Jones Reporting Company, Inc.

Please visit our website at www.jonesreporters.com

Two Oliver Street, Suite 804

Boston, MA 02109

Phone: (617) 451-8900 Fax: (617) 451-3535

Invoice

Invoice Date	Invoice #
Tuesday, October 25, 2011	32548FR

Stephen M. Perry
Casner & Edwards
303 Congress Street
Boston, MA 02210

Phone: Fax:

Witness:	James Monahan, pp 1-123
Case:	Mulholland vs. Attorney General of MA
Venue:	
Case #:	
Date:	10/17/2011
Start Time:	11:30 AM
End Time:	3:45 PM
Reporter:	Doris Jones
Claim #:	
File #:	*28882FR*

Item	Description	Each	Quan	Total
O	Original Transcript	$3.50	123	$430.50
CTCA	Condensed Transcript/Media Package	$0.00	1	$0.00
DE	Delivery	$12.00	1	$12.00
		Sub Total		**$442.50**
		Payments		**$0.00**
		Balance Due		**$442.50**

Fed. I.D. # 86-1100261

1% interest accued monthly on all balances over 30 days.

Need ASAP ☐ YES ☒ NO
If yes, time of day

Submission Date **10/26/11**

CASNER & EDWARDS, LLP

REBILLABLE CLIENT EXPENDITURES

Client/Matter No. **7428 - 0**

Client Name **Ipswich**

Requesting Person's Initials **SMP**

Expense Code **60**

Amount $**442.50**

Cash ☐ Check ☐ Invoice ☒

Payable To: **Jones Reporting Company, Inc.**

Billing Description **(REQUIRED):deposition transcript of James Monahan, taken on 10/17/11**

*** * * Please check expense category and enter expense code number above * * ***

	Codes		Codes
☐	02 Photocopying – in house	☐	66 Patent
☐	03 Telephone	☐	67 Printing
☐	04 Postage	☐	68 Professional Services
☐	05 Closing Adjustment	☐	69 Reserve Corporate Name
☐	42 Fax Transmissions	☐	70 Service of Process
☐	43 Federal Express	☐	71 Title Examination
☐	45 Rush Messenger Delivery	☐	72 Witness Fee
☐	46 UPS Delivery	☐	73 Publication of Citation
☐	48 Medical Records	☐	74 Certificate of Appointment
☐	49 CSC (f/k/a Prentice-Hall)	☐	75 Probate Filing Fees
☐	51 PACER on-line search	☐	76 Estate Tax Filing Fees
☐	52 Certs. of good Standing/Legal Existence	☐	77 Guardian ad litem
☐	53 West CD_ROM Legal Research	☐	78 Expert Witness/Consultant Fee
☐	54 Mediation	☐	79 Private Investigator's Fee
☐	55 Filing Fees	☐	80 Removal Bond – Federal
☐	56 Recording Fees	☐	81 Removal Bond – State
☐	57 Secretarial Overtime	☐	82 LEXIS
☐	58 Delivery/Messenger Service	☐	83 W.R. Grace Photocopy Project
☐	59 Office Manager	☐	84 Travel
☒	60 Stenographer/Transcript	☐	85 Photocopying – outside
☐	61 Bond	☐	86 Certified Copies
☐	62 CT Corporation	☐	90 Westlaw Research
☐	63 Computax	☐	91 Secretary of State Searches
☐	64 Corporate Seal	☐	92 THOMSON & THOMSON
☐	65 Newspaper Advertising	☐	97 Miscellaneous

TO BE COMPLETED BY BOOKKEEPING DEPT.

Bookkeeper Initials _____ Date _____ Check No. _____

Reporting

October 25, 2011

William H. Sheehan, III, Esq.
MacLean Holloway Doherty Ardiff & Morse
8 Essex Center Drive
Peabody, MA 01960

Re: *Mulholland vs. Attorney General of Massachusetts*
Deposition of James E. Monahan

Dear Attorney Sheehan,

Enclosed please find your copy of the deposition of James E. Monahan taken October 17, 2011 in the above-reference matter. Kindly have the witness read the transcript, noting any corrections on the errata/signature sheet enclosed herewith. No corrections should be made on the transcript itself.

Once this has been completed, please return the executed signature pages to Stephen M. Perry, Esq. at the address noted on the appearance page of the transcript.

If you have any questions regarding this matter, please do not hesitate to contact our office at 617-451-8900.

Sincerely,

Jones Reporting Company

cc: Stephen M. Perry, Esq.

VOL. I

PAGES 1-123

EXHIBITS: 1-8

COMMONWEALTH OF MASSACHUSETTS

Essex, ss. Probate & Family Court

Civil Action No. ES09E0094QC

- - - - - - - - - - - - - - - - - - - -

ALEXANDER B.C. MULHOLLAND, JR, et al.,

Plaintiffs,

vs.

ATTORNEY GENERAL of the

Commonwealth of Massachusetts, et al.

Defendants.

- - - - - - - - - - - - - - - - - - - -

DEPOSITION OF JAMES E. MONAHAN

October 17, 2011

11:40 a.m. to 3:45 p.m.

CASNER & EDWARDS, LLP

303 Congress Street

Boston, Massachusetts 02210

Court Reporter: Doris M. Jones, CSR/RPR

APPEARANCES:

MacLEAN, HOLLOWAY, DOHERTY, ARDIFF &
MORSE, P.C.
By William H. Sheehan III, Esq.
8 Essex Center Drive
Peabody, MA 01960
978.774.7123 wsheehan@mhdpc.com
For the Plaintiffs

CASNER & EDWARDS, LLP
By Stephen M. Perry, Esq.
303 Congress Street
Boston, MA 02210
617.426.5900 sperry@casneredwards.com
For the Defendants School Committee of Ipswich
and Richard Korb, Superintendent.

I N D E X

Deposition of:		Page
JAMES E. MONAHAN		
By Mr. Perry		4

E X H I B I T S

Exhibit 1	1997 Report	26
Exhibit 2	2001 Report	39
Exhibit 3	2004 Report	52
Exhibit 4	2010 Report	58
Exhibit 5	Page from web site	102
Exhibit 6	2006 Report by Anderson	103
Exhibit 7	Price List	111
Exhibit 8	List of comparable sales	114

** Original exhibits retained by Mr. Perry

P R O C E E D I N G S

MR. PERRY: We'll have the same stipulations as before.

JAMES E. MONAHAN,

having been first satisfactorily identified by the production of his Massachusetts driver's license and duly sworn by the Notary Public, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. PERRY:

Q. Would you state your name.

A. James E. Monahan.

Q. And what is your residential address?

A. 51 Labor In Vain Road, three words, Ipswich.

Q. Have you been retained to serve as an expert in litigation that's pending between the Feoffees and the School Committee?

A. I have.

Q. And do you expect to be called as a witness to testify at trial?

A. I understand it's possible.

Q. So do you have some doubt as to whether you will be testifying?

A. I guess just in -- I'm not -- I haven't heard definitively that it will go to trial. So that's the root of my doubt.

Q. How long have you lived at 51 Labor In Vain Road in Ipswich?

A. About 8 or 9 years.

Q. Who do you live there with?

A. My wife, Nicole.

Q. Do you have children?

A. Three girls.

Q. How old are they?

A. That's a very good question. They're 15, 18 and 22.

Q. Do they go to the Ipswich public schools?

A. Yes, two of them are in public school now.

Q. And one graduated?

A. One graduated, right.

Q. Just for the record, what's your wife's name?

A. Nicole.

Q. Is it Monahan?

A. Right.

Q. Where did you live before you lived at 51 Labor In Vain Road in Ipswich?

A. 17 Turkey Shore Road in Ipswich.

Q. Which part of Ipswich is 17 Turkey Shore Road in?

A. It's on I guess you would call it the east side. Right near the town center.

Q. What about Labor In Vain Road?

A. Same. The two houses are about a mile and a half apart.

Q. Where did you go to college?

A. St. Anselm College in Manchester, New Hampshire.

Q. What year did you graduate?

A. 1982.

Q. What degree?

A. A B.A. in liberal studies.

Q. Have you had any formal education after graduating from St. Anselm in 1982?

A. I did a two-year master program in landscape architecture at the Conway School of Design.

Q. When did you do that?

A. '83 to '85.

Q. Is that Conway, New Hampshire?

A. Conway, Massachusetts. In the Berkshires.

Q. Did you get a degree?

A. Yes. It's a master of arts in landscape architecture.

Q. Would you summarize for me your occupational history after you received your master's degree from the Conway School of Design?

A. I did an internship with the Department of Environmental Management in Massachusetts for about a year. I think 1986, '87, thereabouts. And had a landscape design/build firm with a partner of mine as kind of a side job during that same period.

And I went on a contract basis with Massachusetts DEM for two or three years after that. And then took a job with LandVest in I believe 1989.

Q. And you've been with LandVest ever since?

A. I have.

Q. Has that been your full-time occupation?

A. Correct.

Q. Have you done anything occupationally outside of LandVest while you've worked at LandVest?

A. No.

Q. Have you invested in real estate during that period?

A. Other than my primary home, no.

Q. Could you describe for me please what your occupational history has been at LandVest?

A. It's involved a broad range of real estate consulting services for a range of private and commercial institutional clients, including land planning and permitting, project management and various levels of appraisal work.

Q. Do you hold any professional licenses?

A. Yes. I have a general certification appraiser's license in Massachusetts as well as Colorado, Minnesota, New Hampshire and Vermont.

Q. Do you hold any other professional licenses?

A. I don't believe so, no.

Q. When did you become licensed as an appraiser?

A. Originally in 1993. Shortly after licensing was instituted, mandatory licensing.

Q. What was the state that you obtained your license in?

A. Massachusetts.

Q. And the other states you mentioned came after that?

A. Correct.

Q. Have you ever had any discipline under any of your licenses?

A. Yes. I had an infraction in I think it was 2003 where there was a new rule that was put in place where a principal appraiser had to inspect a subject property in the presence of a trainee appraiser. And in this case we saw the property on two consecutive days but not together. So the -- and then that trainee submitted that work product for work credit towards her license and the state board flagged me as not complying with the inspection rule. The case was disposed of.

Q. Anything else? Any other --

A. Yeah, in Massachusetts two or three years ago there was -- I think it may show as a license infraction. There was a rule instigated some years ago that you had to take a course, USPAP, every two years and I missed the two-year deadline I think by about a month. I submitted that information to the board and they essentially told me not to do it again.

Q. Anything else?

A. Now I take USPAP every year. That's it.

Q. So you described work that involves

planning, permitting, project management and various forms of appraisal, right?

A. Broad-based real estate consulting.

Q. And you've been doing that from the time you joined LandVest to the present?

A. Correct.

Q. Could you break down in percentages how much you do of each?

A. I would say 90 percent of the work we do involves valuation or appraisal at some level. But the -- what I would call technically straight line appraisal work, you know, involving IRS, estate settlements, conservation easements. We don't do much bank financing work, appraisal work. That probably occupies 60 or 70 percent of my work load these days.

Q. What does?

A. Written appraisal reports. Preparation of technical appraisals.

Q. How has that changed over time?

A. It's remained relatively constant.

Q. So you're saying that from the time you joined LandVest to present about 60 percent or 70 percent of your time has been spent doing written

appraisal work?

A. Correct.

Q. Do you know how many appraisals you've done?

A. I don't know the number but I would estimate probably 500.

Q. Where did you first receive any training in the area of real estate appraisal?

A. Formal training was shortly after I started with LandVest.

Q. Did you have any informal training before that?

A. I received some what I would characterize as on-the-job training with DEM because the state was involved in some acquisition of park lands at the time.

Q. So you had some familiarity with concepts?

A. Correct.

Q. But your first formal training as an appraiser took place while you were at LandVest?

A. Correct.

Q. Could you tell me what that formal training consisted of please?

A. Primary and continuing education.

Q. Where did you get the primary education?

A. There was a minimum number of classroom hours required in 1993 for a certified general license. I don't recall what the total classroom hours were but they're offered by the Massachusetts Board of Real Estate Appraisers and the Appraisal Institute.

Q. So you attended at least the minimum number of classes required to get your license?

A. Correct. And sat for the exam.

Q. You mentioned the Appraisal Institute. What is that?

A. It's a national appraisal organization that oversees regulatory enforcement and updates of the appraisal industry.

Q. Does that group, the Appraisal Institute, have a connection to what you described as USPAP?

A. Right, Uniform Standards of Professional Appraisal Practice.

Q. Those are requirements promulgated by the Appraisal Institute?

A. Correct.

Q. And they tend to be adopted by different regulatory bodies?

A. They're enforced by the regulatory bodies. And there are certain appraisal shops that work under USPAP and others that choose not to. LandVest happenings to be a USPAP shop.

Q. You said you had taken courses and sat for a written exam. When did you sit for the written exam?

A. In 1993.

Q. Did you pass?

A. Yes.

Q. And what continuing education have you had?

A. Oh, there have been -- the ongoing requirements have changed through the years but it's been roughly a two- to three-year renewal cycle. And you've needed anywhere from 28 hours to 45 hours of continuing education within each of those cycles.

Q. Have you generally met whatever the minimum requirements are with the one exception of the USPAP update you referred to?

A. Correct. You can't renew your license without performing the continuing ed.

Q. Does one become a member of the Appraisal Institute?

A. An MAI designation. And I don't have that but that is an appraisal designation.

Q. How does one become an MAI?

A. I don't know what the current requirements are but it's an additional level of classroom education and preparation of work product for review by a local Appraisal Institute board.

Q. Is there a test involved?

A. I don't know the answer to that. I believe there is.

Q. In order to become MAI has one first got to be a candidate?

A. Correct.

Q. Could you tell me how that process works?

A. I'm honestly a little bit out of touch with the current requirements.

Q. Can you tell me how it used to work?

A. You used to sign on as a candidate for the MAI designation. You would submit work product every year that would accrue towards the writing of what was called a demonstration report. And that was basically a very comprehensive and free appraisal that you would provide a property owner and then that report would serve as -- I think that

was in lieu of a written examination. Your demonstration report would be reviewed by your peers and if it was acceptable you would be granted the MAI designation.

Q. Did you ever enlist as a candidate for the MAI designation?

A. I did, early in the early to mid 1990s when I thought I would pursue the MAI.

Q. How long did you have the status of candidate for the MAI designation?

A. I honestly don't recall.

Q. How many of those appraisals did you submit for peer review?

A. I never pursued the MAI designation.

Q. You signed up as a candidate?

A. Correct.

Q. And then what?

A. I didn't pursue the designation because state licensing, it was an educational challenge in itself and that license appeared to suffice for the type of work I was doing.

Q. Were you a candidate for the MAI designation after you you had your state license?

A. I believe for a period.

Q. So at the time you thought it was something you wanted to do?

A. Exactly.

Q. What did you do -- tell me anything you did do to attempt to pursue before you decided not to pursue it, the MAI designation?

A. Well, there was somebody in our shop at LandVest who was pursuing the MAI designation. And -- the initial step, the two of us started this program at the same time, and then all you had to do was file a fee with the Appraisal Institute, an application and fee, and you were considered a candidate. And you could choose to follow up on the designation or not. And I didn't see it as a long term professional goal that I set for myself.

Q. So you simply didn't do anything to pursue it?

A. I don't believe I did.

Q. Who was the other individual?

A. Michael Hart, H-A-R-T.

Q. Is he still with LandVest?

A. Yes, he is.

Q. Did he pursue the designation?

A. He did.

Q. Did he get it?

A. He did.

Q. What's his position at LandVest?

A. He's a senior project manager.

Q. Similar to yourself?

A. Senior appraiser I think is his title. A similar level. Yes.

Q. Do you have any other affiliation or connection at this time with MAI? I'm sorry, with the Appraisal Institute?

A. I believe I might have an affiliate membership designation. That's an administrative renewal that's managed through the LandVest office that really doesn't carry any significant benefits.

Q. Apart from the licenses you've mentioned, do you have any other professional certifications?

A. No.

Q. Do you have any professional affiliations?

A. I don't believe so. I just finished the course work for a real estate sales license in Massachusetts. I plan to sit for that test in the next few months.

Q. What's the formal name of LandVest?

A. LandVest, Inc.

Q. How is LandVest, Inc. owned?
A. It's privately owned.
Q. By --
A. By the shareholders.
Q. Who are the shareholders?
A. I'm one. And there are probably 25 employees who own fractional shares.
Q. Has it always been owned that way by the employees?
A. No. It was bought in 1990s, roughly 1990, by Merrill Lynch Realty and it was basically flipped to Prudential Real Estate. And then LandVest principals at the time bought the company back from Prudential. So it was under another corporate umbrella for a period of two or three years.
Q. It was a management buyout?
A. Correct.
Q. When did the management buyout from Prudential take place?
A. I would say roughly 1994, 1995.
Q. Is there any one individual who holds a controlling interest in LandVest?
A. Yes, there are two or three original principals who started the company in 1969 who hold

majority shares.

Q. Who are they?

A. Robert Borden, B-OR-D-E-N. I believe David Rosen, R-O-S-E-N. Richard Perkins. And Wade Stanier, S-T-A-N-I-E-R.

Q. You've mentioned that you reside in Ipswich. Do any of the principals reside in Ipswich?

A. No. Robert Gordon lives in Essex. He's the closest.

Q. At some point did LandVest become involved with consulting services relating to the land at Little Neck?

A. Yes. I believe it was originally 1996, 1997.

Q. The first project was the appraisal that was done in 1997?

A. Yes.

Q. Who at LandVest was the contact person for this work?

A. It may have been John Burkholder, B-U-R-K-H-O-L-D-E-R. He was the head of the consulting division at the time.

Q. Where did he reside?

A. Cambridge, I believe.

Q. Were you assigned to this first project?

A. Yes, I was.

Q. Did you know any of the Feoffees?

A. No, not prior to this project. I knew Don Greenough. He was counsel to the Feoffees at the time.

Q. How did you know Don Greenough?

A. I knew him casually just through events around Ipswich. I had done a couple of other private projects for him possibly prior to that.

Q. You had done some appraisals?

A. I don't know whether I did appraisal work. He does quite a bit of real estate estate work for private clients. I'm sure I'd been retained by him prior to the original Little Neck project.

Q. Do you, as an individual residing in Ipswich, know any of the people who reside in Little Neck?

A. I knew -- I've only known a couple people who have owned at Little Neck.

Q. Who are they?

A. The Hebel family. Bruce Hebel, H-E-B-E-L. I'm not sure whether they still own there or not.

And then I knew Paul Manzi, M-A-N-Z-I, who owned on Little Neck until last year I believe.

Q. What's the nature of your relationship with Paul Manzi?

A. He's an electrician in Ipswich. I've hired him before to do some residential electrical work.

Q. At your house or on projects?

A. At my house.

Q. Do you know which unit he owned at Little Neck?

A. I could point to the house but I don't recall the address.

Q. Do you recall it being sold?

A. I know he was in arrears on his rent and I don't know the disposition of it. I know he doesn't live there anymore. He may still own it but he may have rented it out.

There may be other people who I know that live on Little Neck and I don't know that -- I know quite a few people around town and don't always -- don't know the rent roll out there too well.

Q. Have you done any work with any of the

Feoffees outside of the work you've done regarding Little Neck?

A. I don't believe I have, no.

Q. To your knowledge have you done any work for any of the tenants?

A. No, I haven't.

Q. Have you done any other work for Mr. Greenough since 1997?

A. I worked on a project in Rowley with him. And that was a family-held piece of real estate. He had been managing the family real estate assets and I was called in to provide an opinion of value of the property size and best use and market value.

Q. Have you done any other work for Mr. Sheehan?

A. I don't believe I have.

Q. As part of the work out at Little Neck did you attempt to extract land values?

A. Yes, I did.

Q. What does it mean to extract land values?

A. It's a process of -- it's typically employed only in cases where you don't have -- if you're appraising vacant land. It's used in cases where you don't have highly reliable local

comparable sales of vacant land. And it involves the analysis of a closed transaction involving improved property and then the appraiser essentially backs out the contributory value of improvements to achieve an underlying land value.

