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LandVest®

APPRAISAL REPORT

Feoffees Of The Grammar School Property
Ipswich, Massachusetts

Located at:
Little Neck Estate
Ipswich, Massachusetts 01938

Effective Valuation Date:
December 16, 2005

Report Date:
January 6, 2006

Requested by:
Alexander B. C. Mulholland, Jr., Chairman
Feoffees of the Grammar School
PO Box 790
Ipswich, MA 01938

Prepared by:
Slater W. Anderson, Project Manager
Real Estate Consulting Group
LandVest, Inc.
Ten Post Office Square
Boston, MA 02109

Report #4539



REGIONAL OFFICES

January 6, 2006

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Portland, ME 04101
Telephone 207 774-8518
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22 Bayview Street
P.O. Box 1262
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4A Tracy Road
P.O. Box 1068
Northeast Harbor, ME 04662
Telephone 207 276-3840
Fax 207 276-3837

126 College Street
Burlington, VT 05401
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One The Green
Woodstock, VT 05091
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19 South Summer Street
P.O. Box 459
Martha's Vineyard
Edgartown, MA 02539
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16 Centre Street
Concord, NH 03301
Telephone 603 228-2020
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Alexander B. C. Mulholland, Jr., Chairman
Feoffees of the Grammar School
PO Box 790
Ipswich, MA 01938.

RE: *Appraisal Report Update*
"Little Neck Estate" - Ipswich, Massachusetts

Dear Mr. Mulholland:

In accordance with your request, we have re-inspected the above-referenced real property generally known as the *Little Neck Estate* in Ipswich, southern Essex County, Massachusetts for the purposes of providing the Feoffees of the Grammar School in Ipswich with an updated opinion of the property's *Market Value*.

The attached document represents a "complete appraisal" within a USPAP-compliant Restricted Use Report format. The attached report includes updated opinions regarding the subject property's market value to a third party buyer and investment value assuming purchase by the currant tenancy. The attached appraisal constitutes an update of LandVest's original real estate advisory report dated April 15, 1997 and update reports as of December 1, 2000 and February 13, 2004. The previous reports are included herein by reference.

Based on our inspections, research and analyses, it is our opinion that as of December 16, 2004 (date of most recent inspection) that the market value of a fee simple interest in the subject property, assuming a condominium conversion of the underlying land was:

Market Value - Third Party Buyer:	\$10,800,000
Investment Value - To Current Tenancy:	\$13,400,000

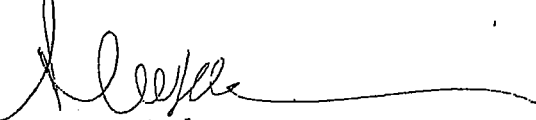
Alexander B. C. Mulholland, Jr., Chairman

January 6, 2006

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Additional documentation in support of the above-outlined value opinions is provided within the attached report, respectfully submitted for your review.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Slater W. Anderson', with a long horizontal flourish extending to the right.

Slater W. Anderson

Project Manager

Real Estate Consulting Group

LandVest, Inc.

(MA Gen. Cert. #70909)

APPRAISAL REPORT

1. Report Type:

USPAP-complaint, *Restricted-Use* appraisal report intended for Client use only.

2. Intended Use of Appraisal:

This appraisal report is intended for use by the Feoffees of the Grammar School in Ipswich, Massachusetts and authorized assigns to facilitate an internal accounting of Market Value and a review on-going management/disposition options.

3. Property Identification:

The subject property is *generally* located at the end of Jeffrey's Neck Road in the easterly portion of the Town of Ipswich. The address is commonly referred to as the *Little Neck Estate* (Ipswich Assessor's Map 24C). As of the effective valuation date, Fee Simple Title of the subject property vested in The Feoffees of the Grammar School in Ipswich, c/o Donald Whiston.

4. Property Interest Appraised:

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

5. Purpose of Appraisal:

The purpose of this appraisal is to provide the Client with updated opinions regarding the *Highest and Best Use* and *Market Value* to a third party buyer. The property's *Investment Value* to the current tenancy is included. *Highest and Best Use, Market Value* and *Investment Value* are defined as follows.

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

Highest and Best Use of real estate 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.²

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.³*

Investment Value is defined as:

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.⁴

This document represents a re-appraisal of the subject property. LandVest's original summary-format appraisal report with an effective valuation date of April 15, 1997 and Restricted-Use update reports with effective valuation dates of December 1, 2000 and February 13, 2004 are incorporated herein by reference. As of February 13, 2004, the subject property's *Market Value* to a third party buyer was estimated at \$10,700,000 and its *Investment Value* to the

²Dictionary of Real Estate Appraisal, American Institute of Real Estate Appraisers, Chicago, Illinois, 3rd printing, 1987; Page 152.

³The Uniform Standards of Professional Appraisal Practice (USPAP): The Appraisal Foundation, 1997.

current tenancy was estimated at \$13,800,000.

6. Effective Valuation Date:

The subject property was most recently inspected by Slater W. Anderson on December 16, 2005. The inspection date serves as the effective valuation date of this re-appraisal.

7. Report Date:

January 6, 2006

8. Scope of Analysis:

In consideration of the intended use/users of the report and in accordance with our agreement, LandVest's *Market Value* opinion is set forth in a *Restricted Use Appraisal Report* prepared and delivered in full conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) Standards Rule 2-2(c) and 8-2(c). This appraisal is intended for client use only and the full extent of the valuation process cannot be fully understood without a review of additional documentation contained in LandVest's original/previous appraisal reports and the appraiser's current working file. This report is not intended for third party use and the appraiser is not responsible for unauthorized use of this report.

The specific scope of analysis involved a review of: The subject property's title ownership and history; Pertinent land use regulations governing legal use; Consideration of the subject property's local and regional market position; Real estate market supply/demand trends and pricing as of the effective valuation date; and, updated information regarding sewage disposal solution.

9. Property Identification and Description:

The subject property comprises a total of approximately 211 individually-assessed parcels of land with leasehold improvements occupying 35 to 36± acres of coastal upland surrounded by the Ipswich River, Plum Island Sound and Neck Cove in the easterly portion of Massachusetts. Approximately 172 of the total parcels (168 improved and 4 vacant) are the subject of an annual land lease (tenancy at will) dating back to the 1760's. The remaining 39± mostly vacant parcels (one improved) are retained by the Feoffees.

Table I on the following page of this report summarizes the current parcel inventory and Fiscal 2005 assessed values for the parcels comprising the subject property.

Table I
PARCEL INVENTORY
Little Neck Estate - Ipswich, Massachusetts

I. Leased Parcel Inventory/Assessments - F.Y. 2005:

Parcel #	Address	Lot Area	Assessments		Total
			Land	Bldg.	
1	63 River Road	3,060 SF	\$203,800	\$126,900	\$330,700
2	61 River Road	2,843 SF	\$202,100	\$66,700	\$268,800
3	59 River Road	3,327 SF	\$205,900	\$83,400	\$289,300
4	57 River Road	3,400 SF	\$206,400	\$83,400	\$289,800
5	55 River Road	3,210 SF	\$205,000	\$85,600	\$290,600
6	53 River Road	3,458 SF	\$206,900	\$203,300	\$410,200
7	49 River Road	2,400 SF	\$198,700	\$123,500	\$322,200
8	47 River Road	1,980 SF	\$179,200	\$64,900	\$244,100
9	44 River Road	2,860 SF	\$202,300	\$136,200	\$338,500
10	46 River Road	5,160 SF	\$220,000	\$127,300	\$347,300
11	48 River Road	3,720 SF	\$208,900	\$278,100	\$487,000
12	50 River Road	3,360 SF	\$206,100	\$98,000	\$304,100
13	45 River Road	2,600 SF	\$183,600	\$53,600	\$237,200
14	43 River Road	2,340 SF	\$198,200	\$198,400	\$396,600
15	41 River Road	2,350 SF	\$198,300	\$180,100	\$378,400
16	39 River Road	2,400 SF	\$198,700	\$225,500	\$424,200
17	37 River Road	2,600 SF	\$200,300	\$93,100	\$293,400
18	35 River Road	2,500 SF	\$199,500	\$44,200	\$243,700
20	31 River Road	3,000 SF	\$203,300	\$135,700	\$339,000
21	29 River Road	3,250 SF	\$205,300	\$77,200	\$282,500
22	27 River Road	2,770 SF	\$201,600	\$111,200	\$312,800

