

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Settlement Agreement") is entered into effective as of the 24th day of December, 2009 (the "Effective Date"), by and among the Little Neck Legal Action Committee ("LNLAC"), on behalf of all of its current members, including those who were identified in a certain Stipulation ("Stipulation") dated March 6, 2007 and filed in the Litigation defined below and subject to adjustment for those who have since been added to or removed from membership, with a complete schedule of current members attached hereto as Schedule 1, including but not limited to William M. Lonergan and Diane Whitney-Wallace, all of whom are homeowners on Little Neck in Ipswich, Massachusetts (collectively the "Homeowners") and the Feoffees of the Grammar School in the Town of Ipswich (the "Feoffees"), who own the land at Little Neck, as generally depicted on the Town of Ipswich Assessors Maps as Map 24C, Lots 001 through 173 (the "Land" or "Little Neck") in their capacities as trustees for the benefit of the Ipswich Public Schools. The Homeowners and the Feoffees are hereinafter sometimes referred to collectively as the "Parties". The Land is more particularly described in Exhibit A attached hereto.

WHEREAS, William M. Lonergan and Diane Whitney-Wallace, on behalf of themselves and all others similarly situated, filed a putative class action lawsuit against the Feoffees in Essex Superior Court, Massachusetts through a case captioned William M. Lonergan, et al. v. James W. Foley, et al., Essex Superior Court C.A. No. 06-02328D (the "Litigation") in an effort to, among other things, seek an adjudication of their property and other legal rights *vis-à-vis* the Feoffees;

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WHEREAS, there is a dispute between the Parties as to whether the action filed should be certified as a class action; as to the liability, if any, of the Feoffees alleged in the Litigation and of the Homeowners as alleged in the Counter-Claim and the potential causes of action asserted therein; and as to the damages, if any, arising from the allegations in the Litigation;

WHEREAS, based upon their investigation and evaluation of the facts and law relating to the Litigation, the Parties have agreed to settle the Litigation pursuant to the provisions of this Settlement Agreement after considering such factors as (i) the benefits to them under the terms of this Settlement Agreement, (ii) the attendant risks and uncertainty of litigation, and (iii) the desirability of consummating this Settlement Agreement and buying peace between the Parties promptly;

WHEREAS, the Parties expressly deny any allegations of wrongdoing and damages, and do not admit or concede any actual or potential fault, wrongdoing or liability in connection with the Litigation or any facts or other claims that have been or could have been alleged in the Litigation; however, the Parties consider it desirable to settle the Litigation in order to avoid (i) further disruption of the management and operation of their respective lives and businesses caused by this controversy, and (ii) the substantial expense, burdens and uncertainties associated with any litigation; and

WHEREAS the settlement proposed by this Settlement Agreement entails the sale of Little Neck by way of the Feoffees creating a condominium and selling condominium units to the Homeowners, existing Lessees (the "Lessees") of the Feoffees, and any other Little Neck homeowner ("Others") which sale will require the approval of a judge of the Essex Probate and Family Court ("Probate Court").

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NOW, THEREFORE, in consideration of the mutual covenants, promises, and undertakings set forth below, the receipt and sufficiency of which are acknowledged, the Parties hereby agree to settle the Litigation under the following terms and conditions:

1. Creation of a Condominium by the Feoffees (the "Condominium").

The Feoffees shall create a Condominium consisting of all of the land, buildings and related improvements at Little Neck. In order to permit the Feoffees to create the Condominium, the Homeowners, Lessees and Others shall convey, in escrow as detailed below, their cottages and related structural improvements, utility lines and connections, and other related appurtenances thereto affixed to the Land but excluding all other personal property (collectively, the "Improvements") to the Feoffees for consideration of One Dollar by way of bills of sale in form attached hereto as Exhibit B and such other title transfer documents as may be necessary to effectuate the transfer (collectively, "Cottage Transfer Documents") as either Party may reasonably require. In the event that any Homeowner, Lessee or Other shall have a Cottage for which there is existing indebtedness secured by an outstanding UCC financing statement or other security interest, the parties agree that the Homeowner, Lessee or Other may cause its lender to deliver necessary UCC termination statements or other appropriate discharges or releases into escrow, together with a forbearance agreement in favor of the Feoffees agreeing not to foreclose while such UCC termination statements or discharges are in escrow, and the Homeowner, Lessee or Other shall also deliver a new junior or other mortgage in favor of the said lender to provide a replacement lien, which documents shall be included together with such agreements as the parties may reasonably require to be held as part of the Cottage Transfer Documents, and then upon the Escrow Release Event the UCC or other lien shall be terminated, the Bill of Sale released, and at closing the lender's mortgage shall be recorded to replace the UCC lien with

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such mortgage of the Unit, which shall be junior and subordinate to any seller loan or financing, if any, being provided to such Homeowner, Lessee or Other by the Feoffees pursuant to this Agreement. The Homeowners, Lessees and Others shall deliver the Cottage Transfer Documents to the Feoffees on or before March 5, 2010 (the "Cottage Transfer Documents Delivery Date"); provided, however, documents pertaining to the release of an outstanding UCC financing statement or other security interest may be delivered as late as March 31, 2010. The Cottage Transfer Documents shall be held in escrow by MacLean Holloway Doherty Ardoff & Morse, P.C., attorneys for the Feoffees, not to be released therefrom until the Escrow Release Event described in Section 3 of this Settlement Agreement. While the Cottage Transfer Documents are held in escrow, each of the Homeowners, Lessees and Others, and not the Feoffees, shall remain the owner of his or her cottage and shall bear the risk of loss thereof and shall maintain casualty insurance thereon in an amount sufficient to rebuild the cottage. Nothing herein shall prevent the Feoffees from providing to the Probate Court a copy of the Cottage Transfer Documents.

The Feoffees shall prepare, and pay the costs of, all condominium documents required by, and in conformance with, G.L. c. 183A, which documents shall contain provisions not inconsistent with customary FNMA/FHLMC guidelines so long as said provisions are consistent with the terms of this Settlement Agreement (the "Condominium Documents"), and provide the same for review and approval by the Homeowners, including without limitation the initial budget of the Condominium to be prepared based upon historical costs incurred to operate Little Neck, and which approval shall not be unreasonably withheld. The Parties hereto acknowledge that the Lessees and Others are not parties to this Settlement Agreement, but that the Lessees and Others must also agree to transfer their cottages to the Feoffees as set forth above and review and approve the Condominium Documents, which approval will not be unreasonably withheld, all so

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as to permit the Feoffees to create the Condominium. The Homeowners, Lessees or Others may, at their election and cost, seek FNMA/FHLMC approval of the condominium, but no such group may withhold its approval of the Condominium Documents for a reason or reasons related to FNMA or FHLMC or any such non-approval.

All Homeowners, Lessees and Others will permit the Feoffees and their engineers reasonable and scheduled access to their cottages and the lots on which the cottages are located so as to permit the Feoffees to prepare the plans (including both site plans for the Land and floor plans for the units) as required by G. L. c. 183A. Prior to said engineers entering the cottages and lots on which the cottages are located and otherwise undertaking the engineering work to prepare the Condominium Documents, the Feoffees shall deliver to LNLAC a Certificate of Insurance evidencing the Feoffees' engineer's general liability coverage of not less than \$1,000,000.00. The Feoffees shall give all the Homeowners, Lessees and Others reasonable advance notice of any desired entry onto the Premises, and such entry shall not unreasonably interfere with Homeowners', Lessees' and Others' continued use of their homes. The Feoffees need not undertake any engineering work until obtaining the Probate Court judgment, beyond appeal, described in Section 3 below.

The Condominium Documents shall provide the following: a description of the units, which units will consist of up to the 167 cottages on the Land as now existing and used for residential use (and there shall be no seasonal restriction on use)(the actual number of units shall be 167 minus any cottages for which Cottage Transfer Documents are not executed and delivered by Homeowners, Lessees and Others; such cottages may, however, be included in subsequent phases of the Condominium at the expense of such Homeowner, Lessee or Other); a description of exclusive common areas, which area for each unit created will be the lot corresponding to the

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respective unit as such lot is generally shown on Map 24C of the Town of Ipswich Assessor's Maps but modified as necessary to assure that each unit and the driveway, if any, serving said unit is located within the exclusive common area and which will be enjoyed by the owner of that unit, with exceptions for driveways which pass over more than one lot, each unit to enjoy reasonable access to the unit from a way; a description of the common area (which shall include exclusive common area), which area shall consist of all of Little Neck, including buildings and improvements thereon other than the 167 cottages, existing common pathways and access rights and other rights among the Homeowners, Lessees and Others; by-laws (which shall include no use restrictions as to seasonal use or as to use of golf carts, all as to be approved as provided herein as part of the Condominium Documents) which shall be reasonably acceptable to Homeowners, Lessees and Others; and an association of unit owners which shall be directed by five Trustees. The Trustees shall be Feoffees until one hundred twenty units are sold, following which the Trustees shall be those five persons elected by the unit owners. Until the 120th unit is sold, the Feoffees shall receive no compensation for serving as Trustees, following which time any Feoffee will be eligible for compensation, if any, on the same terms as other Trustees are compensated. Elected Trustees shall serve two-year terms. The procedure for electing Trustees shall be as follows: each unit owner shall vote for one Trustee, and his or her vote shall be equal to his or her undivided interest in the common areas and the five highest vote-getters shall be deemed elected.

The Feoffees shall not be obligated to proceed with the creation of the Condominium unless all of the Homeowners, Lessees, and Others, on or before March 5, 2010, deliver to the Feoffees executed Cottage Transfer Documents to be held in escrow and executed purchase and sale agreements in the form attached hereto as Exhibit C and specifically incorporated herein by

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reference (individually, the "P&S"); provided, however, if the aggregate purchase price of the units for which the Feoffees receive P&S's timely is equal to or greater than \$26,500,000, the Feoffees shall be obligated to proceed with the creation of the Condominium and the Condominium Association shall provide to the Feoffees, upon the recording of the Master Deed, a promissory note in the amount of the difference between \$29,150,000 and the aggregate purchase price of units for which the Feoffees receive P&S's timely, the said difference hereafter called the Balance of the Purchase Price. The Balance of the Purchase Price Note shall be for a five-year term, bear interest at a rate of six percent per annum, and be paid by monthly payments of principal and interest based on a twenty-year amortization schedule, the entire principal balance due at the end of the five-year term. That Note shall provide for the recovery of attorney's fees and costs if collection efforts are necessary. That Note shall be secured by a first security interest in all leases, occupancy agreements, and tenancy arrangements with, and all lease income and rental income due from, those Homeowners, Lessees and Others who do not deliver to the Feoffees the Cottage Transfer Documents as described above and the P&S's and Mutual Releases described below. Such Homeowners, Lessees and Others are hereinafter referred to as Non-Participants. That Note shall also be secured by an assignment by the Condominium Association to the holder to make any and all necessary assessments against all unit owners (in the case of units owned by the Feoffees, such assessment shall be made against the units and the Feoffees in their capacity as landlord may recover the same from their lessees and tenants in such units) to assure timely payment of that Note. The Balance of the Purchase Price Note and the Security Instrument shall be in the form of Exhibits D, E-1 and E-2 attached hereto.