Q. How does one go about backing out the improvements?

A. There are different methods you can employ but the most standard methodology is to estimate the depreciated square foot value of the physical buildings based on their age and physical condition. And there are technical ways of supporting a calculation of depreciation.

Q. When you're attempting to estimate depreciated value of existing structures, does that mean you would start by estimating their replacement cost and then back out some depreciation?

A. Correct. You can use the Marshall & Swift Valuation Service Manual. You're basically calculating the replacement cost new of the building and estimating its actual and effective age. And then there are charts, depreciation charts in that manual.

There's a secondary method where you

look at a similar closed transaction and estimate the underlying land value of that sale and estimate the replacement cost new of the improvements and deduce the rate of appreciation on the building. It requires quite a few assumptions and it's just used in support of the Marshall & Swift depreciation charts.

Q. Do you know how real estate assessments are done in Massachusetts to extract land values?

A. Ad valorem taxation is not one of my specialties but I'm familiar with the methodology that assessors undertake in valuing an entire town's worth of real estate.

Q. In Ipswich do you know what the methodology is for separating out land value from overall value of an improved parcel?

A. It's supposed to be based on a personal inspection. I know Ipswich I think farms the valuation out to Patriot Properties as a subcontractor and they typically will do an interior inspection of the building and employ the same basic methodology as appraisers would.

Q. So with respect to Little Neck, where there's difficulty extracting real estate values

because I'm assuming a lack of sales of unimproved real estate, right?

MR. SHEEHAN: Objection.

A. Right.

Q. You agree in Little Neck one of the difficulties in the valuation process is there's not if a lot of comparable sales?

A. There are no vacant parcels that have come on the market in the last several years.

Q. So is it your understanding that the assessments at Little Neck have been based on similar extraction methodology to that which you've described?

A. Well, it's not -- I would characterize the assessment process as more of a composite valuation where rather than extracting land values from Little Neck or sales in other locations in Ipswich, they are basically making a judgment as to underlying land value and then adding in the value of the improvements.

Q. For assessment purposes they can value the entire lot but then they need to break it down to improvement and land?

A. Right.

Q. When they do that do you know whether they are following the same Marshall & Swift depreciated value you described?

A. I don't know offhand.

Q. We'll start with your 1997 report.

MR. PERRY: Would you mark this as Exhibit 1.

(Exhibit 1 marked for identification.)

BY MR. PERRY:

Q. Is Exhibit 1 a copy of the report that you prepared in 1997 valuing Little Neck?

A. Yes, it is.

Q. Before you wrote that report you had been out to the property?

A. Correct.

Q. Were you familiar with the property before that?

A. Yes, I was. I had never appraised it. Just as a local landmark.

Q. Am you mention I think somewhere in this report that the utilities at Little Neck are underground. Do you remember that?

A. I don't remember that.

Q. Do you remember if the utilities at Little Neck are underground?

A. I believe they are and were at the time.

Q. Is that true at Great Neck?

A. No.

Q. Great Neck, if you're driving around you see wires all over the place, don't you?

A. Just a normal amount of overhead utility lines.

Q. In your judgment how does the lack of aboveground utilities at Little Neck affect the overall views and appeal of the property?

A. I think underground utilities are always an esthetic benefit.

Q. Are they an esthetic benefit at Little Neck?

A. I would say yes. But offset slightly by the cottage density, which I think is a larger esthetic consideration.

Q. You made some comments at page 12. Turn to page 12 of your report, please.

In the large paragraph in the middle you refer to the assessments as being aggressive because owners of the cottages did not have fee

simple ownership of the real estate.

A. I think the comment about the 1 million dollars per acre valuation for 12 acres did appear aggressive at the time given the fact that the property couldn't be legally subdivided.

Q. Were you aware of any statutory requirement that assessments of leased property be performed as though the lessee were the owner in fee simple?

MR. SHEEHAN: Objection to form. You may answer.

A. I was not aware of that statutory clause.

Q. Are you aware of any such statute at this time?

A. It's not my exact field of expertise. I haven't been involved in a project that's required that sort of research recently.

Q. So the answer is you're not aware of whether that's a requirement at this time or not?

MR. SHEEHAN: Objection.

THE WITNESS: Is it okay to answer?

MR. SHEEHAN: Yes.

A. I'm not aware of that statute.

Q. It says in your report somewhere in here

that summer rents at the time were in the range of 500 to $900 per week. I'll see if I can find that.

(Pause.)

BY MR. PERRY:

Q. Page 22. Do you see that sent?

A. Yes, I do.

MR. SHEEHAN: Objection to the form.

BY MR. PERRY:

Q. Do you see the sentence that says the average summer rental rate for the prime July-August rental season generally ranges between $500 and $900 gross a week?

A. Correct.

Q. Where did you get that information?

A. I believe I got it from Dorothy Levesque, who was one of the more active brokers in Little Neck at the time.

Q. And has remained --

A. I believe she's still active out there.

Q. Do you know her?

A. I call her probably once every five or six years for research on sales she's been involved with.

Q. Did you ask her what the summer rentals

per week are in the current time frame at Little Neck?

A. In this --

Q. For example, in connection with the appraisal you did in 2010 of Little Neck, did you find out what the then current summer rental rates were?

A. I believe I did.

Q. What are they?

A. I don't recall.

Q. How did you find out in 2010 what the rents were?

A. In talking probably with Dorothy. Or, you know, looking at what they had done on the MLS for listed rentals?

Q. You make a comment on page 22, you make a statement, "However because owners currently accrue no equity in the land, the maintenance and income expense balance is an extremely important consideration in the continued value of the buildings in the Little Neck market."

What did you mean when you referred to value stability in the Little Neck market?

A. I believe that was a reference to an

ongoing concern or market dynamic because the value of Little Neck property is basically founded in the fact that a large number of pre-existing nonconforming lots effectively exist. If the owners, a certain measure of the owners decided that they wanted to walk away from their properties or sell, then a flood of of listings in that fairly small submarket would drive pricing downward.

Q. Would drive down pricing of the cottages?

A. And the leasehold interest, correct.

Q. You say the leasehold interest. That would be the value of somebody who was a tenant under a lease?

A. The right to pay rent, correct.

Q. Why would it be a concern of the landlords if the value of the leasehold interest or the value of the cottages were to decrease?

A. Because then the value of the level of rental income would obviously decrease.

Q. The rental income for the land would be based on the land value, right?

A. No. A fair percentage of the total rental value accrues to the existing cottages.

Q. You're talking about the rental value to a

subtenant?

A. To a subtenant, correct.

Q. But the rental -- if you were the owner of this property, the Feoffees, their concern would be how much can we lease the real estate for, correct?

A. Correct.

Q. Why would the owners of Little Neck be concerned about whether cottages were selling substantially above depreciated value of the improvements versus selling only a little above the fair market value of the improvements?

A. Well, as managers of a rental property they are going to want to uphold value, I would assume, in all cases.

Q. Do you think they would want to uphold the values of the lessees?

A. Correct.

Q. Why do you think it would be in the interest of the Feoffees to unhold the value of the improvements owned by the lessees?

A. Because if the lessees are happy in that location and happy with the terms of their rental agreement, then they are going to uphold their

properties and values will subsequently be upheld.

Q. Did you do any kind of real estate value extraction in your 1997 report that we've marked as Exhibit 1?

A. I believe I did.

Q. Where did you do that?

A. Well, this is a real estate advisory report and I believe I referenced as one -- I believe I referenced the assessors division of land and improvements.

Q. I think if you look at page 26 you will see the chart where you listed some sales in trying to do an extraction.

A. Correct.

Q. Just so we can understand what's in table 6, these were 17 sales that had taken place at Little Neck, right?

A. Yes.

Q. You listed next to that the price that somebody had paid to a cottage owner in connection with the transfer of the cottage?

A. Correct.

Q. You were under the understanding that generally speaking those prices exceeded the value

of the improvements themselves?

A. Well, I said elsewhere in the report that because the market -- the values seemed to assign a fair price to the underlying land even though it was just a tenancy at will. So the purchase prices outlined in that table are, as a practical matter of the market, are a combination of land and improvements.

Q. In these particular cases somebody would come in and buy a cottage in the first one for $150,000 and you concluded that the improvements were worth-- in this particular example it looks like $81,000 and the land accounted for 69,000 of it; is that correct?

A. Correct.

Q. In other words, somebody bought LN-1 for $150,000 but what they got was a cottage that had a fair value of roughly $80,000, right?

A. Correct.

Q. And some kind of expectation that they would be able to continue to rent the land?

A. Exactly.

Q. And at that time rents were almost nominal, weren't they?

A. They were below market.

Q. I think your report indicates that they were at $600 a year for seasonal use?

A. Yes.

Q. Did you do any calculations at that time to take into account that the individuals buying the cottages would have to pay rent as something that might be affecting the value of the real estate?

A. I did.

Q. And what did you do?

A. I guess I don't understand the question. I mean, it's -- this report is 14 years old and I -- we were asked as part of the scope of work to model a broad range of assumptions and come up with recommendations as to how to make some prudent management decisions about the property. So exactly -- my statement in this report was that the market effectively behaves, approximates the behavior of a fee simple market and that the prices paid seem to reflect the fact that buyers coming in assign a fairly high level of value to the underlying land.

And in this 1997 example, as a means of extracting or allocating value to the underlying land I looked at closed sales and then imputed the

assessors' allocation of underlying land value to render an opinion of the underlying land value in the case of each of these 17 sales.

Q. As part of your report you came up with some valuations if the property as a whole were to be sold as a condominium; is that right?

A. Correct.

Q. And if I understand correctly, you did that on two different bases. One was with a hypothetical third party and a second analysis where the property would be sold to the tenants?

A. I believe so, yes.

Q. Could you explain what the difference in the valuation methodology is for those two scenarios.

A. Well, the value of the property as a fee simple investment to a third party buyer requires a different set of cash flow assumptions than those employed in a tenant buyout. But I would -- I think argued from 1997 on that market value by definition is value to a disinterested third party whereas investment value is a value to an identified buyer or pool of buyers. The assumptions employed to calculate both of those values in this instance are

different.

Q. Let's talk about the investment value in this report for a moment by an identified pool of buyers, which are identified to be the tenants. Is there an attachment that shows that analysis?

A. I don't think I did add value to the existing tenancy.

Q. I think you say you did.

A. Well, on page 40, second to bottom paragraph, financial analysis of planning option C, assuming to a profit-minded third party investor who would convert the land to condominium ownership and resell land interests. And then while it is readily arguable that the existing tenancy should be expected to pay a higher value for the property under this use, the third-party investor value will serve as a reliable base line value in any future purchase and sale negotiations with the tenancy.

Q. Page 41, you refer to an additional discounted cash flow analysis where you have, you say, a more aggressive sellout schedule of three years and you reduced developer profit requirements to 12 percent and sale commission to 2 percent?

A. Right.

Q. And that was all for an investment value to tenant-type sales?

A. Yes.

Q. Can you find a chart that encapsulates that? I found some that I thought were close to it. The second page is an 8-year sellout.

MR. SHEEHAN: Off the record.

(Discussion off the record.)

BY MR. PERRY:

Q. Would you agree where it's based on our view so far we're not seeing a chart that coincides with the investment analysis that you discussed in the narrative part of your report?

A. Correct.

Q. Okay. Let's move on then.

The market value figure, Mr. Monahan, that you prepared in the report to a third-party, that's an evaluation of the market value of this property if it were to be sold to a third-party profit-motivated developer who was going to convert the property to condominiums and resell them to whomever he could sell them to?

A. Correct.

Q. And your investment value assumed that

there would be a sale of the entire tract to some sort of association representing the tenancy and that that association would take charge of developing the property, securing financing, administering the legal process, declaring a condominium, attending closings.

A. Right, yes.

Q. You also did a valuation of the fair rental value in your opinion at Little Neck at that time?

A. I believe I did.

Q. And that's stated in your report, isn't it?

A. I'd have to reread it but I believe it is.

Q. All right. Your report, we can all read it so we don't have to do that now.

Let's look briefly at your 2001 report.

(Exhibit 1 marked for identification.)

BY MR. PERRY:

Q. We've marked as the next exhibit a copy of LandVest's report dated January 4, 2001 and would you tell me if this is an appraisal report that you

prepared in January 2001 for the Feoffees with respect to the property at Little Neck?

A. Yes, it is.

Q. Would you turn first to the last page. You stated there that you are a candidate for the MAI designation from the Appraisal Institute?

A. Correct.

Q. Do you know how long you'd been a candidate at that time?

A. I actually have no idea. I may still be considered a candidate.

Q. In 1997 your report also stated that you were a candidate. So that was something you simply listed on your credentials for some period of time?

A. Well, it didn't have any performance requirements so I guess it just carried forward.

Q. You list the rents that are going to be charged to tenants in this report, do you not? We'll find it somewhere.

(Pause.)

A. Page 16 maybe? 16, 17. Current land rental rates of 2240 and $2520 still fall considerably between below market rate rent of over $3,000. That's on page 17 at the bottom.

Q. Right.

A. Or the middle paragraph.

Q. So as of your appraisal in 2001 you were finding that rents that were being charged were below what the fair market rent had been in 1997-98?

A. Correct.

Q. And at this particular period of time they were even further below market value because up through the beginning of 2001 there had been real estate appreciation, right?

MR. SHEEHAN: Objection.

BY MR. PERRY:

Q. As indicated in your report?

A. Can you repeat the question.

Q. You did this report early in 2001, right?

A. Correct.

Q. In fact, before September 2001, when we had some events that affected the market.

A. Mm-hmm.

Q. Yes?

A. Yes.

Q. Between 1997 and 2001 there was generally an appreciation of real estate values, wasn't there?

A. Yes, there had been.

Q. So the rents that were below fair market value -- strike that.

Presumably the rental value of the real estate at Little Neck had gone up since your prior report. True?

A. I can't state that definitively. You know, if fee simple values went up it doesn't mean that Little Neck became a dramatically more desirable rental opportunity. Or that some appreciation would have been offset by the recession.

Q. Well, the recession happened after 9/11, didn't it?

A. 9/11 was 2001.

Q. 2001, right. This is 2001. So it's ten years ago, right?

A. Right.

Q. And wasn't there a terrorist attack on September 11, 2001?

A. Yes. This was January. I probably did most of this analysis in November or December of 2000.

Q. So that's before any recession, right?

A. You know, market values had kind of

levelled off during that period.

Q. During what period?

A. 2000.

Q. Because of the dot-com bubble?

A. I have to look back. I haven't done retroactive research on the market cycle.

Q. At the time you did your appraisal in 1997 the rents were $600 for a year, which is almost nominal, right?

MR. SHEEHAN: Objection.

BY MR. PERRY:

Q. The rent that was being charged--

A. We determined that they were below market.

Q. They were low. $600 for the entire year, right?

A. Correct.

Q. Or for a seasonal rental, $600 a year?

A. Right.

Q. And now rents are below market but they're up to over $2,000 a year, right?

A. Correct. In 2001.

Q. And it's also become publicly known that rents are scheduled to increase, right?

A. Correct.

Q. Did you make any adjustments to your methodology when you looked at Little Neck sales to take into account that the buyers who were buying cottages were also undertaking more significant rental obligations?

A. During which analysis?

Q. When you did this analysis in 2001, at this time when you were looking at comparable sales in Little Neck you were looking at sales where the buyers were, in addition to having to pay for the cottage, they were undertaking more significant obligations to pay rent to the Feoffees?

A. Yes.

Q. Would you agree that hypothetically that somebody who could buy a cottage and pay no rent would pay more for that cottage than somebody who would buy a cottage at Little Neck and have an obligation to pay significant rent?

MR. SHEEHAN: Objection. You may answer.

A. Obviously if two properties were offered, one was rent-free and one had a rental requirement, the rent-free one would probably go first.

Q. Did you make any adjustment when you

calculated the values in 2001 to account for the fact that the buyers who were purchasing cottages were doing so with the understanding that they would have to pay a significant amount of rent?

A. Those aren't adjustments I would make. Those are adjustments that would be reflected in the purchase prices at the time.

Q. Did they lower the purchase prices?

A. Assuming these were knowledgeable and prudent buyers, they are going to do the research before making an offer and understand what they are getting into financially.

Q. A prudent and knowledgeable buyer should pay less for a property that had a rental obligation on it than one that had no rental obligation?

A. The rental obligation again is part of the total purchase price of the property. And again, you know, it's-- the rental obligation is sort of closely reflected as a fee simple purchase of the underlying land.

Q. Let me make sure I understand your testimony and you understand my question.

A. Mm-hmm.

Q. Wouldn't a prudent and knowledgeable

purchaser of a cottage pay less for the right to own the cottage if they were going to have to pay significant rent to the Feoffees for the real estate as compared to the right to buy the same cottage with no obligation to pay rent to the Feoffees?

MR. SHEEHAN: Objection.

A. Well, it's not a real market hypothetical, I don't think. But as rental rates increase, it's liable to have a dampening effect on total value over time.

Q. For example, somebody could go out and buy property in fee simple out at Great Neck, correct?

A. Correct.

Q. Or they could buy a cottage at Little Neck?

A. Correct.

Q. And if they bought a property in fee simple at Great Neck, they would have no obligation to pay anybody rent for the right to occupy the property?

A. Correct.

Q. If they bought a cottage at Little Neck, they would pay the seller of the cottage for the cottage but they would still have to pay rent to the

Feoffees for the right to occupy the real estate?

A. Yes, they would.

Q. So they would be getting a much inferior bundle of rights compared to if they bought at fee simple at Great Neck, correct?

A. Correct.

Q. So in 2001 when you did your appraisal, did you base it principally on transactions that occurred at Little Neck?

A. I always look at Little Neck every time I look at the property. It's a very -- it is the subject submarket. It's a very contained submarket. But I think Great Neck is the closest fee simple model. So I look at both.

Q. Did you in Exhibit A of your 2001 report, at page 23, did you list the Little Neck sales that you were relying upon?

A. Yes, I did. There were ten of them.

Q. These were the sales that people paid for the right to own cottages and to pay rents to the Feoffees on an at-will basis?

A. Correct.

Q. Did you make any upward adjustment to these prices to account for the fact that the

tenants would have paid more had there been no rent?

A. No.

Q. Did you make any adjustments to account for the fact the tenants were buying these cottages in a situation where they were tenants at will with no assurance that they could occupy in perpetuity?

A. No. Again I believe all of those assumptions are built in the purchase prices.

Q. You treated the sales prices that are listed on Exhibit A as though the buyer was acquiring a fee simple interest in real estate?

A. No.

Q. How did you not do that? How did you treat these sales prices any differently than you would have treated them if they had been fee simple purchases?

A. When you look at the allocation of improvements to land value as portions of the total purchase price, the imputed value of the underlying land fell short of comparable fee properties.

Q. So once you had gotten the apportionment to the land which fell short of comparable fee properties, what did you do with it? Did you just use it?

A. It depends on which analysis I was looking at. If I was looking at an income analysis of the property, that information would be considered one way. But if you were looking at a cost of development approach or resale, either to a third-party or to the tenancy, that information would be looked at in a different way.

Q. When you did your discounted cash, you had to come up with purchase prices for each of the properties, right?

A. Correct.

Q. And if you look at Table 1, you've come up with purchase prices for the properties based on their relative merits ranging from a low of 70,000 to a high of 195,000, right?

A. Correct.

Q. And those are condominium prices, right?

A. Exactly.

Q. Didn't you derive that range of 70,000 to 195 based on the actual sales that you'd seen at Little Neck?

A. Yes, I did.

Q. So if we go to page 22 of your report, for example, you indicated that you looked at ten sales

at Little Neck.

