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FEOFFEES OF THE GRAMMAR SCHOOL
Ipswich, Massachusetts 01938

March 20th, 2002

Robert J. Bonsignore, Esquire
Bonsignore & Brewer
23 Forest Street
Medford, MA 02155-3820

re: Feoffees of the Grammar School in the Town of Ipswich

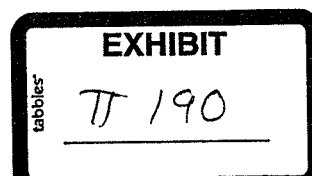
Dear Mr. Bonsignore:

After reviewing your proposed "Established Findings", we believe that the Committee might be assisted by a written statement from the Feoffees concerning several items in your report. We understand that the minutes of your meeting of October 24th, 2001, which we attended, do not go into sufficient detail to be incorporated in your report. As you may remember, that meeting lasted only a little over an hour and we believe that some issues were not fully explored.

We believe that there are three issues to be clarified or addressed: the setting of the annual rent for the lots, the lack of restrictions on use of the funds by the schools, and our governance.

RENT

Prior to FY2000 we annually reviewed the rent for seasonal and year-round cottages, taking into account the local real estate market, the assessed values and the rents charged for similar seasonal lots by the Towns of Essex (Conomo Point) and Rockport (Long Beach). Little Neck rents were consistent with, or higher, than those for Conomo Point and Long Beach, which are administered by the Boards of Selectmen for the respective towns. The rents at Conomo Point (\$1,000) and Long Beach (\$400) have not been significantly changed since we instituted our increases in July, 1999.



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Based on the 1997 LandVest appraisal, we realized that our rents needed to be increased and we entered into a five-year plan to increase the rents in equal increments to the LandVest value through FY2004. After that year, we plan to adjust the rents on an annual basis.

USE OF FUNDS BY THE SCHOOLS

The Feoffees have no authority to limit how the funds distributed to the schools are to be used. Over the past 25 years, it has been customary for the Superintendent to request funds from time to time for specific projects, such as teacher training or classroom renovation. Unneeded funds remained invested by the Feoffees. Because of the confusion caused by this process, the Feoffees now distribute all net income on an annual basis.

We are concerned that the annual distribution of a substantial check will tempt the Finance Committee or others to use the Feoffees' income to fund normal operating expenses which have been traditionally paid through the municipal budget. We feel very strongly that the income should continue to be used for enhancements to the schools and their programs. We hope that the School Committee, Board of Selectmen and Finance Committee will reach a written agreement reflecting our position. If an agreement cannot be reached, we would support an effort by the School Committee to seek judicial or legislative action to restrict the use of the income for enhancement of the schools, and not operating, purposes.

GOVERNANCE

The statutory structure of governance for the Feoffees – four self-appointing life members and the three most senior members of the Board of Selectmen – has not been used for over 80 years. Instead, management has been by a de facto system -- only the four life members have been engaged in the operations of Little Neck. In addition, one Selectman has acted as a Feoffee at the annual meetings.

We will actively solicit the participation of three Selectmen in the management of Little Neck. If the Selectmen do not choose to participate, we would support an effort by the School Committee to seek judicial or legislative action to change the structure to replace the Selectmen with other persons to be designated by appropriate authorities (Selectmen, Town Manager, Town Meeting and/or Moderator). Given the nature of the position, we suggest that an appointee's term be for a minimum of four years.

We recognize that much has changed in the 200 years since the issue of governance was last described by a legislative act, but we believe that there continues to be a role for life members. We understand that the School

Committee may prefer that a majority of the Feoffees be appointed members instead of life members. In that event, the retention of three life members (with a vacancy to be filled by vote of the remaining six Feoffees) would both maintain the historical link and provide a long-term presence on the board, whether managing Little Neck or an investment fund resulting from a sale of the property.

If the Committee would like any further clarification of the above, or requires any additional information to complete its report, please contact me.

Sincerely yours,

A handwritten signature in cursive script, reading "Donald F. Whiston". The signature is written in dark ink and is positioned below the "Sincerely yours," text.

DONALD F. WHISTON

cc: Robert Weatherall
cc: Donald M. Greenough, Atty.

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