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Nothing herein shall prevent the Feoffees from electing, in their sole discretion, to proceed with the creation of the Condominium without receiving Cottage Transfer Documents and P&S's in the aggregate amount of \$26,500,000 from Homeowners, Lessees and Others.

If a cottage changes hands during this process (i.e., someone dies, is foreclosed on, sells his cottage, or otherwise) the Feoffees, Homeowners, Lessees and Others, as the case may be, shall cooperate with the new owner of the cottage to effectuate a transfer and substitution of the new party on the same terms and conditions.

The Homeowners acknowledge and agree that they are aware of the existing erosion damage and of the general condition of the existing common wastewater collection system at Little Neck and that the intent of the Parties is that the Homeowners, Lessees and Others are taking all common areas and improvements in their condition as of the date of this Settlement Agreement; provided, however, that the Feoffees shall bear the risk of loss and related costs resulting from any new erosion condition first discovered or arising between the date of this Settlement Agreement and the recording of the Master Deed. In the event the Feoffees determine to repair some or all of the existing erosion damage so as to eliminate or reduce new erosion damage, the Feoffees shall do so only after notifying LNLAC that it intends to undertake such repair and estimates the cost thereof, following which LNLAC may elect, at its cost, to perform such repair. If LNLAC makes that election and fails to perform the repair adequately such that new erosion damage follows, LNLAC shall be responsible for the new erosion damage. If LNLAC elects not to make the repair, the Feoffees shall do so and the Condominium Association shall, within six months of the recording of the Master Deed, reimburse the Feoffees the cost of said repair, which cost shall not exceed the estimated cost provided by the Feoffees to LNLAC. Any obligations of LNLAC hereunder shall become the obligations of the

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Condominium Association. The parties hereto agree that Exhibit F accurately sets forth the existing erosion damage.

Further, the Feoffees acknowledge and agree that the understanding of the Parties is that the common wastewater system presently serving Little Neck Homeowners, Lessees and Others shall be functioning properly at the time of recording of the Master Deed. In the event repairs to said system are reasonably necessary between the date of this Settlement Agreement and the date of the recording of the Master Deed, the Feoffees shall pay the first \$167,000 of such repairs; any additional repair costs will be the responsibility of the Condominium Association.

2. P&S Agreements.

The purchase prices to be charged by the Feoffees under the P&S's are those set forth in the Price List attached hereto as Exhibit G and specifically incorporated herein by reference, subject, however, to the following adjustments: (a) the price charged to each Lessee shall be reduced by an amount equal to the difference in rent paid under the lease between the Feoffees and each Lessee (the "Lease") less payments for use and occupancy, plus \$40 per month where applicable, due from each Homeowner; (b) the price charged to certain Homeowners, Lessees and Others shall be reduced by the amount of "Wastewater Assessment Credit" shown on Exhibit H attached hereto and specifically incorporated herein by reference; and (c) the price to each Lessee shall be increased by an amount that is then currently due from each of LNLAC's members, on a per home basis, for LNLAC's aggregate legal fees and expenses incurred, through the date of recording of the Master Deed, in the Litigation and acquisition of land effort by the LNLAC, which shall include without limitation legal fees, appraisal fees and other related out-of-pocket expenses. The amount described in (c) above will not be subject to an offset of any kind.

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The price increase described in subparagraph (c) above shall be collected by the Feoffees at closing and paid to LNLAC within three days of collection. LNLAC shall account to the Condominium Association for all legal fees and expenses and collections therefor within ninety days after the recording of the Master Deed, with surplus funds paid to the Condominium Association.

The executed P&S shall be delivered to the Feoffees at the time of the delivery of the Cottage Transfer Documents. The Feoffees, who may act at all times by majority, shall countersign the P&S within three business days of receipt thereof.

3. Probate Court Approval, Inspector General, Escrow Release Event and Closing Date.

The Parties acknowledge and agree that, in order for the Feoffees to create the Condominium and sell units thereof, the Feoffees must obtain or accomplish the following: (a) a judgment from the Probate Court, beyond appeal, authorizing the settlement of the Litigation and the creation of the Condominium and the sale of condominium units; and (b) either a letter from the Inspector General confirming that the conveyance of condominium units is not subject to the public procurement laws, G.L. c. 30B, both as the Feoffees are currently constituted and as they may be reconstituted in the event that the substance of Article 23 as approved at the Town of Ipswich 2009 Annual Town Meeting becomes state law or as the Feoffees may otherwise become reconstituted, either voluntarily or via Probate Court proceeding, or, if the Inspector General concludes that the conveyance falls within the dictates of G.L. c. 30B, the Feoffees' compliance with the statutory requirements so as to permit the sale of condominium units. The parties agree that the Feoffees may satisfy condition (b) by obtaining, as part of the Probate Court judgment, a declaration that G.L. c. 30B does not apply to the conveyance of condominium units as contemplated herein.

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Within thirty days from the Feoffees satisfying both conditions set forth in (a) and (b) above, and provided that the form of the Condominium Documents has been agreed to by the Homeowners, the Feoffees shall notify in writing LNLAC of the date on which the Feoffees shall record the Master Deed, to be immediately preceded by the release from escrow of all Cottage Transfer Documents to the Feoffees (the "Escrow Release Event").

On or about the same day that the Feoffees notify the LNLAC of the date of the Escrow Release Event, the Feoffees shall send notice to each buyer of the date of closing of the buyer's condominium unit purchase, which closing date shall be not less than thirty days and not more than sixty days from the date of the notice. The Feoffees shall cooperate reasonably with the buyers regarding the scheduling of closings within the time frame described herein.

The Feoffees shall bear the expense of obtaining Probate Court approval of the Condominium and sale of units and of complying, if necessary, with the provisions of G.L. c. 30B. In the event the Probate Court grants approval and an appeal is taken therefrom, the Feoffees shall diligently defend the appeal. In the event the Probate Court denies approval, the Feoffees, in their sole discretion, may elect to prosecute an appeal or decline to, or abandon, an appeal.

4. Consequences for Failure to Close.

In the event a Homeowner fails to close in accordance with the terms of the P&S, the following consequences will occur, which consequences are incorporated by reference hereto in each P&S: (a) the deposit paid under the P&S will be retained by the Feoffees as liquidated damages; (b) the Homeowner's cottage will remain a part of the Condominium, owned by the Feoffees; (c) the Homeowner will be deemed a tenant at sufferance, and liable to the Feoffees for use and occupancy charges commencing on the date scheduled for closing in an amount equal to

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\$35 per day plus the real estate taxes and common area maintenance charges attributable to the condominium unit, plus all utility charges and costs of wastewater removal attributable to the condominium unit; and (d) the Homeowner shall pay to the Feoffees for use and occupancy from July 1, 2006 to the date of scheduled closing an amount equal to the difference between rent and use and occupancy charges due under the terms of the Lease less payments made by the Homeowner to the Feoffees, exclusive of payments by the Homeowner into escrow pursuant to the Stipulation; provided, however, that a Homeowner may, in lieu of closing his purchase, elect to enter into a lease for his condominium unit in the form attached hereto and marked Exhibit I, in which event consequences (a), (b) and (d) shall apply, but consequence (c) shall not apply. A Homeowner electing to lease must make the payment described in (d) above at the time of execution of the lease which shall be the scheduled date of purchase.

Each P&S shall contain a clause giving to the buyer the right of specific performance to compel a sale of the condominium unit to buyer, subject to the Feoffees satisfying the conditions set forth in Section 3 above.

5. The Litigation.

Upon execution of this Settlement Agreement, the parties shall jointly move the Superior Court to stay the Litigation pending the recording of the Master Deed, at which time the Litigation shall be dismissed with prejudice, with each Party bearing its own costs and attorneys' fees, all rights of appeal waived. Each Party shall execute such documents as are reasonably necessary to effectuate the terms of this paragraph.

6. Deposits/Escrow

At the time each Homeowner and Lessee shall deliver into escrow the Cottage Transfer Documents, he shall also deliver to MacLean Holloway Doherty Ardoff & Morse, P.C., attorneys

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for the Feoffees, to be held in, and released from, escrow under the same terms as the Cottage Transfer Documents, a Mutual Release, countersigned by the Feoffees, in the form attached hereto as Exhibit J and specifically incorporated herein by reference.

A deposit is to be paid for the purchase of a unit at the time each P&S is executed. The amount of the deposit will be the full amount that is then due in the escrow account at the Winchester Co-operative Bank pursuant to the Stipulation. The deposit will be fully applied in reduction of the purchase price. The funds held in escrow by the Winchester Co-operative Bank may be used for all or part of the deposit. The deposits will be held in an interest bearing escrow account by MacLean Holloway Doherty Ardiff & Morse, P.C., attorney for the Feoffees, and will not be comingled with other funds or used by MacLean Holloway Doherty Ardiff & Morse, P.C. or the Feoffees for any other purpose. So long as a buyer delivers to the Feoffees a W-9 form at the time the buyer signs the P&S and pays the deposit and so long as the buyer performs timely, any interest earned on the deposit shall be divided evenly between seller and buyer at closing. No further escrow payments as would otherwise be required pursuant to the terms of the Stipulation will be due or made by a Homeowner who has paid his deposit.

The deposit monies paid by the purchaser of a unit as described in the preceding paragraph will be non-refundable, except if the Feoffees breach the Agreement or fail to obtain approval for the proposed sale.

The interest due from the Winchester Co-operative Bank on all monies held in escrow, whether or not a Homeowner purchases a unit, will be gifted by LNLAC to the Ipswich School Committee, for educational purposes only, within ten days of the recording of the Master Deed.