A. Yes.

Q. And the prices that people paid for cottages were between 85,000 and 345,000, right?

A. Correct.

Q. You attempted to allocate those prices to land versus the improvements, right?

A. Yes.

Q. What was the method you did for dividing those prices between land and improvements?

A. Well, seeing as how we don't have physical access to each one of the sales, I relied on town assessors' cards. You know, their inspection notes of the quality and condition of each building. If there was any building permit activity prior to sale that would affect the interior, that would affect the square foot value of the buildings. And my own drive-by inspections of each of the sales. And I made some judgments based on my appraisal experience and the price range of 85,000 to 345,000, it's fairly consistent with my low-high range of 70,000 to $195,000. There's a very broad spectrum of value on Little Neck.

Q. And in arriving at that figure of 70,000

to 195,000 in your report you were using a sale of a fee simple interest?

A. Yes. Effectively.

Q. Even though the individuals who were purchasing those cottages were going to have to pay rent and face an uncertain future?

A. That's always -- those have been assumptions in every valuation I've done of Little Neck.

Q. Now when you did this appraisal you again did both what you call the market value, which would be based on a hypothetical purchaser, and an investment value based on an identified set of purchasers, correct?

A. Yes.

Q. And you again assumed that for a sale to the tenancy the association leadership would be responsible for securing financing, administering the legal process declaration, scheduling closings on the resale of land to existing cottage owners?

A. Yes, correct.

Q. You assumed a four-year period of time for the association to accomplish that?

A. Yes, I did.

MR. PERRY: Let's mark as the next exhibit the 2004 report.

(Exhibit 3 marked for identification.)

MR. PERRY: For the record, this report may also have had a Base Plan Orthophotograph, which if it did I did not include it. It presumably would be similar to the other ones we have.

BY MR. PERRY:

Q. Is Exhibit 3 a copy of your March 2004 report?

A. Yes.

Q. At page -- there are no page numbers. If you go to the last page of the report before the appendix.

A. Okay.

Q. Did you do a land rental analysis at that time?

A. Yes.

Q. And you concluded a market rate land rent in the range of $6370 to $13,000 per year, correct?

A. Correct.

Q. And that was the -- the range was because

you were basing it on the fair rental value depending on the quality of the particular real estate lot in question?

A. Right.

Q. So this meant that the least desirable lots would have a rental in the range of $6,370 per year and the most desirable lots would be a rental value in the $13,000 per year figure?

A. Correct.

Q. And the average rent, you said, was $9,750 per year?

A. Right.

Q. And at this time if you go to page --

A. Sorry about that.

Q. If you go to the page where you discuss the current use, you indicated that the rentals at that time being charged were 3600 a year for seasonal use and $3900 a year for year-round use?

A. Correct.

Q. So your conclusion was that rents as of early 2004 were well below market?

A. Correct.

Q. And if the rents had been raised by roughly $6,000 per cottage to get from 3600 to 9700,

there would have been an extra what, million dollars a year, right, in rental income?

A. Correct. But just a footnote to that issue is that the estimated fair market land rental range of 6370 to $13,000 was derived from a handful of sales at the time. So it doesn't necessarily mean that those rates would translate broad brush across the entire 168 leaseholds. So that's the only qualifying issue.

Q. All right. Now again, you were basing your evaluation on land sales at Little Neck, weren't you?

A. Yes, I was.

Q. And at the time of these land sales there had been a further history of rent increases that the tenants had faced, correct?

A. Correct.

Q. So a knowledgeable and prudent buyer who bought in the few years preceding 2004 would be aware that in addition to having to pay for the cottage they would also have to pay significant amounts for rent?

A. Correct. And a significant cost in sewer upgrade at some point.

Q. But you did not make adjustments to your figures as to the value of the individual lots based on the fact that the buyers would have to pay rent or incur sewage costs, did you?

A. I didn't make specific adjustments but again that knowledge is, theoretically at least, included in each purchase price.

Q. Right. But each purchase price would have been higher had the tenants in fact been getting a fee simple interest, right?

A. Yes.

Q. And if a tenant was buying a cottage and didn't have to pay any rent, that tenant would pay more for the cottage, right?

A. Correct.

Q. So don't your comparable sales understate the value to the extent that buyers paid less for the cottages due to their obligation to pay rent to the Feoffees?

A. Compared to a fee simple market, certainly.

Q. And also compared to a condominium market, right?

A. I mean, condominiums, that's a difficult

comparison to make. Comparing this situation to a fee simple market, there's a vastly different set of investment concerns going in.

Q. If one buys a condominium unit there's an obligation to pay some condo fees for maintenance, right?

A. Correct.

Q. But there's no obligation to pay rent to a bunch of Feoffees, correct?

A. Right.

Q. And one would therefore pay more for the right to own a condominium unit than one would pay for the right to occupy the same unit and have to pay rent for it, correct?

A. Sure.

Q. But you used these comparable sales values to estimate the condo values?

A. I did.

Q. When you discussed the rental rates you mentioned that you would use a safe rate of prime plus 2.5 percent?

A. Correct.

Q. And why did you think that was an appropriate cap rate?

A. Well, I would tend to -- I didn't value the property according to an income approach. I mean, the land rental analysis in Section D is really just a check on the -- basically a -- I would call it a schematic check on the market value opinion expressed at the top of the page. If this were a full income valuation I would fully develop the cap rate. It may or may not have been in line with the 6 and a half percent. I may not have used such a safe rate.

Q. You again in both the market value and investment value in this report -- in each of those models you were assuming the sale of the land to a third party?

A. Correct. The investment value of the tenancy.

Q. And in each of those models you were assuming a sale of the land to a third party who would then be selling it?

A. Correct.

Q. In 2006 the report that was done was done by Slater Anderson?

A. Correct.

Q. How did that come about?

A. I believe I was -- my work load was overfull at the time. And Slater had looked over my shoulder on some of the previous reports I had done so he was relatively up to speed on some of the issues and he decided, you know -- and at the time I thought maybe I should pass this to one of my colleagues for a fresh set of perspectives on things. It's something we do as a fairly standard practice in the consulting group.

Q. Did you do any work on Mr. Anderson's appraisal report, the one that is dated January 6, 2006?

A. I didn't produce any parts of the report, no. He used me at best as a sounding board.

MR. PERRY: Let me mark as Exhibit 4 your 2010 report.

(Exhibit 4 marked for identification.)

BY MR. PERRY:

Q. Is Exhibit 4 a copy of the appraisal report you did on October 25, 2010 valuing Little Neck as of September 11, 2010?

A. Yes, it is.

Q. Have you done any further appraisal work

at Little Neck?

A. Since this time? No.

Q. Could you just summarize for me please what your methodology was in trying to value the individual lots -- strike that.

My understanding is your basic methodology was you valued the individual lots and then you did a cash flow where you applied the discount?

A. Correct.

Q. I know it's a two-part process. I want to start with the first part. Could you summarize for me please how you came up with values for the individual lots?

A. Well, a similar methodology as I had employed in the previous consulting and appraisal projects I had done at Little Neck. It was a process of looking at closed sales primarily on Little Neck. As volatile a submarket as it is, there was a reasonable record of recent sales to use as a current database. And analyzed each sale and reviewed public records regarding the level of improvements, talked with brokers involved with the transactions in some cases. And allocated a value

to the existing improvements. And, you know, calculated a value of the underlying land as a percentage of each closed sale price. And then I took each one of the extracted land values and matched them to the nine different tiers of lot categories that I'd been using as a value model.

Q. And then you got the discounted cash flow analysis from there, right?

A. Yes. And in this report I worked under a single assumption of fee simple value to a third-party investor.

Q. That was the market value -- is that similar to your market value methodology in your prior reports?

A. To the third-party investor, yes.

Q. So what you're saying, in this 2010 report you didn't calculate the higher value as an investment value to a defined group of purchasers?

A. No, I did not.

Q. Why did you not do that?

A. There was some debate at the outset of the project on how to scope the exact value that was necessary. And I think more than ever, given the political situation with the property, that you

could model the property's value under a very wide range of buyout assumptions. And in talking with Bill Sheehan and one of the appraisers from --

Q. Lachance?

A. No, it wasn't Bill Lachance.

Q. Foster?

A. Yeah.

Q. Lincoln Properties?

A. Lincoln Properties. I forget his first name.

Q. Steve Foster?

A. Steve Foster suggested we have the various appraisers have a conference call at the outset of the project so everyone understood the volatility that ran with varying assumptions on this property and how it would affect everyone's final value. And Steve suggested we have a conference call to accurately scope the project so everyone is working from the same set of assumptions. That conference call never took place. I kind of opted out of that.

I'm not sure how well developed that line of communication ended up being but I opted out of it and in consultation with Bill Sheehan decided that the the base line value that needs to be

established at this time is fee simple value with a third-party buyer.

Q. You understood that if you had done an investment value to the tenants as in the prior report then that value would have been higher than market value to a third-party investor, right?

A. I wouldn't characterize it that way. I saw -- in some of the discussions going on, you know, between other appraisers and some of the assertions of value that were printed in local newspapers and so forth, it seemed that the -- the value of a single property under three or four considerably different sets of assumptions would result in a range of value that isn't very usable.

And it's always been my contention that fee simple value to a third-party buyer is the accurate base line value. The most reliable point of reference. And any value above that would reflect investment value to an identified pool of buyers such as the current tenants.

Q. My question was whether you would have anticipated that the investment value to an identified buyer such as the tenants would be higher than the market value to a third-party developer?

A. I believe it was.

Q. Because in 1997 it was higher, right?

A. It should be a higher number, absolutely.

Q. So had you done an investment value to the tenants it would have been a higher number than the value you came out with as the market value?

A. Correct. But I opted not to do that. In my opinion it requires reliance on an overly speculative set of assumptions.

Q. I'd asked you to summarize what you did to arrive at the land values and you said that you had principally relied on Little Neck comparables, correct?

A. Correct.

Q. And those particular compses are shown on pages 49 through 54 of your report, correct?

A. Correct.

Q. Were you aware when you did your report that the Feoffees were requiring purchasers of cottages in this time frame to sign leases?

A. Yes, I was.

Q. And were you familiar with the terms of those leases?

A. I believe I was.

Q. You understood that under these leases those who were buying a cottage that was approved for seasonal use would pay $9700 per year in rent?

A. Correct.

Q. And those who were buying cottages that were approved for year-round usage were paying $10,800 a year?

A. Correct. I had access to those numbers.

Q. And they would be paying those figures under written leases?

A. Correct.

Q. And in addition they were agreeing to pay increased rents if assessments at Little Neck went up after a period of three years?

A. Yep. Could I also make a note about comparable sales? In addition to the ones we cited in pages 49 to 54 there was Exhibit B in the appendix. Actually, there were quite a few additional sales and listings that were relied upon in the valuation.

Q. Let's start with the Little Neck comps that are addressed in the body of the report. They are on 6, right?

A. Right.

Q. I want to make sure we are in agreement on what your methodology was. With respect to the sale at 42 Middle Road, you indicated there was a sales price of $550,000, right?

A. Correct.

Q. And that was what somebody paid to buy just the cottage and the right to occupy the land?

A. Yes.

Q. And the right to occupy the land at a rental of at least $9700 a year?

A. Correct.

Q. And you took the $550,000 and attempted to divide it between how much of that was fairly attributable to the cottage and how much should be attributed to the land?

A. Well, I extracted a land value of 322,630 in this sale.

Q. In order to get that figure you calculated the value of the building itself?

A. Correct.

Q. Or the improvements, I should say, right?

A. Correct, at 260,000.

Q. And then you added 20,000 for landscaping?

A. Correct.

Q. And the way you obtained the value of the improvements was to calculate the replacement cost of that building new, right?

A. Correct.

Q. Did you do that through your own analysis or were you relying on assessments or something else?

A. Well, my own analysis based on public record information.

Q. But you knew what the size of the building was?

A. Correct.

Q. You had some information from listing sheets and so forth about what type of improvements there were?

A. Exactly.

Q. You were able to do what you considered to be a fairly accurate job of valuing the improvements after depreciation?

A. Correct.

Q. Because each of these had been marketed and therefore there was quite a bit of public information about the interior, correct?

A. Correct. I actually had a difficult --

of all six sales, this was the most difficult because it was listed at $575,000 and had been on the market for quite a while and sold for $25,000 less than the list price. So it was seen as a little bit of anomaly. One of the -- and it sold at this peak of the market.

Q. Just on methodology, you took the sales price of $550,000, right?

A. Correct.

Q. You calculated what the building was worth if you had to replace it less depreciation?

A. Exactly.

Q. And then counted the landscaping?

A. Yes.

Q. Subtracted those figures from --

A. The purchase price.

Q. The purchase price of 550,000, correct?

A. Correct.

Q. And determined that this particular buyer had paid 322,630 for the right to occupy the land?

A. Correct.

Q. But this buyer was also going to be paying $9700 a year, assuming it was a seasonal rental, for the right to occupy the land, right?

A. Yes.

Q. And you didn't capitalize that and add it on, did you?

A. No.

Q. One could make the argument that you should have, right?

A. No. You either value a property by the sales comparison approach or by the income approach.

Q. So what you did was you assumed that the value of this property was the same as it would have been if there was no obligation to pay rent?

A. Well, I've said in basically all of the reports and analysis I've done of this property that as peculiar as it is, the Little Neck submarket essentially behaves as a fee simple market. Brokers interviewed all have the same opinion. That it is technically a tenancy at will but dating back as far as it does, everyone has a reasonable level of security that the lease will be perpetuated. So it's certainly an odd market.

Q. Well, none of these buyers that you used for A-1 through A-6 were going to be occupying as tenants at will, right?

A. Correct.

Q. They were paying these purchasing prices for the right to enter into a lease, right?

A. Yes.

Q. And they were going to have to pay not only these prices for the cottages but also pay substantial rent under the leases, right?

A. Correct.

Q. And you treated the sales prices the same as if they didn't have to pay any rents?

A. Exactly.

Q. In addition, which of these sales were seasonal versus year-round?

A. I don't recall.

Q. Is it fair to say that most of them were--

A. Most of them were seasonal.

Q. The value that you're calculating for your client is based upon the assumption of no seasonal restrictions on usage, right?

A. Correct.

Q. And you understand that a prudent and knowledgeable buyer would pay more for a property that can be rented year-round than for one that could be rented only seasonally?

A. Correct.

Q. And in fact, in prior appraisals you had made adjustments between the two, right, for purposes of rentals?

A. Yes. As a rental market, just as an editorial here, Little Neck is not -- its rental market is primarily driven by the prime sub market.

Q. If you have the right to occupy year-round then it can become your prime home rather than just seasonal?

A. Sure.

Q. And empty nesters might think this was a --

A. I wouldn't view it as a prime empty nester market.

Q. Your own experience told you that a lot of tenants wanted the right to own year-round, right?

A. Not necessarily, no.

Q. Your prior allegation indicated that a premium was paid for the right to occupy year-round?

A. Sure. Back when there was a fairly exclusive number of cottages out there.

Q. So you had your comparable sales figures that you derived from these transactions. Did you do anything to adjust them upward based on the fact

that these represented seasonal use sales but you were trying to appraise year-round use sales?

A. No. There wasn't enough of- season rental data to really work with. So this underlying land value extraction from closed sales is a fairly simplistic but also fairly reliable valuation methodology.

Q. So no matter how much the Feoffees were charging in rent to the buyers, you think that the amount the buyers paid for the cottages fairly represents a fee simple transaction?

A. That's a complicated assertion. It's as complicated as the Little Neck market. In my 24 years of experience I haven't come across a fairly volatile rental market that behaves this closely to a fee simple market. I think to cast it is it a fee simple market or a rental market isn't truly accurate in either case. It's a hybrid market.

Q. Now, on page 48 of your report you refer to the value of the Great Neck sales?

A. Correct.

Q. So Exhibit B that you referred me to earlier, that's all Great Neck sales of improved property.

A. Yes, since 2007.

Q. And you found that the average of those on a fee simple basis was just about $500,000?

A. Correct.

Q. Which was 30 percent higher than the value of the non-fee simple interest at Little Neck, right?

A. Correct.

Q. Did you adjust upward your Little Neck valuations based on the fact that the Great Neck sales were at a higher average price?

A. No. I didn't rely on that. I think the range of adjustments that were required to use Great Neck sales as primary comparables is too great.

Q. So you had the Great Neck data but you relied more on he Little Neck data?

A. Correct. Great Neck data was included as a data point.

Q. And you also did have some vacant land sales out at Great Neck?

A. Correct.

Q. Some of these seem to be quite large tracts which would create some difficulty in adjusting to the properties at Little Neck?

A. Correct.

Q. Because much of the value of the real estate is the right to have an improvement, right, and then the extra acreage lends a marginal value but not as much--

A. There's a dramatic diminishing return once you get up really over a half an acre.

Q. Even if you had an initial return before that?

A. Right.

Q. So it's not as though you can take a per-acre price and say these are very small lots and do a pro rata analysis, right?

A. There are acceptable ranges of gross adjustments that can be applied to comparables. Beyond a certain point they aren't really comparable.

Q. There are some smaller lots that sold at Great Neck, correct?

A. Correct.

Q. Did you end up using any of your vacant sales data in your appraisal?

A. I didn't cite these. These were '06 sales so they were a little bit dated. Typically the

look-back for comparable sales is three years.

Q. But you have some more recent ones. I'm asking did you make any use of the Exhibit C data?

A. I made a mental note of these sales as local data points for generally similar but fee simple properties. Exhibit C is what it was way back.

Q. And it showed parcels well in the 300,000s, right?

A. Those are listings that hadn't sold.

Q. So you didn't have a lot of data as to closed sales. In fact, you had very little closed sales --

A. This is a very difficult market cycle and there was -- you know, this appraisal assignment required me and all other appraisers to make the best of available information.

Q. So what you principally relied upon in your report was the Little Neck closed sales?

A. Correct.

Q. You had some data from Great Neck which was indicating higher value for those properties on a fee simple basis?

A. Not necessarily. Two half-acre sales sold

for $250,000 roughly. Those are the most comparable in size. But again, even to make adjustments for a half-acre fee simple to a 3,000 square feet Little Neck or condominium envelopes, if you will, is a very broad set of adjustments.

Q. In your report did you attempt to mathematically adjust the Great Neck sales?

A. No.

Q. You just based your analysis on the Little Neck sales?

A. Correct. And included the Great Neck sales as a data reference.

Q. As a context?

A. Exactly.

MR. PERRY: Let's take a break for lunch if we could.

(Lunch recess taken)

AFTERNOON SESSION

BY MR. PERRY:

Q. You mentioned earlier in your testimony that LandVest is a, quote, USPAP shop, unquote?

A. Correct.

Q. Which means all the appraisers at LandVest are expected to perform their work in accordance with the standard set forth in USPAP?

A. That's generally the guidelines we adhere to.

Q. And you personally adhere to those guidelines?

A. I do.

Q. So it would be fair to judge your report pursuant to those standards, right?

A. Correct.

Q. You mentioned the term leasehold interest earlier?

A. Correct.

Q. Leasehold interest means the interest that the lessee holds under a lease, correct?

A. Right.

Q. If one were referring to the interest that a landlord holds under the lease, that's called a

lease fee interest? That's the fee interest minus the rights that are given up by the lease?

A. Correct. Missing rights in the bundle, correct.

Q. Is there an expectation that the leasehold interest when added to the lease interest, the fee interest would equal the market value?

A. It's not really seen as a composite value that way, no.

Q. I think you said that the sales you looked at in your 2010 report at Little Neck were essentially the purchase of leasehold interests, right?

A. Technically they are leasehold interests, correct. I should have added to that point earlier about Great Neck. I did rely on Great Neck sales as the secondary market analysis and made some adjustments for the property right, fee simple versus condo.

Q. But with respect to the Little Neck comparable sales, you were using the purchases of what technically was akin to a leasehold interest as direct evidence of the value of the fee interest?

