E. O'Keefe	3,000 SF	\$70,400	0	\$77,800	\$148,200
128	37 Hilltop Road	M. Gorman	3,000 SF	\$70,400	0	\$73,200	\$143,600
129	11 Kings Way	F. Kiley	3,000 SF	\$66,900	0	\$54,600	\$121,500
130	36 Middle Road	W. Lonergan	3,000 SF	\$70,400	0	\$79,100	\$149,500
131	39 Middle Road	R. Cole	3,000 SF	\$96,500	0	\$43,600	\$140,100
132	5 Kings Way	R. Barton	3,000 SF	\$96,500	0	\$51,700	\$148,200
133	3 Kings Way	D. Goodhue	3,000 SF	\$105,100	0	\$52,500	\$157,000
134	2 Plum Sound Rd.	M. Maloney	3,000 SF	\$105,100	0	\$102,500	\$207,600
135	4 Plum Sound Rd.	M. Maloney	3,000 SF	\$96,500	0	\$79,700	\$176,200
136	6 Plum Sound Rd.	C. Jannino	3,000 SF	\$96,500	0	\$69,200	\$165,700
137	41 Middle Road	C. Huntley	3,000 SF	\$96,500	0	\$71,500	\$168,000
138	38 Middle Road	W. Carroll	3,000 SF	\$70,400	\$500	\$111,300	\$182,200
139*	12 Plum Sound Rd.	E. Torissi	3,000 SF	\$70,400	0	\$53,600	\$124,000
140	14 Plum Sound Rd.	M. Green	3,000 SF	\$70,400	0	\$45,900	\$116,300
141	26 Hilltop Road	D. Greenwood	3,000 SF	\$70,400	0	\$57,800	\$128,200
142	20 Plum Sound Rd.	R. Hodgdon	3,000 SF	\$70,400	\$1,700	\$62,500	\$134,600
143*	22 Plum Sound Rd.	J. Lyons	3,000 SF	\$70,400	0	\$61,900	\$132,300
144	24 Plum Sound Rd.	S. Moore	3,000 SF	\$70,400	0	\$82,400	\$152,800
145	28 Plum Sound Rd.	D. Rocco	3,000 SF	\$70,400	0	\$69,400	\$139,800

*denotes change in ownership since 1997

Parcel #	Address	Owner	Lot Area	Assessments			Total
				Land	Yard	Bldg	
146	30 Plum Sound Rd.	F. Davis	3,950 SF	\$72,900	0	\$71,500	\$144,400
147	27 Plum Sound Rd.	D. Blum	4,490 SF	\$101,900	0	\$44,400	\$146,300
148	25 Plum Sound Rd.	J. Burkiewicz	4,680 SF	\$102,600	0	\$62,500	\$165,100
149	23 Plum Sound Rd.	E. Goodwin	3,000 SF	\$70,400	0	\$72,500	\$142,900
150*	21 Plum Sound Rd.	J. Lyons	3,000 SF	\$70,400	0	\$84,800	\$155,200
151	19 Plum Sound Rd.	E. Raynard	3,750 SF	\$72,400	0	\$48,200	\$120,600
152	15 Plum Sound Rd.	I. Bettis	3,000 SF	\$70,400	0	\$66,100	\$136,500
153	13 Plum Sound Rd.	P. Lucas	3,000 SF	\$70,400	0	\$87,000	\$157,400
154	40 Middle Road	R. Veno	3,000 SF	\$70,400	0	\$80,500	\$150,900
155	43 Middle Road	A. Lowden	3,000 SF	\$96,500	0	\$78,400	\$174,900
156*	5 Plum Sound Rd.	B. Brennan	3,000 SF	\$96,500	0	\$49,800	\$146,300
157	3 Plum Sound Rd.	C. Story	3,000 SF	\$105,100	0	\$82,500	\$187,600
158	15 River Road	S. Tannahill	3,000 SF	\$105,100	0	\$57,300	\$162,400
159	11 River Road	E. Cowdrey	3,000 SF	\$105,100	0	\$78,100	\$183,200
160*	45 Middle Road	J. Berman	3,000 SF	\$96,500	0	\$78,200	\$174,700
161*	42 Middle Road	P. Sciple	3,000 SF	\$70,400	0	\$98,500	\$168,900
162	3 River Road	R. MacRae	3,000 SF	\$70,400	0	\$50,600	\$121,000
163	43 Hilltop Road	E. Demers	3,000 SF	\$96,500	0	\$149,800	\$246,300
164	2 River Road	E. Dever	3,500 SF	\$107,100	0	\$147,000	\$254,100
165	6 River Road	J. Kurnick	2,470 SF	\$103,000	0	\$141,200	\$244,200
166	10 River Road	L. Eaton	3,325 SF	\$106,400	0	\$97,400	\$203,800
167	12 River Road	F. O'Malley	3,000 SF	\$105,100	0	\$75,200	\$180,300
168	16 River Road	P. Merlino	7,820 SF	\$124,400	\$500	\$103,600	\$228,500
169*	2 Cliff Road	F. Koris	3,020 SF	\$105,200	0	\$115,200	\$220,400
170	4 Cliff Road	J. Farja	4,790 SF	\$112,300	0	\$78,000	\$190,300
171	6 Cliff Road	A. Rice	3,520 SF	\$107,200	0	\$74,600	\$181,800
172	8 Cliff Road	E. Sullivan	3,700 SF	\$107,900	0	\$52,200	\$160,100
173	10 Cliff Road	J. Duran	2,430 SF	\$102,900	0	\$48,000	\$150,900

*denotes change in ownership since 1997

Parcel #	Address	Owner	Lot Area	Assessments			Total
				Land	Yard	Bldg	
101A*	23 Baycrest Rd.	A. Neiler	3,000 SF	\$70,400	0	\$44,700	\$115,100
102A	17 Baycrest Rd.	J. Buckley	3,000 SF	\$70,400	0	\$149,300	\$219,700
116A	18 Kings Way	J. Connor	3,000 SF	\$70,400	0	\$64,900	\$135,300
118A	24 Kings Way	L. Varney	3,000 SF	\$70,400	0	\$55,200	\$125,600
41A*	14 Middle Road	W. Gotlieb	<u>4,900 SF</u>	<u>\$75,500</u>	<u>0</u>	<u>\$93,300</u>	<u>\$168,800</u>
TOTALS:			12.53± ac.	\$14,082,400	\$42,800	\$12,322,300	\$26,447,500