Parcel #	Address	Lot Area	Assessments		Total
			Land	Bldg.	
23	25 River Road	2,400 SF	\$198,700	\$119,500	\$318,200
24	6 Bay Crest Rd.	3,000 SF	\$186,400	\$75,400	\$261,800
25	31 Middle Road	2,980 SF	\$186,300	\$92,300	\$278,600
26	29 Middle Road	3,540 SF	\$190,200	\$80,400	\$270,600
28	21 Middle Road	3,000 SF	\$186,400	\$129,500	\$315,900
29	19 Middle Road	3,000 SF	\$186,400	\$166,200	\$352,600
30	15 Middle Road	2,000 SF	\$35,900	\$0	\$35,900
31	11 Middle Road	2,780 SF	\$184,800	\$119,000	\$303,800
32	9 Middle Road	4,020 SF	\$193,600	\$88,100	\$281,700
33	7 Middle Road	3,870 SF	\$192,600	\$67,400	\$260,000
34	5 Middle Road	3,870 SF	\$192,600	\$120,100	\$312,700
35	3 Middle Road	3,870 SF	\$192,600	\$67,000	\$259,600
37	1 Hilltop Road	2,159 SF	\$136,300	\$90,400	\$226,700
38	4 Middle Road	2,230 SF	\$151,800	\$201,400	\$353,200
39	6 Middle Road	2,400 SF	\$152,900	\$156,100	\$309,000
40	8 Hilltop Road	4,240 SF	\$156,400	\$275,700	\$432,100
41	12 Hilltop Road	3,840 SF	\$156,400	\$90,500	\$246,900
42	16 Hilltop Road	5,300 SF	\$149,200	\$69,700	\$218,900
43	20 Hilltop Road	4,360 SF	\$156,400	\$78,600	\$235,000
44	22 Hilltop Road	4,280 SF	\$156,400	\$175,900	\$332,300
45	24 Hilltop Road	3,590 SF	\$156,400	\$126,200	\$282,600
46	26 Hilltop Road	3,370 SF	\$156,400	\$90,400	\$246,800
47	28 Middle Road	3,240 SF	\$157,800	\$117,900	\$275,700
48	30 Middle Road	3,000 SF	\$156,400	\$127,300	\$283,700
49	25 Hilltop Road	4,225 SF	\$163,700	\$265,200	\$428,900
50	23 Hilltop Road	3,591 SF	\$159,900	\$61,700	\$221,600
51	21 Hilltop Road	3,450 SF	\$159,100	\$87,100	\$246,200

Parcel #	Address	Lot Area	Assessments		Total
			Land	Bldg.	
52	19 Hilltop Road	3,575 SF	\$159,800	\$97,000	\$256,800
53	15 Hilltop Road	3,950 SF	\$162,100	\$134,600	\$296,700
54	11 Hilltop Road	7,420 SF	\$182,700	\$165,700	\$348,400
55	9 Hilltop Road	3,500 SF	\$159,400	\$173,100	\$332,500
56	10 Middle Road	3,210 SF	\$149,800	\$122,300	\$272,100
57	7 Hilltop Road	3,660 SF	\$160,300	\$155,000	\$315,300
59	35 Bay Road	4,550 SF	\$197,400	\$228,700	\$426,100
60	33 Bay Road	2,400 SF	\$182,200	\$150,000	\$332,200
61	31 Bay Road	2,160 SF	\$180,500	\$71,200	\$251,700
62	29 Bay Road	2,400 SF	\$182,200	\$128,100	\$310,300
63	27 Bay Road	2,470 SF	\$182,600	\$243,500	\$426,100
64	25 Bay Road	3,000 SF	\$186,400	\$51,500	\$237,900
65	23 Bay Road	3,000 SF	\$186,400	\$68,800	\$255,200
66	19 Bay Road	3,600 SF	\$190,600	\$107,900	\$298,500
67	17 Bay Road	3,180 SF	\$187,700	\$75,200	\$262,900
68	15 Bay Road	3,230 SF	\$188,000	\$90,000	\$278,000
70	16 Bay Road	4,510 SF	\$165,400	\$125,200	\$290,600
71	18 Bay Road	4,410 SF	\$164,800	\$222,300	\$387,100
72	5 Gala Way	3,000 SF	\$156,400	\$100,100	\$256,500
75	8 Hilltop Road	3,000 SF	\$156,400	\$275,700	\$432,100
76	10 Hilltop Road	3,000 SF	\$156,400	\$92,600	\$249,000
77	12 Hilltop Road	3,000 SF	\$156,400	\$86,200	\$242,600
79	4 Cove Road	5,110 SF	\$169,000	\$88,700	\$257,700
80	6 Cove Road	3,000 SF	\$156,400	\$62,800	\$219,200
81	8 Cove Road	3,000 SF	\$156,400	\$95,600	\$252,000
82	10 Cove Road	3,000 SF	\$156,400	\$106,000	\$262,400
83	12 Cove Road	5,100 SF	\$168,900	\$94,200	\$263,100
84	12 Bay Road	4,260 SF	\$163,900	\$125,400	\$289,300
85	17 Cove Road	3,000 SF	\$156,400	\$77,400	\$233,800
86	15 Cove Road	3,000 SF	\$156,400	\$97,500	\$253,900
87	9 Cove Road	3,000 SF	\$156,400	\$180,100	\$336,500
89	5 Cove Road	3,000 SF	\$156,400	\$92,100	\$248,500

Parcel #	Address	Lot Area	Assessments		Total
			Land	Bldg.	
90	3 Cove Road	3,000 SF	\$156,400	\$88,600	\$245,000
91	16 Hilltop Road	1,786 SF	\$149,200	\$66,600	\$215,800
92	18 Hilltop Road	3,140 SF	\$157,300	\$72,900	\$230,200
93	18 Baycrest Rd.	3,000 SF	\$156,400	\$110,900	\$267,300
94	22 Baycrest Rd.	3,000 SF	\$156,400	\$67,100	\$223,500
95	24 Baycrest Rd.	3,000 SF	\$156,400	\$125,100	\$281,500
96	26 Baycrest Rd.	3,000 SF	\$156,400	\$81,500	\$237,900
97	28 Baycrest Rd.	3,000 SF	\$156,400	\$215,300	\$371,700
98	30 Baycrest Rd.	3,870 SF	\$161,600	\$150,500	\$312,100
99	8 Bay Road	3,750 SF	\$160,900	\$106,800	\$267,700
100	27 Baycrest Rd.	3,000 SF	\$156,400	\$78,200	\$234,600
101	25 Baycrest Rd.	3,000 SF	\$156,400	\$96,400	\$252,800
102	21 Baycrest Rd.	3,000 SF	\$156,400	\$88,700	\$245,100
103	20 Hilltop Road	3,000 SF	\$156,400	\$78,600	\$235,000
104	33 Hilltop Road	3,000 SF	\$156,400	\$91,500	\$247,900
105	9 Baycrest Rd.	3,000 SF	\$148,600	\$63,800	\$212,400
106	32 Middle Road	3,000 SF	\$156,400	\$100,600	\$257,000
107	35 Middle Road	3,000 SF	\$186,400	\$93,600	\$280,000
108	3 Baycrest Rd.	3,000 SF	\$203,300	\$89,600	\$292,900
109	21 River Road	3,000 SF	\$203,300	\$95,100	\$298,400
110	4 Kings Way	3,000 SF	\$186,400	\$103,000	\$289,400
111	37 Middle Road	3,000 SF	\$186,400	\$126,900	\$313,300
112	8 Kings Way	3,000 SF	\$156,400	\$176,100	\$332,500
113	10 Kings Way	3,000 SF	\$148,600	\$114,300	\$262,900
114	35 Hilltop Road	3,000 SF	\$156,400	\$105,100	\$261,500
115	22 Hilltop Road	3,000 SF	\$156,400	\$195,000	\$351,400
116	16 Kings Way	3,000 SF	\$156,400	\$107,800	\$264,200
117	20 Kings Way	3,000 SF	\$156,400	\$120,500	\$276,900
118	22 Kings Way	3,000 SF	\$156,400	\$100,800	\$257,200
120	6 Bay Road	2,700 SF	\$154,600	\$61,700	\$216,300