A. Correct, I guess with the footnote I

explained earlier, that's a hybrid market in the way it behaves.

Q. Is it a generally accepted appraisal practice to assume that the purchase price paid for a leasehold interest is equal to the purchase price that would be paid for a fee simple interest?

A. No.

Q. Is it a practice that's allowed under USPAP?

A. It's allowed under USPAP.

Q. Does USPAP contain standards concerning how you value a leasehold interest?

A. Correct. Well, USPAP is more a set of guiding principles to affect the way an appraiser presents himself to the public in an ethical and non-misleading manner. USPAP is not directly some sort of oversight organization for technical application of appraisal approaches.

Q. On the LandVest web site it refers to LandVest's services growing out of our roots in serving New England's great families whose real estate holdings include great houses and estates, unquote. Do you know what that refers to?

A. I've never actually read that but, you

know, the company was founded back in 1969 and most of its original client base was people who, you know, private families who owned significant real estate assets.

Q. What was meant by New England's great families?

A. I can't comment on that.

Q. Do you know whether any of the sales that you valued -- let me withdraw the question.

Do you know whether any of the Little Neck comparables that were the basis for your work in 2010 were situations where the buyers intended to knock down the cottages?

A. Where the buyers intended to knock down the cottages?

Q. Yes.

A. No, I wasn't aware of any specific instances. In fact, my standing assumption was because they're grandfathered structures that that's not a primary motivation of most buyers. Because you can run the risk of losing the grandfather status if you demolish the structure.

Q. Have there been knockdowns at Little Neck?

A. There have been. I'm not aware of any

complete removal of any house and foundation projects but there have been 90 percent demolition projects.

Q. And those buyers are allowed to rebuild at least to the extent of the previously existing footprint?

A. Right, with no expansion.

Q. Can't one expand at Little Neck if one gets permission to do so from the Feoffees?

MR. SHEEHAN: Objection.

A. No.

Q. Why not?

A. Because it's a matter of the Zoning Board of Appeals.

Q. Does Ipswich zoning allow the expansion of nonconforming lots as long as they don't impair the neighborhood?

A. An expansion of a nonconforming lot?

Q. Do you know what the rule is in Ipswich with respect to pre-existing structures? Can they be modified or expanded as long as the modification or expansion doesn't substantially damage the neighborhood?

MR. SHEEHAN: Objection.

A. That's the rule in Ipswich. It's a matter of variance application.

Q. Variance or maybe a special permit?

A. Right.

Q. You're not using variance in the legal sense, right?

A. If you're looking to expand a building so it encroaches on the side yard, I believe that's a variance.

Q. Do you know whether any of the occupants at Little Neck have attempted to get any kind of zoning relief to expand their footprints?

A. I'm not aware of any.

Q. You're not aware of any hundred percent knockdowns but you're aware of 90 percent demolition jobs?

A. Correct.

Q. Were any of the six comparisons you used in your 2010 report 90 percent knockdown situations?

A. I didn't follow up after. I used them as sales. As of the effective date of valuation, they were still standing and there were no demolition permits filed as far as I was able to determine.

Q. Where would a demolition permit be filed?

A. At the building inspector's office.

Q. Would one need to know the lot?

A. Correct. Lot and parcel.

Q. If you knew that a particular purchase was intended to be a knockdown, that would change how you allocated the price of the land versus the improvements, right?

A. It would alter it but maybe not significantly because we encounter numerous sales where buyers effectively pay for a structure and then take it down because it's required as part of the purchase price that in order to get the property you need to pay the price. And then the structure may disappear the next day. In the case of Little Neck, ever yone of those buildings and their footprints has significant value as part of the total purchase price because you can't replicate that structure if you demolish it.

MR. PERRY: Would you read that back to me please.

(Record read.)

Q. I think what you're trying to say is that the very fact that there's a structure there at Little Neck helps to provide some of the value of

the underlying real estate?

MR. SHEEHAN: Objection.

A. Absolutely.

Q. Because it allows it to be used as residential property?

A. Correct.

Q. But you are allowed effectively to demolish a Little Neck cottage if you build in the same existing footprint, right?

A. That's my understanding.

Q. Do you know whether under the settlement agreement that's been entered into between the Feoffees and the cottage owners the Feoffees will be selling the parcels as a whole or whether they'll be selling individual units?

MR. SHEEHAN: Objection.

A. I'm not aware of the plan going forward.

Q. Suppose one wanted to determine the fair market value of individual cottage units rather than the aggregate value of the land. Would that be something one could do?

A. Yes.

Q. Am I correct that if you wanted to do that, based on the work you've already done it would

essentially be looking at the first part of your analysis before you did the discounted cash flow analysis?

A. Yes. If I were to calculate the aggregate value of all of the cottages. That would be a significant undertaking but it is technically possible.

Q. But in your work you derived an estimate of the individual value of each condominium unit, didn't you?

A. Of each condominium lot type.

Q. You did that as an intermediate step?

A. Correct.

Q. In other words, you developed fair market value prices at which each tier of condominium lots would be sold?

A. Yes.

Q. And that was your best estimate as to the individual values of those lots if they were sold individually, right?

MR. SHEEHAN: Objection.

A. That was my best estimate. And it was an appraisal challenge, frankly, to reduce the number of lot types to nine.

Q. Right. In other words, you could have 167 different lot types?

A. There may be 167 different unit values applied to the various cottages if we were to value the cottages without the land.

MR. PERRY: Let's mark --

BY MR. PERRY:

Q. You end up in your report with I think nine different tiers. That's shown on page 59?

A. Correct.

Q. And you have a total -- you list nine different types of lots and you assign a price to each of those types, right?

A. Correct.

Q. And then you add up the total and come up with 37.6 million?

A. 37.675 million, yes

Q. So for example, if one were trying to value the lots that you described as tier one, the exceptional view lots, you are of the view that the fair market value of the land rights on a condominium basis of those lots is approximately $420,000.

A. Correct.

Q. Similarly, you estimated the value of the land rights of the front row Plum Island Sound lots at $325,000?

A. Yes.

Q. Do you know whether under the settlement agreement the individuals who will be buying the exceptional view lots that you've put in tier 1 will be paying a figure consistent with the market value you've arrived at?

A. I'm not familiar with the settlement agreement.

Q. Your value of 25.6 million-- is that the figure?

A. Correct.

Q. That is based --

A. 25.4.

Q. Is that figure of 25.4 million dollars based upon your estimate of what a third-party purchaser would pay for the entire parcel if they were then going to convert it to condominiums and sell it off over a several-year period?

A. Correct.

Q. Did you attempt to value what the value of this parcel would be if the Feoffees were instead to

do their own condominium conversion and sell it individually to tenants?

A. No, I did not.

Q. Would that figure be more on the order of 37.675 million?

MR. SHEEHAN: Objection.

A. Without going through the analysis, I can't comment on that.

Q. I'd just like to understand how you did your discounted cash flow analysis. Would you point me to the right table to discuss that with you.

A. Table 1 on page 62.

Q. So see if I can understand what you did here. First you have your assumptions that the various tiers have the values you've described?

A. Correct.

Q. In other words, 420,000 for the four prime lots?

A. Yes.

Q. And so forth?

A. Yes.

Q. And as we discussed, those values were predominantly taken from your assessment of sales at Little Neck?

A. With support from Great Neck.

Q. You've assumed that this hypothetical purchaser would convert to condominiums and sell out the condos over a four-year period, right?

A. Correct.

Q. And it looks to me that you've assumed that the best lots would sell fastest and the least desirable lots, even though they are priced lower, would sell the slowest?

A. That entered into my calculation of absorption.

Q. If we look at that absorption table, that's pretty much what it's doing, right?

A. Waterfront typically sells before inland. So those were definitely sold in year one.

Q. You mean the best lots were sold in year one?

A. Correct.

Q. And then the next best were partially sold in year one and partially in year 2?

A. Right. The schedule is front-loaded that the higher end lots would sell more quickly.

Q. So your next table with projected revenues is showing the revenues from the sales of these lots

in the year that you assume them?

A. Correct.

Q. So I can see the first number is $1,680,000?

A. Correct.

Q. And that's exactly equal to four times $420,000?

A. Yes.

Q. And then you have, for tier 2 you show $1,300,000 in revenues and that's based on four sales of $325,000?

A. Correct.

Q. So each of the figures in this projected revenues column is based upon sales revenue from sales of lots according to the number of sales per year listed in the previous table?

A. Exactly.

Q. What are you assuming happens to these cottages and lots while they're building sold off?

A. Well, this third-party analysis assumes that an outside buyer will come in and pay that net price for the property as of September 11, 2010. And the set of underlying assumptions that go into what would be needed to attract a buyer of that type

is fairly -- slightly speculative, I would say, in that market. Even that market. The standing assumption is basically a hundred percent participation among the existing tenancy and the Feoffees to sell the property to an outside investor and then again a hundred percent participation in the takedown of the 167 units over a fairly short four-year period.

So the basic assumption is that the property would continue to function as it does now while lots are being sold at a rate of between 30 and 50 units per year over four years.

Q. Well, is there -- are you accounting for any rental income to the Feoffees in your analysis?

A. I did not.

Q. So, you have 167 units created, say, at the time of sale, right? Close to the time of sale?

A. Within a reasonable delay from the time of sale. Three to six months.

Q. And now do we market all of the units at once or do we stage them?

A. Well, it's not viewed as a standard marketing program. It's basically an in-house participation program.

Q. So this is to sell to the tenants?

A. This is to resell the units to the tenants.

Q. So you were reselling to the tenants and only 42 of them or so you have buying the first year, right?

A. Correct.

Q. The other 125 tenants are not buying the first year, correct?

A. Correct.

Q. But they're still occupying?

A. Correct.

Q. And if they're still occupying then they have to pay some kind of rents, don't they?

A. Presumably. But from the perspective of a third-party buyer, most prudent investors most likely would not account for that kind of income stream. For appraisal purposes it gets to be a little bit speculative because this absorption schedule of exactly which lots sell in which year, leaving however many lots remaining, would require a secondary assignment of per-unit rental income through this already somewhat speculative absorption period.

So it would be -- it is a secondary form of value but understanding the complexity of the property and the prudent stance of any third-party buyer coming to the table, most likely they wouldn't assign a lot of value to that diminishing rental income stream as these slots are sold.

Q. If the buyer were expecting to be able to sell at the 25 percent absorption rate that you're assuming in year one, they're giving up over a million dollars in potential rental income on the others, aren't they?

A. I hadn't calculated the annual cash flows but it's a fairly significant amount of rental income.

Q. And you've just assumed there's no rental income?

A. Correct.

Q. So I understand the revenue side of what you've done, it's simply an application of the number of units sold in each year times the purchase price that you're assuming, correct?

A. Right.

Q. And I guess you don't adjust the purchase

price for at least the first three years?

A. The first two years. And then they appreciate at 2 percent in years 3 and 4.

Q. Next you impose some direct costs and the most significant of those is you have an assumed $900,000 in erosion control costs, right?

A. Correct.

Q. And that's a figure that you got based on information provided to you by whom?

A. I forget the name but it was a consulting engineer.

Q. Vine Associates?

A. Correct.

Q. And that was provided to you through counsel?

A. Correct.

Q. You have another cost in there but I'm not finding what it is.

A. That was the only direct cost, the soil mitigation. I apologize for the small fonts.

Q. I see that it says the only costs you have in there is the $900,000, which you've increased at 3 percent a year it looks like?

A. Correct.

Q. So you get 927,000 for erosion control and mitigation, correct?

A. Right.

Q. Down at the bottom the figures are higher. You have 309, 328, 347 and 384. Is that just a spreadsheet issue? It looks like they've increased all those by 3 percent. Or 3 percent a year?

A. It might be a spreadsheet issue.

Q. So there's a $57,000 discrepancy there that we're not sure where that comes from, right?

A. That appears to be the case.

Q. On the indirect costs you've got a $400,000 estimate for the condominium declaration?

A. Correct.

Q. Where did you get that figure?

A. I believe I discussed that fee with counsel.

Q. Mr. Sheehan?

A. With Mr. Sheehan. As well as with some support from additional attorneys.

Q. What's the support from additional attorneys mean?

A. Friends of mine who are local attorneys.

Q. You're assumption in doing this analysis

is that the buyer would purchase the property as a whole and incur the cost of converting it to condominiums?

A. Exactly.

Q. And if in fact under the sale in the settlement agreement it was the sellers who were incurring that expense, that would be an adjustment that you would have to make to the purchase price to reflect an unusual condition, right?

A. Correct.

Q. Next you have the costs of Title D recording. Just run through for me what that represents.

A. That was actually closing costs per condominium unit.

Q. That the buyer would incur?

A. Preparation of the purchase and sale agreement by the developer/seller at actual closings.

Q. How much of that cost would be the recording fees?

A. I didn't break it out separately.

Q. Do you know what recording fees cost?

A. I'm not current on them with respect to

the Essex County registry.

Q. I'm trying to know what the term in front of you is. Of the $700 per lot for these closing fees, how much are hard costs that have to be incurred because you have to pay it to the registry and have to pay a fee and how much is on the soft side because it represents costs of preparing documents?

A. Well, I've broken out transfer taxes further down below in the indirect cost column. My assumption here was that it was basically legal fees. Processing fees.

Q. The $700 is sort of all soft costs, so to speak?

A. Yes.

Q. In the sense --

A. In the sense that I haven't sub-itemized the per-unit closing cost.

Q. And it may not be incurred?

A. It may not be incurred.

Q. If you had a sale where everybody was being required to sign the same purchase and sale agreement you wouldn't incur these costs, would you?

A. There's some potential cost savings in

batching sales.

Q. The next large items you have accounted for are the transfer tax and project management and overhead, right?

A. Correct.

Q. The transfer tax, you have it at .46 percent?

A. Correct.

Q. Do you know where that came from?

A. That's -- I think it's the statewide transfer tax.

Q. So that's something you can calculate with some certainty?

A. Correct.

Q. And you are comfortable that that's a correct figure that the buyer would incur?

A. Yes.

Q. Legally is that who pays it, the buyer?

A. No, the seller would incur. All these costs that I have accounted for are seller costs.

Q. Seller costs to a buyer?

A. Exactly. To arrive at a value to a buyer. It's a little bit complicated.

Q. Vis-a-vis costs that the condominium

developer who bought the property from the Feoffees would incur to sell the property to the end purchasers?

A. To the individual unit owners, correct.

Q. So if the sale were being made directly from the Feoffees to the unit owners, then you wouldn't have to make this adjustment for the transfer taxes because every buyer in Massachusetts pays transfer taxes and that's built into your comparable model, right?

MR. SHEEHAN: Objection.

A. I haven't valued the property to the Feoffees so I would work under a different set of direct and indirect cost assumptions if I were to do that.

Q. You haven't done a valuation of what this property is worth if sold by the Feofees to the tenants?

A. No, I haven't.

Q. Project management and overhead of 2 percent. What does that refer to?

A. That refers to the fact that any -- this is a developer/investor cash flow model and the assumption is that if a developer were to come in

here and buy the property on day one he wouldn't himself be sitting down with 167 would-be unit buyers over the next four days to start negotiating purchase and sale contracts. The 2 percent contingency-- or actually the management fee I have accounted for is to hire a project manager to complete these transactions.

Q. To complete these hypothetical sales to the tenants or other end users?

A. Exactly.

Q. At a cost of some 200,000 per year?

A. Ranging from 132 to $220,000 per year.

Q. And then after you have determined the revenues and determined these costs, you netted them out one against the other for each year?

A. Correct.

Q. To get the net revenues for a given year, right?

A. Right.

Q. And then you did some kind of present value calculation, right?

A. Future proceeds were discounted at a rate of 15 percent. And that was derived from investor surveys assuming an unleveraged internal rate of

return.

Q. Is that discussed in your report? I'm sure it is.

A. The discount rate?

Q. Yes.

A. Yes, it is.

Q. Under your hypothetical model, the investor pays money at closing for the property, right?

A. Correct.

Q. And when are the units actually sold?

A. They start selling within a year of the developer's initial purchase of the property.

Q. You have 42 sales in year one, right?

A. Correct.

Q. When do those get sold in that first year?

A. Well, as soon as the condominium declaration were in place and you have a legal condominium to sell. So it's a rapid, it's a very rapid -- what I would consider to be an aggressive annual sales pace.

Q. Did you perform any analysis to determine on average what part of the year for discount purposes they'd be sold?

A. That's a new question. It's not necessarily a seasonal market property. It's -- in this appraisal it's an investment grade property. So the actual time of year or season of transfer was not really accounted for.

Q. Right. Did you assume that the units would be sold at the end of each year?

A. Well, during -- they were discounted -- it's end of year accounting, so effectively yes.

Q. Do you have an opinion as to what the fair market value price should be if the Feoffees were to convert the real estate to condominium form and enter into sales directly to individual tenants who would purchase individual units?

MR. SHEEHAN: Objection.

A. No, I haven't valued the property under those assumptions.

Q. Could you tell me what Mr. Slater Anderson's qualifications as an appraiser were specifically in 2006?

A. He holds the same state appraisal license I hold.

A. It's the certified general appraiser license, which entitles him to appraise any type of

property with no limitation on value.

Q. Let me show you a page from your web site.

MR. PERRY: We'll mark it as Exhibit 5.

(Exhibit 5 marked for identification.)

BY MR. PERRY:

Q. This web site indicates that Mr. Anderson has been with LandVest since August 1999?

A. That sounds right.

Q. Is it fair to say that he when he came to LandVest he didn't have appraisal experience, do you recall?

A. I don't recall but --

Q. You can look at this if it will help refresh your recollection.

It appears he graduated from school in I think it was 1996 -- no, '92?

A. '92 and '96, social studies. He had regional planning background and GIS mapping background. I think he obtained his appraisal trainee license almost immediately.

Q. Almost immediately --

A. As soon as he came on with LandVest.

Q. He basically was trained as an appraiser at LandVest, right?

A. Correct.

Q. How much appraisal work did Mr. Anderson do as part of his job at LandVest between the time he joined LandVest in 1999 and the time he performed his appraisal in early 2006?

A. Probably 80 to 90 percent.

Q. So a lot of valuations?

A. Again, 90-plus percent of the work we do involves valuations.

Q. But not 90 percent of your time?

A. I don't think there's much of a distinction. We spend most of our time doing appraisals, either research or actually writing.

MR. PERRY: For completeness why don't we mark as Exhibit 6 a copy of the report done by Anderson.

(Exhibit 6 marked
for identification.)

BY MR. PERRY:

Q. Am I correct that Mr. Anderson's 2006 report was one of the prior reports of this property by LandVest that you took into account in performing

your own work and own opinion?

A. Each analysis is an individual record of work. We are required under USPAP regulations to cite each previous engagement on the same property. That's summarized on page 3 of Slater's report.

Q. At the time Mr. Anderson did his report it was expected that the cottage owners would be paying substantial amounts to pay for betterments on account of the wastewater treatment solution, correct?

A. Correct.

Q. And he in his report, similar to your methodology, reported upon sales that had taken place in recent years at Little Neck, right?

A. Correct.

Q. And he, like you, used those as representative of fee simple sales, direct?

A. Well, to derive underlying land or land use rights, correct.

Q. As though the cottage sales were fee simple sales, right?

A. Qualified fee simple sales. It isn't a transfer of a fee simple interest but he went through a similar land extraction process as I did.

Q. Dividing the purchase price paid into improvements and value of real estate?

A. Correct.

Q. Without increasing the real estate values at the end to account for the fact that the buyers were not really getting a fee simple interest?

A. That wouldn't be a positive adjustment. If would be a negative adjustment if you were to make that adjustment. Lack of full fee simple ownership is reflected in the full purchase price.

Q. If a purchaser were willing to pay $500,000 for just a leasehold interest in the property where he's going to have to pay rents, wouldn't that suggest that the same purchaser would pay even more for a fee simple interest in the property?

