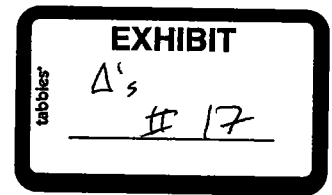


FEOFFEES OF THE GRAMMAR SCHOOL
Ipswich, Massachusetts 01938



To: LITTLE NECK COTTAGE OWNERS

Try as we may, the Feoffees can't remember a time during which we have had so many important issues before us. By this letter we wish to bring you up to date on a number of matters.

Enclosed you will find our updated Rules and Regulations, which will take effect on July 1st, 2000. The significant changes are in Section 3 (septic systems) and Section 9.5 (private use of the Community House). We recommend that a copy of the Rules and Regulations be posted in every cottage.

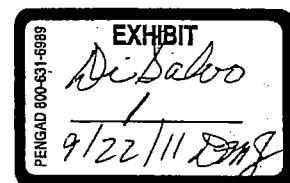
We would also like to remind you that the annual rents for the 2000-2001 season will be \$1,760 (seasonal) and \$1,980 (year-round). The rent is 55% of the fair market rental as determined by LandVest, Inc., in its appraisal of April 15, 1997. Despite the significant increase in the local real estate market during the past three years, we plan to follow the rent increase schedule adopted two years ago, without any further adjustment until 2004.

Water meter replacements are also scheduled for this summer and fall but a firm schedule has not yet been established by the Town.

As you know, our civil engineering consultant, H.L. Graham Associates, Inc., of Ipswich, is continuing its work relative to the upgrade of all septic systems at Little Neck as required by the Massachusetts Department of Environmental Protection ("DEP") under the Clean Waters Act and Title 5.

Through the DEP and the consultant, plans and designs are in progress for the first of three phases for the upgrades. We anticipate installation of the Phase One systems this fall as mandated by the DEP. Systems scheduled for upgrade this fall are identified on Exhibit A. The plans and designs in progress may require additional field work so you may see the consultant on site and it may need some additional information from you as well as access to your cottage.

Each cottage owner listed on Exhibit A may expect to receive, in the near future, a contract for pumping and servicing of the tight tank to be installed this fall. A cottage owner may execute this contract with D.F. Clark, Inc., or may use another service contractor on the Feoffees' approved list with whom to execute a similar contract. In any case, you must provide our consultant with a copy of an executed contract by July 15th, 2000. DEP requires this document with the plans and application for its approval.



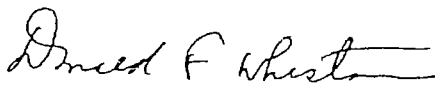
Many of you have expressed concern about the DEP mandate and the much discussed possibility of extending the sewer line to Little Neck. Our attorneys have inserted in the following language in the draft Consent Order with DEP to address this issue:

The parties acknowledge that the Town of Ipswich is conducting a feasibility study to extend sewerage to the Great Neck section of Ipswich. This may be extended to Little Neck. The Department also acknowledges that it does not intend to require Little Neck residents to pay for the upgrade of septic systems and also require payment for individual tie-ins to sewer.

In the event that the Town of Ipswich, by vote of Town Meeting, Board of Selectmen or Board of Water and Sewer Commissioners, votes to consider to authorize the extension of sewerage to any portion of Great Neck or Little Neck during the term of this Order, the Department and the Feoffees shall suspend the upgrade requirements for those systems included in this Order which have not been completely installed and modify the timetables in this Order. If the Department determines that sewerage tie-ins to Little Neck will be commenced within five years or less, the upgrade requirements contained in this Order shall be suspended and shall be terminated at the time of the completion of the tie-ins. For purposes of this re-opener, the Town Meeting vote to conduct the sewer extension feasibility study in FY2000 does not trigger the suspension of the upgrade requirements for individual septic systems.

We trust this update is helpful for your understanding of the work in progress at Little Neck. We thank all of the cottage owners for your continued cooperation in these matters.

Sincerely yours,



DONALD F. WHISTON