II. Leased Parcels - Vacant

Parcel #	Address	Owner	Lot Area	Assessments			Total
				Land	Yard	Bldg	
29A	Middle Road	E. Kaine	3,000 SF	\$19,300	0	0	\$19,300
66A	21 Bay Road	C. DiAmico	3,400 SF	\$19,700	0	0	\$19,700
78	Middle/Cove Road	F. Parker	2,400 SF	\$13,800	0	0	\$13,800
159A	River Road	A. Cowdrey	3,000 SF	<u>\$21,000</u>	<u>0</u>	<u>0</u>	<u>\$21,000</u>
TOTALS:				\$73,800	0	0	\$73,800

*denotes change in ownership since 1997

TABLE II

LOT INVENTORY/ASSESSMENT UNDER FEOFFEE'S OWNERSHIP

Parcel #	Lot Area	Assessments			Total
		Land	Yard	Bldg	
69	11 acres	\$333,100	\$63,100	\$84,200	\$480,400
6A	.4 acres	\$20,000	0	0	\$20,000
19	2,200 SF	\$20,400	\$4,700	0	\$25,100
36	3,960 SF	\$20,000	0	0	\$20,000
58	2,190 SF	\$68,200	0	0	\$68,200
73	6,000 SF	\$7,800	0	0	\$7,800
74	3,000 SF	\$14,100	0	0	\$14,100
88	3,000 SF	\$14,100	0	0	\$14,100
119	3,000 SF	\$14,100	0	0	\$14,100
101B	3,000 SF	\$14,100	0	0	\$14,100
102B	3,000 SF	\$14,100	0	0	\$14,100
103A	3,000 SF	\$14,100	0	0	\$14,100
109A	1,500 SF	\$19,800	0	0	\$19,800
124A	3,000 SF	\$14,100	0	0	\$14,100
134A	1,500 SF	\$19,800	0	0	\$19,800
141A	3,000 SF	\$14,100	\$2,100	0	\$16,200
144A	3,000 SF	\$14,100	0	0	\$14,100
152A	3,000 SF	\$14,100	0	0	\$14,100
153A	3,000 SF	\$14,100	0	0	\$14,100
158A	1,250 SF	\$19,600	0	0	\$19,600
165A	2,000 SF	\$20,200	0	0	\$20,200
166A	3,000 SF	\$21,000	0	0	\$21,000
166B	3,700 SF	\$21,600	0	0	\$21,600
169A	3,000 SF	\$19,300	0	0	\$19,300
23A	3,000 SF	\$21,000	0	0	\$21,000

Assessments					
Parcel #	Lot Area	Land	Yard	Bldg	Total
25A	3,000 SF	\$19,300	0	0	\$19,300
27A	3,000 SF	\$19,300	0	0	\$19,300
27B	3,380 SF	\$19,600	0	0	\$19,600
27C	3,360 SF	\$19,600	0	0	\$19,600
43A	4,360 SF	\$14,800	0	0	\$14,800
49A	2,915 SF	\$14,000	0	0	\$14,000
52A	3,875 SF	\$14,500	0	0	\$14,500
70A	3,000 SF	\$7,000	0	0	\$7,000
71A	3,000 SF	\$14,100	0	0	\$14,100
75A	4,120 SF	\$7,300	0	0	\$7,300
87A	3,000 SF	\$14,100	0	0	\$14,100
92A	3,000 SF	\$14,100	0	0	\$14,100
93A	3,000 SF	\$14,100	0	0	\$14,100
72	3,000 SF	\$70,000	0	\$60,500	\$130,900
Totals		\$1,049,100	\$69,000	\$144,700	\$1,263,700

Tabulation - F.Y. 2001 Assessment

Total Assessed Value - Leased Parcels With Improvements: \$26,447,500
 Total Assessed Value - Leased Parcels - Vacant: \$ 73,800
 Total Assessed Value - Feoffee's Ownership: \$ 1,263,700

TOTAL ASSESSED VALUE - SUBJECT PROPERTY: \$27,785,000

The above-outlined assessment for Fiscal Year 2001 indicates the following unit values:

- Total leased parcels with improvements: 168
- Average assessment per leased parcel (w/Cottage): \$157,425
- Average assessment per leased parcel - land only: \$83,823
- Average assessment per tenant-owned cottage: \$73,347
- Assessed value per leased acre: \$1,123,894

The total F.Y. 2001 assessment for the 168 leasehold parcels (\$14,082,400) indicates a 13.96% increase (approximately 3.33%/annually) over the F.Y. 1997 assessment (\$12,357,300). This assessment rate increase is *significantly* slower than the town-wide median residential value increase of 25.3± over the same period (1/1/97 - 1/1/00 for assessment purposes).

Based on the proposed mill rate of \$11.40/\$1,000 the total annual tax liability owing to the subject property is summarized as follows:

Property Component	Assessed Value	Annual Tax
Leasehold Parcels - Improved	\$26,447,500	\$301,501.50
Leasehold Parcels - Vacant	\$73,800	\$840.18
Fee-Owner-Owned Parcels	\$1,263,700	\$14,406.18
Total Real Estate Taxes (F.Y. 2001):		\$316,747.86

III. PROPERTY DESCRIPTION AND CURRENT USE

A. Site Description

The subject property comprises approximately 35 to 36± acres of coastal upland surrounded by the Ipswich River, Plum Island Sound, and Neck Cove. The oval shaped coastal drumlin is linked with the mainland by a low-lying, coastal causeway which extends southeasterly from an adjacent residential neighborhood known as *Great Neck*. The property's overall (extreme) dimensions are approximately 1,900± feet (east/west) by 1,200 feet north/south and a total navigable shore frontage on Plum Island Sound and the Ipswich River amounts to over 3,400 feet. Additional tide restricted frontage along Neck Cove (measured from Plum Sound Road to the community dock) totals approximately 1,220± feet.