A. As I said, the market effectively behaves as a fee simple market.

Q. I'm responding to your negative adjustment comment. If there's going to be an adjustment, based on the fact that the buyers are not getting a fee simple, the adjustment would be to increase your land extraction values due to that fact, not to decrease them, right?

A. No. The land values we extracted accounted for the property rights that were sold.

Q. Well, the property rights that were sold to the buyers were the right to enter into a lease at the property in your appraisal, right?

A. And to occupy the property as they have been for 300 years.

Q. With respect to the comparable sales at Little Neck that you used in your 2010 report, those six buyers were each buying a cottage and the right to occupy it if they entered into a lease with the Feoffees, right?

A. Perpetuated a rental agreement, yes.

Q. Well, it was actually a lease in those years, wasn't it?

A. In 2010 it was, yes.

Q. From 2006 to 2010 it was a lease that they had to enter into?

A. Yes. I'm not sure what the timing of Slater's report was.

Q. I'm asking about your 2010 report, the one you are intending to testify to if you are called as a witness. Those six Little Neck buyers that you used for comparable sales each had to sign a lease

with the Feoffees?

A. Correct.

Q. A long-term lease?

A. Right.

Q. Paying around $10,000 a year rent?

A. I haven't researched it but I assume that's correct.

Q. So when they purchased the cottages they were getting a lot less than a fee simple interest?

MR. SHEEHAN: Objection.

A. They were not receiving a fee simple interest in the land but they appear to have paid near full fee simple value for the property. And that's the peculiarity of the Little Neck market.

Q. How can you tell from the Little Neck sales themselves whether the buyers have paid full value for the property without reference to some external sales?

A. Well, the underlying land value indicated land values payable that approximated fee simple values elsewhere. So sites not -- there's no 50 or 60 or 70 percent discount like you might see in more typical markets where all you're buying is the right to lease the underlying land.

Q. Which values elsewhere are you relying upon for your contention that the values paid by these Little Neck buyers was the equivalent of a fee simple interest?

MR. SHEEHAN: Objection.

A. I used Great Neck as a secondary market and made a condominium ownership, discount ownership, to reflect the less than fee simple ownership on Little Neck.

Q. Have you ever testified in court before?

A. Yes, I have.

Q. How many times?

A. Twice. Once in Essex County. Probate.

Q. What kind of case did you testify before in Essex County probate?

A. A valuation issue tied to a divorce proceeding.

Q. Were you testifying on behalf of the husband or the wife in that case?

A. The wife in that case.

Q. Do you know who the judge was?

A. I don't recall.

Q. Male or female?

A. Male.

Q. Male?

A. Male.

MR. PERRY: Off the record.

(Discussion off the record.)

BY MR. PERRY:

Q. What was the other time you testified?

A. In Vermont on a tax appeal case.

Q. Are you personally acquainted with any of the other appraisers who have been retained by the parties?

A. Not personally.

Q. Have you spoken to any of them about your work?

A. No, I have not.

Q. Have you reviewed the reports that were prepared by any of the other appraisers?

A. I have not reviewed any of their reports.

Q. Under what circumstance would it be appropriate to define the valuation of the Little Neck sale as the fair market value of each individual unit rather than the value of the property in the aggregate sold to a third-party developer?

MR. SHEEHAN: Objection.

BY MR. PERRY:

Q. In your opinion.

A. I guess I don't understand the question.

Q. You testified that in this particular case you valued the land at Little Neck on the assumption that it would be -- you were to look at the fair market value if it were sold in the aggregate to a third-party purchaser who intended to convert it to condominiums?

A. Correct.

Q. And you did not, for example, attempt to estimate the value of the property if it were divided into condominiums and then sold individually to individual tenants by the Feoffees?

A. No, I did not.

Q. Under what circumstance would the latter analysis have been an appropriate one for you to engage in?

MR. SHEEHAN: Objection.

A. If I were engaged to provide -- render an opinion as to investment value of the property.

Q. One could also calculate the fair market value of individual lots as opposed to the investment value of individual lots, correct?

A. That's what I have done.

Q. Well, you calculated the fair market value of individual lots but you then assumed that they would all be sold in the aggregate to a single purchaser, right?

A. Correct. But there is an aggregate lot sum.

Q. If individual buyers are purchasing individual lots from the Feoffees, wouldn't it be appropriate to calculate the fair market value of what each individual is buying?

MR. SHEEHAN: Objection.

A. Well, in any valuation scenario on the property you would start with the real estate interests that are sellable. In this case it would be a converted condominium interest. And the range of assumptions as far as how those lots are sold is fairly far-ranging. And the subject of numerous different appraisal outcomes.

MR. PERRY: Let me mark for identification as Exhibit 7 a price list.

(Exhibit 6 marked for identification.)

BY MR. PERRY:

Q. Exhibit 7 is a list of addresses you recognize to be Little Neck addresses, correct?

A. Correct.

Q. And each address has a price associated with it on this list, right?

A. Yes.

Q. These prices range from somewhere around 150,000, it looks like, to a high of just under 209,000 on the last page. Right? The range is somewhere in the 150 to $210,000 range?

A. Right.

Q. According to the work you did, will the fair market value of the most expensive lots be approximately twice as high as any of the prices shown on Exhibit 7?

A. Well, I'm not sure what this price list, where this came from. I've never seen it. And I don't know whether these are retail or wholesale prices. But the high end value on this list falls below my figure of retail value, the highest retail value included in my 2010 report.

Q. The highest retail value you came up with was around 420,000, right?

A. Correct, 420.

Q. And the retail value you came up with, that means the same thing as the fair market value of those four lots after the condominium conversion, right?

A. By retail I mean market-ready and all expenses have been accounted for and it's a nondiscounted price.

Q. Right. The so-called retail price is equal to the approximate fair market value price to the ultimate purchaser of the unit, right?

A. Correct. For the end user.

Q. The end user tenant, after they have completed the purchase, they now own a unit that if they want to sell it has a land value of as high as 420,000 for the best lot, right?

A. Correct.

Q. If Exhibit 7 were the prices being paid by the tenants under the settlement agreement, that would indicate that whoever is purchasing those particular lots is paying something like half the value of what they'll be getting?

A. Well, if these are retail values and there's no present value discounting or absorption or cost coming out, then correct.

Q. Well, let's just assume that these are amounts that the tenants will pay for their units, okay?

MR. SHEEHAN: Objection.

A. Okay.

Q. If these are the prices that the tenants are to pay before allowing for certain rebates, then certain tenants will be acquiring units that will be worth twice as much as what they are paying for them, right?

MR. SHEEHAN: Objection.

A. Well, again I haven't -- I've never reviewed this price list so I don't feel comfortable commenting on it.

Q. All right.

(Exhibit 8 marked for identification.)

BY MR. PERRY:

Q. The first question about Exhibit 8 is do you recognize the handwriting on it?

A. Yes.

Q. Whose handwriting is on it?

A. Mine.

Q. I will represent Exhibit 8 is a document

that was provided to us by Mr. Sheehan from your file at LandVest.

A. From my working file, correct.

Q. And this Exhibit A that we have in front of us has been marked as Exhibit 8. It is a list of the comparable sales at Little Neck, right?

A. Correct.

Q. And this is also the -- the same document I guess is also in your report?

A. Correct.

Q. Would you interpret for me the notes that we see on this document. First, there's a note at the top of Exhibit 8 that says Manzi, 43 Cliff?

A. Right. That note refers to Paul Manzi. That's his either current or former address on Little Neck. And I think it was -- the property may have been listed for sale at the time but I just made a note of it just to index it back to the listing history.

And then the notes in the right column, to the right of the comments column, are basically just very quick handwritten notes to index each one of the comparable sales to my driveby photographs.

Q. What's the first one say?
A. I can't quite read it. Tan something shades.
Q. And the next?
A. It says Irish mist. Then purple trim. I can't read the rest. Natural shingle on the bottom. Ash-colored. These are all --
Q. These are so that you can tell which property goes with what photographs?
A. When I go back after my first inspection I can accurately index my photographs.
Q. At the bottom of Exhibit 8 you have a note of 55 River Road. Do you know what that note is about?
A. I don't remember.
Q. Katherine O'Brien?
A. She's a RE/MAX broker in Ipswich.
Q. Did you talk to her?
A. I believe I did. She may have had a listing or two at the time on Little Neck.
Q. What does the note below that say? 33, question mark?
A. That was a currently listed property.
Q. How did you determine which sales had

taken place at Little Neck between 2007 and the time of your appraisal?

A. A combination of multiple listing service records for openly listed properties and registry research at the Essex County Registry of Deeds.

Q. Are you able to get information at the registry on cottage sales at Little Neck?

A. I typically use that as one of my searches. Town records. I believe they show up at the registry.

Q. Did you ask the Feoffees or their counsel to provide you with a list of any sales they knew of?

A. No, I didn't. Most of the sales on Little Neck are openly listed.

Q. Did you talk to any brokers in connection with your 2010 work?

A. Yes.

Q. Which brokers did you talk to?

A. I believe Dorothy Levesque. Possibly Katherine O'Brien.

Q. Does Ms. Levesque own any property the Little Neck?

A. I don't know.

Q. Did you rely on her for any particular information?

A. Well, it's a standard practice to call brokers and find out certain information about sales so I'm sure I did.

Q. Did you rely on her for any comments about the state of the market?

A. I can't recall specifically. I included expired listings as an exhibit to my report as a record of individuals who had tried to sell their unit but pulled them off the market. I think that's -- you know, there's always closed records of sales and active listings and there was a fairly alarming number of withdrawn or expired listings that I noted in my report.

Q. Where is that noted please?

A. Current and expired listings, there are five pages at the -- in the appendix after sales, Exhibit A, and there's a photo and individual record of nine expired listings. Current or expired.

Q. Let me ask you this: Assume, please, a situation where a tenant has entered into a lease for his cottage and was paying fair market rent. Okay?

A. Okay.

Q. In fact, there are some lessees out at Little Neck, right, who are paying something that may be around fair market rent. Is that true? There are some leases there, you know that?

A. Sure.

Q. They're paying amounts under those leases that are reasonably consistent with what you have said is fair market rents there, right?

A. I haven't reviewed any, but sure.

Q. Would you agree that hypothetically a buyer who was going to purchase improved property from such a seller, if they were going to have to pay full fair market value for the land pursuant to a lease, should be willing to pay for the property itself just the value of the improvements? Do you agree with that?

A. I guess -- could you restate the question?

Q. Okay. Would you agree that a reasonable fully informed buyer who understood that they were going to have to enter into a lease to pay full fair market value for the land rights would be willing to pay for the improvements, just a fair market value

of the improvements?

A. That would be on a deal perspective from a buyer coming forward but unfortunately the record of sales doesn't indicate that people discount the land value to that extent.

Q. Or people think that the rents are too low?

A. I'm sure no prospective buyers think the rents are too low. They're expected to pay some price for the underlying land with an expectation of paying rent on it. Again, it behaves as a cross between a leasehold and a fee simple market. Because the land rents that are paid don't support the fee values that are achieved or have been achieved historically.

If you were to capitalize just the lands rent, it falls short of the fee values that have been paid. Or the effective fee values that have been paid.

Q. I think what you're saying is if you capitalize the land rents even when they're set at what is attempted to be fair market value, that comes out to less than buyers would be willing to pay for the rights to that land?

A. Not that they would be willing to pay but that they were expected to pay.

Q. And those capitalization rates you're referring to are capitalization rates that are typically used for commercial property?

A. Well, a land cap rate that would be derived.

MR. PERRY: All right, I have nothing else. Thank you for your time.

MR. SHEEHAN: I have no questions.

(The deposition was concluded at 3:45 p.m.)

E R R A T A S H E E T

I, JAMES E. MONAHAN, do hereby certify under the pains and penalties of perjury that I have read the foregoing transcript of my testimony, and further certify that it is a true and accurate record of my testimony (with the exception of the corrections listed below):

Page	Line	Correction/Reason
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

_____

JAMES E. MONAHAN

CERTIFICATE

Commonwealth of Massachusetts

Suffolk, ss.

I, Doris M. Jones, Registered Professional Reporter and Notary Public in and for the Commonwealth of Massachusetts, do hereby certify that JAMES E. MONAHAN, the witness whose deposition is hereinbefore set forth, was duly sworn by me and that such deposition is a true record of the testimony given by the witness.

I further certify that I am neither related to or employed by any of the parties in or counsel to this action, nor am I financially interested in the outcome of this action.

In witness whereof, I have hereunto set my hand this 25th day of October, 2011.

Doris M. Jones, CSR/RPR

My commission expires:

May 19, 2017

ORIGINAL

VOL. I

PAGES 1-123

EXHIBITS: 1-8

COMMONWEALTH OF MASSACHUSETTS

Essex, ss. Probate & Family Court

Civil Action No. ES09E0094QC

- - - - - - - - - - - - - - - - - - - -

ALEXANDER B.C. MULHOLLAND, JR, et al.,

Plaintiffs,

vs.

ATTORNEY GENERAL of the
Commonwealth of Massachusetts, et al.

Defendants.

- - - - - - - - - - - - - - - - - - - -

DEPOSITION OF JAMES E. MONAHAN

October 17, 2011

11:40 a.m. to 3:45 p.m.

CASNER & EDWARDS, LLP

303 Congress Street

Boston, Massachusetts 02210

Court Reporter: Doris M. Jones, CSR/RPR

This Page Intentionally Left Blank

APPEARANCES:

MacLEAN, HOLLOWAY, DOHERTY, ARDIFF & MORSE, P.C.
By William H. Sheehan III, Esq.
8 Essex Center Drive
Peabody, MA 01960
978.774.7123 wsheehan@mhdpc.com
For the Plaintiffs

CASNER & EDWARDS, LLP
By Stephen M. Perry, Esq.
303 Congress Street
Boston, MA 02210
617.426.5900 sperry@casneredwards.com
For the Defendants School Committee of Ipswich and Richard Korb, Superintendent.

INDEX

Deposition of: Page

JAMES E. MONAHAN
By Mr. Perry 4

EXHIBITS

Exhibit 1 1997 Report 26
Exhibit 2 2001 Report 39
Exhibit 3 2004 Report 52
Exhibit 4 2010 Report 58
Exhibit 5 Page from web site 102
Exhibit 6 2006 Report by Anderson 103
Exhibit 7 Price List 111
Exhibit 8 List of comparable sales 114

** Original exhibits retained by Mr. Perry

PROCEEDINGS

MR. PERRY: We'll have the same stipulations as before.

JAMES E. MONAHAN, having been first satisfactorily identified by the production of his Massachusetts driver's license and duly sworn by the Notary Public, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. PERRY:

Q. Would you state your name.
A. James E. Monahan.
Q. And what is your residential address?
A. 51 Labor In Vain Road, three words, Ipswich.
Q. Have you been retained to serve as an expert in litigation that's pending between the Feoffees and the School Committee?
A. I have.
Q. And do you expect to be called as a witness to testify at trial?
A. I understand it's possible.
Q. So do you have some doubt as to whether you will be testifying?

A. I guess just in -- I'm not -- I haven't heard definitively that it will go to trial. So that's the root of my doubt.
Q. How long have you lived at 51 Labor In Vain Road in Ipswich?
A. About 8 or 9 years.
Q. Who do you live there with?
A. My wife, Nicole.
Q. Do you have children?
A. Three girls.
Q. How old are they?
A. That's a very good question. They're 15, 18 and 22.
Q. Do they go to the Ipswich public schools?
A. Yes, two of them are in public school now.
Q. And one graduated?
A. One graduated, right.
Q. Just for the record, what's your wife's name?
A. Nicole.
Q. Is it Monahan?
A. Right.
Q. Where did you live before you lived at 51 Labor In Vain Road in Ipswich?

Page 6

A. 17 Turkey Shore Road in Ipswich.
Q. Which part of Ipswich is 17 Turkey Shore Road in?
A. It's on I guess you would call it the east side. Right near the town center.
Q. What about Labor In Vain Road?
A. Same. The two houses are about a mile and a half apart.
Q. Where did you go to college?
A. St. Anselm College in Manchester, New Hampshire.
Q. What year did you graduate?
A. 1982.
Q. What degree?
A. A B.A. in liberal studies.
Q. Have you had any formal education after graduating from St. Anselm in 1982?
A. I did a two-year master program in landscape architecture at the Conway School of Design.
Q. When did you do that?
A. '83 to '85.
Q. Is that Conway, New Hampshire?
A. Conway, Massachusetts. In the Berkshires.

Page 7

Q. Did you get a degree?
A. Yes. It's a master of arts in landscape architecture.
Q. Would you summarize for me your occupational history after you received your master's degree from the Conway School of Design?
A. I did an internship with the Department of Environmental Management in Massachusetts for about a year. I think 1986, '87, thereabouts. And had a landscape design/build firm with a partner of mine as kind of a side job during that same period. And I went on a contract basis with Massachusetts DEM for two or three years after that. And then took a job with LandVest in I believe 1989.
Q. And you've been with LandVest ever since?
A. I have.
Q. Has that been your full-time occupation?
A. Correct.
Q. Have you done anything occupationally outside of LandVest while you've worked at LandVest?
A. No.
Q. Have you invested in real estate during that period?
A. Other than my primary home, no.

Page 8

Q. Could you describe for me please what your occupational history has been at LandVest?
A. It's involved a broad range of real estate consulting services for a range of private and commercial institutional clients, including land planning and permitting, project management and various levels of appraisal work.
Q. Do you hold any professional licenses?
A. Yes. I have a general certification appraiser's license in Massachusetts as well as Colorado, Minnesota, New Hampshire and Vermont.
Q. Do you hold any other professional licenses?
A. I don't believe so, no.
Q. When did you become licensed as an appraiser?
A. Originally in 1993. Shortly after licensing was instituted, mandatory licensing.
Q. What was the state that you obtained your license in?
A. Massachusetts.
Q. And the other states you mentioned came after that?
A. Correct.

Page 9

Q. Have you ever had any discipline under any of your licenses?
A. Yes. I had an infraction in I think it was 2003 where there was a new rule that was put in place where a principal appraiser had to inspect a subject property in the presence of a trainee appraiser. And in this case we saw the property on two consecutive days but not together. So the -- and then that trainee submitted that work product for work credit towards her license and the state board flagged me as not complying with the inspection rule. The case was disposed of.
Q. Anything else? Any other --
A. Yeah, in Massachusetts two or three years ago there was -- I think it may show as a license infraction. There was a rule instigated some years ago that you had to take a course, USPAP, every two years and I missed the two-year deadline I think by about a month. I submitted that information to the board and they essentially told me not to do it again.
Q. Anything else?
A. Now I take USPAP every year. That's it.
Q. So you described work that involves

Page 10

planning, permitting, project management and various forms of appraisal, right?
A. Broad-based real estate consulting.
Q. And you've been doing that from the time you joined LandVest to the present?
A. Correct.
Q. Could you break down in percentages how much you do of each?
A. I would say 90 percent of the work we do involves valuation or appraisal at some level. But the -- what I would call technically straight line appraisal work, you know, involving IRS, estate settlements, conservation easements. We don't do much bank financing work, appraisal work. That probably occupies 60 or 70 percent of my work load these days.
Q. What does?
A. Written appraisal reports. Preparation of technical appraisals.
Q. How has that changed over time?
A. It's remained relatively constant.
Q. So you're saying that from the time you joined LandVest to present about 60 percent or 70 percent of your time has been spent doing written

Page 11

appraisal work?
A. Correct.
Q. Do you know how many appraisals you've done?
A. I don't know the number but I would estimate probably 500.
Q. Where did you first receive any training in the area of real estate appraisal?
A. Formal training was shortly after I started with LandVest.
Q. Did you have any informal training before that?
A. I received some what I would characterize as on-the-job training with DEM because the state was involved in some acquisition of park lands at the time.
Q. So you had some familiarity with concepts?
A. Correct.
Q. But your first formal training as an appraiser took place while you were at LandVest?
A. Correct.
Q. Could you tell me what that formal training consisted of please?
A. Primary and continuing education.