Parcel #	Address	Lot Area	Assessments		Total
			Land	Bldg.	
121	29 Kings Way	4,410 SF	\$164,800	\$70,800	\$235,600
122	27 Kings Way	3,000 SF	\$156,400	\$126,000	\$282,400
123	25 Kings Way	3,000 SF	\$156,400	\$94,200	\$250,600
124	21 Kings Way	3,000 SF	\$156,400	\$117,400	\$273,800
125	19 Kings Way	3,000 SF	\$156,400	\$60,500	\$216,900
126	17 Kings Way	3,000 SF	\$156,400	\$86,600	\$243,000
127	24 Hilltop Road	3,000 SF	\$156,400	\$120,400	\$276,800
128	37 Hilltop Road	3,000 SF	\$156,400	\$126,700	\$283,100
129	11 Kings Way	3,000 SF	\$148,600	\$95,400	\$244,000
130	36 Middle Road	3,000 SF	\$156,400	\$134,200	\$290,600
131	39 Middle Road	3,000 SF	\$186,400	\$71,800	\$258,200
132	5 Kings Way	3,000 SF	\$186,400	\$87,700	\$274,100
133	3 Kings Way	3,000 SF	\$203,300	\$78,100	\$281,400
134	2 Plum Sound Rd.	3,000 SF	\$203,300	\$158,700	\$362,000
135	4 Plum Sound Rd.	3,000 SF	\$186,400	\$132,900	\$319,300
136	6 Plum Sound Rd.	3,000 SF	\$186,400	\$102,700	\$289,100
137	41 Middle Road	3,000 SF	\$186,400	\$104,500	\$104,686
138	38 Middle Road	3,000 SF	\$156,400	\$174,900	\$331,300
139	12 Plum Sound Rd.	3,000 SF	\$156,400	\$135,300	\$291,700
140	14 Plum Sound Rd.	3,000 SF	\$156,400	\$75,300	\$231,700
141	26 Hilltop Road	3,000 SF	\$156,400	\$90,400	\$246,800
142	20 Plum Sound Rd.	3,000 SF	\$156,400	\$113,100	\$269,500
143	22 Plum Sound Rd.	3,000 SF	\$156,400	\$92,400	\$248,800
144	24 Plum Sound Rd.	3,000 SF	\$156,400	\$120,300	\$276,700
145	28 Plum Sound Rd.	3,000 SF	\$156,400	\$105,900	\$262,300
146	30 Plum Sound Rd.	3,950 SF	\$162,100	\$122,600	\$284,700
147	27 Plum Sound Rd.	4,490 SF	\$196,900	\$62,400	\$259,300
148	25 Plum Sound Rd.	4,680 SF	\$198,300	\$100,200	\$298,500
149	23 Plum Sound Rd.	3,000 SF	\$156,400	\$124,800	\$281,200

Parcel #	Address	Lot Area	Assessments		Total
			Land	Bldg.	
150	21 Plum Sound Rd.	3,000 SF	\$156,400	\$122,800	\$279,200
151	19 Plum Sound Rd.	3,750 SF	\$160,900	\$72,900	\$233,800
152	15 Plum Sound Rd.	3,000 SF	\$156,400	\$108,600	\$265,000
153	13 Plum Sound Rd.	3,000 SF	\$156,400	\$125,300	\$281,700
154	40 Middle Road	3,000 SF	\$156,400	\$133,800	\$290,200
155	43 Middle Road	3,000 SF	\$186,400	\$138,700	\$325,100
156	5 Plum Sound Rd.	3,000 SF	\$186,400	\$72,000	\$258,400
157	3 Plum Sound Rd.	3,000 SF	\$203,300	\$129,300	\$332,600
158	15 River Road	3,000 SF	\$203,300	\$98,000	\$301,300
159	11 River Road	3,000 SF	\$203,300	\$132,800	\$336,100
160	45 Middle Road	3,000 SF	\$186,400	\$127,500	\$313,900
161	42 Middle Road	3,000 SF	\$156,400	\$149,100	\$305,500
162	3 River Road	3,000 SF	\$156,400	\$75,600	\$232,000
163	43 Hilltop Road	3,000 SF	\$186,400	\$255,800	\$442,200
164	2 River Road	3,500 SF	\$207,200	\$211,300	\$418,500
165	6 River Road	2,470 SF	\$199,300	\$199,700	\$399,000
166	10 River Road	3,325 SF	\$205,900	\$157,800	\$363,700
167	12 River Road	3,000 SF	\$203,300	\$125,500	\$328,800
168	16 River Road	7,820 SF	\$240,600	\$159,400	\$400,000
169	2 Cliff Road	3,020 SF	\$203,500	\$205,800	\$409,300
170	4 Cliff Road	4,790 SF	\$217,200	\$128,000	\$345,200
171	6 Cliff Road	3,520 SF	\$207,400	\$130,700	\$338,100
172	8 Cliff Road	3,700 SF	\$208,800	\$82,500	\$291,300
173	10 Cliff Road	2,430 SF	\$198,900	\$83,800	\$282,700
101A	23 Baycrest Rd.	3,000 SF	\$156,400	\$78,800	\$235,200
102A	17 Baycrest Rd.	3,000 SF	\$156,400	\$175,900	\$332,300
116A	18 Kings Way	3,000 SF	\$156,400	\$97,000	\$253,400
118A	24 Kings Way	3,000 SF	\$156,400	\$88,200	\$244,600
41A	14 Middle Road	<u>4,900 SF</u>	<u>\$167,700</u>	<u>\$163,700</u>	<u>\$331,400</u>
TOTALS:		12.53± ac.	\$28,960,486	\$19,808,900	\$48,769,386

II. Leased Parcels - Vacant

Parcel #	Address	Lot Area	Assessments			Total
			Land	Yard	Bldg.	
29A	Middle Road	3,000 SF	\$37,300	0	0	\$37,300
66A	21 Bay Road	3,400 SF	\$38,100	0	0	\$38,100
78	Middle/Cove Road	2,400 SF	\$30,600	0	0	\$30,600
159A	River Road	3,000 SF	<u>\$40,700</u>	<u>0</u>	<u>0</u>	<u>\$40,700</u>
TOTALS:			\$146,700	0	0	\$146,700

Table II

LOT INVENTORY/ASSESSMENT UNDER FEOFFEE'S OWNERSHIP

Parcel #	Lot Area	Assessments			Total
		Land	Bldg.		
69	11 acres	\$582,600	\$106,100		\$688,700
6A	.4 acres	\$38,700	0		\$38,700
19	2,200 SF	\$39,400	0		\$39,400
36	3,960 SF	\$38,600	0		\$38,600
58	2,190 SF	\$151,600	0		\$151,600
73	6,000 SF	\$17,400	0		\$17,400
74	3,000 SF	\$31,300	0		\$31,300
88	3,000 SF	\$31,300	0		\$31,300
119	3,000 SF	\$31,300	0		\$31,300
101B	3,000 SF	\$31,300	0		\$31,300
102B	3,000 SF	\$31,300	0		\$31,300
103A	3,000 SF	\$31,300	0		\$31,300
109A	1,500 SF	\$38,400	0		\$38,400
124A	3,000 SF	\$31,300	0		\$31,300
134A	1,500 SF	\$38,400	0		\$38,400