7. Use and Occupancy Payments by Homeowners.

Each Homeowner shall be obligated to make all payments due under the Stipulation until he delivers to the Feoffees the Cottage Transfer Documents, the Mutual Release and P&S, at which time the Homeowner shall continue to make the payments due under Paragraph 8(a) of the Stipulation, but shall no longer be obligated to make the payments due under Paragraph 8(b) of the Stipulation, until closing.

The Parties agree to provide for increased use and occupancy payments in the event of an appeal from the Probate Court judgment as follows: each Homeowner who delivers timely the Cottage Transfer Documents, the Mutual Release and the P&S shall pay to the Feoffees for use and occupancy, commencing October 1, 2010, the sum of \$6,760 for seasonal homes and \$7,350 for year-round homes; said payment shall increase on April 1, 2011 to \$7,000 for seasonal homes and \$7,700 for year-round homes. In addition to the aforesaid use and occupancy payment, each said Homeowner shall make the payments described in Paragraph 8(a)(ii) of the Stipulation; all provided, however, that such use and occupancy payments, which payments are in lieu of the payments due pursuant to Paragraph 8(a)(i) and 8(a)(iii) of the Stipulation, shall be due and payable only if, on or after October 1, 2010, there is pending an appeal from the Probate Court judgment. If there is no such appeal until after October 1, 2010, the increase in use and occupancy payments will not go into effect until the date of such an appeal. The date of appeal shall be the first date any party to the Probate Court litigation files a notice of appeal. The increased use and occupancy payments will remain in effect until closing.

In the event the Feoffees do not obtain Probate Court approval to sell as contemplated in this Settlement Agreement, the parties will return to the payments set forth in Paragraph 8(a) and

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8(b) of the Stipulation; the deposits under the P&S's, together with interest thereon, will be returned by MacLean Holloway Doherty Ardiff & Morse, P.C. to the escrow account at the Winchester Co-operative Bank, and the Parties will jointly move the Superior Court to vacate the stay of the Litigation. The releases set forth in Sections 12 and 13 below shall be deemed null and void. The Cottage Transfer Documents shall also be deemed null and void and shall be promptly returned to the Homeowner, Lessee or Other having delivered the same into escrow. The Mutual Releases delivered into escrow as described in Section 6 shall also be deemed null and void and shall be promptly destroyed and shall not be returned to either party. Neither Party will be permitted to seek more or less use and occupancy or rent for the period during which the increased use and occupancy is in effect.

8. Purchase Money Financing.

A. The Feoffees will make up to a ninety percent (90%) purchase money first mortgage loan to any Homeowner, Lessee or Other who so desires to purchase his unit. The mortgage will be secured by the unit and undivided interest in the Common Area. The loan will be interest only for five years at a rate of six percent per annum, principal due and payable in five years. No junior financing will be permitted. The five-year interest only loan is not amortized. There may be up to two (2) prepayments of all or a portion of principal annually, without penalty; no payment may be less than \$5,000. The mortgage may be assumed by a creditworthy purchaser from the mortgagor with the consent of the mortgagee, which consent shall not be unreasonably withheld.

The note and mortgage described in this Section 8A shall be in form attached hereto as Exhibits K and L.

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B. If, at the end of the five-year interest only period, despite diligent efforts which shall include applications filed with two commercial lenders, a Homeowner, Lessee or Other is unable to secure conventional financing upon prevailing market rates and terms to pay in full the Feoffees, then the Feoffees shall provide each such Homeowner, Lessee or Other a mortgage loan as follows:

1. the amount of the loan shall be the then principal balance due on the interest-only loan;
2. it shall bear interest at a fixed rate of the greater of the annual rate of interest then charged by the Institution for Savings or its successor, for twenty-year fixed rate first mortgages on single-family residential properties and six (6.00%) percent per annum. If the Institution for Savings or its successor offers no such product, the interest rate to be compared to the six percent rate shall be the interest rate on the product most comparable to a twenty-year fixed-rate, first mortgage on single-family residential properties;
3. it shall have a maturity date (the "Maturity Date") twenty (20) years from the date of the loan closing ("Loan Closing Date");
4. it shall require mortgagor to make payments of interest and principal, in the amount necessary to fully amortize the loan balance over said twenty (20) year period, in arrears beginning thirty (30) days after the Loan Closing Date, and on the same day each month thereafter until the month immediately preceding the Maturity Date, or such earlier date as mortgagor may repay the loan in full;

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5. it shall provide that all outstanding principal and accrued but unpaid interest thereunder shall be due in full without further notice on the Maturity Date;
6. it shall provide that the Feoffees shall, within ten (10) business days of mortgagor's written request therefor, execute and deliver to mortgagor an estoppel certificate indicating the unpaid principal balance of the loan, and such other facts regarding the loan as purchaser may reasonably request;
7. it shall provide that the mortgagor may, from time to time, prepay the loan, in whole or in part, without penalty; no such prepayment may be less than \$5,000;
8. the loan will be evidenced by a promissory note and secured by a first mortgage on the condominium unit and undivided interest in the Common Area, and there shall be no points or closing costs charged in connection with such refinance transaction, but mortgagor shall pay any disbursements and recording fees; and
9. The mortgage may be assumed by a creditworthy purchaser from the mortgagor with the consent of the mortgagee, which consent shall not be unreasonably withheld.

The notes and mortgages described in this Section 8B shall be in form attached hereto as Exhibits M and N.

9. Consideration For Payment of the Balance of the Purchase Price.

Subject to the rights of the Feoffees to collect all monies due to them from Homeowners, Lessees and Others for the period of time prior to the recording of the Master Deed, upon

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payment of the Balance of the Purchase Price to the Feoffees, the Feoffees shall assign to the Condominium Association the following: (i) all of the Feoffees right, title and interest as landlord, or in the nature of landlord, arising under or with respect to any lease, occupancy agreement or tenancy arrangement with any Non-Participant, (ii) all rights to any rental or income stream arising from any such lease, occupancy or tenancy relationship of any Non-Participant; (iii) all leases, tenancies, occupancy agreements and all other rights related thereto with respect to Non-Participants; and (iv) the Declarant's future phasing rights to create any additional future phase or phases of units with regard to the dwellings of Non-Participants (collectively, the "Landlord and Future Phasing Rights"). The consideration hereunder constitutes a part of the security given to the Feoffees to secure the Balance of the Purchase Price pursuant to Section 1 above.

10. Obligations of Non-Participants.

In the event a Homeowner or Other becomes a Non-Participant, he shall have sixty days from the Cottage Transfer Documents Delivery Date to execute a lease in the form attached hereto and marked Exhibit O. Such lease shall permit occupancy on a seasonal or year-round basis as presently enjoyed by said Homeowner or Other. Such lease shall also further provide that it is non-assignable. At the time of execution of the lease, such a Homeowner or Other shall pay to the Feoffees for use and occupancy from July 1, 2006 to the date of execution of the lease an amount equal to the difference between rent and use and occupancy charges due under the terms of the Lease as defined in Section 2 above less payments made by the Homeowner or Other to the Feoffees, exclusive of payments made by the Homeowner or Other into escrow pursuant to the Stipulation (hereafter "U&O Arrears"). Such a Homeowner or Other shall also pay to the Feoffees at time of execution all other monies then due to the Feoffees. The funds

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held in escrow by the Winchester Co-operative Bank may be used towards the payments set forth in this paragraph.

In the event a Homeowner or Other becomes a Non-Participant and does not execute timely a lease, such Homeowner or Other will be deemed a tenant at sufferance, and liable to the Feoffees for the following: (a) use and occupancy charges commencing sixty days from the Cottage Transfer Documents Delivery Date in an amount equal to \$35 per day; (b) the real estate taxes on the lot and cottage occupied by such Homeowners or Other; (c) one one hundred sixty-seventh (1/167) of expenses paid by condominium unit owners to the Condominium Association; (d) all utility charges and costs of wastewater removal attributable to the cottage occupied by such Homeowner or Other; (e) U&O Arrears as defined above; and (f) all other monies otherwise due to the Feoffees. A Non-Participant who does not elect timely to execute a lease may use such Non-Participant's funds, if any, in escrow at the Winchester Co-operative Bank towards the payments set forth in this paragraph.

11. Release of Feoffees.

Except for the rights and obligations created by this Settlement Agreement and any otherwise binding P&S, lease, future tenancy at will, note, mortgage or other document contemplated by this Settlement Agreement, the Homeowners, for themselves and their heirs, assigns, representatives, agents, insurers, attorneys, predecessors-in-interest, and successors-in-interest do hereby release and discharge all claims, debts, demands, causes of action, suits, damages, obligations, costs, fees, losses, expenses, compensation, and liabilities whatsoever, at law or in equity, that are know or unknown, asserted or unasserted, contingent or accrued, discovered or undiscovered, that they had, have or may hereafter have, against the Feoffees, and all of their predecessors, successors, parents, subsidiaries and affiliates, directors, officers,

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members, managers, agents, stockholders, insurers, representatives, attorneys, and assigns, from the beginning of the world to the date of this Settlement Agreement. Without limiting the generality of the foregoing, Homeowners expressly acknowledge that this release includes all claims which are, might be, or could have been made in the Litigation.

12. Release of the Homeowners.

Except for the rights and obligations created by this Settlement Agreement and any otherwise binding P&S, lease, future tenancy at will, note, mortgage or other document contemplated by this Settlement Agreement, the Feoffees, for themselves, their directors, officers, agents, members, managers, insurers, representatives, attorneys, predecessors, successors, parents, subsidiaries and affiliates, and assigns, do hereby release and discharge all claims, debts, demands, causes of action, suits, damages, obligations, costs, fees, losses, expenses, compensation, and liabilities whatsoever, at law or in equity, that are known or unknown, asserted or unasserted, contingent or accrued, discovered or undiscovered, that they had, have or may hereafter have, against the Homeowners and all of the Homeowners' predecessors-in-interest, successors-in-interest, agents, insurers, representatives, heirs, attorneys, and assigns from the beginning of the world to the date of this Settlement Agreement. Without limiting the generality of the foregoing, the Feoffees expressly acknowledge that this release includes all the counter-claims made and/or claims which could have been made in the Litigation.