Page 12

Q. Where did you get the primary education?
A. There was a minimum number of classroom hours required in 1993 for a certified general license. I don't recall what the total classroom hours were but they're offered by the Massachusetts Board of Real Estate Appraisers and the Appraisal Institute.
Q. So you attended at least the minimum number of classes required to get your license?
A. Correct. And sat for the exam.
Q. You mentioned the Appraisal Institute. What is that?
A. It's a national appraisal organization that oversees regulatory enforcement and updates of the appraisal industry.
Q. Does that group, the Appraisal Institute, have a connection to what you described as USPAP?
A. Right, Uniform Standards of Professional Appraisal Practice.
Q. Those are requirements promulgated by the Appraisal Institute?
A. Correct.
Q. And they tend to be adopted by different regulatory bodies?

Page 13

A. They're enforced by the regulatory bodies. And there are certain appraisal shops that work under USPAP and others that choose not to. LandVest happenings to be a USPAP shop.
Q. You said you had taken courses and sat for a written exam. When did you sit for the written exam?
A. In 1993.
Q. Did you pass?
A. Yes.
Q. And what continuing education have you had?
A. Oh, there have been -- the ongoing requirements have changed through the years but it's been roughly a two- to three-year renewal cycle. And you've needed anywhere from 28 hours to 45 hours of continuing education within each of those cycles.
Q. Have you generally met whatever the minimum requirements are with the one exception of the USPAP update you referred to?
A. Correct. You can't renew your license without performing the continuing ed.
Q. Does one become a member of the Appraisal Institute?

Page 14

A. An MAI designation. And I don't have that but that is an appraisal designation.
Q. How does one become an MAI?
A. I don't know what the current requirements are but it's an additional level of classroom education and preparation of work product for review by a local Appraisal Institute board.
Q. Is there a test involved?
A. I don't know the answer to that. I believe there is.
Q. In order to become MAI has one first got to be a candidate?
A. Correct.
Q. Could you tell me how that process works?
A. I'm honestly a little bit out of touch with the current requirements.
Q. Can you tell me how it used to work?
A. You used to sign on as a candidate for the MAI designation. You would submit work product every year that would accrue towards the writing of what was called a demonstration report. And that was basically a very comprehensive and free appraisal that you would provide a property owner and then that report would serve as -- I think that

Page 15

was in lieu of a written examination. Your demonstration report would be reviewed by your peers and if it was acceptable you would be granted the MAI designation.
Q. Did you ever enlist as a candidate for the MAI designation?
A. I did, early in the early to mid 1990s when I thought I would pursue the MAI.
Q. How long did you have the status of candidate for the MAI designation?
A. I honestly don't recall.
Q. How many of those appraisals did you submit for peer review?
A. I never pursued the MAI designation.
Q. You signed up as a candidate?
A. Correct.
Q. And then what?
A. I didn't pursue the designation because state licensing, it was an educational challenge in itself and that license appeared to suffice for the type of work I was doing.
Q. Were you a candidate for the MAI designation after you you had your state license?
A. I believe for a period.

Page 16

Q. So at the time you thought it was something you wanted to do?
A. Exactly.
Q. What did you do -- tell me anything you did do to attempt to pursue before you decided not to pursue it, the MAI designation?
A. Well, there was somebody in our shop at LandVest who was pursuing the MAI designation. And -- the initial step, the two of us started this program at the same time, and then all you had to do was file a fee with the Appraisal Institute, an application and fee, and you were considered a candidate. And you could choose to follow up on the designation or not. And I didn't see it as a long term professional goal that I set for myself.
Q. So you simply didn't do anything to pursue it?
A. I don't believe I did.
Q. Who was the other individual?
A. Michael Hart, H-A-R-T.
Q. Is he still with LandVest?
A. Yes, he is.
Q. Did he pursue the designation?
A. He did.

Page 17

Q. Did he get it?
A. He did.
Q. What's his position at LandVest?
A. He's a senior project manager.
Q. Similar to yourself?
A. Senior appraiser I think is his title. A similar level. Yes.
Q. Do you have any other affiliation or connection at this time with MAI? I'm sorry, with the Appraisal Institute?
A. I believe I might have an affiliate membership designation. That's an administrative renewal that's managed through the LandVest office that really doesn't carry any significant benefits.
Q. Apart from the licenses you've mentioned, do you have any other professional certifications?
A. No.
Q. Do you have any professional affiliations?
A. I don't believe so. I just finished the course work for a real estate sales license in Massachusetts. I plan to sit for that test in the next few months.
Q. What's the formal name of LandVest?
A. LandVest, Inc.

Page 18

Q. How is LandVest, Inc. owned?
A. It's privately owned.
Q. By --
A. By the shareholders.
Q. Who are the shareholders?
A. I'm one. And there are probably 25 employees who own fractional shares.
Q. Has it always been owned that way by the employees?
A. No. It was bought in 1990s, roughly 1990, by Merrill Lynch Realty and it was basically flipped to Prudential Real Estate. And then LandVest principals at the time bought the company back from Prudential. So it was under another corporate umbrella for a period of two or three years.
Q. It was a management buyout?
A. Correct.
Q. When did the management buyout from Prudential take place?
A. I would say roughly 1994, 1995.
Q. Is there any one individual who holds a controlling interest in LandVest?
A. Yes, there are two or three original principals who started the company in 1969 who hold

Page 19

majority shares.
Q. Who are they?
A. Robert Borden, B-OR-D-E-N. I believe David Rosen, R-O-S-E-N. Richard Perkins. And Wade Stanier, S-T-A-N-I-E-R.
Q. You've mentioned that you reside in Ipswich. Do any of the principals reside in Ipswich?
A. No. Robert Gordon lives in Essex. He's the closest.
Q. At some point did LandVest become involved with consulting services relating to the land at Little Neck?
A. Yes. I believe it was originally 1996, 1997.
Q. The first project was the appraisal that was done in 1997?
A. Yes.
Q. Who at LandVest was the contact person for this work?
A. It may have been John Burkholder, B-U-R-K-H-O-L-D-E-R. He was the head of the consulting division at the time.
Q. Where did he reside?

Page 20

A. Cambridge, I believe.
Q. Were you assigned to this first project?
A. Yes, I was.
Q. Did you know any of the Feoffees?
A. No, not prior to this project. I knew Don Greenough. He was counsel to the Feoffees at the time.
Q. How did you know Don Greenough?
A. I knew him casually just through events around Ipswich. I had done a couple of other private projects for him possibly prior to that.
Q. You had done some appraisals?
A. I don't know whether I did appraisal work. He does quite a bit of real estate estate work for private clients. I'm sure I'd been retained by him prior to the original Little Neck project.
Q. Do you, as an individual residing in Ipswich, know any of the people who reside in Little Neck?
A. I knew -- I've only known a couple people who have owned at Little Neck.
Q. Who are they?
A. The Hebel family. Bruce Hebel, H-E-B-E-L. I'm not sure whether they still own there or not.

Page 21

And then I knew Paul Manzi, M-A-N-Z-I, who owned on Little Neck until last year I believe.
Q. What's the nature of your relationship with Paul Manzi?
A. He's an electrician in Ipswich. I've hired him before to do some residential electrical work.
Q. At your house or on projects?
A. At my house.
Q. Do you know which unit he owned at Little Neck?
A. I could point to the house but I don't recall the address.
Q. Do you recall it being sold?
A. I know he was in arrears on his rent and I don't know the disposition of it. I know he doesn't live there anymore. He may still own it but he may have rented it out.
There may be other people who I know that live on Little Neck and I don't know that -- I know quite a few people around town and don't always -- don't know the rent roll out there too well.
Q. Have you done any work with any of the

Page 22

Feoffees outside of the work you've done regarding Little Neck?
A. I don't believe I have, no.
Q. To your knowledge have you done any work for any of the tenants?
A. No, I haven't.
Q. Have you done any other work for Mr. Greenough since 1997?
A. I worked on a project in Rowley with him. And that was a family-held piece of real estate. He had been managing the family real estate assets and I was called in to provide an opinion of value of the property size and best use and market value.
Q. Have you done any other work for Mr. Sheehan?
A. I don't believe I have.
Q. As part of the work out at Little Neck did you attempt to extract land values?
A. Yes, I did.
Q. What does it mean to extract land values?
A. It's a process of -- it's typically employed only in cases where you don't have -- if you're appraising vacant land. It's used in cases where you don't have highly reliable local

Page 23

comparable sales of vacant land. And it involves the analysis of a closed transaction involving improved property and then the appraiser essentially backs out the contributory value of improvements to achieve an underlying land value.
Q. How does one go about backing out the improvements?
A. There are different methods you can employ but the most standard methodology is to estimate the depreciated square foot value of the physical buildings based on their age and physical condition. And there are technical ways of supporting a calculation of depreciation.
Q. When you're attempting to estimate depreciated value of existing structures, does that mean you would start by estimating their replacement cost and then back out some depreciation?
A. Correct. You can use the Marshall & Swift Valuation Service Manual. You're basically calculating the replacement cost new of the building and estimating its actual and effective age. And then there are charts, depreciation charts in that manual.
There's a secondary method where you

Page 24

look at a similar closed transaction and estimate the underlying land value of that sale and estimate the replacement cost new of the improvements and deduce the rate of appreciation on the building. It requires quite a few assumptions and it's just used in support of the Marshall & Swift depreciation charts.
Q. Do you know how real estate assessments are done in Massachusetts to extract land values?
A. Ad valorem taxation is not one of my specialties but I'm familiar with the methodology that assessors undertake in valuing an entire town's worth of real estate.
Q. In Ipswich do you know what the methodology is for separating out land value from overall value of an improved parcel?
A. It's supposed to be based on a personal inspection. I know Ipswich I think farms the valuation out to Patriot Properties as a subcontractor and they typically will do an interior inspection of the building and employ the same basic methodology as appraisers would.
Q. So with respect to Little Neck, where there's difficulty extracting real estate values

Page 25

because I'm assuming a lack of sales of unimproved real estate, right?
MR. SHEEHAN: Objection.
A. Right.
Q. You agree in Little Neck one of the difficulties in the valuation process is there's not if a lot of comparable sales?
A. There are no vacant parcels that have come on the market in the last several years.
Q. So is it your understanding that the assessments at Little Neck have been based on similar extraction methodology to that which you've described?
A. Well, it's not -- I would characterize the assessment process as more of a composite valuation where rather than extracting land values from Little Neck or sales in other locations in Ipswich, they are basically making a judgment as to underlying land value and then adding in the value of the improvements.
Q. For assessment purposes they can value the entire lot but then they need to break it down to improvement and land?
A. Right.

Page 26

Q. When they do that do you know whether they are following the same Marshall & Swift depreciated value you described?
A. I don't know offhand.
Q. We'll start with your 1997 report.
MR. PERRY: Would you mark this as Exhibit 1.
(Exhibit 1 marked for identification.)
BY MR. PERRY:
Q. Is Exhibit 1 a copy of the report that you prepared in 1997 valuing Little Neck?
A. Yes, it is.
Q. Before you wrote that report you had been out to the property?
A. Correct.
Q. Were you familiar with the property before that?
A. Yes, I was. I had never appraised it. Just as a local landmark.
Q. Am you mention I think somewhere in this report that the utilities at Little Neck are underground. Do you remember that?
A. I don't remember that.

Page 27

Q. Do you remember if the utilities at Little Neck are underground?
A. I believe they are and were at the time.
Q. Is that true at Great Neck?
A. No.
Q. Great Neck, if you're driving around you see wires all over the place, don't you?
A. Just a normal amount of overhead utility lines.
Q. In your judgment how does the lack of aboveground utilities at Little Neck affect the overall views and appeal of the property?
A. I think underground utilities are always an esthetic benefit.
Q. Are they an esthetic benefit at Little Neck?
A. I would say yes. But offset slightly by the cottage density, which I think is a larger esthetic consideration.
Q. You made some comments at page 12. Turn to page 12 of your report, please.
In the large paragraph in the middle you refer to the assessments as being aggressive because owners of the cottages did not have fee simple ownership of the real estate.
A. I think the comment about the 1 million dollars per acre valuation for 12 acres did appear aggressive at the time given the fact that the property couldn't be legally subdivided.
Q. Were you aware of any statutory requirement that assessments of leased property be performed as though the lessee were the owner in fee simple?
MR. SHEEHAN: Objection to form.
You may answer.
A. I was not aware of that statutory clause.
Q. Are you aware of any such statute at this time?
A. It's not my exact field of expertise. I haven't been involved in a project that's required that sort of research recently.
Q. So the answer is you're not aware of whether that's a requirement at this time or not?
MR. SHEEHAN: Objection.
THE WITNESS: Is it okay to answer?
MR. SHEEHAN: Yes.
A. I'm not aware of that statute.
Q. It says in your report somewhere in here that summer rents at the time were in the range of 500 to $900 per week. I'll see if I can find that.
(Pause.)
BY MR. PERRY:
Q. Page 22. Do you see that sent?
A. Yes, I do.
MR. SHEEHAN: Objection to the form.
BY MR. PERRY:
Q. Do you see the sentence that says the average summer rental rate for the prime July-August rental season generally ranges between $500 and $900 gross a week?
A. Correct.
Q. Where did you get that information?
A. I believe I got it from Dorothy Levesque, who was one of the more active brokers in Little Neck at the time.
Q. And has remained --
A. I believe she's still active out there.
Q. Do you know her?
A. I call her probably once every five or six years for research on sales she's been involved with.
Q. Did you ask her what the summer rentals

Page 28

Page 29

Page 30

per week are in the current time frame at Little Neck?
A. In this --
Q. For example, in connection with the appraisal you did in 2010 of Little Neck, did you find out what the then current summer rental rates were?
A. I believe I did.
Q. What are they?
A. I don't recall.
Q. How did you find out in 2010 what the rents were?
A. In talking probably with Dorothy. Or, you know, looking at what they had done on the MLS for listed rentals?
Q. You make a comment on page 22, you make a statement, "However because owners currently accrue no equity in the land, the maintenance and income expense balance is an extremely important consideration in the continued value of the buildings in the Little Neck market."
What did you mean when you referred to value stability in the Little Neck market?
A. I believe that was a reference to an

Page 31

ongoing concern or market dynamic because the value of Little Neck property is basically founded in the fact that a large number of pre-existing nonconforming lots effectively exist. If the owners, a certain measure of the owners decided that they wanted to walk away from their properties or sell, then a flood of of listings in that fairly small submarket would drive pricing downward.
Q. Would drive down pricing of the cottages?
A. And the leasehold interest, correct.
Q. You say the leasehold interest. That would be the value of somebody who was a tenant under a lease?
A. The right to pay rent, correct.
Q. Why would it be a concern of the landlords if the value of the leasehold interest or the value of the cottages were to decrease?
A. Because then the value of the level of rental income would obviously decrease.
Q. The rental income for the land would be based on the land value, right?
A. No. A fair percentage of the total rental value accrues to the existing cottages.
Q. You're talking about the rental value to a

Page 32

subtenant?
A. To a subtenant, correct.
Q. But the rental -- if you were the owner of this property, the Feoffees, their concern would be how much can we lease the real estate for, correct?
A. Correct.
Q. Why would the owners of Little Neck be concerned about whether cottages were selling substantially above depreciated value of the improvements versus selling only a little above the fair market value of the improvements?
A. Well, as managers of a rental property they are going to want to uphold value, I would assume, in all cases.
Q. Do you think they would want to uphold the values of the lessees?
A. Correct.
Q. Why do you think it would be in the interest of the Feoffees to unhold the value of the improvements owned by the lessees?
A. Because if the lessees are happy in that location and happy with the terms of their rental agreement, then they are going to uphold their

Page 33

properties and values will subsequently be upheld.
Q. Did you do any kind of real estate value extraction in your 1997 report that we've marked as Exhibit 1?
A. I believe I did.
Q. Where did you do that?
A. Well, this is a real estate advisory report and I believe I referenced as one -- I believe I referenced the assessors division of land and improvements.
Q. I think if you look at page 26 you will see the chart where you listed some sales in trying to do an extraction.
A. Correct.
Q. Just so we can understand what's in table 6, these were 17 sales that had taken place at Little Neck, right?
A. Yes.
Q. You listed next to that the price that somebody had paid to a cottage owner in connection with the transfer of the cottage?
A. Correct.
Q. You were under the understanding that generally speaking those prices exceeded the value

Page 34

of the improvements themselves?
A. Well, I said elsewhere in the report that because the market -- the values seemed to assign a fair price to the underlying land even though it was just a tenancy at will. So the purchase prices outlined in that table are, as a practical matter of the market, are a combination of land and improvements.
Q. In these particular cases somebody would come in and buy a cottage in the first one for $150,000 and you concluded that the improvements were worth-- in this particular example it looks like $81,000 and the land accounted for 69,000 of it; is that correct?
A. Correct.
Q. In other words, somebody bought LN-1 for $150,000 but what they got was a cottage that had a fair value of roughly $80,000, right?
A. Correct.
Q. And some kind of expectation that they would be able to continue to rent the land?
A. Exactly.
Q. And at that time rents were almost nominal, weren't they?

Page 35

A. They were below market.
Q. I think your report indicates that they were at $600 a year for seasonal use?
A. Yes.
Q. Did you do any calculations at that time to take into account that the individuals buying the cottages would have to pay rent as something that might be affecting the value of the real estate?
A. I did.
Q. And what did you do?
A. I guess I don't understand the question. I mean, it's -- this report is 14 years old and I -- we were asked as part of the scope of work to model a broad range of assumptions and come up with recommendations as to how to make some prudent management decisions about the property. So exactly -- my statement in this report was that the market effectively behaves, approximates the behavior of a fee simple market and that the prices paid seem to reflect the fact that buyers coming in assign a fairly high level of value to the underlying land. And in this 1997 example, as a means of extracting or allocating value to the underlying land I looked at closed sales and then imputed the

Page 36

assessors' allocation of underlying land value to render an opinion of the underlying land value in the case of each of these 17 sales.
Q. As part of your report you came up with some valuations if the property as a whole were to be sold as a condominium; is that right?
A. Correct.
Q. And if I understand correctly, you did that on two different bases. One was with a hypothetical third party and a second analysis where the property would be sold to the tenants?
A. I believe so, yes.
Q. Could you explain what the difference in the valuation methodology is for those two scenarios.
A. Well, the value of the property as a fee simple investment to a third party buyer requires a different set of cash flow assumptions than those employed in a tenant buyout. But I would -- I think argued from 1997 on that market value by definition is value to a disinterested third party whereas investment value is a value to an identified buyer or pool of buyers. The assumptions employed to calculate both of those values in this instance are

Page 37

different.
Q. Let's talk about the investment value in this report for a moment by an identified pool of buyers, which are identified to be the tenants. Is there an attachment that shows that analysis?
A. I don't think I did add value to the existing tenancy.
Q. I think you say you did.
A. Well, on page 40, second to bottom paragraph, financial analysis of planning option C, assuming to a profit-minded third party investor who would convert the land to condominium ownership and resell land interests. And then while it is readily arguable that the existing tenancy should be expected to pay a higher value for the property under this use, the third-party investor value will serve as a reliable base line value in any future purchase and sale negotiations with the tenancy.
Q. Page 41, you refer to an additional discounted cash flow analysis where you have, you say, a more aggressive sellout schedule of three years and you reduced developer profit requirements to 12 percent and sale commission to 2 percent?
A. Right.