Parcel #	Lot Area	Assessments		
		Land	Bldg.	Total
141A	3,000 SF	\$31,300	0	\$31,300
144A	3,000 SF	\$31,300	0	\$31,300
152A	3,000 SF	\$31,300	0	\$31,300
153A	3,000 SF	\$31,300	0	\$31,300
158A	1,250 SF	\$38,000	0	\$38,000
165A	2,000 SF	\$39,100	0	\$39,100
166A	3,000 SF	\$40,700	0	\$40,700
166B	3,700 SF	\$41,800	0	\$41,800
169A	3,000 SF	\$37,300	0	\$37,300
23A	3,000 SF	\$40,700	0	\$40,700
25A	3,000 SF	\$37,300	0	\$37,300
27A	3,000 SF	\$37,300	0	\$37,300
27B	3,380 SF	\$37,800	0	\$37,800
27C	3,360 SF	\$37,800	0	\$37,800
43A	4,360 SF	\$32,900	0	\$32,900
49A	2,915 SF	\$31,200	0	\$31,200
52A	3,875 SF	\$32,300	0	\$32,300
70A	3,000 SF	\$15,600	0	\$15,600
71A	3,000 SF	\$31,300	0	\$31,300
75A	4,120 SF	\$16,300	0	\$16,300
87A	3,000 SF	\$31,300	0	\$31,300
92A	3,000 SF	\$31,300	0	\$31,300
93A	3,000 SF	\$31,300	0	\$31,300
72	3,000 SF	\$156,400	\$103,800	\$156,400
Totals		\$2,087,100	\$106,100	\$2,193,200

Tabulation - F.Y. 2005 Assessment

Total Assessed Value - Leased Parcels With Improvements:	\$ 48,769,386
Total Assessed Value - Leased Parcels - Vacant:	\$ 146,700
Total Assessed Value - Feoffee's Ownership:	\$ <u>2,193,200</u>

TOTAL ASSESSED VALUE - SUBJECT PROPERTY: \$51,109,286

Based on the F.Y. 2005 mill rate of \$9.35, the total annual tax liability owing to the subject property amounts to approximately \$477,871.82. It should be noted that the effective valuation date for F.Y. 2005 taxation is June 30, 2005.

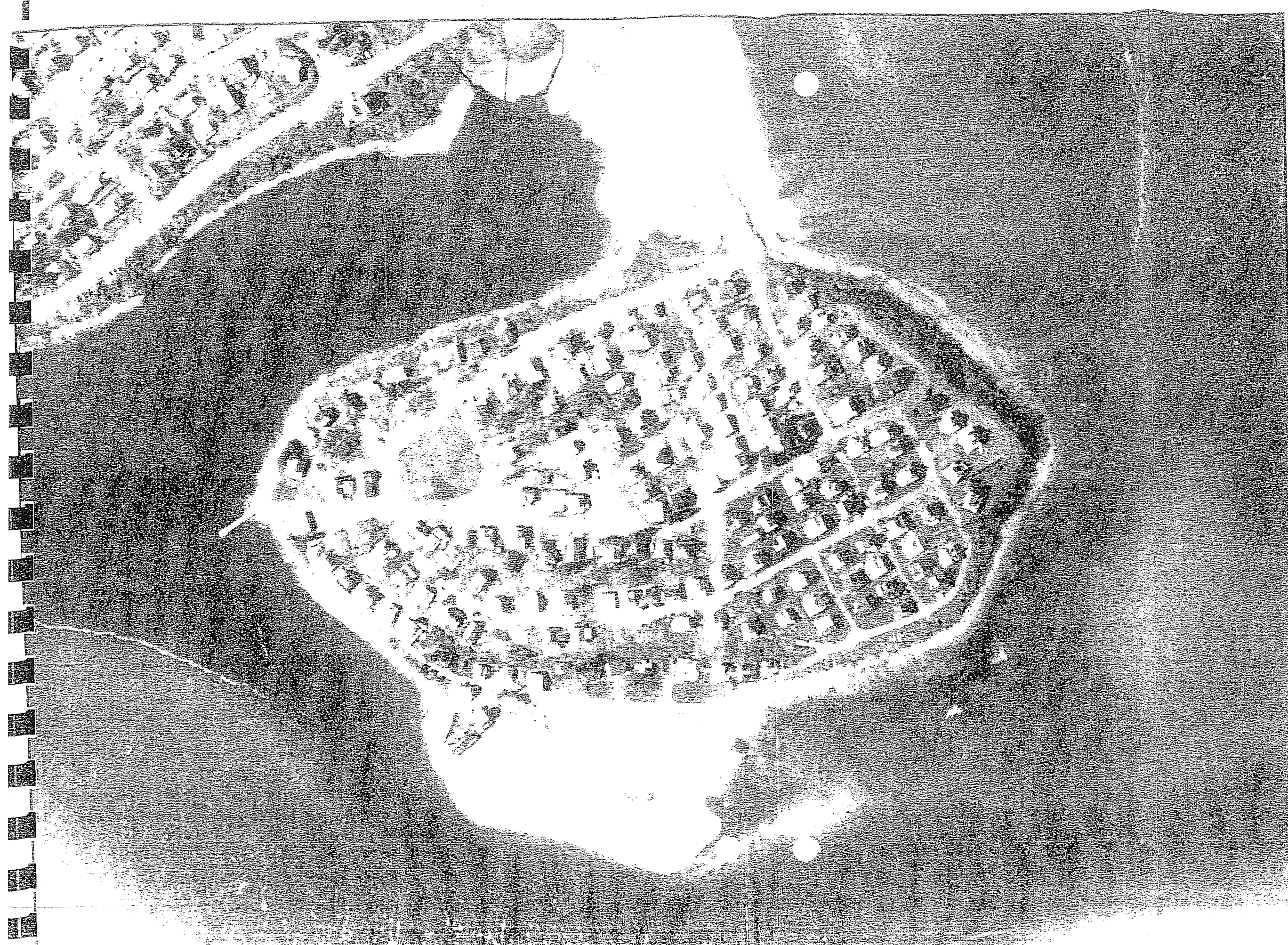
The above-outlined valuation of the entire subject property indicates a 13.98% increase since F.Y. 2004. The valuation of the land comprising the 168 leased parcels increased from \$23,348,934 to \$28,960,486 (24.03%) over the one-year assessment update period and the privately-owned improvements increased from \$18,943,700 to \$19,808,900 (4.57%). The updated assessment indicates an *average per parcel (land and improvements) value of approximately \$290,294 per improved lease parcel and an average annual tax liability of \$2,714.25*. The average annual tax burden for the underlying land only (paid by tenants) amounts to \$1,611.79 based on an average assessed parcel value of \$172,384.

Site Description

Based on our re-inspection of the subject land, the most significant physical changes to the property are related to the new community sewer system being installed.

The issue of on-site sewage disposal is the single greatest issue presently effecting the subject property. The implemented solution of a common tank field serviced by frequent pump-out truck visits in the high season has both supports and detractors. The supporters applaud the environmental benefits of the project while detractors dislike the added costs (\$1,800 annual fee plus a \$40,000 betterment fee payable at \$3,500 per year over 20 years) and the impact from the increased truck traffic. Abutters to the pump-out facility are especially upset about the impact of the site on the market value of their properties. The combined effects of these issues are considered in the current valuation of the subject property.

Compiled Base Plans of the subject property are included on the following pages of this report.