13. Public Announcement.

After this Settlement Agreement has been executed, the Parties will make joint public announcements and statements regarding the new agreement and all subsequent related matter. Neither Party, nor any principal thereof, will make a unilateral public announcement regarding

Final Settlement Agreement

the Settlement Agreement or the implementation thereof; provided, however, nothing herein shall prevent: (a) the Feoffees or Homeowners from discussing with the Ipswich School Committee the fact or terms of this Settlement Agreement; (b) the Feoffees or Homeowners from seeking the aforementioned Probate Court judgment or G.L. c. 30B compliance; and (c) the Feoffees or Homeowners seeking the Lessees' and Others' participation in the Condominium.

14. Disclaimer.

The Parties acknowledge that they understand that they may hereafter discover claims or facts in addition to or different from those they now know or believe to exist with respect to the subject matter of the Litigation and this Settlement Agreement which, if known or suspected at the time of execution of this Settlement Agreement, may have materially affected the settlement embodied herein. The Parties nevertheless agree that the general release described above in Sections 11 and 12 applies to any such additional or different claims or facts; provided, however, that nothing in this paragraph shall release or compromise any claim for breach of this Settlement Agreement or for any breach of obligations excepted under Sections 11 and 12.

15. Adequate Consideration – Denial of Liability.

The Parties agree and acknowledge that: (i) the consideration provided under this Settlement Agreement is accepted as a full, complete, final, and binding compromise of matters involving disputed issues, regardless of whether they believe too much or too little may have been paid; (ii) the consideration provided under this Settlement Agreement shall not be considered an admission of any liability or wrongdoing; and (iii) no past or present wrongdoing on the part of either Party shall be implied by anything contained in this Settlement Agreement.

16. No Obligations.

Except as expressly set forth herein, the Parties hereby waive any and all other obligations to each other and agree that neither Party is providing tax, accounting or legal advice to the other or making representations regarding tax or accounting obligations or consequences related to or arising from this Settlement Agreement. Each Party shall bear all of its own attorneys' fees, costs and expenses incurred in prosecuting or defending the Litigation and in connection with the negotiation, execution, implementation and delivery of this Settlement Agreement.

17. Due Authority; Enforceability.

Each of the Parties hereto represents and warrants that (i) it has the requisite power and authority to execute and deliver this Settlement Agreement and the exhibits thereto and (ii) the execution and delivery of this Settlement Agreement and the exhibits thereto by such signatory has been duly authorized by all requisite action(s) and creates valid and binding obligations of such signatory and those represented by such signatory, enforceable in accordance with its terms.

18. Representation by Counsel. The Parties acknowledge that they were represented by and consulted with attorneys of their own choosing in reviewing this Settlement Agreement and the matters being settled and released hereby, that they had a reasonable and sufficient opportunity to do so, and that these documents and the matters to which they relate were satisfactorily explained to them.

19. Comprehension. The Parties represent and warrant that the terms of the Settlement Agreement have been completely read by them and that the terms of the Settlement Agreement are fully understood and voluntarily accepted by them.

20. Future Cooperation.

The Parties agree to execute all further and additional documents and to take such other actions as may be reasonably necessary under the circumstances to give full force and effect to the terms and intent of this Settlement Agreement.

21. Successors.

The Settlement Agreement shall inure to the benefit of and bind the Parties hereto, their respective agents, successors, replacements, representatives, heirs and assigns.

22. Entire Agreement.

This Settlement Agreement constitutes the full, complete and entire understanding, agreement, and arrangement of and among the Parties with respect to the subject matter hereof and supersedes any and all prior oral and written understandings, agreements and arrangements between them. This Settlement Agreement may not be orally amended, altered, modified or waived, either in whole or in part. All parties have participated in the authorship of this Settlement Agreement and additions to and deletions from prior drafts of same shall not be admissible to interpret the meaning of this Settlement Agreement.

23. Severability.

In the event that any one or more of the provisions contained in this Settlement Agreement shall, for any reason, be declared in a legal forum to be invalid, illegal, ineffective or unenforceable in any respect, such invalidity, illegality, ineffectiveness or unenforceability shall not affect any other provision of this Settlement Agreement, which shall otherwise remain in full force and effect and continue to be valid and binding upon the Parties. Each of the provisions of this Settlement Agreement shall be enforceable independently of any other provision of this Settlement Agreement and independently of any other claim or cause of action.

Final Settlement Agreement

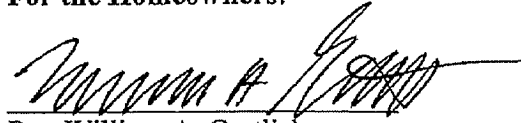
24. Governing Law. The Parties agree that this Settlement Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts without regard to conflict of law provisions.

25. Counterparts. This Settlement Agreement may be executed in several counterparts, each of which shall be considered to be an original of this Settlement Agreement.

Final Settlement Agreement

IN WITNESS WHEREOF, the signatories hereto, intending to be legally bound, have each executed this Settlement Agreement as a sealed instrument on the dates set forth below.

For the Homeowners:



By: William A. Gottlieb
Chairman, Little Neck Legal Action
Committee

Dated: December 23, 2009

By: Mark S. DiSalvo
Little Neck Legal Action Committee

Dated: _____, 2009

By: William M. Lonergan, Plaintiff

Dated: _____, 2009

By: Diane Whitney-Wallace, Plaintiff

Dated: _____, 2009

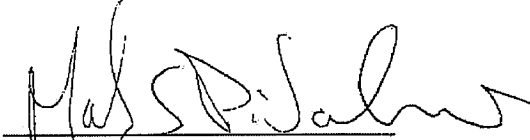
Final Settlement Agreement

IN WITNESS WHEREOF, the signatories hereto, intending to be legally bound, have each executed this Settlement Agreement as a sealed instrument on the dates set forth below.

For the Homeowners:

By: William A. Gottlieb
Chairman, Little Neck Legal Action
Committee

Dated: _____, 2009



By: Mark S. DiSalvo
Little Neck Legal Action Committee

Dated: 23 October, 2009

By: William M. Lonergan, Plaintiff

Dated: _____, 2009

By: Diane Whitney-Wallace, Plaintiff

Dated: _____, 2009

Final Settlement Agreement

IN WITNESS WHEREOF, the signatories hereto, intending to be legally bound, have each executed this Settlement Agreement as a sealed instrument on the dates set forth below.

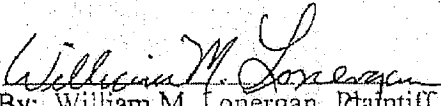
For the Homeowners:

By: William A. Gottlieb
Chairman, Little Neck Legal Action
Committee

Dated: _____, 2009

By: Mark S. DiSalvo
Little Neck Legal Action Committee

Dated: _____, 2009


By: William M. Lonergan, Plaintiff

Dated: December 23, 2009

By: Diane Whitney-Wallace, Plaintiff

Dated: _____, 2009

Final Settlement Agreement

IN WITNESS WHEREOF, the signatories hereto, intending to be legally bound, have each executed this Settlement Agreement as a sealed instrument on the dates set forth below.

For the Homeowners:

By: William A. Gottlieb
Chairman, Little Neck Legal Action
Committee

Dated: _____, 2009

By: Mark S. DiSalvo
Little Neck Legal Action Committee

Dated: _____, 2009

By: William M. Lonergan, Plaintiff

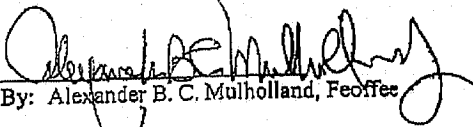
Dated: _____, 2009


By: Diane Whitney-Wallace, Plaintiff

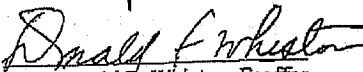
Dated: 12/24, 2009

Final Settlement Agreement

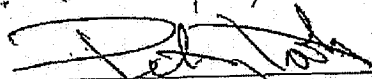
For the Feoffees:


By: Alexander B. C. Mulholland, Feoffee

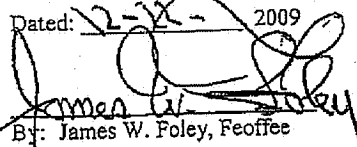
Dated: 12/22, 2009


By: Donald F. Whiston, Feoffee

Dated: 12/22, 2009


By: Peter A. Foote, Feoffee

Dated: 12-22, 2009

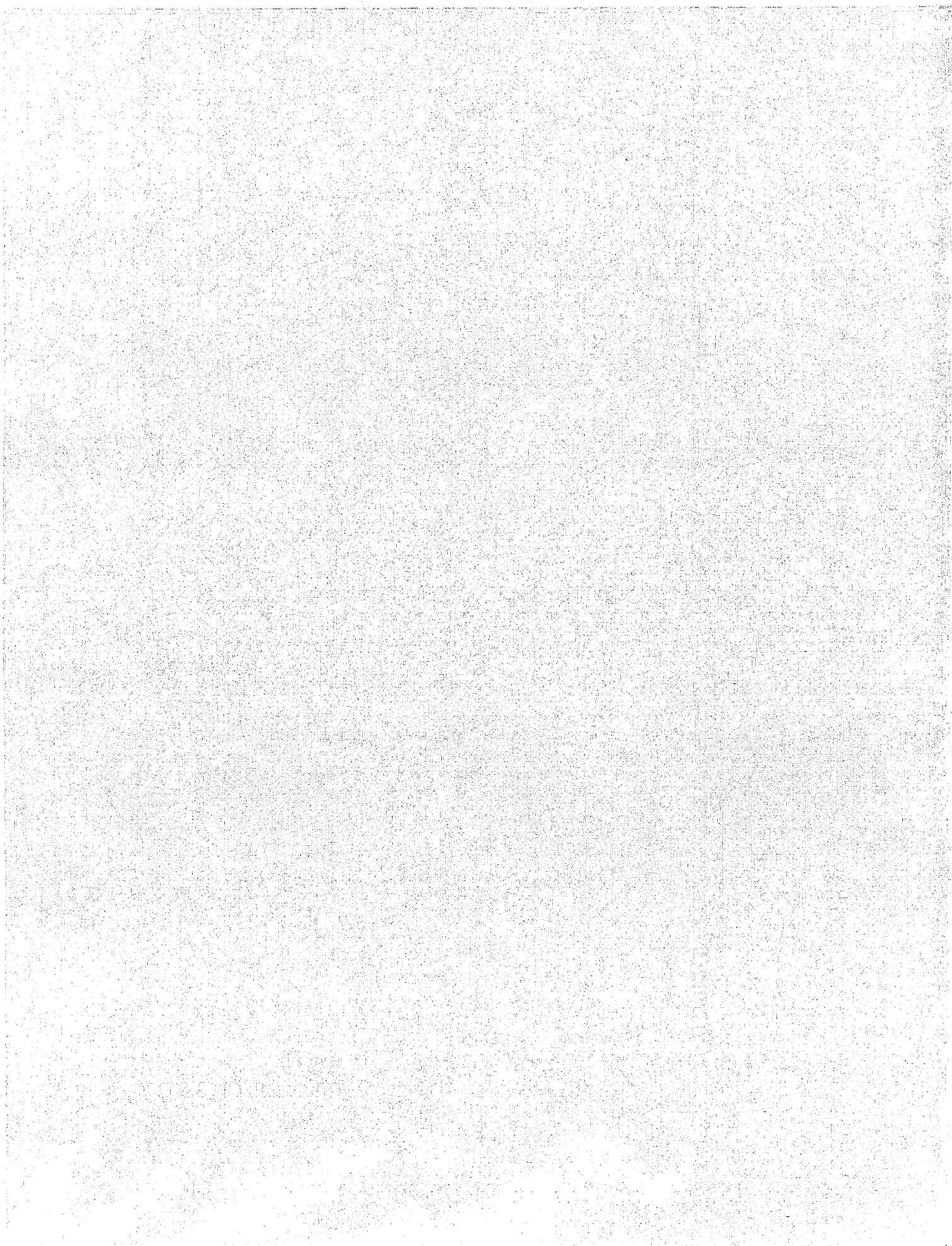

By: James W. Foley, Feoffee

Dated: 12/22, 2009

LIST OF SCHEDULES AND EXHIBITS

The following is a list of Schedules and Exhibits which are attached to this Agreement and incorporated into the Agreement by reference.

Schedule I	Legal Names of Current LNLAC Members as of Date of Agreement
Exhibit A	Description of the Land
Exhibit B	Form of Bill of Sale for Cottage Transfer
Exhibit C	Form of Unit Purchase and Sale Agreement
Exhibit D	Balance of the Purchase Price Note
Exhibit E-1	Collateral Assignment of Leases and Rents
Exhibit E-2	Assignment of Special Assessments
Exhibit F	Summary of Existing Erosion Damage
Exhibit G	Price List for Units
Exhibit H	Wastewater Assessment Credit
Exhibit I	Form of Condominium Unit Lease Upon Failure to Close Under P&S Agreement
Exhibit J	Form of Mutual Release
Exhibit K	Form of 5-Year Interest Only Promissory Note
Exhibit L	Form of 5-Year Mortgage
Exhibit M	Form of 20-Year Amortizing Promissory Note upon Loan Conversion
Exhibit N	Form of 20-Year Mortgage upon Loan Conversion
Exhibit O	Form of Lease for Non-Participants



SCHEDULE 1

LITTLE NECK LEGAL ACTION COMMITTEE ALPHABETICAL LIST OF MEMBERS AS OF 12/9/09

1. Aiello, Robert, as Trustee of the Robert Aiello Trust
44 River Road
2. Allen, Thomas J. And Allen Mary M.
18 Bay Road
3. Attridge, Robert W.
8 Bay Road
4. Bagnell, Walter C. and Bagnell, Mary A.
16 Hilltop Road
5. Barton, Richard S. and Barton, Joan L.
5 King's Way
6. Benjamin, Linda L. And Benjamin, Peter A.
3 Baycrest Road
7. Benjamin, Roy A. and Benjamin, Sally
28 Middle Road
8. Berman, Jeffrey A. and Luchner, Beth C.
45 Middle Road
9. Blum, Dawna
27 Plum Sound Road
10. Bouley, Patricia
25 Plum Sound Road
11. Brennan, Brian and Brennan, Eileen F.
5 Plum Sound Road
12. Brown (Passarelli), Cynthia B.
5 Middle Road
13. Buckley, John T.; Cody, Deborah M.; and Lemire, Elaine B., as Trustees of the
Buckley Cottage Trust
17 Baycrest Road

14. Carroll, David E. and Carroll, Carol Ann
21 Baycrest Road
15. Carroll, Peter John, as Trustee of the Carroll Realty Trust
38 Middle Road
16. Casey, Michael S. and Casey, Kathleen A.
12 Hilltop Road
17. Ciolek, Theodore and Ciolek, Louise
48 River Road
18. Cogan, Herbert B. and Pearson, Robin R.
5 Cove Road
19. Cole, Robert J., Jr.
39 Middle Road
20. Connor, John E. and Connor, Janet L.
18 King's Way
21. Cowdrey, Marcia; Cowdrey, Elliott Rodger; Cowdrey, Richard and Wilkey, Nadine
11 River Road
22. Currie, Norma J. and Beeman, Yvette A.
1 Hilltop Road
23. Cutler, Bruce C.; Cutler, Garrett C. and Thompson, Joyce C.
54 Hilltop Road
24. Davis, Francis J., Jr. and Davis, Carol R.
2 Bay Road
25. Dever, Elaine C.
2 River Road
26. Dever, Philip M. and Dever, Anne M.
12 Plum Sound Road
27. Devlin, William G.; Devlin, Charles M., Jr.; Devlin, Mark A. and Devlin, Nancy J.
26 Middle Road
28. Dieringer, Douglas J. and Dieringer, Mary C.
7 Hilltop Road

29. Dieringer, Mary G., as Trustee of the Bay Road Trust
25 Bay Road
30. DiSalvo, Mark S.
20 Hilltop Road
31. Doherty, Richard F. and Doherty, Ann J.
49 Middle Road
32. Donaldson, Malcolm, L. Jr. and Donaldson, Nancy, J.
16 Bay Road
33. Donohoe, Ann B.
19/56 Hilltop Road
34. Donovan, Gerald
30 King's Way
35. Dowling, Joseph L. J. and Dowling, Margaret A.
10 Hilltop Road
36. Duran, John F., Jr. and Duran, Ruth M., as Trustees of the Duran Realty Trust
10 Cliff Road
10 Middle Road
37. Eaton, Lillian V., as Trustee of the Lillian V. Eaton Living Trust
10 River Road
38. Exchange Authority, LLP, as Trustee of The Scannell/Pearse Exchange Trust
(Scannell, Francis J. and Pearse, Brenda)
41 River Road
39. Fanikos, Elizabeth D.
8 Hilltop Road
40. Ferrino, Joseph V. and Ferrino, Marie A.
25 Baycrest Road
41. Fidrocki, Walter J., as Trustee of the Fidrocki Trust
12 Bay Road
42. Fiske, Joanne M., as Trustee of Joanne M. Fiske Trust
22 Baycrest Road
43. Fogarty, John
18 Baycrest Road

44. Gillette, James and Gillette, Patricia
25 River Road
45. Girdwood, Doug A. and MacDonald-Girdwood, Susan
4 Cliff Road
46. Goodwin, Edward E.
23 Plum Sound Road
47. Gorham, Dorothy L.
19 King's Way
12 River Road
48. Gorman, Mary and Donovan, Kathleen
37 Hilltop Road
49. Gottlieb, William A. and Gottlieb, Roberta Crowley
14 Middle Road
50. Green, Malcolm R. and Green, Richard, as Trustees of The Lighthouse Trust
14 Plum Sound Road
51. Gresek, Daniel J.
4 Middle Road
52. Hamlin, Ross E.
5 Gala Way
53. Hanson, Richard and Blake, Joan Hanson
50 River Road
54. Hardy, William E. and Hardy, Marion D.
12 Middle Road
55. Harris, Cornelia
61 River Road
56. Holden, Peter N.
17 Bay Road
57. Horsman, Byard W. and Horsman, Jean Elizabeth, as Trustees of the Horsman Living Trust
4 Cove Road

58. Hough, Sara D., as Trustee of the Sara D. Hough Family Trust
49 River Road
59. Hull, Peter R. and Hull, Jane E.
22 King's Way
60. Huntley, Charles E. and Huntley, Alberta R.
41 Middle Road
61. Johnson, Robert Wade and Johnson, Cynthia A.
37 Middle Road
62. Johnson, Mary Fox
18 Bay Road
63. Kaine, Edwin J. and Kaine, Diana M., as Trustees of the Kaine Little Neck Trust
19 Middle Road
64. Kelley, Frederick, R., III; Kelley, Kara E., and Lydon, Nancy G. as Trustees of the
Kelley Little Neck Trust
3 Middle Road
6 Middle Road
7 Middle Road
65. Kennedy (Spencer), Jane
17 King's Way
66. Koris, Francine Amore
2 Cliff Road
67. Krupanski, Jim and Krupanski, Renay
9 Middle Road
68. Kurnick, James T.
6 River Road
69. Kutz, Eleanor and Huff, Lorraine Kutz, as Trustees of The Kutz Family Trust
16 Middle Road
70. Lailikos, Florence
27 River Road
71. Lichoulas, Catherine D'Amico
23 Bay Road

72. Lichoulas, Catherine D'Amico, as Trustee of 31 River Road Trust
31 River Road
73. Lonergan, William M. and Lonergan, Carol L.
36 Middle Road
74. Lowden, Arthur R. and Lowden, Diane I.
43 Middle Road
75. Lyons, Joyce V.
21 Plum Sound Road
76. MacRae, Robert D.
3 River Road
77. Maloney, Janet R.
4 Plum Sound Road
78. Maloney, Jason
2 Plum Sound Road
79. Maloney, Robert M., Jr. and Maloney, Susan E.
29 River Road
80. Manzi, Paul E.
43 Hilltop Road
81. Mastrogiovanni, Maura; Simpkins, Lynda M.; Grace, Lisa M.; and Crocker, Ellen M.,
as Trustees of the Ingrid G. Scheible Memorial Trust
24 Baycrest Road
82. McDonald, Peter and McDonald, Kimberly
30 Middle Road
83. McGilvray, Paul E. and McGilvray, Cornelia C., as Trustees of The P&C Revocable
Trust
9 Bay Road
84. Merlino, Patrick M., as Trustee of The River Road Trust
16 River Road
85. Morrison, Wayne M. and Morrison, Phyllis J.
25 King's Way
86. Noreika, John F. and Noreika, Donna M
31 Bay Road

