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EXHIBIT
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#3

June 25, 2010

George A. Hall, Jr. Esq.
Ipswich Town Counsel
c/o Robert T. Markel, Town Manager
Ipswich Town Hall
25 Green Street
Ipswich, MA 01938

RE: Little Neck, Ipswich, Massachusetts

Dear Attorney Hall:

This letter is a supplement to our self contained appraisal report conveyed to you on the same date as this letter. This letter will address our opinion of the market value of the real estate identified as Little Neck located in Ipswich, Massachusetts, under the following conditions:

1. As a vacant parcel of land that is to be redeveloped under current zoning.
2. The market value of the property under the condition that it will be sold to a third party. This new ownership motivated soley by a "developer's" profit would then perform a sell out of the 167 condominium units.

Our opinions are retrospective as of January 1, 2010. These opinions are subject to the limiting conditions and general assumptions, hypothetical conditions and extradoridary assumptions cotained in the self containted report.

DEVELOPMENT APPROACH TO VALUE (CURRENT ZONING)

The development approach has been used to estimate a market value for the subject property based on current zoning and discussion with the Town Planner Glen Gibbs. The valuation is based on a cluster subdivision of the site assuming it were vacant land available for a new development.

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Valuation Method

This opinion of value is premised and subject to the following additional hypothetical conditions and extraordinary assumptions:

1. That Little Neck is available for subdivision subject to current zoning, subdivision and conservation regulations.
2. That our opinion is subject to engineering and approval by local town boards.
3. That the existing utility infrastructure can be adapted to a cluster subdivision, however all 167 structures will require demolition and new roadways will be needed.
4. This approach represents a sale to a third party who will undertake a subdivision of the land, demolition of the structures, construction of roadways, some utility work, and sell-out of the lots.
5. The existing wastewater system will be incorporated in a new development.

The development approach involves estimating a retail lot price for each of the proposed lots using the sales comparison approach, and then deducting costs associated with the development of the subdivision and sell-out of these lots. These lots would be developed under the cluster by-law ensuring that as much open space would be provided as possible. We envision a project with a maximum of 25 units cluttered on the eastern and south portions of the neck taking advantage of the views and topography. Based on our review of the cluster provision and on discussions with Glenn Gibbs, a provision for affordable housing will have to be made.

Our valuation is not considered to be definitive given the lack of any planning studies or an approved subdivision plan. These items would likely take over a year to prepare and obtain approval of the community and other regulatory authorities.

RETAIL LOT ESTIMATE

As stated in our market overview, quality waterfront/water view lots are still in demand in most coastal areas on the North Shore of Boston. Pricing ranges widely from $500,000 to over $1,000,000 for a good quality lot. The appraisers envision a quality development on Little Neck maximizing views and natural topographical features. Based on conversation with Glenn Gibbs of the planning office, given current zoning and physical constraints of the locus it would be hard to imagine obtaining a density of more than 25 – 30 units/lots utilizing the cluster provision. A significant portion of the neck will be left as open space to qualify under the provision. The lots/units will have effective lot sizes areas most likely in the 15,000 to 25,000 square foot range.

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Based on the sales analysis set forth in the body of the main report, we estimate a unit/lot value of $850,000.

The appraisers estimate that it will take approximately 3 years to sell out the lots after a two year permitting period and infrastructure reconfiguration.

Expenses

Expenses associated with the development of the cluster subdivision and sale of the lots have been deducted from the gross retail lot sales. Following is a breakdown of each expense. The reader should be aware that without a development plan these expenses are, at best, estimates.

Road Construction

The subject property already has a network of roadways servicing the existing development. To reconfigure these roadways and eliminate all unnecessary roads, we have estimated a budget of $500,000 that would provide for up to 1,250 feet of new road and $100,000 for road reconfigure-ation /demolition. This cost is scheduled to be divided between years 2 and 3 as shown on our cash flow.

Demolition

To clear the existing cottages from the site, we have estimated a cost of $10,000 per dwelling. We believe this amount on average is adequate to take down the structure, dispose of debris, and restore the sites.

Engineering/Surveying

Engineering expense is estimated at $6,500 per lot, or $162,500. This estimate is based on our past experience with similar developments. This expense has been apportioned over the development period as shown on the development model with most costs front loaded.

Legal

Legal expense is estimated at $4,000 per lot, or $100,000. This expense will cover representation

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during the approval process and for general conveyance at the time each lot is sold. This expense has been proportioned over the development period and again is front loaded.

Real Estate Taxes

Real estate taxes are estimated as shown on our "Discounted Cash Flow" model based on the Town of Ipswich's assessment policy and the recent tax burden for the premise.

Affordable Housing Condition

According to Glenn Gibbs, the property if developed under the cluster provision will have to make a contribution to the affordable housing fund. This is estimated at $250,000 and has been apportioned over Years 3, 4 and 5.

Marketing Expense

Marketing expense is estimated at 5% of gross sales, which is typical for this market.

Interest Expense

An interest expense has been estimated to recognize the likely borrowing costs to fund infrastructure costs during Years 1, 2, and 3. During Year 3, the project should become self-funding. Interest costs cover such expenses as road construction, engineering, and legal costs and taxes.

Profit

A profit allowance to the developer is estimated at 10%. This rate reflects what developers in the market pro forma on development projects in the area. This fee compensates the developer for his risk and time overseeing the project.

Development Period

Summarized on below is an approximate time line for the subject development. We estimate a time line of five years for project completion.

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Projected Sell-out time-line					
	Year 1	**Year 2**	**Year 3**	**Year 4**	**Year 5**
Development Requirements	approvals & permitting	permitting & infrastructure work	infrastructure work	infrastructure work	completion
Average Number Lot Sales	0	0	8.33	8.33	8.33

Lot values are escalated in Years 4 and 5 at 3% per year. Development costs remain stable.