There is no recorded perimeter survey of legal subdivision of the property and town assessor's maps have been used for reference and area calculations.

The interior of the property is traversed by a grid network of privately held, interior roads totaling approximately 9,700± feet. Though privately held, on February 17, 1995 (Essex County Book 12954), Page 10 the Feoffees of the Grammar School granted to the inhabitants of the Town of Ipswich a perpetual easement "over, along, in, through and under the paved roads and ways in that part of Ipswich known as Little Neck for the purposes of garbage and trash removal, recycling, snow removal and related activities, passage by school buses, fire, police, ambulance, and other municipal vehicles, maintenance, repair and improvement electrical power lines, poles, underground conduits, and any and all water distribution pipes, valves and fittings, and appurtenances thereto."


It is important to note that there has been no change in the legal status of the property since 1997 and the per parcel assessments do not reflect any *legal* subdivision of the property.

1. Sewage Disposal

The Town of Ipswich is currently evaluating the feasibility of extending municipal sewer service along Jeffrey's Neck Road to service the waterfront neighborhoods of *Great Neck* and *Little Neck*. The outcome of the Town's analysis cannot be ascertained at this time, though this prospect will likely affect a prospective buyers assessment of sewage disposal options, seasonal/year-round use options and ultimately, the market value of the property.



Legend:

 Closed Sale since 1997

Notes:

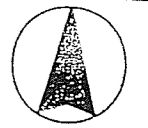
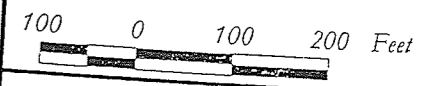
Project Number: 3200

Date: January 5, 2001

Sales Activity

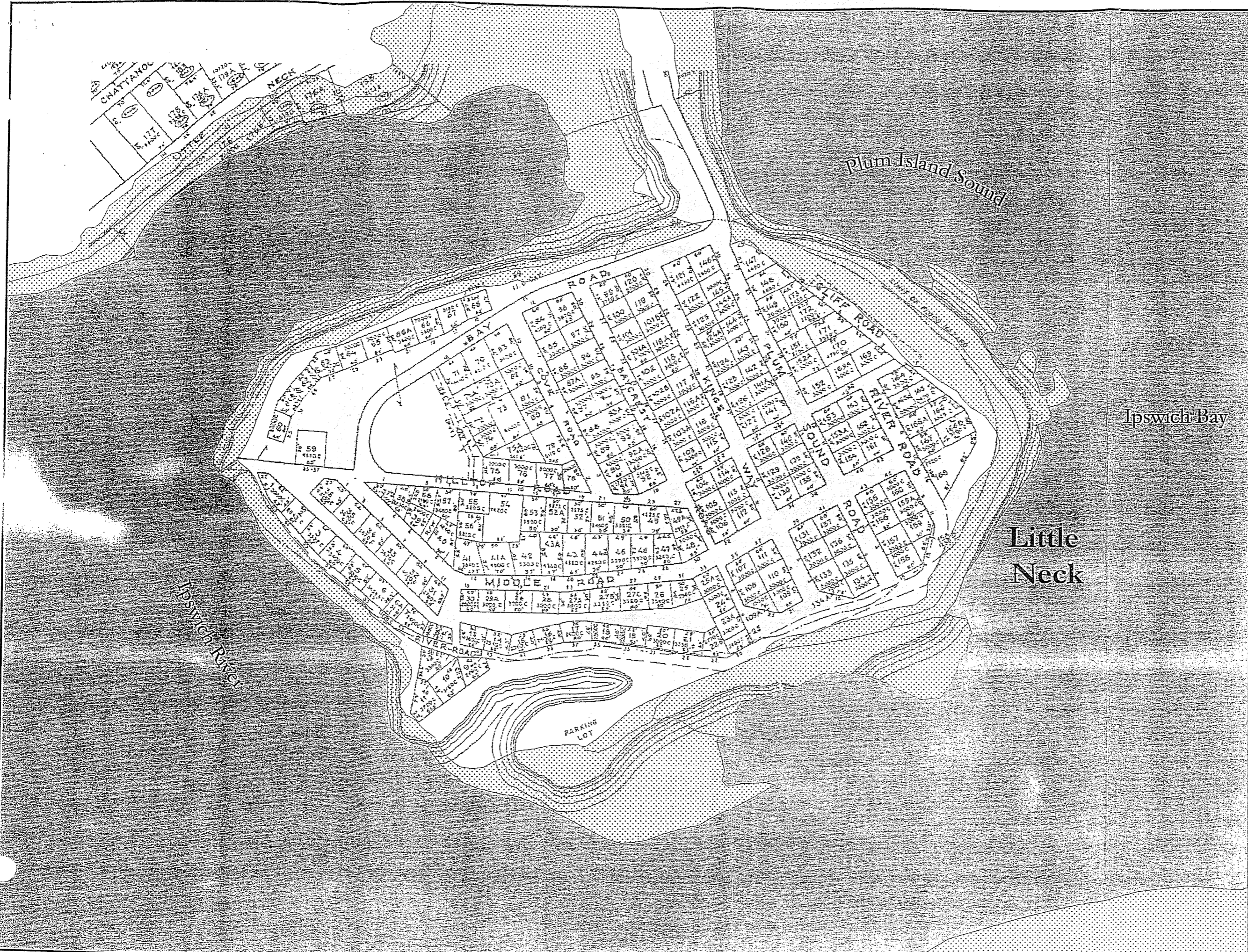
Little Neck Estate
Ipswich, Massachusetts



Scale: 1" = 200'



This plan is conceptual only and is not represented as an engineered plan.