Page 38

Q. And that was all for an investment value to tenant-type sales?
A. Yes.
Q. Can you find a chart that encapsulates that? I found some that I thought were close to it. The second page is an 8-year sellout.
MR. SHEEHAN: Off the record.
(Discussion off the record.)
BY MR. PERRY:
Q. Would you agree where it's based on our view so far we're not seeing a chart that coincides with the investment analysis that you discussed in the narrative part of your report?
A. Correct.
Q. Okay. Let's move on then.
The market value figure, Mr. Monahan, that you prepared in the report to a third-party, that's an evaluation of the market value of this property if it were to be sold to a third-party profit-motivated developer who was going to convert the property to condominiums and resell them to whomever he could sell them to?
A. Correct.
Q. And your investment value assumed that

Page 39

there would be a sale of the entire tract to some sort of association representing the tenancy and that that association would take charge of developing the property, securing financing, administering the legal process, declaring a condominium, attending closings.
A. Right, yes.
Q. You also did a valuation of the fair rental value in your opinion at Little Neck at that time?
A. I believe I did.
Q. And that's stated in your report, isn't it?
A. I'd have to reread it but I believe it is.
Q. All right. Your report, we can all read it so we don't have to do that now.
Let's look briefly at your 2001 report.
(Exhibit 1 marked for identification.)
BY MR. PERRY:
Q. We've marked as the next exhibit a copy of LandVest's report dated January 4, 2001 and would you tell me if this is an appraisal report that you

Page 40

prepared in January 2001 for the Feoffees with respect to the property at Little Neck?
A. Yes, it is.
Q. Would you turn first to the last page. You stated there that you are a candidate for the MAI designation from the Appraisal Institute?
A. Correct.
Q. Do you know how long you'd been a candidate at that time?
A. I actually have no idea. I may still be considered a candidate.
Q. In 1997 your report also stated that you were a candidate. So that was something you simply listed on your credentials for some period of time?
A. Well, it didn't have any performance requirements so I guess it just carried forward.
Q. You list the rents that are going to be charged to tenants in this report, do you not? We'll find it somewhere.
(Pause.)
A. Page 16 maybe? 16, 17. Current land rental rates of 2240 and $2520 still fall considerably between below market rate rent of over $3,000. That's on page 17 at the bottom.

Page 41

Q. Right.
A. Or the middle paragraph.
Q. So as of your appraisal in 2001 you were finding that rents that were being charged were below what the fair market rent had been in 1997-98?
A. Correct.
Q. And at this particular period of time they were even further below market value because up through the beginning of 2001 there had been real estate appreciation, right?
MR. SHEEHAN: Objection.
BY MR. PERRY:
Q. As indicated in your report?
A. Can you repeat the question.
Q. You did this report early in 2001, right?
A. Correct.
Q. In fact, before September 2001, when we had some events that affected the market.
A. Mm-hmm.
Q. Yes?
A. Yes.
Q. Between 1997 and 2001 there was generally an appreciation of real estate values, wasn't there?
A. Yes, there had been.

Page 42

Q. So the rents that were below fair market value -- strike that.
Presumably the rental value of the real estate at Little Neck had gone up since your prior report. True?
A. I can't state that definitively. You know, if fee simple values went up it doesn't mean that Little Neck became a dramatically more desirable rental opportunity. Or that some appreciation would have been offset by the recession.
Q. Well, the recession happened after 9/11, didn't it?
A. 9/11 was 2001.
Q. 2001, right. This is 2001. So it's ten years ago, right?
A. Right.
Q. And wasn't there a terrorist attack on September 11, 2001?
A. Yes. This was January. I probably did most of this analysis in November or December of 2000.
Q. So that's before any recession, right?
A. You know, market values had kind of

Page 43

levelled off during that period.
Q. During what period?
A. 2000.
Q. Because of the dot-com bubble?
A. I have to look back. I haven't done retroactive research on the market cycle.
Q. At the time you did your appraisal in 1997 the rents were $600 for a year, which is almost nominal, right?
MR. SHEEHAN: Objection.
BY MR. PERRY:
Q. The rent that was being charged--
A. We determined that they were below market.
Q. They were low. $600 for the entire year, right?
A. Correct.
Q. Or for a seasonal rental, $600 a year?
A. Right.
Q. And now rents are below market but they're up to over $2,000 a year, right?
A. Correct. In 2001.
Q. And it's also become publicly known that rents are scheduled to increase, right?
A. Correct.

Page 44

Q. Did you make any adjustments to your methodology when you looked at Little Neck sales to take into account that the buyers who were buying cottages were also undertaking more significant rental obligations?
A. During which analysis?
Q. When you did this analysis in 2001, at this time when you were looking at comparable sales in Little Neck you were looking at sales where the buyers were, in addition to having to pay for the cottage, they were undertaking more significant obligations to pay rent to the Feoffees?
A. Yes.
Q. Would you agree that hypothetically that somebody who could buy a cottage and pay no rent would pay more for that cottage than somebody who would buy a cottage at Little Neck and have an obligation to pay significant rent?
MR. SHEEHAN: Objection. You may answer.
A. Obviously if two properties were offered, one was rent-free and one had a rental requirement, the rent-free one would probably go first.
Q. Did you make any adjustment when you

Page 45

calculated the values in 2001 to account for the fact that the buyers who were purchasing cottages were doing so with the understanding that they would have to pay a significant amount of rent?
A. Those aren't adjustments I would make. Those are adjustments that would be reflected in the purchase prices at the time.
Q. Did they lower the purchase prices?
A. Assuming these were knowledgeable and prudent buyers, they are going to do the research before making an offer and understand what they are getting into financially.
Q. A prudent and knowledgeable buyer should pay less for a property that had a rental obligation on it than one that had no rental obligation?
A. The rental obligation again is part of the total purchase price of the property. And again, you know, it's-- the rental obligation is sort of closely reflected as a fee simple purchase of the underlying land.
Q. Let me make sure I understand your testimony and you understand my question.
A. Mm-hmm.
Q. Wouldn't a prudent and knowledgeable

Page 46

purchaser of a cottage pay less for the right to own the cottage if they were going to have to pay significant rent to the Feoffees for the real estate as compared to the right to buy the same cottage with no obligation to pay rent to the Feoffees?
MR. SHEEHAN: Objection.
A. Well, it's not a real market hypothetical, I don't think. But as rental rates increase, it's liable to have a dampening effect on total value over time.
Q. For example, somebody could go out and buy property in fee simple out at Great Neck, correct?
A. Correct.
Q. Or they could buy a cottage at Little Neck?
A. Correct.
Q. And if they bought a property in fee simple at Great Neck, they would have no obligation to pay anybody rent for the right to occupy the property?
A. Correct.
Q. If they bought a cottage at Little Neck, they would pay the seller of the cottage for the cottage but they would still have to pay rent to the

Page 47

Feoffees for the right to occupy the real estate?
A. Yes, they would.
Q. So they would be getting a much inferior bundle of rights compared to if they bought at fee simple at Great Neck, correct?
A. Correct.
Q. So in 2001 when you did your appraisal, did you base it principally on transactions that occurred at Little Neck?
A. I always look at Little Neck every time I look at the property. It's a very -- it is the subject submarket. It's a very contained submarket. But I think Great Neck is the closest fee simple model. So I look at both.
Q. Did you in Exhibit A of your 2001 report, at page 23, did you list the Little Neck sales that you were relying upon?
A. Yes, I did. There were ten of them.
Q. These were the sales that people paid for the right to own cottages and to pay rents to the Feoffees on an at-will basis?
A. Correct.
Q. Did you make any upward adjustment to these prices to account for the fact that the

Page 48

tenants would have paid more had there been no rent?
A. No.
Q. Did you make any adjustments to account for the fact the tenants were buying these cottages in a situation where they were tenants at will with no assurance that they could occupy in perpetuity?
A. No. Again I believe all of those assumptions are built in the purchase prices.
Q. You treated the sales prices that are listed on Exhibit A as though the buyer was acquiring a fee simple interest in real estate?
A. No.
Q. How did you not do that? How did you treat these sales prices any differently than you would have treated them if they had been fee simple purchases?
A. When you look at the allocation of improvements to land value as portions of the total purchase price, the imputed value of the underlying land fell short of comparable fee properties.
Q. So once you had gotten the apportionment to the land which fell short of comparable fee properties, what did you do with it? Did you just use it?

Page 49

A. It depends on which analysis I was looking at. If I was looking at an income analysis of the property, that information would be considered one way. But if you were looking at a cost of development approach or resale, either to a third-party or to the tenancy, that information would be looked at in a different way.
Q. When you did your discounted cash, you had to come up with purchase prices for each of the properties, right?
A. Correct.
Q. And if you look at Table 1, you've come up with purchase prices for the properties based on their relative merits ranging from a low of 70,000 to a high of 195,000, right?
A. Correct.
Q. And those are condominium prices, right?
A. Exactly.
Q. Didn't you derive that range of 70,000 to 195 based on the actual sales that you'd seen at Little Neck?
A. Yes, I did.
Q. So if we go to page 22 of your report, for example, you indicated that you looked at ten sales

Page 50

at Little Neck.
A. Yes.
Q. And the prices that people paid for cottages were between 85,000 and 345,000, right?
A. Correct.
Q. You attempted to allocate those prices to land versus the improvements, right?
A. Yes.
Q. What was the method you did for dividing those prices between land and improvements?
A. Well, seeing as how we don't have physical access to each one of the sales, I relied on town assessors' cards. You know, their inspection notes of the quality and condition of each building. If there was any building permit activity prior to sale that would affect the interior, that would affect the square foot value of the buildings. And my own drive-by inspections of each of the sales. And I made some judgments based on my appraisal experience and the price range of 85,000 to 345,000, it's fairly consistent with my low-high range of 70,000 to $195,000. There's a very broad spectrum of value on Little Neck.
Q. And in arriving at that figure of 70,000

Page 51

to 195,000 in your report you were using a sale of a fee simple interest?
A. Yes. Effectively.
Q. Even though the individuals who were purchasing those cottages were going to have to pay rent and face an uncertain future?
A. That's always -- those have been assumptions in every valuation I've done of Little Neck.
Q. Now when you did this appraisal you again did both what you call the market value, which would be based on a hypothetical purchaser, and an investment value based on an identified set of purchasers, correct?
A. Yes.
Q. And you again assumed that for a sale to the tenancy the association leadership would be responsible for securing financing, administering the legal process declaration, scheduling closings on the resale of land to existing cottage owners?
A. Yes, correct.
Q. You assumed a four-year period of time for the association to accomplish that?
A. Yes, I did.

Page 52

MR. PERRY: Let's mark as the next exhibit the 2004 report.
(Exhibit 3 marked for identification.)
MR. PERRY: For the record, this report may also have had a Base Plan Orthophotograph, which if it did I did not include it. It presumably would be similar to the other ones we have.
BY MR. PERRY:
Q. Is Exhibit 3 a copy of your March 2004 report?
A. Yes.
Q. At page -- there are no page numbers. If you go to the last page of the report before the appendix.
A. Okay.
Q. Did you do a land rental analysis at that time?
A. Yes.
Q. And you concluded a market rate land rent in the range of $6370 to $13,000 per year, correct?
A. Correct.
Q. And that was the -- the range was because

Page 53

you were basing it on the fair rental value depending on the quality of the particular real estate lot in question?
A. Right.
Q. So this meant that the least desirable lots would have a rental in the range of $6,370 per year and the most desirable lots would be a rental value in the $13,000 per year figure?
A. Correct.
Q. And the average rent, you said, was $9,750 per year?
A. Right.
Q. And at this time if you go to page --
A. Sorry about that.
Q. If you go to the page where you discuss the current use, you indicated that the rentals at that time being charged were 3600 a year for seasonal use and $3900 a year for year-round use?
A. Correct.
Q. So your conclusion was that rents as of early 2004 were well below market?
A. Correct.
Q. And if the rents had been raised by roughly $6,000 per cottage to get from 3600 to 9700,

Page 54

there would have been an extra what, million dollars a year, right, in rental income?
A. Correct. But just a footnote to that issue is that the estimated fair market land rental range of 6370 to $13,000 was derived from a handful of sales at the time. So it doesn't necessarily mean that those rates would translate broad brush across the entire 168 leaseholds. So that's the only qualifying issue.
Q. All right. Now again, you were basing your evaluation on land sales at Little Neck, weren't you?
A. Yes, I was.
Q. And at the time of these land sales there had been a further history of rent increases that the tenants had faced, correct?
A. Correct.
Q. So a knowledgeable and prudent buyer who bought in the few years preceding 2004 would be aware that in addition to having to pay for the cottage they would also have to pay significant amounts for rent?
A. Correct. And a significant cost in sewer upgrade at some point.

Page 55

Q. But you did not make adjustments to your figures as to the value of the individual lots based on the fact that the buyers would have to pay rent or incur sewage costs, did you?
A. I didn't make specific adjustments but again that knowledge is, theoretically at least, included in each purchase price.
Q. Right. But each purchase price would have been higher had the tenants in fact been getting a fee simple interest, right?
A. Yes.
Q. And if a tenant was buying a cottage and didn't have to pay any rent, that tenant would pay more for the cottage, right?
A. Correct.
Q. So don't your comparable sales understate the value to the extent that buyers paid less for the cottages due to their obligation to pay rent to the Feoffees?
A. Compared to a fee simple market, certainly.
Q. And also compared to a condominium market, right?
A. I mean, condominiums, that's a difficult comparison to make. Comparing this situation to a fee simple market, there's a vastly different set of investment concerns going in.
Q. If one buys a condominium unit there's an obligation to pay some condo fees for maintenance, right?
A. Correct.
Q. But there's no obligation to pay rent to a bunch of Feoffees, correct?
A. Right.
Q. And one would therefore pay more for the right to own a condominium unit than one would pay for the right to occupy the same unit and have to pay rent for it, correct?
A. Sure.
Q. But you used these comparable sales values to estimate the condo values?
A. I did.
Q. When you discussed the rental rates you mentioned that you would use a safe rate of prime plus 2.5 percent?
A. Correct.
Q. And why did you think that was an appropriate cap rate?

Page 56

Page 57

A. Well, I would tend to -- I didn't value the property according to an income approach. I mean, the land rental analysis in Section D is really just a check on the -- basically a -- I would call it a schematic check on the market value opinion expressed at the top of the page. If this were a full income valuation I would fully develop the cap rate. It may or may not have been in line with the 6 and a half percent. I may not have used such a safe rate.
Q. You again in both the market value and investment value in this report -- in each of those models you were assuming the sale of the land to a third party?
A. Correct. The investment value of the tenancy.
Q. And in each of those models you were assuming a sale of the land to a third party who would then be selling it?
A. Correct.
Q. In 2006 the report that was done was done by Slater Anderson?
A. Correct.
Q. How did that come about?

Page 58

A. I believe I was -- my work load was overfull at the time. And Slater had looked over my shoulder on some of the previous reports I had done so he was relatively up to speed on some of the issues and he decided, you know -- and at the time I thought maybe I should pass this to one of my colleagues for a fresh set of perspectives on things. It's something we do as a fairly standard practice in the consulting group.

Q. Did you do any work on Mr. Anderson's appraisal report, the one that is dated January 6, 2006?

A. I didn't produce any parts of the report, no. He used me at best as a sounding board.

MR. PERRY: Let me mark as Exhibit 4 your 2010 report.

(Exhibit 4 marked for identification.)

BY MR. PERRY:

Q. Is Exhibit 4 a copy of the appraisal report you did on October 25, 2010 valuing Little Neck as of September 11, 2010?

A. Yes, it is.

Q. Have you done any further appraisal work at Little Neck?

A. Since this time? No.

Q. Could you just summarize for me please what your methodology was in trying to value the individual lots -- strike that.

My understanding is your basic methodology was you valued the individual lots and then you did a cash flow where you applied the discount?

A. Correct.

Q. I know it's a two-part process. I want to start with the first part. Could you summarize for me please how you came up with values for the individual lots?

A. Well, a similar methodology as I had employed in the previous consulting and appraisal projects I had done at Little Neck. It was a process of looking at closed sales primarily on Little Neck. As volatile a submarket as it is, there was a reasonable record of recent sales to use as a current database. And analyzed each sale and reviewed public records regarding the level of improvements, talked with brokers involved with the transactions in some cases. And allocated a value to the existing improvements. And, you know, calculated a value of the underlying land as a percentage of each closed sale price. And then I took each one of the extracted land values and matched them to the nine different tiers of lot categories that I'd been using as a value model.

Q. And then you got the discounted cash flow analysis from there, right?

A. Yes. And in this report I worked under a single assumption of fee simple value to a third-party investor.

Q. That was the market value -- is that similar to your market value methodology in your prior reports?

A. To the third-party investor, yes.

Q. So what you're saying, in this 2010 report you didn't calculate the higher value as an investment value to a defined group of purchasers?

A. No, I did not.

Q. Why did you not do that?

A. There was some debate at the outset of the project on how to scope the exact value that was necessary. And I think more than ever, given the political situation with the property, that you could model the property's value under a very wide range of buyout assumptions. And in talking with Bill Sheehan and one of the appraisers from --

Q. Lachance?

A. No, it wasn't Bill Lachance.

Q. Foster?

A. Yeah.

Q. Lincoln Properties?

A. Lincoln Properties. I forget his first name.

Q. Steve Foster?

A. Steve Foster suggested we have the various appraisers have a conference call at the outset of the project so everyone understood the volatility that ran with varying assumptions on this property and how it would affect everyone's final value. And Steve suggested we have a conference call to accurately scope the project so everyone is working from the same set of assumptions. That conference call never took place. I kind of opted out of that.

I'm not sure how well developed that line of communication ended up being but I opted out of it and in consultation with Bill Sheehan decided that the the base line value that needs to be

Page 62

established at this time is fee simple value with a third-party buyer.
Q. You understood that if you had done an investment value to the tenants as in the prior report then that value would have been higher than market value to a third-party investor, right?
A. I wouldn't characterize it that way. I saw -- in some of the discussions going on, you know, between other appraisers and some of the assertions of value that were printed in local newspapers and so forth, it seemed that the -- the value of a single property under three or four considerably different sets of assumptions would result in a range of value that isn't very usable.
And it's always been my contention that fee simple value to a third-party buyer is the accurate base line value. The most reliable point of reference. And any value above that would reflect investment value to an identified pool of buyers such as the current tenants.
Q. My question was whether you would have anticipated that the investment value to an identified buyer such as the tenants would be higher than the market value to a third-party developer?

Page 63

A. I believe it was.
Q. Because in 1997 it was higher, right?
A. It should be a higher number, absolutely.
Q. So had you done an investment value to the tenants it would have been a higher number than the value you came out with as the market value?
A. Correct. But I opted not to do that. In my opinion it requires reliance on an overly speculative set of assumptions.
Q. I'd asked you to summarize what you did to arrive at the land values and you said that you had principally relied on Little Neck comparables, correct?
A. Correct.
Q. And those particular compses are shown on pages 49 through 54 of your report, correct?
A. Correct.
Q. Were you aware when you did your report that the Feoffees were requiring purchasers of cottages in this time frame to sign leases?
A. Yes, I was.
Q. And were you familiar with the terms of those leases?
A. I believe I was.

Page 64

Q. You understood that under these leases those who were buying a cottage that was approved for seasonal use would pay $9700 per year in rent?
A. Correct.
Q. And those who were buying cottages that were approved for year-round usage were paying $10,800 a year?
A. Correct. I had access to those numbers.
Q. And they would be paying those figures under written leases?
A. Correct.
Q. And in addition they were agreeing to pay increased rents if assessments at Little Neck went up after a period of three years?
A. Yep. Could I also make a note about comparable sales? In addition to the ones we cited in pages 49 to 54 there was Exhibit B in the appendix. Actually, there were quite a few additional sales and listings that were relied upon in the valuation.
Q. Let's start with the Little Neck comps that are addressed in the body of the report. They are on 6, right?
A. Right.

