

FEOFFEES OF THE GRAMMAR SCHOOL

P.O. Box 166
Ipswich, Massachusetts 01938

October 13th, 2006

Dear Tenants:

On behalf of all of the Feoffees, I would like to again thank each cottage owner who executed the Lease for his or her Lot. We will always remember those who cooperated with our efforts. I would like to briefly comment on three issues – rent and taxes, wastewater billing and the ongoing turmoil with the tenants at will.

Bills for Rent and Taxes

Rent and taxes for the second quarter are due by November 1st. The amount due will be the same that you paid for the first quarter. Please mail your payment to the Feoffees at P.O. Box 166, Ipswich, MA 01938.

We should have the new tax assessments and tax rate for the third and fourth quarters by the end of December. As soon as we have the tax figures, we will send the information to you. The third quarter bill will be due by February 1st and the fourth quarter will be due by April 1st.

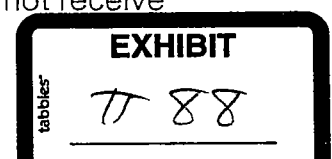
This should be the last year for the Feoffees to act as your tax collector. Beginning with the first quarter bill for FY2008, we expect that tax bills will be issued by the Town of Ipswich directly to tenants who have executed leases by December 31, 2006. Your tax payments will be mailed to the Town and not to the Feoffees.

Rent will be due in quarterly installments on July 1, October 1, January 1 and April 1 of each year. We will not be sending quarterly bills, but will send a reminder to any tenant is delinquent by more than 15 days. Your quarterly rent payment will not change until July 1, 2009.

Wastewater billing

We held off on issuing monthly bills for the wastewater system during the summer until we were completely satisfied that the telemetry system was accurately calculating the use for all 167 cottages. Enclosed is your bill for the use of the wastewater system through the end of July. Please pay this bill directly to our billing service in the enclosed envelope. This bill is based upon a percentage of your measured water use in the same manner that the Town of Ipswich bills for the municipal sewer. The bill is solely for your usage as the initial \$40 per month charge for system management has been eliminated. All costs of the maintenance and operations of the wastewater system, except the waste hauling fees are included in your rent.

You will now begin to receive bills on a monthly basis. Seasonal tenants will not receive a bill during the off-season.



I regret that we have been advised by our attorney that at this time we can't bill the tenants at will for their use of the wastewater system pending the expiration of their tenancies on January 31, 2007. I would like to assure you that the Feoffees are committed to the principal that those tenants will not gain any financial advantage over the tenants with leases.

Tenants at Will

We were asked to participate in mediation with the tenants at will to explore the settlement of their grievances without the time and cost of litigation. We agreed to mediation with three important pre-conditions: (1) all real estate taxes for the first two quarters of FY2007 would be paid, (2) there would be no discussion of changing the rent for the first three years of the term, and (3) there would be no discussion of any increase in the number of year-round cottages. Our conditions were deemed unacceptable by the tenants' counsel and there will be no further efforts at mediation.

We recently sent 14-day termination letters to each tenant at will who had failed to pay the first quarter taxes. As you may remember, upon the transfer of a cottage, the buyer promised the Feoffees, in writing, to "pay the ground rent and taxes which may be imposed upon the cottage and the Lot for this year and such subsequent years as we may own the cottage". We have been extremely disappointed by the tenants' refusal to pay their taxes because, of course, we paid the taxes in full on the due date but had to use other funds to do so.

As you may have read in the local papers, the three most senior members of the Board of Selectmen have decided to serve as Feoffees as called for in the 1755 statute. It has been more than 90 years since selectmen were actively involved as Feoffees. We welcome Elizabeth Kilcoyne, Pat McNally and Ed Rauscher as Feoffees and look forward to their participation.

In closing, I would like to assure you that we will continue to do everything we can to preserve Little Neck as your family knows and loves it. We hope that the divisions among the tenants of 2006 will dissipate in 2007 and the sense of community will return and you will be able to once again truly enjoy your summer in Ipswich.

Sincerely yours,

ALEXANDER B.C. MULHOLLAND, Jr.,
Chairman