LandVest
Ten Post Office



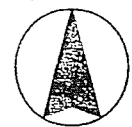
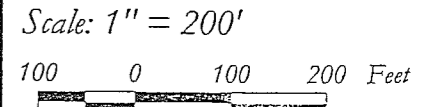
- Legend:**
-  Wetlands
 -  Open Water

Project Number: 3200

Date: January 5, 2001

Base Plan

Little Neck Estate
Ipswich, Massachusetts



This plan is conceptual only and is not represented as an engineered plan.



Legend:

Notes:

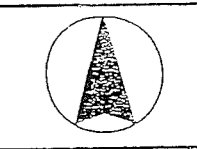
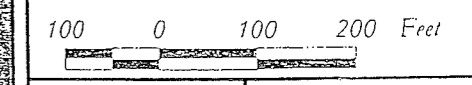
Project Number: 3200

Date: January 5, 2001

Base Plan Orthophotograph

Little Neck Estate
Ipswich, Massachusetts

Scale: 1" = 200'



This plan is conceptual only and is not represented as an engineered plan.

As part of an on-going analysis of the adequacy of the *existing* on-site sewage disposal systems, H.L. Graham Associates of Ipswich was retained in 1999 to perform individual Title V inspections for all of the 168 residential septic systems/cesspools serving the existing cottages. The system serving the community center building was also inspected. Of 169 systems inspected, only 3 conventional systems passed. These systems are located at 27 Bay Road (Tax Parcel 63), 45 Middle Road (Tax Parcel 160) and 23 Bay Road (Tax Parcel 65). Three additional dwellings currently served by tight tanks passed a Title V inspection. The six parcels which passed Title V inspection have, since the 1997 appraisal, been permitted for year-round occupancy. This brings the total to 24 year-round cottages.

The vast majority of the inspection failures were due to older cesspools located in groundwater. Five "systems" were found to involve direct overboard discharge to the tidal waters of Plum Island Sound or the Ipswich River. All have been repaired under an emergency remediation order issued by DEP.

Barring the extension of municipal sewer main (highly speculative as of the date of this report), the most feasible remedy for compliant sewage disposal calls for the installation of 2,500 gallon "tight tanks" for each of the failed properties.

Representatives at Graham Associates indicated the *average* anticipated cost for tight tank installation (materials and labor) amounts to approximately \$15,000 per unit. **Thus, the total amount for the 163 required tight tanks (including the community center) amounts to approximately \$2,445,000.**

Individual tenants would subsequently be billed at a rate of \$.09 per gallon for scheduled pump out.

2. Current Use-Tenancy at Will

As noted in LandVest's 1997 advisory report, the Little Neck property is the subject of an annually-renewable land rental agreement which permits each homeowner to occupy their cottages between April 1 and November 30 of each year. With the exception of cottages grandfathered in 1966 and those recently permitted to allow for year-round occupancy, the balance of the cottages may be occupied only within the designated eight month season.

Under current rental terms, individual parcel rents are assessed equally throughout the property. Following rent increased since LandVest's 1997 valuation, 144 tenants pay \$2,240 annually for seasonal use and 24 year-round tenants pay \$2,520. Thus,

IV. HIGHEST AND BEST USE ANALYSIS

The Highest and Best Use of real property is defined as:

The reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and results in the highest value.³

In estimating the Highest and Best Use, there are four essential factors to analyze:

- | | |
|--|---|
| A. <i>Physically Possible:</i> | The uses which the subject property can physically support; |
| B. <i>Legally Permissible:</i> | The uses which are permitted by zoning and other land use regulations affecting the subject property; |
| C. <i>Financially Feasible:</i> | The possible and permissible uses that will produce any net return to the owner of the subject property; and |
| D. <i>Maximally Productive:</i> | Among the feasible uses, the use that is consistent with the market expectations and that will produce the highest net return or the highest present worth. |

The Highest and Best Use analysis involves consideration of existing land use regulations, any *reasonably probable* modifications to those regulations, the subject's physical adaptability, and economic demand for the physically and legally permissible uses of the subject property type. This analysis also accounts for prevailing market trends, established neighborhood development patterns, and aesthetic issues impacting market demand.

It should be stressed that the Highest and Best Use analysis is used in this report as a tool to determine that use which will yield the highest value for the property. It does not mean this is the only application for which the property may be used; nor is it a recommendation that the property be developed.

³Dictionary of Real Estate Appraisal, American Institute of Real Estate Appraisers, Chicago, Illinois, 3rd printing, 1987; Page 152.

V. REAL ESTATE MARKET ANALYSIS

Table 1 on the following page summarizes market trends in real estate sales volume and median residential value in both Ipswich and surrounding communities from 1997 through October 2000.

As outlined above, the median residential home price in Ipswich has increased a total of 48.76±% from 1997 through two quarters of 2000. This trend indicates average annual appreciation of approximately 17.7%, supported in large part by a dramatic spike in 2000 (20.7%) on significantly declining sales volume.

A. Little Neck Sales Activity

Exhibit A on the following page of this report provides a tabular summary of sales activity occurring on Little Neck since LandVest's 1997 appraisal. It should be noted that this table does not account for several intra-family transfers occurring within the update.

The 10 sales occurred between February 27, 1998 and November 15, 2000 with prices ranging between \$85,000 and \$345,000. Prices for square foot of gross building area exhibit a wide range of value between \$41.18 and \$156.81.

The location of each of the sales is illustrated on the Sales Activity Map (two pages forward).

Based on a review of apportionment of *assessed* land/building value, indicate a range of land value (as though held in fee simple) ranges between \$65,000 and \$150,000. These sales occurring over the update period indicate an average increase of approximately 30-35±% from similarly classified land value estimates per LandVest's 1997 appraisal.

The 10 sales outlined in the preceding *Exhibit A* indicate an average selling price of \$197,600. This represents an approximate 48% increase from the *average* selling price derived from 17 Little Neck Sales per LandVest's 1997 Advisory Report. This rate falls only slightly above the 34.22% median residential value increase indicated between January 1998 and October 2000. The collective aggregate sales price amounts to \$1,976,000. The aggregate *assessed* value (proposed for Fiscal 2001) amounts to \$1,711,100, indicating a 15.5±% *under assessment* on average. The most striking exceptions to this selling/assessed value trend are Sales LN-1, which sold at approximately 32% *below* assessed value and Sale LN-9, which sold at over 90% *over* assessed value.