Discount Rate

The discount rate for the subject property has been estimated using the band of investments as shown below:

Mortgage	.60 x .07 =	.042
Equity	.40 x .16 =	.064
Weighted Rate		.106
Rounded		10%

Conclusion

On the following page is a "Development Model" which utilizes the previously estimated gross sales, development costs, and discounting process. The resulting value is $10,000,000.

The valuation set forth herein shows that the redevelopment of the parcel based on current zoning is not a realistic use of the property based on current economics. The valuation at $9,700,000 does not recognize that the Feoffees still owe approximately $10,800,000 on the closed waste water holding system and other infrastructure. This valuation was undertaken as part of our highest and best use analysis not as a stand alone value.

This analysis supports our opinion that the highest and best use of the property is for conversion to a 167 unit condominium cottage colony.

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DISCOUNTED CASHFLOW ANALYSIS
"LITTLE NECK", IPSWICH,MA
VALUATION BASED ON CURRENT ZONING

ASSUMPTION	
Sellout Period	60 Months
Engineering	$6,500 Lot
Legal	$4,000 Lot
Marketing	5.00%
Developers Profit	10.00%
Discount Rate	10.00%
Total Lots	25

YEAR	**1**	**2**	**3**	**4**	**5**
GROSS RETAIL SALES			$7,083,333	$7,295,833	$7,514,708
ANNUAL LOT SALES			8.33	8.33	8.33
LESS: DEVELOPMENT COSTS					
ENGINEERING	$81,250	$40,625	$13,536	$13,536	$13,536
LEGAL FEES	$50,000	$25,000	$8,330	$8,330	$8,330
ROAD COST		$300,000	$300,000		
DEMOLITION/RECONFIGURATION COST		$835,000	$835,000		
REAL ESTATE TAXES	$152,000	$156,000	$135,000	$91,000	$40,655
AFFORDABLE HOUSING CONTRIBUTION			$83,333	$83,333	$83,333
INTEREST COST (INFRASTRUCTURE)	$20,247	$122,351	$35,000		
MARKETING/BROKERAGE			$354,167	$364,792	$375,735
DEVELOPERS PROFIT			$708,333	$729,583	$751,471
TOTAL EXPENSE	$303,497	$1,478,976	$2,472,699	$1,290,574	$1,273,061
NET CASHFLOW	-$303,497	-$1,478,976	$4,610,634	$6,005,259	$6,241,648
DISCOUNT FACTOR	0.9091	0.8264	0.7513	0.6830	0.6209
PRESENT VALUE	-$275,907	-$1,222,294	$3,464,038	$4,101,673	$3,875,572
INDICATED MARKET VALUE	$9,943,082				
ROUND TO	$10,000,000				

RETAIL LOT VALUES

Average Lot Price	$850,000
Estimated Number of Lots	25
TOTAL	$21,250,000
BASE YEAR ANNUAL SALES	$7,083,333

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VALUATION ASSUMING SALE TO A THIRD PARTY

This opinion of value is premised and subject to the following additional hypothetical conditions and extraordinary assumptions:

1. This assumes a sale to an unrelated third party motivated by profit
2. This method assumes no further litigation risk
3. It is based on a condo conversion method
4. It assumes that a majority of the cottage owners will purchase the "land" unit
5. It assumes that there is no cost liability to address any embankment/erosion issue
6. It is subject to most all of the conditions and assumptions stated in the self-contained report.
7. Interim land rent would offset some but not all of the carry costs during the sellout period.

This method is based on a subdivision analysis that is commonly used as to value a conversion of a property from a rental into a condominium form of ownership.

As in the analysis contained in the self-contained report this analysis includes an estimate of revenues from unit sales and a budget expense estimate for the sale of the units. This analysis has adopted the same costs from the analysis in the self contained report. In addition, we have also included additional costs for:

- The additional non reimbursable costs to sell the units
- The profit required to attract a third party investor to undertake the conversion
- The time value discounting of revenues over the sell out period

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The following is a summary of this analysis:

Development Analysis Based of Sale to Third Party				
Revenues from Sales				$42,325,000
Less Development expenses				
Loan payoff				$5,800,000
Condo docs				$350,000
Closing costs legal				$250,000
Closing costs excise stamps				$42,325
Total Expenses				$6,442,325
Net revenues before sale costs, profit, and discounting				$35,882,675
Less sale costs/negiotations		2.0%		$846,500
Less profit incentive		10.0%		$4,232,500
Less non reimbursable carry costs		1.5%		$634,875
Net revenues before time discount				$30,168,800
Discounting for length of sale @ 9.0%				
		Revenues	Discount factor	Discounted revenues
Sales:	60% by end of year 1	$18,101,280	0.91743	$16,606,679
Sales:	25% by end of year 2	$7,542,200	0.84168	$6,348,119
Sales:	15% by end of year 3	$4,525,320	0.77218	$3,494,377
Indicated value of property if sold to third party				$26,449,175
Rounded to				**$26,400,000**

Profit to attract investor demand has been estimated at 10% of revenue sales. Additionally the cost provisions include discounting for three year sellout of all "land" units and non reimbursable carry costs. Otherwise costs are the same as in the self contained report.

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Based on this analysis it is our opinion that the market value of Little Neck based on a sale to a third party is $26.4 million as of January 1, 2010.

This letter is intended to be supplemental to the self contained report conveyed to you on this date. It is also subject to the same certification statement in the self contained report.

Respectfully submitted,

Robert P. LaPorte, Jr., MAI, ~~CRE~~
Senior Vice President
MA General R.E. Appraiser #735

Sandra J. Driscoll, MAI
Senior Vice President
MA General R.E. Appraiser #839

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