87. O'Brien, Michael J.
35 Hilltop Road
88. O'Connor, Patricia M., as Trustee of the Marchisio Trust
40 Middle Road
89. O'Flahavan, Mildred K.
21 Middle Road
90. O'Keefe, Timothy J.; O'Keefe, Terrence; O'Keefe, Kerin and O'Keefe, Thomas M.
24 Hilltop Road
91. Pulsford, Barbara A., as Trustee of the Barbara A. Pulsford Trust
10 King's Way
92. Raynard, Edward L. and Raynard, Shirley M.
19 Plum Sound Road
93. Robinson, H. Durrell and Robinson, Cecily I.
8 Cove Road
94. Rocco, David S.
28 Plum Sound Road
95. Rodman, Scott E.
43 River Road
96. Rogal, Peter K.
16 King's Way
97. Rowell, Barbara
4 King's Way
98. Ruta, Stephen A.; Ruta, Edward S.; Ruta, Paul J. and Mesner, Stephanie M.
6 Cove Road
99. Seager, Robert and Loth, Rene
45 River Road
100. Saline, Craig A. and Saline, Sharon M., as Trustees of the Saline Family Trust
13 Plum Sound Road
101. Sandberg, Martha C.
53 River Road

102. Santoro, Barbara K. Carbone, as Trustee of the Barbara K. Carbone Trust
29 Bay Road
103. Saunders, Richard C.
47 River Road
104. Saunders, Richard C. and Saunders, Linda L.
25 Hilltop Road
105. Schless, Robert A. and Hawrylak, Christine
39 River Road
106. Simpkins, Sandra H.
22 Plum Sound Road
107. Spatz, Bruce H. And Spatz, Linda L.
22 Middle Road
108. Stallard, Donald E. and Stallard, Marilyn
28 Baycrest Road
109. Stocker, Richard W. and Stocker, Myde
18 Hilltop Road
110. Story, Charles M. and Story, Douglas G.
3 Plum Sound Road
111. Stover, Kathryn, Individually and as Trustee of the 158 Little Neck Trust
15 River Road
112. Sullivan, Mark; Sullivan, Kara and Sullivan, Christopher
8 Cliff Road
113. Surette, Philip and Surette, Nancy
22 Hilltop Road
114. Survillas, Joseh J. and Survillas, Nancy
37 River Road
115. Todd, Deborah
15 Baycrest Road
116. Torrisi, Elizabeth S.
21 River Road
117. Varney, Mary A.

21 King's Way

118. Varney, Bob and Varney, Mary
24 King's Way

119. Varney, Robert C.
15 Cove Road

120. Veno, Constance I.
40 Middle Road

121. Veno, Susan E.
35 River Road

122. Walker, Michael E. and Walker, Diane L.
21 Hilltop Road

123. Watson, Robert P., Jr.; Watson, Susan J.; and Watson, Sally E.
6 Baycrest Road

124. Weaver, James; Weaver, Laurel; and Weaver Carmichael, Wendy
3 Cove Road

125. Whitney Wallace, Diane
12 Middle Road

126. Wilkey, Fred and Wilkey, Nadine
59 River Road

127. Yacubian, Richard H. and Yacubian, June H.
20 King's Way

128. Yemma, Antonio A. and Yemma, Cheryl A.
27 Bay Road

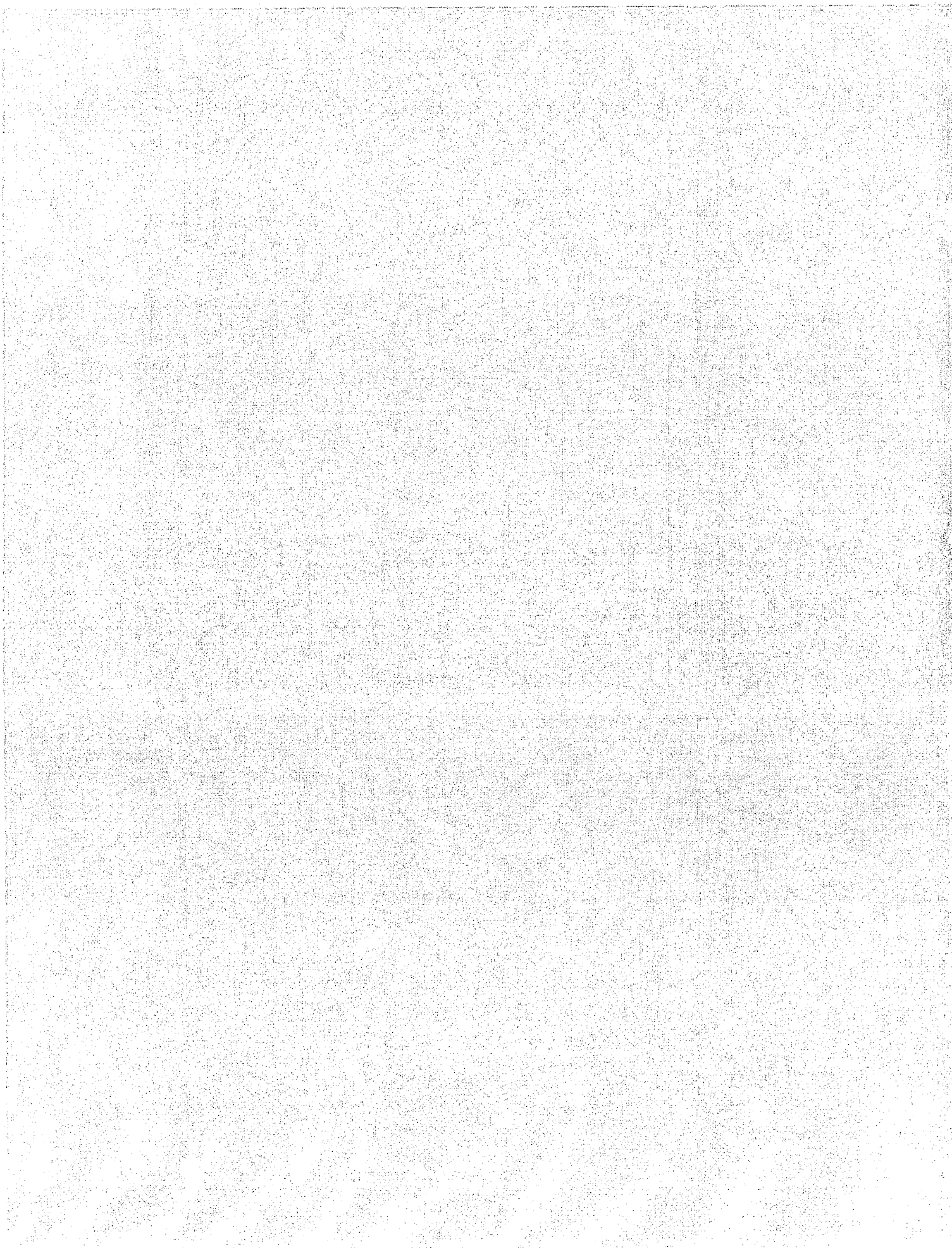


EXHIBIT A

A parcel of land, commonly known as Little Neck, at the end of Little Neck Road, Ipswich, Essex County, Massachusetts, being approximately 35 acres. The parcel is shown as a series of separate lots, including but not limited to, Lots 1 through 173, inclusive, and the ways, paths and driveways, including but not limited to those ways or paths known as Bay Road, Hilltop Road, Middle Road, River Road, Cliff Road, Plum Sound Road, Kings Way, Gala Way, Baycrest Road and Cove Road, and including any and all gaps and gores between such lots and ways, if any, and all as generally depicted on Ipswich Board of Assessors Map 24C (Revised March, 2008).

Subject to an Easement to the Inhabitants of the Town of Ipswich, dated February 22, 1995, recorded in the Essex South District Registry of Deeds, Book 12954, Page 10.

Subject to Order of Conditions issued by the Ipswich Conservation Commission, dated January 13, 2005, recorded in said Registry, Book 23914, Page 381; and dated March 30, 2005, recorded in said Registry, Book 24148, Page 181.

For title, see the Last Will of William Paine, who died in 1660 (Suffolk Registry of Probate, 1:346).

EXHIBIT B

Bill of Sale Cottage at Little Neck

KNOW ALL MEN BY THESE PRESENTS that _____, of _____, Ipswich, MA in consideration of One Dollar (\$1.00) and other good and valuable consideration, including the terms and conditions set forth in a certain Settlement Agreement executed between the undersigned cottage owner (the "Cottage Owner(s)") and The Feoffees of the Grammar School in the Town of Ipswich (hereinafter the "Feoffees") dated as of December 24, 2009 in the case of William M. Lonergan, et al. v. James W. Foley, et al., Essex Superior Court C.A. No. 067-02328D, the sufficiency of which is hereby acknowledged, solely and exclusively for the purposes of forming The Little Neck Condominium as provided for in the Settlement Agreement, does hereby grant, sell, transfer, and deliver unto the Feoffees the following goods and chattels, namely:

A certain cottage (the "Cottage"), including the fixtures attached thereto, located upon Lot _____, as shown on the Town of Ipswich Assessors Maps as Map 24C, Lots 001 through 173 (the "Land" or "Little Neck").

To have and to hold all and singular the Cottage to the Feoffees and their successors and assigns to their own use forever.

The undersigned Cottage Owner(s) hereby covenant(s) to the Feoffees that he/she/they is/are the lawful owner(s) of the Cottage and that it is free from all encumbrances. The undersigned further covenants that he/she/they have the good and clear right to sell the same as aforesaid, and that he/she/they will warrant and defend the same against the lawful claims and demands of all persons.

IN WITNESS WHEREOF, the undersigned Cottage Owner(s) has set his/her had and seal this _____ day of _____, 20____.