B. Market Value Estimate - Condominium Conversion

As outlined in LandVest's 1997 report, Planning Option C assumes condominium ownership of the land underlying the existing cottages. All land outside the individual building "footprints" would be considered common land and the property's would be assessed as units with apportioned association dues. Under this planning option, the 168 unit density would be made legal and eligible for bank financing without the need for any formal approval at the state or local level.

Based on a review of local and real estate market trends since 1997 and with specific reference to the 12 value tiers delineated in LandVest's 1997 report, land unit pricing has been appreciated at a rate of 40% over the subject update period. Selected rate falls below the town-wide median residential rate for *fee simple* residential properties but significantly above the conservative town-wide appreciation rate and just over 4% for condominium value trends over the update period.

The initial financial analysis of the subject property as a condominium conversion assumes outside sale to a disinterested third party buyer. *Table I* on the following page of this report provides a two page discounted cash flow analysis of the property's market value to an outside buyers. Aggregate land unit value amounts to \$18,102,000 with an anticipated absorption period of four years with 4% annual appreciation projected. **In accordance with this analysis, it is my opinion that the property's market value to a third party buyer as of December 1, 2000 amounts to \$7,700,000 or \$45,833 per unit.**

Table I

DISCOUNTED CASH FLOW ANALYSIS - Little Neck Estate
Condominium Conversion - 168 Unit Density Market Value to Outside Buyer

Project: Little Neck Estate - Ipswich, MA
Date: December, 2000

SALES ASSUMPTIONS				SALES SCHEDULE (UNIT)									
	#Units	Unit Value	Subtotal	YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8	TOTAL	
			(*)										
I:	Exceptional View/frontage	4	\$195,000	\$780,000	2	1	1	0	0	0	0	4	
II:	Front Row - Plum Island Sound	7	\$180,000	\$1,260,000	1	1	2	3	0	0	0	7	
III:	Front Row - Neck Cove/Prime	2	\$175,000	\$350,000	1	0	1	0	0	0	0	2	
IV:	Front Row - Neck Cove/Average	7	\$125,000	\$875,000	1	2	2	2	0	0	0	7	
V:	Front Row - Ipswich River/Prime	4	\$175,000	\$700,000	1	1	1	1	0	0	0	4	
VI:	Front Row - Ipswich River/Average	19	\$145,000	\$2,755,000	4	4	4	7	0	0	0	19	
VII:	Interior - Excellent View	24	\$112,000	\$2,686,000	8	8	5	3	0	0	0	24	
VIII:	Interior - Good View	33	\$98,000	\$3,234,000	10	10	10	3	0	0	0	33	
IX:	Interior - Average View	35	\$90,000	\$3,150,000	10	10	10	5	0	0	0	35	
X:	Interior - Marginal View	33	\$70,000	\$2,310,000	8	8	8	9	0	0	0	33	
XI:		0	\$0	\$0	0	0	0	0	0	0	0	0	
XII:		0	\$0	\$0	0	0	0	0	0	0	0	0	
XIII:		0	\$0	\$0	0	0	0	0	0	0	0	0	
XIV:		0	\$0	\$0	0	0	0	0	0	0	0	0	
XV:		0	\$0	\$0	0	0	0	0	0	0	0	0	
TOTAL					46	45	44	33	0	0	0	168	
				APPRECIATION :	4.0%	4.0%	4.0%	4.0%	4.0%	3.5%	3.5%	3.5%	

COST ASSUMPTIONS				COST SCHEDULE (%)									
	Size/Length	Unit Cost	Subtotal	1YR	2YR	3YR	4YR	5YR	6YR	7YR	8YR	TOTAL	
			(*)										
DIRECT COSTS													
			\$60,000	80%	10%	10%	0%	0%	0%	0%	0%	100%	
			\$5,000	80%	20%	0%	0%	0%	0%	0%	0%	100%	
			\$60,000	80%	10%	0%	0%	0%	0%	0%	0%	100%	
	168	750	\$126,000	27%	28%	26%	21%	0%	0%	0%	0%	100%	
			\$50,000	90%	10%	0%	0%	0%	0%	0%	0%	100%	
	163	15,000	\$2,445,000	40%	30%	20%	10%	0%	0%	0%	0%	100%	
			\$0	20%	40%	40%	0%	0%	0%	0%	0%	100%	
			\$10,000	40%	60%	0%	0%	0%	0%	0%	0%	100%	
			\$0	40%	60%	0%	0%	0%	0%	0%	0%	100%	
	0	\$0	\$0	100%	0%	0%	0%	0%	0%	0%	0%	0%	
			\$0	20%	80%	0%	0%	0%	0%	0%	0%	0%	
			\$0	40%	60%	0%	0%	0%	0%	0%	0%	0%	
	0	\$0	\$0	90%	10%	0%	0%	0%	0%	0%	0%	0%	
	0	\$0	\$0	20%	30%	50%	0%	0%	0%	0%	0%	100%	
		2.00%	\$55,120										
CPI				0.0%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%		
SUB-TOTAL:			\$2,811,120										
INDIRECT COSTS													
			\$50,000	50%	50%	0%	0%	0%	0%	0%	0%	100%	
		15.00%	\$2,715,300										
			\$7.98										
			\$0.00										
			\$724,080										
		1.50%	\$271,530	30%	30%	40%	0%	0%	0%	0%	0%	100%	
		0.20%	\$6,204	30%	30%	40%	0%	0%	0%	0%	0%	100%	
		0.10%	\$18,102	30%	30%	40%	0%	0%	0%	0%	0%	100%	
		1.00%	\$38,315										
CPI				0.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%		
SUB-TOTAL:			\$3,869,810										
TOTAL :			\$6,880,930										

Discounted Cash Flow Analysis

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DCF - PLAN A
168 - Unit Condominium Conversion