Legend:

Notes:

Project Number: 3962

Date: March 15, 2004

Base Plan
Orthophotograph

Little Neck Estate
Ipswich, Massachusetts

Scale: 1" = 200'

100 0 100 200 Feet



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

LandVest

Ten Post Office Square, Boston, MA 02109

10. Current Use - 20-Year Lease Agreement

As of 2005, a new lease agreement was in place providing for a 20-year rental term for cottage owners. 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 the new rental terms, individual *seasonal* parcel rents are assessed equally throughout the property with *year-round* parcels leased at a slightly higher rent. 144 tenants pay \$5,000 annually for seasonal use and 24 year-round tenants pay \$5,500. Thus, potential gross income (PGI) amounts to approximately \$852,000. This indicates a 39.2% increase since 2004. Individual tenants (cottage owners) are responsible for the land rent, real estate taxes, insurance and all utilities. Additionally, tenants are now responsible for a \$40,000 sewer betterment fee paid in one lump sum or over the 20-year lease period at \$3,500 per year (principle plus debt service of 6.5%). The betterment fee covers the \$6,483,000 loan for installation of the new sewer system. There is also a separate \$1,800 annual sewer charge going forward for annual operation and maintenance.

11. Previous Valuation and Recent Purchase Offers

There are no pending purchase offers for the subject property and the property is not actively listed for sale.

12. Highest and Best Use:

The analysis of *Highest and Best Use* involves consideration of existing land use regulations, any *reasonably probable* modifications to those regulations, the subject property'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 affecting market demand.

1. Conceptual Development Analysis

As described in LandVest's original appraisal report in 1997 and 2000 and 2004 updates, the highest and best use of the subject property calls for continued seasonal and year-round residential use (168± parcel density) and conversion of the current tenancy at will land lease structure to a condominium form of ownership.

13. Real Estate Market Analysis

Table II on the following page summarizes market trends in real estate sales volume and median residential value in both Ipswich and surrounding communities from 2001 through November 2005.

Table II
Calendar Year Median Sales Price Change
North Shore Regional Market Overview
2001-2005

Town	2001		2002			2003			2004		Through November 2005			01-05 Four Year Median Value Trend
	Median Price	No. Sales	Median Price	No. Sales	Median Price Change	Median Price	No. Sales	Median Price Change	Median Price	No. Price Salage	Median Price	No. Sales	Median Price Change	
Ipswich	\$325,000	149	\$344,000	143	5.8%	\$408,000	159	18.6%	\$455,000	165%	\$480,500	130	5.3%	47.8%
Beverly	\$285,000	364	\$316,000	340	10.9%	\$345,000	370	9.2%	\$375,000	42%	\$384,000	339	2.3%	34.7%
Essex	\$273,500	22	\$363,200	35	32.8%	\$359,000	33	-1.2%	\$495,000	339%	\$435,000	36	-13.8%	59.0%
Topsfield	\$411,000	66	\$482,500	62	17.4%	\$527,500	68	9.3%	\$532,250	76%	\$531,240	68	-0.2%	29.3%
Wenham	\$533,000	53	\$530,000	52	-.01%	\$575,000	52	8.5%	\$542,300	527%	\$521,950	40	-3.9%	-2.1%
Hamilton	\$330,750	78	\$378,750	68	14.5%	\$462,250	90	22.0%	\$479,500	127%	\$503,000	67	4.7%	52.1%
Rockport	\$311,600	77	\$375,000	69	20.3%	\$390,000	71	4.0%	\$445,000	911%	\$420,000	79	-6.0%	34.8%
Rowley	\$299,950	58	\$313,500	48	4.5%	\$409,425	54	30.6%	\$378,300	53%	\$454,500	66	16.8%	51.5%
Gloucester	\$249,000	235	\$295,000	214	18.5%	\$330,000	278	11.9%	\$365,000	255%	\$382,500	230	4.6%	53.6%
Manchester	\$520,000	79	\$494,000	70	-5%	\$602,500	58	22.0%	\$554,000	611%	\$647,500	62	14.4%	24.5%

As outlined above, the median residential home price in Ipswich increased approximately 5.8% in 2002; 18.6% in 2003; 11.5% in 2004; and 5.3% through November 2005. The 4-year total appreciation amount to approximately 47.8%.

A comparison of market appreciation rates and assessed value increases over the same 3-year time period is summarized as follows:

Market Appreciation (12/01-11/05):	47.80%
Assessed Value Increase (FY01-FY05):	77.68%

Accordingly, there is a +29.88% discrepancy between appreciation rates by both measures.

Sales volumes in Ipswich have held relatively steady over the four year period within a range of 143 and 165 sales annually. 2005 totals are projected to be within this range. Rising interest rates and escalating home values have finally slowed the housing market in greater Boston. Overall annual appreciation was the lowest in three years in Ipswich and the surrounding North Shore communities.

a. Little Neck Sales Activity

We have reviewed sales activity on Little Neck between February 13, 2004 and December 16, 2005. There have been eight sales in the 22 month update period. There is presently one active listing. A table of these sales is included in the appendix to this report. It should be noted that this information does not account for intra-family transfers occurring within the update period.

These eight sales occurred between April 2004 and May 2005 and indicate sale prices ranging between \$230,000 and \$545,000. The average sale price is \$420,000 and the indicated median price is \$435,000. Prices per square foot of gross building area exhibit a wide range of value between \$227 and \$515. The two most recent sales sold between \$460 and \$560 per square foot of building area. Most importantly, these two sales occurred after the new land rents and sewer project were established giving modest support to the market viability of Little Neck properties under the updated carrying cost structure. However, there is clearly growing concern that increased carrying costs (taxes, land rents, and sewer fees) are limiting the marketability of Little Neck properties. We note that during the 22 month update period, there have been four properties that have been listed on MLS and have gone unsold. Three of these listings expired in the

past four months while only two of the eight sales occurred during 2005. These two facts support statements by local brokers that Little Neck properties are becoming increasingly unsaleable in the \$400,000+ price range given the ownership structure, seasonal use, limited expansion potential, broader market softening, and increased carrying costs.

Based on a review of apportionment of *assessed* land-to-building value, and indicated range of land value (*as though held in fee simple*) amounts to between \$140,000 and \$330,000.

Seasonal rental rates in July and August currently range from \$850 per week to \$4,000 for the month. When cottages are rented on a weekly basis, typical rents range from \$750 to \$850 per week for a 2 or 3 bedroom cottage. Year-round rentals average \$750 to \$850 per month. Based on this information, owners of year-round cottages have the potential to capture an additional \$3,000 to \$3,400 (or 20% more) per year in rents compared to owners of seasonal homes.

Although increased ground rents, higher assessed values, and betterment fees have caused some owners to consider raising rents, it does not appear likely that the market will bear substantially higher rents in the foreseeable future.

b. Market Value Estimate - Condominium Conversion

As outlined in LandVest's 1997 report and 2000 and 2004 updates, *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 2004 and with specific reference to the 12 value tiers delineated in LandVest's original 1997 report, land unit pricing has been appreciated at a rate of 6% over the 22-month update period. The indicated rate is consistent with the indicated town-wide median residential rate for the period adjusted for the softening broader market.

The initial financial analysis of the subject property as a condominium conversion assumes outside sale to a third party buyer. Based on an updated Discounted Cash Flow Analysis with unit pricing ranging from \$80,000 - \$255,000, it is our opinion that the Market Value of the subject property (assuming condominium conversion) to a third party buyer as of December 16, 2005 was:

\$10,800,000

(TEN MILLION EIGHT HUNDRED THOUSAND DOLLARS)

c. Value Estimate - Investment Value to Current Tenancy

The second updated valuation of the subject property assumes a sale to the existing tenancy. In this *investment value* analysis, developer profit allowances and cost of resale allowances have been reduced to reflect a largely internal buyer pool and control over the property's disposition. All unit pricing, internal absorption and line item development expenses remain the same.