Signed and sealed in the presence of:

WITNESS

Cottage Owner

Cottage Owner

EXHIBIT C

From the Office of:

Stephen S. Clark, Esq.
MacLean Holloway Doherty
Ardiff & Morse, P.C.
8 Essex Center Drive
Peabody, MA 01960
978-762-5822 (PH)
978-774-7164 (FX)

STANDARD FORM CONDOMINIUM PURCHASE AND SALE AGREEMENT

This day of _____ 20__:

1. Parties and Mailing Addresses:

The Feoffees of the Grammar School in the Town of Ipswich
hereinafter called the SELLER, agrees to SELL and

_____ hereinafter jointly called the
BUYER, agrees to BUY, upon the terms hereinafter set forth, the following described
premises:

2. Description:

Unit No. ____ (the "Unit") of the Condominium at Little Neck, located at Little Neck, Ipswich, Massachusetts, (the "Condominium") created pursuant to Chapter 183A of the Massachusetts General Laws (the "Act") by Master Deed to be dated and recorded with the Essex South Registry of Deeds (the "Master Deed"), together with (a) an undivided ____% percentage interest in both the common areas and facilities of the Condominium and the organization of unit owners through which the Condominium is managed and regulated, (b) the exclusive right to use the exclusive common areas assigned to the Unit as set forth in the Master Deed, and (c) such other rights and easements appurtenant to the Unit as may be set forth in any document governing the operation of the Condominium including without limitation the Master Deed, the Condominium Trust and the By-Laws contained therein, and any administrative rules and regulations adopted pursuant thereto (all of which are hereinafter referred to as the "Condominium Documents"). The above described premises are a portion of those conveyed to the SELLER under the Will of William Payne, aka William Paine (Suffolk Probate Court # 1: 346).

3. Fixtures:

Included in the sale as part of the Unit are the fixtures *belonging to the SELLER* and used in connection therewith. The extent to which any of such fixtures belong to the SELLER may be governed in part by provisions contained in the Condominium Documents.

4. Title Deed:

Said premises are to be conveyed by a good and sufficient quitclaim deed running to the Buyer, or to the nominee designated by the BUYER by written notice to the SELLER at least seven (7) days before the deed is to be delivered as herein provided, and said deed shall convey a good and clear record and marketable title thereto, free from encumbrances, except

- (a) Provisions of existing building and zoning laws;
- (b) Such taxes for the then current year as are not due and payable on the date of the delivery of such deed;
- (c) Any liens for municipal betterments assessed after the date of this agreement;
- (d) The provisions of the Act and the Condominium Documents including without limitation all obligations of the unit owners to pay a proportionate share of the common expenses of the Condominium;
- (e) All restrictions, easements and encumbrances referred to in the Condominium Documents;
- (f) Easements, restrictions and reservations of record, if any, so long as the same do not prohibit or materially interfere with the current use of said premises;
- (g) Leases between Seller and cottage owners at Little Neck;
- (h) Rights of the public, if any, to use that portion of Pavilion Beach historically used by the public; and
- (i) Utility agreements currently existing and future contracts of the Feoffees or Trustees of the Condominium Trust or both entered into in the ordinary course of business with respect to the creation, development, operation of or services to the Condominium none of which will prevent the year round use and enjoyment of any unit or will prevent the use and enjoyment of the common areas and facilities for the purposes and uses stated in the Condominium Documents.

5. Plans:

If said deed refers to a plan necessary to be recorded therewith the SELLER shall deliver such plan with the deed in form adequate for recording or registration, including without limitation condominium site and floor plans to be recorded in accordance with the Act.

6. Registered Title: Intentionally Deleted.

7. Purchase Price:

The agreed purchase price for the premises is (per price list). A deposit has been paid by BUYER of \$_____ (per Settlement Agreement) which shall, at closing, be applied in reduction of the purchase price. The balance of the purchase price shall be paid in full at closing by wire transfer or bank or certified check payable to SELLER or SELLER'S designee without endorsement. The term "closing" in this Agreement shall mean the transaction at which the BUYER shall pay in full the purchase price and the SELLER shall deliver to BUYER the deed required herein. See Paragraph 47 of the Rider to this Agreement for BUYER'S seller financing option.

8. Time for Performance; Delivery of Deed:

Such deed is to be delivered at a date and time designated by the SELLER in writing to the BUYER not less than thirty (30) days from the date of said writing and not more than sixty (60) days from date of the notice described in Section 3 of the Settlement Agreement dated as of December 24, 2009 between the Little Neck Legal Action Committee ("LNLAC") and the SELLER (hereinafter the "Settlement Agreement"). at the Essex South District Registry of Deeds, or at the office of MacLean Holloway Doherty Ardoff & Morse, 8 Essex Center Drive, Peabody, MA 01960, unless otherwise agreed upon in writing. The SELLER shall cooperate reasonably with the BUYER in scheduling the date and time of closing as required by the Settlement Agreement. It is agreed that time is of the essence of this Agreement.

9. Possession and Condition of Premises:

Full possession of said premises subject to BUYER's occupancy or to such tenants and occupants claiming through BUYER, *except as herein provided*, is to be delivered at the time of the delivery of the deed, by record instrument referred to in clause 4 hereof. The condition of Little Neck at the time of closing shall be governed by Section 1 of the Settlement Agreement. The condition of the Unit shall be "AS IS" at the time of closing.

10. Extension to Perfect Title or Make Premises Conform:

If SELLER shall be unable to give title or to make conveyance, or to deliver possession of the premises, all as herein stipulated, or if at the time of the delivery of the deed the premises do not conform with the provisions hereof, then SELLER shall use reasonable efforts to remove any defects in title, or to deliver possession as provided herein, or to make the said premises conform to the provisions hereof, as the case may be, in which event the SELLER shall give written notice thereof to the BUYER at or before the time for performance hereunder, and thereupon the time for performance hereof shall be extended for a period of thirty (30) days. The SELLER shall not be obligated to expend more than \$ 2,500.00 to make the premises so conform, exclusive of attorney's fees and liens or encumbrances created by or against SELLER. If however, the Escrow Release Event under the Settlement Agreement shall occur and the Master Deed shall be recorded prior to the date and time of the time for Closing as scheduled under this Agreement, then

in such case the Seller shall be obligated to use all necessary efforts to remove any defects in title, excluding claims or liens by LNLAC, its members or this Buyer, and to close hereunder notwithstanding any limitation described above with respect to time or expense.

11. Failure to Perfect title or Make Premises Conform: Intentionally Deleted.

12. Buyer's Election to Accept Title:

The BUYER shall have the election, at either the original or any extended time for performance, to accept such title as the SELLER can deliver to the said premises in their then condition and to pay therefor the purchase price without deduction, in which case the SELLER shall convey such title.

13. Acceptance of Deed:

The acceptance of a deed by the BUYER or his nominee as the case may be, shall be deemed to be a full performance and discharge of every agreement and obligation herein contained or expressed, except such as are, by the terms hereof, to be performed after the delivery of said deed.

14. Use of Purchase Money to Clear Title:

To enable the SELLER to make conveyance as herein provided, the SELLER may, at the time of delivery of the deed, use the purchase money or any portion thereof to clear the title of any or all encumbrances or interests, provided that all instruments so procured are recorded simultaneously with the delivery of said deed, or within a reasonable time thereafter in accordance with local conveyancing practices.

15. Insurance:

A. Prior to SELLER'S recording of the Master Deed, the BUYER shall maintain casualty insurance on his or her cottage which is to comprise the Unit in an amount equal to the full replacement cost of the cottage. If the BUYER'S cottage suffers a casualty loss prior to recording of the Master Deed, insurance proceeds therefor shall be used to restore the cottage to its prior condition and the time for closing under this Purchase and Sale Agreement shall be tolled and extended as necessary.

B. BUYER shall provide to SELLER upon the execution of this Agreement evidence of the coverage referred to in paragraph A above.

C. Upon recording of the Master Deed, SELLER shall maintain condominium insurance on the Premises as required by the Condominium Documents.

16. Evidence of Insurance:

At the time of the delivery of the deed, the SELLER shall deliver to the BUYER a certificate of the Condominium insurance as required by the Condominium Documents. The procuring of any supplemental insurance shall be at the option and sole expense of the BUYER.

17. Adjustments:

Taxes for the then current fiscal year and common expenses for the then current month shall be apportioned, as of the day of performance of this agreement and the net amount thereof shall be added to or deducted from, as the case may be, the purchase price payable by the BUYER at the time of delivery of the deed. Nothing herein shall alter the obligation of BUYER, as part of its obligations to SELLER under a certain Stipulation referred to in the Settlement Agreement, to pay the real estate taxes assessed against the cottage and lot prior to closing. At closing, Buyer shall pay a two month's working capital reserve payment to the Condominium Trust and shall reimburse Seller for Buyer's proportionate share of one year's prepaid common area insurance. All monies due from BUYER to SELLER under the terms of the Settlement Agreement shall be paid at closing, pro-rated in the event the closing does not take place on the last day of a calendar month.

18. Adjustments of Un-assessed and Abated Taxes:

Intentionally Deleted.

19. Broker's Fee:

Intentionally Deleted.

20. Broker(s) Warranty:

Intentionally Deleted.

21. Deposit:

All deposits made hereunder shall be held in escrow by MacLean Holloway Doherty Ardoff & Morse as agent for the SELLER, subject to the terms of this Agreement and duly accounted for at the time of performance. All deposits are non-refundable unless the SELLER breaches this Agreement or is unable to satisfy the contingencies set forth in the Settlement Agreement. So long as the BUYER delivers to the SELLER a W-9 form at the time the BUYER signs this Agreement and pays the deposit and so long as the BUYER performs timely, any interest earned on the deposit shall be evenly divided between SELLER and BUYER at closing. In the event a closing does not occur, interest shall follow the deposit.

22. Buyer's Default; Damages:

The consequences of BUYER'S failure to fulfill the BUYER'S agreements herein are those set forth in the Settlement Agreement.

23. Release by Husband or Wife:

Intentionally Deleted.

24. Broker as a Party:

Intentionally Deleted.

25. Liability of Trustee, Shareholder, Beneficiary, etc.:

If the SELLER or BUYER executes this agreement in a representative or fiduciary capacity, only the principal or the estate represented shall be bound, and neither the SELLER or BUYER so executing, nor any shareholder or beneficiary of any trust, shall be personally liable for any obligation, express or implied, hereunder.

26. Warranties and Representations:

The BUYER acknowledges that the BUYER has not been influenced to enter into this transaction nor has he relied upon any warranties or representations not set forth or incorporated in this agreement or in the Settlement Agreement. The Premises are purchased in the condition set forth herein and in the Settlement Agreement.

27. Mortgage Contingency Clause:

Intentionally Deleted. Closing is not subject to a mortgage contingency, but reference is made to Section 47 of the attached Rider with respect to available Seller financing.