Project: Little Neck Estate
Date: December, 2000

	Closing	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Totals
SALES PROCEEDS :										
Total Lots (Beginning of Year)	168	168	122	77	33	0	0	0	0	
Lots/Unit Sold	0	46	45	44	33	0	0	0	0	168
Gross Sales Price	\$0	\$3,641,040	\$4,904,640	\$4,924,400	\$3,837,600	\$0	\$0	\$0	\$0	\$17,307,680
Cum. Gross Sales Price	\$0	\$3,641,040	\$8,545,680	\$13,470,080	\$17,307,680	\$17,307,680	\$17,307,680	\$17,307,680	\$17,307,680	
DEVELOPMENT COSTS :										
DIRECT COSTS :										
Engineering - Approvals, Plan Prep.	\$0	\$48,000	\$6,180	\$6,396	\$0	\$0	\$0	\$0	\$0	\$60,576
Application Fees	\$0	\$4,000	\$1,030	\$0	\$0	\$0	\$0	\$0	\$0	\$5,030
Legal Fees - Declaration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Legal Fees Closings	\$0	\$34,020	\$33,743	\$34,924	\$29,195	\$0	\$0	\$0	\$0	\$131,882
Road Improvements	\$0	\$45,000	\$5,150	\$0	\$0	\$0	\$0	\$0	\$0	\$50,150
Tight Tanks	\$0	\$978,000	\$755,505	\$521,298	\$269,772	\$0	\$0	\$0	\$0	\$2,524,575
Road Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Wellands	\$0	\$4,000	\$8,180	\$0	\$0	\$0	\$0	\$0	\$0	\$10,180
Waterline Extension	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Upgrade Access Road	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fire Protection	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Contingency	\$0	\$22,260	\$16,158	\$11,252	\$6,979	\$0	\$0	\$0	\$0	\$55,648
Total Direct Costs:	\$0	\$1,135,280	\$823,944	\$573,871	\$304,948	\$0	\$0	\$0	\$0	\$2,838,041
INDIRECT COSTS :										
Project Management	\$0	\$25,000	\$25,000	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000
Developer's Profit	\$0	\$546,166	\$735,696	\$738,660	\$575,640	\$0	\$0	\$0	\$0	\$2,596,152
Real Estate Taxes - Phase I	\$0	\$316,747	\$181,291	\$81,396	\$24,419	\$0	\$0	\$0	\$0	\$603,853
Sales Commission	\$0	\$145,642	\$196,186	\$196,976	\$153,504	\$0	\$0	\$0	\$0	\$692,307
Advertising Expense	\$0	\$81,459	\$83,903	\$115,786	\$0	\$0	\$0	\$0	\$0	\$281,148
Insurance	\$0	\$7,282	\$9,809	\$9,849	\$7,675	\$0	\$0	\$0	\$0	\$34,615
Accounting/ Administration	\$0	\$3,641	\$4,905	\$4,924	\$3,938	\$0	\$0	\$0	\$0	\$17,308
Contingency	\$0	\$11,259	\$12,368	\$11,476	\$7,651	\$0	\$0	\$0	\$0	\$42,754
Total Indirect Costs:	\$0	\$1,137,186	\$1,249,157	\$1,159,067	\$772,726	\$0	\$0	\$0	\$0	\$4,318,137
TOTAL COSTS :	\$0	\$2,272,466	\$2,073,101	\$1,732,938	\$1,077,673	\$0	\$0	\$0	\$0	\$7,156,178
NET CASH PROCEEDS BEFORE DEBT	\$0	\$1,368,674	\$2,831,539	\$3,191,462	\$2,759,927	\$0	\$0	\$0	\$0	\$10,151,502
Loan Proceeds	\$1,405,560									
Construction Loan Fee	\$33,405									
Release Payments	\$0	\$500,312	\$489,436	\$415,812	\$0	\$0	(\$1)	\$0	\$0	\$1,405,560
Interest Payments	\$0	\$132,871	\$75,961	\$23,909	(\$0)	(\$0)	(\$0)	\$0	\$0	\$232,741
NET PROCEEDS AFTER DEBT SERVICE	\$1,372,155	\$735,390	\$2,266,142	\$2,751,741	\$2,759,927	\$0	\$1	\$0	\$0	\$9,885,356
DISCOUNT FACTOR (PW @ 11.00%)	1.0000	0.9009	0.8116	0.7312	0.6587	0.5935	0.5346	0.4817	0.4339	
PRESENT VALUE	\$1,372,155	\$662,513	\$1,839,252	\$2,012,049	\$1,818,050	\$0	\$0	\$0	\$0	\$7,704,020
CUMMULATIVE PRESENT VALUE:										\$7,704,020

Discounted Cash Flow Analysis

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C. Property Valuation - Investment Value to Current Tenancy

Table II on the following pages of this report provides a discounted cash flow analysis of the subject property under an assumed buyout of the subject property by the current tenancy. In this *investment value* analysis, developer profit allowances and cost of resale allowances have been eliminated as reduced to reflect a captive buyer pool and market cohesiveness owing to a sense of owner control over the property's disposition. All unit pricing, internal absorption and line item development expenses remain the same.