In accordance with this analysis, it is my opinion the Investment Value of the subject property to the current tenancy as of December 16, 2005 was:

\$13,900,000

(THIRTEEN MILLION NINE HUNDRED THOUSAND DOLLARS)

d. Land Rental Analysis

An evaluation of *current* land rental rates levied by the Feoffees relative to "market-rate" rents requires careful consideration of real market value gains and the extent to which these gains may be offset, or tempered by escalating carrying costs. Given the indicated range of underlying land values of \$80,000 - \$255,000 per our appraisal, capitalized at an appropriate rate of 8.00%, the indicated market land rents range between \$6,400 to \$20,400. The capitalization rate selected is based on the average capitalization rate for residential land leases surveyed in the 3rd quarter 2005 by RealtyRates.com, an industry leader in providing investor surveys to industry professionals.

It is important to note that these market rental rates are derived from arm's length transactions where the fee interest in the underlying land is not transferred. Perhaps as notable as the upward trend in values on Little Neck is the continued trend whereby the market continues to function or behave as a fee simple market. In other words, buyers continue to pay, (and sellers continue to receive) *significant* value for the right to assume the long-term land leases (20 years) with full knowledge that the Feoffees are bringing rents into alignment with the market.

The 2004-2005 annual land rents of \$5,000 to \$5,500 were intended to account for the instability and uncertainty caused by the implementation of the community sewage disposal solution. During this period the land rents have remained constant. During this period the sales market has cooled on Little Neck largely due to this instability and uncertainty. Additionally, the newly added special sewer fees along with increased property taxes (a condition of the lease agreement) amount to an additional \$8,000 per tenant. This *doubling* of carrying costs will certainly diminish the appeal of Little Neck relative to other fee simple, Title V-compliant seasonal investment options on the North Shore and is seen to offset the marginal stability associated with the new lease structure.

As previously noted, current indicated *market rents* derived from a stratified range in market value for the underlying land are between \$6,400 to \$20,400 with an average land rent of \$11,600. Based on the continued uncertainty resulting from the physical and financial changes on Little Neck, it is recommend that the contract land rent for year-round tenancy be \$6,400, the low end of the range in estimated market rents. Accordingly, the seasonal contract rent should amount to \$5,300 based on a shorter annual rental period.

C FLOW ANALYSIS - PLAN B - LITTLE NECK ESTATE
REAL ESTATE ANALYSIS

Project: Little Neck Estate - Ipswich, MA
Date: December 2005

	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	114	59	15	0	0	0	0	
Lots/Unit Sold	54	55	44	15	0	0	0	0	168
Gross Sales Price	\$6,874,400	\$6,978,400	\$4,940,000	\$1,872,000	\$0	\$0	\$0	\$0	20,664,800
Cum. Gross Sales Price	\$6,874,400	\$13,852,800	\$18,792,800	\$20,664,800	\$20,664,800	\$20,664,800	\$20,664,800	\$20,664,800	
DEVELOPMENT COSTS:									
DIRECT COSTS:									
Engineering/Survey	\$122,304	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$122,304
Legal Fees	\$72,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$72,800
Soil Testing/Septic	\$314,496	\$222,412	\$119,056	\$31,485	\$0	\$0	\$0	\$0	\$687,448
Welland Delineations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Road Improvements	\$131,144	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$131,144
Septic Upgrades	\$611,520	\$432,467	\$231,497	\$61,221	\$0	\$0	\$0	\$0	\$1,336,705
Contingency	\$32,037	\$11,121	\$5,953	\$1,574	\$0	\$0	\$0	\$0	\$50,685
Total Direct Costs	\$1,284,301	\$665,999	\$356,505	\$94,280	\$0	\$0	\$0	\$0	\$2,401,086
INDIRECT COSTS:									
Construction Loan Fee	\$26,315	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$26,315
Developer's Overhead	\$343,720	\$348,920	\$247,000	\$93,600	\$0	\$0	\$0	\$0	\$1,033,240
Real Estate Taxes	\$118,458	\$62,258	\$45,038	\$17,257	\$0	\$0	\$0	\$0	\$243,011
Transfer Taxes	\$31,966	\$32,450	\$22,971	\$8,705	\$0	\$0	\$0	\$0	\$96,091
Sales Commission	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Advertising Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Charges	\$62,540	\$29,350	\$0	\$0	\$0	\$0	\$0	\$0	\$167,286
Contingency	\$29,150	\$12,281	\$318	\$275	\$0	\$0	\$0	\$0	\$42,024
Total Indirect Costs	\$612,149	\$485,259	\$315,327	\$119,837	\$0	\$0	\$0	\$0	\$1,532,571
TOTAL COSTS:	\$1,896,450	\$1,151,258	\$671,832	\$214,117	\$0	\$0	\$0	\$0	\$3,933,657
NET CASH PROCEEDS	\$4,977,950	\$5,827,142	\$4,260,168	\$1,657,883	\$0	\$0	\$0	\$0	\$16,733,143
DISCOUNT FACTOR (PW @ 9.25%)	0.9153	0.8378	0.7669	0.7020	0.6425	0.5881	0.5383	0.4928	
PRESENT VALUE	\$4,556,476	\$4,882,168	\$3,273,235	\$1,163,772	\$0	\$0	\$0	\$0	
CUMULATIVE PRESENT VALUE	\$13,875,651		SAY: \$13,900,000	(\$83,000/Unit)					

Lanovest

UNITED CASH FLOW ANALYSIS
Condominium Conversion - 168 Unit Density (Tenant Sale)

Project : Little Neck Estate - ch, MA
Date: December 2005

SALES ASSUMPTIONS

	# Units	Unit Value	Subtotal ('\$')	SALES SCHEDULE (UNIT)								TOTAL
				YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8	
Tier 1 : Exceptional view/frontage	4	255,000	\$1,020,000	2	2	0	0	0	0	0	0	4
Tier 2 : Front Row - Plum Island Sound	7	195,000	\$1,365,000	2	2	2	1	0	0	0	0	7
Tier 3 : Front Row - Neck Cove/Prime	2	190,000	\$380,000	1	1	0	0	0	0	0	0	2
Tier 4 : Front Row - Neck Cove/Average	7	140,000	\$980,000	2	2	2	1	0	0	0	0	7
Tier 5 : Front Row - Ipswich River/Prime	4	150,000	\$600,000	1	1	1	1	0	0	0	0	4
Tier 6 : Front Row - Ipswich River/Average	19	160,000	\$3,040,000	8	8	1	2	0	0	0	0	19
Tier 7 : Interior - Excellent view	24	120,000	\$2,880,000	8	8	6	2	0	0	0	0	24
Tier 8 : Interior - Good view	33	105,000	\$3,465,000	10	10	10	3	0	0	0	0	33
Tier 9 : Interior - Avg. view	35	100,000	\$3,500,000	10	11	12	2	0	0	0	0	35
Tier 10 : Interior - Marginal view	33	80,000	\$2,640,000	10	10	10	3	0	0	0	0	33
Tier 11 :	0	0	\$0	0	0	0	0	0	0	0	0	0
Tier 12 :	0	0	\$0	0	0	0	0	0	0	0	0	0
			\$0	0	0	0	0	0	0	0	0	0
			\$0	0	0	0	0	0	0	0	0	0
TOTAL	168		\$19,870,000	54	55	44	15	0	0	0	0	168
Appreciation:				4%	4%	4%	4%	4%	4%	4%	4%	