28. Construction of Agreement:

This instrument, executed in multiple counterparts, is to be constructed as a Massachusetts contract, is to take effect as a sealed instrument, sets forth the entire contract between the parties, except as set forth in the Settlement Agreement referred to herein, is binding upon and inures to the benefit of the parties hereto and their respective heirs, devisees, executors, administrators, successors and assigns, and may be cancelled, modified or amended only by a written instrument executed by both the SELLER and the BUYER. If two or more persons are named herein as BUYER their obligations hereunder shall be joint and several. The captions and marginal notes are used only as a matter of convenience and are not to be considered a part of this agreement or to be used in determining the intent of the parties to it.

29. Lead Paint Law:

The parties acknowledge that the Unit to be purchased hereunder is the cottage now owned by the BUYER and the BUYER agrees to defend, indemnify and hold harmless the SELLER from and against any and all claims under the so-called Lead Paint Law.

30. Smoke Detector and Carbon Monoxide Alarm:

The BUYER shall, at the time of the delivery of the deed, deliver a certificate from the fire department of the city or town in which said premises are located stating that said premises have been equipped with approved smoke detectors and an approved carbon monoxide alarm, in conformity with applicable law.

31. Additional Provisions:

At the time of the delivery of the deed, the SELLER shall deliver to the BUYER a statement from the organization of unit owners in recordable form and setting forth, in accordance with Section 6(d) of the Act, that there are no outstanding common expenses assessed against the Unit as of said time. The initialed riders, if any, attached hereto, are incorporated herein by reference.

32. Buyer's Home Inspection Acknowledgment:

BUYER represents, warrants, covenants and acknowledges to the SELLER that BUYER is familiar with the Premises and that the Unit is being purchased by the BUYER and sold by the SELLER "AS IS" and "WHERE IS", with all defects without any representations, warranties or covenants, express or implied or statutory, of any kind whatsoever, including without limitation, any representation, warranty or covenant as to condition (including structural, environmental, mechanical or otherwise), past or present use, construction, compliance with law, habitability, or fitness or suitability for any purposes, except as provided in this Agreement, all of which are hereby expressly disclaimed. Without limiting the generality of the foregoing, BUYER acknowledges that neither the SELLER

nor SELLER'S representatives have made any representations, warranties or covenants, express or implied, on which BUYER has relied as to the compliance of the Premises with any federal, state, municipal or local statutes, laws, rules, regulations, or ordinances, including without limitation, zoning, waste water disposal, lead paint, hazardous or toxic wastes or substances, pollutants, contaminants or other environmental matters or any other matter, except as provided in this Agreement. This provision shall survive delivery of the deed.

SEE RIDER A ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE.

NOTICE: This is a legal document that creates binding obligations. If not understood, consult an attorney.

The next page is the signature page.

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

By: _____

BUYER (or spouse)

Taxpayer ID/SSN: _____

BUYER (or spouse)

Taxpayer ID/SSN: _____

RIDER TO PURCHASE AND SALE AGREEMENT

33. Unless otherwise specified herein, any notice or other communication hereunder shall be given in writing and signed by the party or party's attorney and shall be deemed to have been duly given when (i) delivered by hand, or (ii) transmitted by facsimile transmission, addressed as follows:

If to SELLER: The Feoffees of the Grammar School
 in the Town of Ipswich
 c/o William H. Sheehan III, Esq.
 MacLean Holloway Doherty Ardoff & Morse, P.C.
 8 Essex Center Drive
 Peabody, MA 01960
 (978) 774-7123
 (978) 774-7164 (facsimile)
 Email: wsheehan@mhdpc.com

If to BUYER:

with a copy to:

or to such other address or addresses as may from time to time be designated by either party by written notice to the other. By such notice, either party or such party's attorney may notify the other of a new address, in which case such new address shall be employed for all subsequent deliveries and mailings. In order to expedite the transaction contemplated herein, telecopied signatures shall be effective in place of original signatures on this Agreement. SELLER and BUYER intend to be bound by the signatures on the telecopied document, are aware that the other party will rely on the telecopied signatures, and hereby waive any defenses to the enforcement of the terms of this Agreement based on the form of signature. A document bearing a signature required hereunder may be communicated as an attachment to an email communication in lieu of being transmitted by facsimile.

34. This Agreement and the exhibits or riders attached hereto, together with a certain Settlement Agreement and Cottage Transfer Documents executed by, among others, the parties hereto or their representatives, supersede all prior agreements and other understandings as to sale between the parties and represent the complete and full agreement between BUYER and SELLER. All prior offers and agreements between the parties with respect to the transaction contemplated hereby and any such prior offers or agreements shall be null and void.

35. All references to the "then current year" and like references with respect to real estate taxes payable for the Premises shall be construed to mean the then current fiscal tax period within which such taxes are payable.

36. Any matter of practice arising under or relating to this Agreement which is the subject of a title or practice standard of the Real Estate Bar Association (formerly the Massachusetts Conveyancers Association) at the time for delivery of the deed shall be governed by such title standard to the extent applicable.

37. If any errors or omissions are found to have occurred in any calculations or closing adjustments used in the settlement between the parties, or would have been included if not for any such error or omission and notice hereof is given within two (2) months of the date of delivery of the deed to the party to be charged, then such party agrees to make such payment as may be necessary to correct the error or omission. This provision shall survive delivery of the deed.

38. In the event that this Agreement is recorded by the BUYER, the BUYER, upon such recording, shall be deemed to be in default hereof, with all rights and remedies arising after such default to be, forthwith, fully enforceable and in effect.

39. The SELLER and BUYER have, as of this day: (i) had ample opportunity to consult with counsel of their choice regarding this transaction; (ii) had ample opportunity to review with counsel the terms and provisions of this Agreement; (iii) understood and assented to the obligations imposed by this Agreement; and (iv) knowingly and willingly entered into this Agreement.

40. Each of BUYER and SELLER warrant and represent that it has not taken any action to cause a broker's fees or finder's fee to be due upon the sale of the Premises and each agrees to defend, hold harmless and indemnify the other from and against any claim for such a fee in the event of a breach of this representation and warranty. This provision shall survive the delivery of the deed. This provision shall bind the BUYER and his successors and assigns.

41. At the time of delivery of SELLER's deed, SELLER, if requested, shall execute and deliver (i) an affidavit to any title insurance company insuring title to the premises to the BUYER with respect to the premises stating that no work has been done on the premises by the SELLER which would entitle anyone to claim a mechanic's or laborer's lien with respect to the premises, (ii) an affidavit of Non-Foreign Person sufficient to comply with Section 1445 of the Internal Revenue Code, or if a Foreign Person, as therein defined, shall comply with the

requirements of such Section 1445, (iii) a Substitute Form 1099 S (iv) Settlement Statement; (v) any title clearing or due authority documents as reasonably required by BUYER or its title company; and (vi) such other customary documents or instruments as may be reasonably requested by SELLER.

42. BUYER's rights under this Agreement are contingent upon BUYER's timely payments due pursuant to the Settlement Agreement. In the event BUYER breaches BUYER's obligations under the Settlement Agreement, said breach shall constitute a default by BUYER under this Agreement and the consequences to the BUYER shall be those set forth in the Settlement Agreement.

43. BUYER's obligations to buy are contingent upon the SELLER's providing, at closing, the following documents, instruments, judgments and decisions, pursuant to and as also further described in the Settlement Agreement:

(a) A Judgment of the Essex Probate and Family Court authorizing the SELLER to deviate from the terms of the will and trust of William Payne and to sell the premises and common area as contemplated by this Agreement, which judgment shall be beyond appeal;

(b) A Master Deed adopted pursuant to Ch. 183A of the M.G.L.s creating the Condominium at Little Neck; A Condominium Homeowner's Association; and Condominium floor plans and a Condominium Site plan suitable for recording showing the premises and common area;

(c) A decision or opinion of the Inspector General stating that the provisions of G.L. c. 30B do not apply to the SELLER at the time of sale; provided, however, if the Inspector General opines or decides that the provisions of G.L. c. 30B do apply, the SELLER may satisfy its obligation hereunder by complying with the terms of G.L. c. 30B prior to closing. The SELLER may also satisfy this contingency by obtaining a judgment beyond appeal, declaring that G.L. c. 30B does not apply to the sale of the Premises.

44. In the event the SELLER satisfies all of the contingencies set forth in Paragraph 43 of this Agreement, but fails to perform hereunder, BUYER may elect to compel specific performance from the SELLER.

45. (Applicable to LNLAC members only). In the event the SELLER does not satisfy the contingencies set forth in Paragraph 43 hereof, the SELLER shall cause all deposits hereunder to be delivered to the Escrow Account at Winchester Co-operative Bank referred to in the Settlement Agreement and the parties' rights and obligations shall be those as set forth in the Settlement Agreement.

46. The BUYER shall have the exclusive right to use and occupy the Unit from and after the date of recording of the Master Deed through the date scheduled for closing hereunder as though the Unit were a cottage that was still owned in fee by the BUYER, subject only to BUYER making such payments as required pursuant to Section 7 of the Settlement Agreement (in the case of a Homeowner or Other as defined in Settlement Agreement) or subject to making such

rent and other payments as would otherwise be required under the BUYER'S lease agreement with the Feoffees (in the case of Lessees.) In the event the BUYER breaches this Agreement, the consequences shall be those set forth in Section 4 of the Settlement Agreement, the parties hereto expressly agreeing that, due to the unique circumstances giving rise to this Agreement, such consequences are fair and reasonable.

47. In the event that BUYER elects to receive purchase money financing from SELLER, BUYER shall notify SELLER of same in writing at least twenty (20) days prior to closing. The note and mortgage shall be in the form attached as Exhibits I and J to the Settlement Agreement in an amount not more than ninety (90%) percent of the purchase price. In the event BUYER takes title to the Premises in any representative capacity, all principals of such entity shall individually and unconditionally execute the note as a Maker.

48. [If applicable] BUYER shall receive at closing a credit of \$_____ (the amount of Wastewater Assessment Credit).

49. (Applicable to Lessees only). BUYER shall receive at closing a credit equal to the difference in rent paid by BUYER under BUYER'S lease with SELLER less payments for use and occupancy and for operation and maintenance of the wastewater system due from non-lessees, which credit shall be reduced by an amount due at closing from each of LNLAC'S members, on a per home basis, for LNLAC'S fees and costs described in Section 2 of the Settlement Agreement.

50. The term "Common Area" used herein shall mean the common area as defined in the Master Deed.

SELLER: The Feoffees of the Grammar School
in the Town of Ipswich, duly authorized

By: _____

By: _____

By: _____

By: _____

BUYER:

By: _____