In accordance with this analysis, the estimated *investment value* to the current tenancy amounts to:

\$10,290,000

TEN MILLION TWO HUNDRED NINETY THOUSAND DOLLARS

Table II:

DISCOUNTED CASH FLOW ANALYSIS - Little Neck Estate
 Condominium Conversion - 188 Unit Density Investment Value to Tenancy

Project: Little Neck Estate - Ipswich, MA
 Date: December, 2000

SALES ASSUMPTIONS				SALES SCHEDULE (UNIT)								
	#Units	Unit Value	Subtotal	YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8	TOTAL
			(')									
I:	Exceptional View/Frontage	4	\$195,000	2	1	1	0	0	0	0	0	4
II:	Front Row - Plum Island Sound	7	\$180,000	1	1	2	3	0	0	0	0	7
III:	Front Row - Neck Cove/Prime	2	\$175,000	1	0	1	0	0	0	0	0	2
IV:	Front Row - Neck Cove/Average	7	\$125,000	1	2	2	2	0	0	0	0	7
V:	Front Row - Ipswich River/Prime	4	\$175,000	1	1	1	1	0	0	0	0	4
VI:	Front Row - Ipswich River/Average	19	\$145,000	4	4	4	7	0	0	0	0	19
VII:	Interior - Excellent View	24	\$112,000	8	8	5	3	0	0	0	0	24
VIII:	Interior - Good View	33	\$98,000	10	10	10	3	0	0	0	0	33
IX:	Interior - Average View	35	\$90,000	10	10	10	5	0	0	0	0	35
X:	Interior - Marginal View	33	\$70,000	8	8	8	9	0	0	0	0	33
XI:		0	\$0	0	0	0	0	0	0	0	0	0
XII:		0	\$0	0	0	0	0	0	0	0	0	0
XIII:		0	\$0	0	0	0	0	0	0	0	0	0
XIV:		0	\$0	0	0	0	0	0	0	0	0	0
XV:		0	\$0	0	0	0	0	0	0	0	0	0
TOTAL			168	\$18,102,000	46	45	44	33	0	0	0	168
APPRECIATION				4.0%	4.0%	4.0%	4.0%	4.0%	3.5%	3.5%	3.5%	

COST ASSUMPTIONS				COST SCHEDULE (%)								
	Size/Length	Unit Cost	Subtotal	1YR	2YR	3YR	4YR	5YR	6YR	7YR	8YR	TOTAL
			(')									
DIRECT COSTS												
Engineering/Site Plan Preparation			\$60,000	80%	10%	10%	0%	0%	0%	0%	0%	100%
Application Fees (local & State)			\$5,000	80%	20%	0%	0%	0%	0%	0%	0%	100%
Legal Fees - Condo Declaration			\$60,000	90%	10%	0%	0%	0%	0%	0%	0%	100%
Legal Fees - Closings	168	750	\$126,000	27%	26%	28%	21%	0%	0%	0%	0%	100%
Road Improvements			\$50,000	90%	10%	0%	0%	0%	0%	0%	0%	100%
Tight Tank Installation	163	15,000	\$2,445,000	40%	30%	20%	10%	0%	0%	0%	0%	100%
Road Improvements (new & upgrade)			\$0	20%	40%	40%	0%	0%	0%	0%	0%	100%
Wetland Delineation/NOI			\$10,000	40%	60%	0%	0%	0%	0%	0%	0%	100%
Water Service			\$0	40%	60%	0%	0%	0%	0%	0%	0%	100%
Soil Testing/Septic Systems	0	\$0	\$0	100%	0%	0%	0%	0%	0%	0%	0%	0%
Fire Pond with dry-hydrant			\$0	20%	80%	0%	0%	0%	0%	0%	0%	0%
Envelope Clearing (1/4 acre)			\$0	40%	60%	0%	0%	0%	0%	0%	0%	0%
Legal - Initial Approvals	0	\$0	\$0	90%	10%	0%	0%	0%	0%	0%	0%	0%
Legal Fees (Conveyance @ \$750 per Unit)	0	\$0	\$0	20%	30%	50%	0%	0%	0%	0%	0%	100%
Contingency (% of Direct Costs)		2.00%	\$55,120									
CPI				0.0%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	
SUB-TOTAL:			\$2,811,120									
INDIRECT COSTS												
Project Management			\$50,000	50%	50%	0%	0%	0%	0%	0%	0%	100%
Developer's Profit		0.00%	\$0									
R.E. Taxes (per \$100 of Reassessment @ 70% FMV)		\$7.98	16,279									
Phase II R.E. Taxes (per \$1000 of Reassessment)		\$0.00	0									
Sales Commission (% of Gross Sales)		0.00%	\$0									
Advertising/Marketing Expense (% of Gross Sales)		1.50%	271,530	30%	30%	40%	0%	0%	0%	0%	0%	100%
Insurance		0.20%	36,204	30%	30%	40%	0%	0%	0%	0%	0%	100%
Accounting/ Administration		0.10%	18,102	30%	30%	40%	0%	0%	0%	0%	0%	100%
Contingency (% of Indirect Costs)		1.00%	\$3,921									
CPI				0.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	
SUB-TOTAL:			\$398,036									
TOTAL :			\$3,207,156									

BANK FINANCING

Prime Rate		9.50%
Interest Rate - Prime + 2.00%		11.50%
% Land Costs		0.0%
% Development Costs (Direct)		50.0%
Release Payments (% of Net Cash Proceeds)		100.0%
Construction Loan Fee		1.0%
Discount Rate:		11.00%

DCF - PLAN A
168 - Unit Condominium Conversion

Project: Little Neck Estate
Date: December, 2000

	Closing	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Totals
SALES PROCEEDS :										
Total Lots (Beginning of Year)	168	168	122	77	33	0	0	0	0	
Lots/Unit Sold	0	46	45	44	33	0	0	0	0	168
Gross Sales Price	\$0	\$3,641,040	\$4,904,640	\$4,924,400	\$3,837,600	\$0	\$0	\$0	\$0	\$17,307,680
Cum. Gross Sales Price	\$0	\$3,641,040	\$8,545,680	\$13,470,080	\$17,307,680	\$17,307,680	\$17,307,680	\$17,307,680	\$17,307,680	

DEVELOPMENT COSTS :

DIRECT COSTS :