COST ASSUMPTIONS

	Size/Length	Unit Cost	Subtotal ('\$')	COST SCHEDULE (%)								TOTAL
				1YR	2YR	3YR	4YR	5YR	6YR	7YR	8YR	
DIRECT COSTS												
Engineering/Survey/Plan Prep (\$700/lot)	168	\$700	117,600	100%	0%	0%	0%	0%	0%	0%	0%	100%
Legal Fees/Condo Declaration	1	\$70,000	70,000	100%	0%	0%	0%	0%	0%	0%	0%	100%
Sewer Assessment	168	\$1,800	302,400	100%	68%	35%	9%	0%	0%	0%	0%	212%
Welland Delineations/Coastal Bank/NOI	0	\$0	0	90%	10%	0%	0%	0%	0%	0%	0%	100%
Road Improvements	9,700	\$13	126,100	100%	0%	0%	0%	0%	0%	0%	0%	100%
Sewer Betterment	168	\$3,500	588,000	100%	68%	35%	9%	0%	0%	0%	0%	212%
Contingency (% of Direct Costs)		5.00%	60,205									
CPI				4%	4%	4%	4%	4%	4%	4%	4%	
INDIRECT COSTS												
Developer Overhead Allowance		5.00%	\$993,500									
Real Estate Taxes (Per Unsold Lot @50%)		1,150	216,200									
Transfer Taxes (\$/1000)		0.47%	92,396									
Sales Commission (% of Gross Sales)		0.00%	0									
Advertising Expense (% of Gross Sales)		0.00%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%
Contingency (% of Indirect Costs)		5.00%	65,105									
CPI				0%	3%	3%	3%	3%	3%	3%	3%	
TOTAL :			\$2,631,505									

6

LITTLE NECK ESTATE - IPSWICH

BANK FINANCING

Prime Rate		7.3%
Interest Rate - Prime + 2.50%		9.8%
% Land Costs		0.0%
% Development Costs (Direct & Indirect)		100.0%
Annual Drawdown Rate (Ave. outstanding loan balance)		50.0%
Construction Loan Fee		1.0%
Discount Rate:		9.25%

LandWest

C. FLOW ANALYSIS - PLAN B - LITTLE NECK ESTATE
RESALES ANALYSIS

Project: Little Neck Estate - Ipswich, MA
 Date: December 2005

	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	114	59	15	0	0	0	0	
Lots/Unit Sold	54	55	44	15	0	0	0	0	168
Gross Sales Price	\$6,874,400	\$6,978,400	\$4,940,000	\$1,872,000	\$0	\$0	\$0	\$0	20,564,800
Cum. Gross Sales Price	\$6,874,400	\$13,852,800	\$18,792,800	\$20,664,800	\$20,664,800	\$20,664,800	\$20,664,800	\$20,664,800	
DEVELOPMENT COSTS:									
DIRECT COSTS:									
Engineering/Survey	\$122,304	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$122,304
Legal Fees	\$72,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$72,800
Soil Testing/Septic	\$314,496	\$222,412	\$119,056	\$31,485	\$0	\$0	\$0	\$0	\$687,448
Welland Delineations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Road Improvements	\$131,144	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$131,144
Septic Upgrades	\$611,520	\$432,467	\$231,497	\$61,221	\$0	\$0	\$0	\$0	\$1,336,705
Contingency	\$32,037	\$11,121	\$5,953	\$1,574	\$0	\$0	\$0	\$0	\$50,685
Total Direct Costs	\$1,284,301	\$665,999	\$356,505	\$94,280	\$0	\$0	\$0	\$0	\$2,401,086
INDIRECT COSTS:									
Construction Loan Fee	\$62,826	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$62,826
Developer's Overhead	1,374,880	1,395,680	988,000	374,400	0	0	0	0	\$4,132,960
Real Estate Taxes	118,458	62,258	45,038	17,257	0	0	0	0	\$243,011
Transfer Taxes	31,966	32,450	22,971	8,705	0	0	0	0	\$96,091
Sales Commission	171,860	174,460	123,500	46,300	0	0	0	0	\$516,620
Advertising Expense	0	0	0	0	0	0	0	0	\$0
Interest Charges	62,540	29,350	0	0	0	0	0	0	366,384
Contingency	91,127	12,281	318	275	0	0	0	0	\$104,001
Total Indirect Costs	\$1,913,657	\$1,706,479	\$1,179,827	\$447,437	\$0	\$0	\$0	\$0	\$5,247,399
TOTAL COSTS:	\$3,197,958	\$2,372,478	\$1,536,332	\$541,717	\$0	\$0	\$0	\$0	\$7,648,485
NET CASH PROCEEDS	\$3,676,442	\$4,605,922	\$3,403,668	\$1,330,283	\$0	\$0	\$0	\$0	\$13,016,315
DISCOUNT FACTOR (PW @ 9.25%)	0.9153	0.8378	0.7669	0.7020	0.6425	0.5881	0.5383	0.4928	
PRESENT VALUE	\$3,365,164	\$3,858,991	\$2,610,254	\$933,809	\$0	\$0	\$0	\$0	
CUMULATIVE PRESENT VALUE	\$10,768,219								
	SAY: \$10,800,000 (\$64,000/Unit)								

Lampwest

Project : Little Neck Estate 1000 Little Neck Road, Little Neck, MA
Date: December 2005

<u>COST ASSUMPTIONS</u>	<u>Size/Length</u>	<u>Unit Cost</u>	<u>Subtotal</u> (*)	<u>COST SCHEDULE (%)</u>								<u>TOTAL</u>
				1YR	2YR	3YR	4YR	5YR	6YR	7YR	8YR	
<u>DIRECT COSTS</u>												
Engineering/Survey/Plan Prep (\$700/lot)	168	\$700	117,600	100%	0%	0%	0%	0%	0%	0%	0%	100%
Legal Fees/Condo Declaration	1	\$70,000	70,000	100%	0%	0%	0%	0%	0%	0%	0%	100%
Sewer Assessment	168	\$1,800	302,400	100%	68%	35%	9%	0%	0%	0%	0%	212%
Wetland Delineations/Coastal Bank/NOI	0	\$0	0	90%	10%	0%	0%	0%	0%	0%	0%	100%
Road Improvements	9,700	\$13	126,100	100%	0%	0%	0%	0%	0%	0%	0%	100%
Sewer Betterment	168	\$3,500	588,000	100%	68%	35%	9%	0%	0%	0%	0%	212%
Contingency (% of Direct Costs)		5.00%	60,205									
CPI				4%	4%	4%	4%	4%	4%	4%	4%	
<u>INDIRECT COSTS</u>												
Developer Overhead Allowance		20.00%	\$3,974,000	-----	-----	-----	-----	-----	-----	-----	-----	
Real Estate Taxes (Per Unsold Lot @50%)		1,150	216,200	-----	-----	-----	-----	-----	-----	-----	-----	
Transfer Taxes (\$/1000)		0.47%	92,396	-----	-----	-----	-----	-----	-----	-----	-----	
Sales Commission (% of Gross Sales)		2.50%	496,750	-----	-----	-----	-----	-----	-----	-----	-----	
Advertising Expense (% of Gross Sales)		0.00%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%
Contingency (% of Indirect Costs)		5.00%	238,967	-----	-----	-----	-----	-----	-----	-----	-----	
CPI				0%	3%	3%	3%	3%	3%	3%	3%	
TOTAL :			\$6,282,618									

BANK FINANCING

Prime Rate	7.3%
Interest Rate - Prime + 2.50%	9.8%
% Land Costs	0.0%
% Development Costs (Direct & Indirect)	100.0%
Annual Drawdown Rate (Ave. outstanding loan balance)	50.0%
Construction Loan Fee	1.0%
Discount Rate:	9.25%

APPENDIX

Certification: Slater W. Anderson

Qualifications: Slater W. Anderson

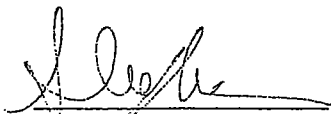
Comparable Sales

CERTIFICATION OF VALUE

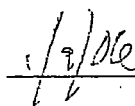
I hereby certify that:

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 no personal interest 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. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
8. No one provided significant professional assistance to the person(s) signing this report.

Appraiser:


Slater W. Anderson

Date:



SLATER W. ANDERSONProject Manager, Real Estate Consulting Group, LandVest, Inc.

Slater W. Anderson is a Project Manager and the GIS Coordinator with the Real Estate Consulting Group of LandVest, a broad-based real estate company involved in all aspects of land planning, real estate brokerage, consulting, development, and conservation planning. As Project Manager, he is responsible for residential and commercial appraisals, development feasibility studies, land use planning and design, and implementation of development and conservation projects. As GIS Coordinator, he is responsible for overseeing the utilization of digital mapping technologies for land planning on LandVest consulting projects. Mr. Anderson has been with LandVest since August 1999.

Prior to joining the firm, Mr. Anderson was GIS Manager and Planner with the Metropolitan Area Planning Council where his responsibilities included management of GIS mapping projects, proposal writing, and public outreach. The Metropolitan Area Planning Council serves 101 cities and towns surrounding Boston, Massachusetts. From 1992 to 1994, Mr. Anderson worked for an architectural firm in Jackson, Wyoming assisting in the design of residential homes.

Mr. Anderson received a Bachelor of Arts degree in Liberal Arts from Connecticut College, New London, Connecticut in 1992 and a Master of Regional Planning degree from the University of Massachusetts - Amherst in 1996. He is a licensed Certified General Real Estate Appraiser in Massachusetts (LIC # 70909), a licensed Real Estate Salesperson in Massachusetts (LIC. # 9034418) and is a Certified Planner with the American Institute of Certified Planners (AICP - #106307).

Comparable Sales Report

01/10/2006

1 Address: Map-Lot Number: Property Status: Sale Price: Sale Date: Current/Final Price: Total Acres: Water Orientation: Vacant: GLA:
 42 Middle Road 24C/0068/161 Available \$575,000 0.07 Water View No 1378
 Village/Neighborhood: Seller: Orig. List Price: Rooms: Bedrooms: Baths: 1/2 Baths:
 \$575,000 6 3 1 1
 City: Buyer: Days on Market: Year Built: Effective Age: Deeded Rights:
 Ipswich 248 1910

Property Description:

Idyllic island called Little Neck, great views of Ipswich Bay, Crane Beach, Plum Island. Attractive, meticulous cottage. Private beach, boat mooring available, community house and dock.

2 Address: Map-Lot Number: Property Status: Sale Price: Sale Date: Current/Final Price: Total Acres: Water Orientation: Vacant: GLA:
 6 Cliff Road 24C/69 Sold \$545,000 08/05/2004 \$550,000 0.08 Water Front No 1396
 Village/Neighborhood: Seller: Orig. List Price: Rooms: Bedrooms: Baths: 1/2 Baths:
 \$550,000 5 3 1
 City: Buyer: Days on Market: Year Built: Effective Age: Deeded Rights:
 Ipswich 83 1967

Property Description:

Panoramic views from Maine to Cape Ann. Mint condition ranch. Private beach, wharf, boat mooring available. Seasonal use 4/1 to 12/1.

3 Address: Map-Lot Number: Property Status: Sale Price: Sale Date: Current/Final Price: Total Acres: Water Orientation: Vacant: GLA:
 27 Baycrest 24C/69/100 Sold \$230,000 09/15/2004 \$255,000 0.06 Water View No 1014
 Village/Neighborhood: Seller: Orig. List Price: Rooms: Bedrooms: Baths: 1/2 Ba
 \$255,000 4 2 1
 City: Buyer: Days on Market: Year Built: Effective Age: Deeded Rights:
 Ipswich 11 1935

Property Description:

Occupancy from April 1 thru November 30th. Area amenities: public transportation, shopping, swimming pool, tennis court, park, walk/jog trails, stables, golf course, laundromat.

Landvest

Comparable Sales Report

01/10/2006

4 Address: Map-Lot Number: Property Status: Sale Price: Sale Date: Current/Final Price: Total Acres: Water Orientation: Vacant: GLA:
 16 Hilltop Road 24C-91 Sold \$308,000 05/13/2005 \$335,000 0.03 Water View No 598
 Village/Neighborhood: Seller: Orig. List Price: Rooms: Bedrooms: Baths: 1/2 Baths:
 \$335,000 4 2 1
 City: Buyer: Days on Market: Year Built: Effective Age: Deeded Rights:
 Ipswich 131 1950
 Property Description:

Cottage is being sold furnished. Great views of the water and Little Neck Pier. Summer only. Occupancy from April 1 - Nov 30. P ayground, community center and pier close by.

5 Address: Map-Lot Number: Property Status: Sale Price: Sale Date: Current/Final Price: Total Acres: Water Orientation: Vacant: GLA:
 25 Plum Sound 24C/148 Sold \$370,000 05/07/2004 \$415,000 0.10 Water Front No 784
 Village/Neighborhood: Seller: Orig. List Price: Rooms: Bedrooms: Baths: 1/2 Baths:
 \$415,000 5 3 1
 City: Buyer: Days on Market: Year Built: Effective Age: Deeded Rights:
 Ipswich 24 1920
 Property Description:

Direct waterfront to the Atlantic Ocean and Plum Island Sound. Three season home in exclusive summer community. Three bedrooms, hardwood floors, newly renovated bath and fireplace inside or enjoy porch, deck or enclosed porch. Use of Pavillion Beach and mooring.

6 Address: Map-Lot Number: Property Status: Sale Price: Sale Date: Current/Final Price: Total Acres: Water Orientation: Vacant: GLA:
 16 Kings Way Sold \$420,000 06/30/2004 \$425,000 0.06 Water View No 1097
 Village/Neighborhood: Seller: Orig. List Price: Rooms: Bedrooms: Baths: 1/2 Baths:
 \$425,000 6 3 1
 City: Buyer: Days on Market: Year Built: Effective Age: Deeded Rights:
 Ipswich 47 1930
 Property Description:

Cottage on Little Neck. This vacation community offers private beach, dock. Boat mooring available. Seasonal use April 1 to December 1.

LandWest

Comparable Sales Report

01/10/2006

7 Address: Map-Lot Number: Property Status: Sale Price: Sale Date: Current/Final Price: Total Acres: Water Orientation: Vacant: GLA:
 8 Hilltop Road Sold \$450,000 05/27/2004 \$449,900 0.07 Water View No 1205
 Village/Neighborhood: Seller: Orig. List Price: Rooms: Bedrooms: Baths: 1/2 Baths:
 \$449,900 6 3 1
 City: Buyer: Days on Market: Year Built: Effective Age: Deeded Rights:
 Ipswich 6 2000

Property Description:

3 yr old home at Little Neck Estates, 2-3 br, living rm, and dining area boasts F/P, French doors leading to deck, brazilian cherry floors, cabinet kitchen with d/w and compactor. Partially finished walk out basement.

8 Address: Map-Lot Number: Property Status: Sale Price: Sale Date: Current/Final Price: Total Acres: Water Orientation: Vacant: GLA:
 41 River Road Lot 24C Sold \$512,000 04/15/2004 \$539,900 0.05 Water Front No 2200
 Village/Neighborhood: Seller: Orig. List Price: Rooms: Bedrooms: Baths: 1/2 Baths:
 \$539,900 6 3 1 1
 City: Buyer: Days on Market: Year Built: Effective Age: Deeded Rights:
 Ipswich 24 1930

Property Description:

Views of Steep Hill and Crane's Beach. Pristine seasonal (April 1-Dec 1) 3 bedroom home in Little Neck Estates. Living/Dining Room w/fireplace open to enclosed wrap around porch. Steps to Little Neck's own private beach and dock.

9 Address: Map-Lot Number: Property Status: Sale Price: Sale Date: Current/Final Price: Total Acres: Water Orientation: Vacant: GLA:
 31 River Road 24C/20 Sold \$525,000 05/31/2005 \$565,000 0.06 Water Front No 1224
 Village/Neighborhood: Seller: Orig. List Price: Rooms: Bedrooms: Baths: 1/2 Baths:
 \$565,000 6 3 1 1
 City: Buyer: Days on Market: Year Built: Effective Age: Deeded Rights:
 Ipswich 73 1980

Property Description:

Views of Crane Beach, Cape Ann, and Ipswich River. Summer only. Private resident beach is directly across the street. Playground, ball field, community house and pier. Land rent \$5,000. Special assessment for new septic system.

Landvest