Engineering - Approvals, Plan Prep.	\$0	\$48,000	\$6,180	\$6,396	\$0	\$0	\$0	\$0	\$0	\$60,576
Application Fees	\$0	\$4,000	\$1,030	\$0	\$0	\$0	\$0	\$0	\$0	\$5,030
Legal Fees - Declaration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Legal Fees Closings	\$0	\$34,020	\$33,743	\$34,924	\$29,195	\$0	\$0	\$0	\$0	\$131,882
Road Improvements	\$0	\$45,000	\$5,150	\$0	\$0	\$0	\$0	\$0	\$0	\$50,150
Tight Tanks	\$0	\$978,000	\$755,505	\$521,298	\$269,772	\$0	\$0	\$0	\$0	\$2,524,575
Road Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Wellands	\$0	\$4,000	\$6,180	\$0	\$0	\$0	\$0	\$0	\$0	\$10,180
Waterline Extension	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Upgrade Access Road	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fire Protection	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Contingency	\$0	\$22,260	\$16,156	\$11,252	\$5,979	\$0	\$0	\$0	\$0	\$55,648
Total Direct Costs:	\$0	\$1,135,280	\$823,944	\$573,871	\$304,946	\$0	\$0	\$0	\$0	\$2,838,041

INDIRECT COSTS :

Project Management	\$0	\$25,000	\$25,000	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000
Developer's Profit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Real Estate Taxes - Phase I	\$0	\$316,747	\$181,291	\$81,396	\$24,419	\$0	\$0	\$0	\$0	\$603,853
Sales Commission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Advertising Expense	\$0	\$81,459	\$83,903	\$115,786	\$0	\$0	\$0	\$0	\$0	\$281,148
Insurance	\$0	\$7,282	\$9,809	\$9,849	\$7,675	\$0	\$0	\$0	\$0	\$34,615
Accounting/ Administration	\$0	\$3,641	\$4,905	\$4,924	\$3,838	\$0	\$0	\$0	\$0	\$17,308
Contingency	\$0	\$4,341	\$3,049	\$2,120	\$359	\$0	\$0	\$0	\$0	\$9,869
Total Indirect Costs:	\$0	\$438,470	\$307,957	\$214,075	\$36,291	\$0	\$0	\$0	\$0	\$996,793

TOTAL COSTS :

	\$0	\$1,573,751	\$1,131,900	\$787,945	\$341,237	\$0	\$0	\$0	\$0	\$3,834,834
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NET CASH PROCEEDS BEFORE DEBT

	\$0	\$2,067,289	\$3,772,740	\$4,136,455	\$3,496,363	\$0	\$0	\$0	\$0	\$13,472,846
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Loan Proceeds \$1,405,560
Construction Loan Fee \$16,036
Release Payments \$0
Interest Payments \$0

	\$1,405,560	\$16,036	\$0	\$0	\$0	\$0	(\$1)	\$0	\$0	\$1,405,560
	\$0	\$500,312	\$489,436	\$415,812	\$0	\$0	(\$0)	\$0	\$0	\$1,405,560
	\$0	\$132,871	\$75,961	\$23,909	(\$0)	(\$0)	(\$0)	\$0	\$0	\$232,741

NET PROCEEDS AFTER DEBT SERVICE

	\$1,389,524	\$1,434,105	\$3,207,343	\$3,696,733	\$3,496,363	\$0	\$1	\$0	\$0	\$13,224,069
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DISCOUNT FACTOR
(PW @ 11.00%)

	1.0000	0.9009	0.8116	0.7312	0.6587	0.5935	0.5346	0.4817	0.4339	
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PRESENT VALUE

	\$1,389,524	\$1,291,987	\$2,603,151	\$2,703,020	\$2,303,163	\$0	\$0	\$0	\$0	\$10,290,845
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CUMMULATIVE PRESENT VALUE:

\$10,290,845

ROUNDED: \$10,290,000

NET CASH PROCEEDS: \$13,224,069
LESS LAND VALUE: \$10,290,000
DISCOUNT: \$2,934,069
LINE ITEM PROFIT: \$0
(From Above)
TOTAL PROFIT: \$2,934,069
(% GROSS SALES): 16.95%

Discounted Cash Flow Analysis

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Appendix

JAMES E. MONAHAN

Associate Director, Real Estate Consulting Group, LandVest, Inc.

James E. Monahan is the Associate Director with the Real Estate Consulting Group of LandVest, a broad-based real estate company involved in all aspects of land planning, real estate brokerage, broad-scope consulting, development, and conservation planning. As Associate Director, he is responsible for oversight and management of residential and commercial real property appraisals, development feasibility studies, land use planning and design, conservation planning and implementation of limited development projects. Mr. Monahan's specific area of expertise involves the design, valuation and implementation of multi-use disposition plans for privately-held land in the context of generational asset/estate planning.

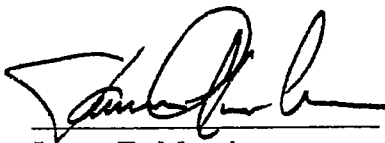
Prior to joining the firm in 1989, Mr. Monahan was Project Manager with the Massachusetts Department of Environmental Management where his responsibilities included design and engineering studies, contract documents, and construction management on a variety of projects including site design for the restoration of Walden Pond Reservation in Concord, acquisition and site planning for Halibut Point State Park, and site design for the expansion of Ashland State Park. Additionally, as co-founder of Landforms, Inc., he has worked as a design/build consultant on various residential and commercial design projects throughout Boston's North Shore.

Mr. Monahan received a Bachelor of Arts degree in Liberal Arts from St. Anselm's College, Manchester, New Hampshire in 1982 and a Master of Arts degree in Landscape Design from the Conway School of Design in 1985. He is a Certified General Appraiser in the state of Massachusetts (CG-#3481) and is a current candidate for the MAI designation, a commercial appraisal designation awarded by the Appraisal Institute.

CERTIFICATION OF VALUE

I hereby certify that:

1. I have made a personal inspection of the property that is the subject of this report.
2. To the best of my knowledge and belief, the statements of fact and the opinions contained in this report are true and correct.
3. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
4. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
5. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
6. This appraisal was not based on a requested minimum valuation, specific valuation or approval of a loan.
7. I am a candidate for the MAI designation from the Appraisal Institute. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of The Appraisal Institute, as well as the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation. I am currently licensed as a Certified General Appraiser in Massachusetts (CG-3481) and Maine (CG 1289).
8. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
9. No one provided significant professional assistance to the person(s) signing this report.

Appraiser:  Date: 1/4/01
James E. Monahan