Page 65

Q. I want to make sure we are in agreement on what your methodology was. With respect to the sale at 42 Middle Road, you indicated there was a sales price of $550,000, right?
A. Correct.
Q. And that was what somebody paid to buy just the cottage and the right to occupy the land?
A. Yes.
Q. And the right to occupy the land at a rental of at least $9700 a year?
A. Correct.
Q. And you took the $550,000 and attempted to divide it between how much of that was fairly attributable to the cottage and how much should be attributed to the land?
A. Well, I extracted a land value of 322,630 in this sale.
Q. In order to get that figure you calculated the value of the building itself?
A. Correct.
Q. Or the improvements, I should say, right?
A. Correct, at 260,000.
Q. And then you added 20,000 for landscaping?
A. Correct.

Page 66

Q. And the way you obtained the value of the improvements was to calculate the replacement cost of that building new, right?
A. Correct.
Q. Did you do that through your own analysis or were you relying on assessments or something else?
A. Well, my own analysis based on public record information.
Q. But you knew what the size of the building was?
A. Correct.
Q. You had some information from listing sheets and so forth about what type of improvements there were?
A. Exactly.
Q. You were able to do what you considered to be a fairly accurate job of valuing the improvements after depreciation?
A. Correct.
Q. Because each of these had been marketed and therefore there was quite a bit of public information about the interior, correct?
A. Correct. I actually had a difficult --

Page 67

of all six sales, this was the most difficult because it was listed at $575,000 and had been on the market for quite a while and sold for $25,000 less than the list price. So it was seen as a little bit of anomaly. One of the -- and it sold at this peak of the market.
Q. Just on methodology, you took the sales price of $550,000, right?
A. Correct.
Q. You calculated what the building was worth if you had to replace it less depreciation?
A. Exactly.
Q. And then counted the landscaping?
A. Yes.
Q. Subtracted those figures from --
A. The purchase price.
Q. The purchase price of 550,000, correct?
A. Correct.
Q. And determined that this particular buyer had paid 322,630 for the right to occupy the land?
A. Correct.
Q. But this buyer was also going to be paying $9700 a year, assuming it was a seasonal rental, for the right to occupy the land, right?

Page 68

A. Yes.
Q. And you didn't capitalize that and add it on, did you?
A. No.
Q. One could make the argument that you should have, right?
A. No. You either value a property by the sales comparison approach or by the income approach.
Q. So what you did was you assumed that the value of this property was the same as it would have been if there was no obligation to pay rent?
A. Well, I've said in basically all of the reports and analysis I've done of this property that as peculiar as it is, the Little Neck submarket essentially behaves as a fee simple market. Brokers interviewed all have the same opinion. That it is technically a tenancy at will but dating back as far as it does, everyone has a reasonable level of security that the lease will be perpetuated. So it's certainly an odd market.
Q. Well, none of these buyers that you used for A-1 through A-6 were going to be occupying as tenants at will, right?
A. Correct.

Page 69

Q. They were paying these purchasing prices for the right to enter into a lease, right?
A. Yes.
Q. And they were going to have to pay not only these prices for the cottages but also pay substantial rent under the leases, right?
A. Correct.
Q. And you treated the sales prices the same as if they didn't have to pay any rents?
A. Exactly.
Q. In addition, which of these sales were seasonal versus year-round?
A. I don't recall.
Q. Is it fair to say that most of them were--
A. Most of them were seasonal.
Q. The value that you're calculating for your client is based upon the assumption of no seasonal restrictions on usage, right?
A. Correct.
Q. And you understand that a prudent and knowledgeable buyer would pay more for a property that can be rented year-round than for one that could be rented only seasonally?
A. Correct.

Page 70

Q. And in fact, in prior appraisals you had made adjustments between the two, right, for purposes of rentals?
A. Yes. As a rental market, just as an editorial here, Little Neck is not -- its rental market is primarily driven by the prime sub market.
Q. If you have the right to occupy year-round then it can become your prime home rather than just seasonal?
A. Sure.
Q. And empty nesters might think this was a --
A. I wouldn't view it as a prime empty nester market.
Q. Your own experience told you that a lot of tenants wanted the right to own year-round, right?
A. Not necessarily, no.
Q. Your prior allegation indicated that a premium was paid for the right to occupy year-round?
A. Sure. Back when there was a fairly exclusive number of cottages out there.
Q. So you had your comparable sales figures that you derived from these transactions. Did you do anything to adjust them upward based on the fact

Page 71

that these represented seasonal use sales but you were trying to appraise year-round use sales?
A. No. There wasn't enough of- season rental data to really work with. So this underlying land value extraction from closed sales is a fairly simplistic but also fairly reliable valuation methodology.
Q. So no matter how much the Feoffees were charging in rent to the buyers, you think that the amount the buyers paid for the cottages fairly represents a fee simple transaction?
A. That's a complicated assertion. It's as complicated as the Little Neck market. In my 24 years of experience I haven't come across a fairly volatile rental market that behaves this closely to a fee simple market. I think to cast it is it a fee simple market or a rental market isn't truly accurate in either case. It's a hybrid market.
Q. Now, on page 48 of your report you refer to the value of the Great Neck sales?
A. Correct.
Q. So Exhibit B that you referred me to earlier, that's all Great Neck sales of improved property.

Page 72

A. Yes, since 2007.
Q. And you found that the average of those on a fee simple basis was just about $500,000?
A. Correct.
Q. Which was 30 percent higher than the value of the non-fee simple interest at Little Neck, right?
A. Correct.
Q. Did you adjust upward your Little Neck valuations based on the fact that the Great Neck sales were at a higher average price?
A. No. I didn't rely on that. I think the range of adjustments that were required to use Great Neck sales as primary comparables is too great.
Q. So you had the Great Neck data but you relied more on he Little Neck data?
A. Correct. Great Neck data was included as a data point.
Q. And you also did have some vacant land sales out at Great Neck?
A. Correct.
Q. Some of these seem to be quite large tracts which would create some difficulty in adjusting to the properties at Little Neck?

Page 73

A. Correct.
Q. Because much of the value of the real estate is the right to have an improvement, right, and then the extra acreage lends a marginal value but not as much--
A. There's a dramatic diminishing return once you get up really over a half an acre.
Q. Even if you had an initial return before that?
A. Right.
Q. So it's not as though you can take a per-acre price and say these are very small lots and do a pro rata analysis, right?
A. There are acceptable ranges of gross adjustments that can be applied to comparables. Beyond a certain point they aren't really comparable.
Q. There are some smaller lots that sold at Great Neck, correct?
A. Correct.
Q. Did you end up using any of your vacant sales data in your appraisal?
A. I didn't cite these. These were '06 sales so they were a little bit dated. Typically the

Page 74

look-back for comparable sales is three years.
Q. But you have some more recent ones. I'm asking did you make any use of the Exhibit C data?
A. I made a mental note of these sales as local data points for generally similar but fee simple properties. Exhibit C is what it was way back.
Q. And it showed parcels well in the 300,000s, right?
A. Those are listings that hadn't sold.
Q. So you didn't have a lot of data as to closed sales. In fact, you had very little closed sales --
A. This is a very difficult market cycle and there was -- you know, this appraisal assignment required me and all other appraisers to make the best of available information.
Q. So what you principally relied upon in your report was the Little Neck closed sales?
A. Correct.
Q. You had some data from Great Neck which was indicating higher value for those properties on a fee simple basis?
A. Not necessarily. Two half-acre sales sold

Page 75

for $250,000 roughly. Those are the most comparable in size. But again, even to make adjustments for a half-acre fee simple to a 3,000 square feet Little Neck or condominium envelopes, if you will, is a very broad set of adjustments.
Q. In your report did you attempt to mathematically adjust the Great Neck sales?
A. No.
Q. You just based your analysis on the Little Neck sales?
A. Correct. And included the Great Neck sales as a data reference.
Q. As a context?
A. Exactly.
MR. PERRY: Let's take a break for lunch if we could.
(Lunch recess taken)

Page 76

AFTERNOON SESSION
BY MR. PERRY:
Q. You mentioned earlier in your testimony that LandVest is a, quote, USPAP shop, unquote?
A. Correct.
Q. Which means all the appraisers at LandVest are expected to perform their work in accordance with the standard set forth in USPAP?
A. That's generally the guidelines we adhere to.
Q. And you personally adhere to those guidelines?
A. I do.
Q. So it would be fair to judge your report pursuant to those standards, right?
A. Correct.
Q. You mentioned the term leasehold interest earlier?
A. Correct.
Q. Leasehold interest means the interest that the lessee holds under a lease, correct?
A. Right.
Q. If one were referring to the interest that a landlord holds under the lease, that's called a

Page 77

lease fee interest? That's the fee interest minus the rights that are given up by the lease?
A. Correct. Missing rights in the bundle, correct.
Q. Is there an expectation that the leasehold interest when added to the lease interest, the fee interest would equal the market value?
A. It's not really seen as a composite value that way, no.
Q. I think you said that the sales you looked at in your 2010 report at Little Neck were essentially the purchase of leasehold interests, right?
A. Technically they are leasehold interests, correct. I should have added to that point earlier about Great Neck. I did rely on Great Neck sales as the secondary market analysis and made some adjustments for the property right, fee simple versus condo.
Q. But with respect to the Little Neck comparable sales, you were using the purchases of what technically was akin to a leasehold interest as direct evidence of the value of the fee interest?
A. Correct, I guess with the footnote I

Page 78

explained earlier, that's a hybrid market in the way it behaves.
Q. Is it a generally accepted appraisal practice to assume that the purchase price paid for a leasehold interest is equal to the purchase price that would be paid for a fee simple interest?
A. No.
Q. Is it a practice that's allowed under USPAP?
A. It's allowed under USPAP.
Q. Does USPAP contain standards concerning how you value a leasehold interest?
A. Correct. Well, USPAP is more a set of guiding principles to affect the way an appraiser presents himself to the public in an ethical and non-misleading manner. USPAP is not directly some sort of oversight organization for technical application of appraisal approaches.
Q. On the LandVest web site it refers to LandVest's services growing out of our roots in serving New England's great families whose real estate holdings include great houses and estates, unquote. Do you know what that refers to?
A. I've never actually read that but, you

Page 79

know, the company was founded back in 1969 and most of its original client base was people who, you know, private families who owned significant real estate assets.
Q. What was meant by New England's great families?
A. I can't comment on that.
Q. Do you know whether any of the sales that you valued -- let me withdraw the question.
Do you know whether any of the Little Neck comparables that were the basis for your work in 2010 were situations where the buyers intended to knock down the cottages?
A. Where the buyers intended to knock down the cottages?
Q. Yes.
A. No, I wasn't aware of any specific instances. In fact, my standing assumption was because they're grandfathered structures that that's not a primary motivation of most buyers. Because you can run the risk of losing the grandfather status if you demolish the structure.
Q. Have there been knockdowns at Little Neck?
A. There have been. I'm not aware of any

Page 80

complete removal of any house and foundation projects but there have been 90 percent demolition projects.
Q. And those buyers are allowed to rebuild at least to the extent of the previously existing footprint?
A. Right, with no expansion.
Q. Can't one expand at Little Neck if one gets permission to do so from the Feoffees?
MR. SHEEHAN: Objection.
A. No.
Q. Why not?
A. Because it's a matter of the Zoning Board of Appeals.
Q. Does Ipswich zoning allow the expansion of nonconforming lots as long as they don't impair the neighborhood?
A. An expansion of a nonconforming lot?
Q. Do you know what the rule is in Ipswich with respect to pre-existing structures? Can they be modified or expanded as long as the modification or expansion doesn't substantially damage the neighborhood?
MR. SHEEHAN: Objection.

Page 81

A. That's the rule in Ipswich. It's a matter of variance application.
Q. Variance or maybe a special permit?
A. Right.
Q. You're not using variance in the legal sense, right?
A. If you're looking to expand a building so it encroaches on the side yard, I believe that's a variance.
Q. Do you know whether any of the occupants at Little Neck have attempted to get any kind of zoning relief to expand their footprints?
A. I'm not aware of any.
Q. You're not aware of any hundred percent knockdowns but you're aware of 90 percent demolition jobs?
A. Correct.
Q. Were any of the six comparisons you used in your 2010 report 90 percent knockdown situations?
A. I didn't follow up after. I used them as sales. As of the effective date of valuation, they were still standing and there were no demolition permits filed as far as I was able to determine.
Q. Where would a demolition permit be filed?

Page 82

A. At the building inspector's office.
Q. Would one need to know the lot?
A. Correct. Lot and parcel.
Q. If you knew that a particular purchase was intended to be a knockdown, that would change how you allocated the price of the land versus the improvements, right?
A. It would alter it but maybe not significantly because we encounter numerous sales where buyers effectively pay for a structure and then take it down because it's required as part of the purchase price that in order to get the property you need to pay the price. And then the structure may disappear the next day. In the case of Little Neck, ever yone of those buildings and their footprints has significant value as part of the total purchase price because you can't replicate that structure if you demolish it.
MR. PERRY: Would you read that back to me please.
(Record read.)
Q. I think what you're trying to say is that the very fact that there's a structure there at Little Neck helps to provide some of the value of

Page 83

the underlying real estate?
MR. SHEEHAN: Objection.
A. Absolutely.
Q. Because it allows it to be used as residential property?
A. Correct.
Q. But you are allowed effectively to demolish a Little Neck cottage if you build in the same existing footprint, right?
A. That's my understanding.
Q. Do you know whether under the settlement agreement that's been entered into between the Feoffees and the cottage owners the Feoffees will be selling the parcels as a whole or whether they'll be selling individual units?
MR. SHEEHAN: Objection.
A. I'm not aware of the plan going forward.
Q. Suppose one wanted to determine the fair market value of individual cottage units rather than the aggregate value of the land. Would that be something one could do?
A. Yes.
Q. Am I correct that if you wanted to do that, based on the work you've already done it would

Page 84

essentially be looking at the first part of your analysis before you did the discounted cash flow analysis?
A. Yes. If I were to calculate the aggregate value of all of the cottages. That would be a significant undertaking but it is technically possible.
Q. But in your work you derived an estimate of the individual value of each condominium unit, didn't you?
A. Of each condominium lot type.
Q. You did that as an intermediate step?
A. Correct.
Q. In other words, you developed fair market value prices at which each tier of condominium lots would be sold?
A. Yes.
Q. And that was your best estimate as to the individual values of those lots if they were sold individually, right?
MR. SHEEHAN: Objection.
A. That was my best estimate. And it was an appraisal challenge, frankly, to reduce the number of lot types to nine.

Page 85

Q. Right. In other words, you could have 167 different lot types?
A. There may be 167 different unit values applied to the various cottages if we were to value the cottages without the land.
MR. PERRY: Let's mark --
BY MR. PERRY:
Q. You end up in your report with I think nine different tiers. That's shown on page 59?
A. Correct.
Q. And you have a total -- you list nine different types of lots and you assign a price to each of those types, right?
A. Correct.
Q. And then you add up the total and come up with 37.6 million?
A. 37.675 million, yes
Q. So for example, if one were trying to value the lots that you described as tier one, the exceptional view lots, you are of the view that the fair market value of the land rights on a condominium basis of those lots is approximately $420,000.
A. Correct.

Page 86

Q. Similarly, you estimated the value of the land rights of the front row Plum Island Sound lots at $325,000?
A. Yes.
Q. Do you know whether under the settlement agreement the individuals who will be buying the exceptional view lots that you've put in tier 1 will be paying a figure consistent with the market value you've arrived at?
A. I'm not familiar with the settlement agreement.
Q. Your value of 25.6 million-- is that the figure?
A. Correct.
Q. That is based --
A. 25.4.
Q. Is that figure of 25.4 million dollars based upon your estimate of what a third-party purchaser would pay for the entire parcel if they were then going to convert it to condominiums and sell it off over a several-year period?
A. Correct.
Q. Did you attempt to value what the value of this parcel would be if the Feoffees were instead to

Page 87

do their own condominium conversion and sell it individually to tenants?
A. No, I did not.
Q. Would that figure be more on the order of 37.675 million?
MR. SHEEHAN: Objection.
A. Without going through the analysis, I can't comment on that.
Q. I'd just like to understand how you did your discounted cash flow analysis. Would you point me to the right table to discuss that with you.
A. Table 1 on page 62.
Q. So see if I can understand what you did here. First you have your assumptions that the various tiers have the values you've described?
A. Correct.
Q. In other words, 420,000 for the four prime lots?
A. Yes.
Q. And so forth?
A. Yes.
Q. And as we discussed, those values were predominantly taken from your assessment of sales at Little Neck?

Page 88

A. With support from Great Neck.
Q. You've assumed that this hypothetical purchaser would convert to condominiums and sell out the condos over a four-year period, right?
A. Correct.
Q. And it looks to me that you've assumed that the best lots would sell fastest and the least desirable lots, even though they are priced lower, would sell the slowest?
A. That entered into my calculation of absorption.
Q. If we look at that absorption table, that's pretty much what it's doing, right?
A. Waterfront typically sells before inland. So those were definitely sold in year one.
Q. You mean the best lots were sold in year one?
A. Correct.
Q. And then the next best were partially sold in year one and partially in year 2?
A. Right. The schedule is front-loaded that the higher end lots would sell more quickly.
Q. So your next table with projected revenues is showing the revenues from the sales of these lots

Page 89

in the year that you assume them?
A. Correct.
Q. So I can see the first number is $1,680,000?
A. Correct.
Q. And that's exactly equal to four times $420,000?
A. Yes.
Q. And then you have, for tier 2 you show $1,300,000 in revenues and that's based on four sales of $325,000?
A. Correct.
Q. So each of the figures in this projected revenues column is based upon sales revenue from sales of lots according to the number of sales per year listed in the previous table?
A. Exactly.
Q. What are you assuming happens to these cottages and lots while they're building sold off?
A. Well, this third-party analysis assumes that an outside buyer will come in and pay that net price for the property as of September 11, 2010. And the set of underlying assumptions that go into what would be needed to attract a buyer of that type

Page 90

is fairly -- slightly speculative, I would say, in that market. Even that market. The standing assumption is basically a hundred percent participation among the existing tenancy and the Feoffees to sell the property to an outside investor and then again a hundred percent participation in the takedown of the 167 units over a fairly short four-year period.

So the basic assumption is that the property would continue to function as it does now while lots are being sold at a rate of between 30 and 50 units per year over four years.

Q. Well, is there -- are you accounting for any rental income to the Feoffees in your analysis?

A. I did not.

Q. So, you have 167 units created, say, at the time of sale, right? Close to the time of sale?

A. Within a reasonable delay from the time of sale. Three to six months.

Q. And now do we market all of the units at once or do we stage them?

A. Well, it's not viewed as a standard marketing program. It's basically an in-house participation program.

Page 91

Q. So this is to sell to the tenants?

A. This is to resell the units to the tenants.

Q. So you were reselling to the tenants and only 42 of them or so you have buying the first year, right?

A. Correct.

Q. The other 125 tenants are not buying the first year, correct?

A. Correct.

Q. But they're still occupying?

A. Correct.

Q. And if they're still occupying then they have to pay some kind of rents, don't they?

A. Presumably. But from the perspective of a third-party buyer, most prudent investors most likely would not account for that kind of income stream. For appraisal purposes it gets to be a little bit speculative because this absorption schedule of exactly which lots sell in which year, leaving however many lots remaining, would require a secondary assignment of per-unit rental income through this already somewhat speculative absorption period.

Page 92

So it would be -- it is a secondary form of value but understanding the complexity of the property and the prudent stance of any third-party buyer coming to the table, most likely they wouldn't assign a lot of value to that diminishing rental income stream as these slots are sold.

Q. If the buyer were expecting to be able to sell at the 25 percent absorption rate that you're assuming in year one, they're giving up over a million dollars in potential rental income on the others, aren't they?

A. I hadn't calculated the annual cash flows but it's a fairly significant amount of rental income.

Q. And you've just assumed there's no rental income?

A. Correct.

Q. So I understand the revenue side of what you've done, it's simply an application of the number of units sold in each year times the purchase price that you're assuming, correct?

A. Right.

Q. And I guess you don't adjust the purchase

Page 93

price for at least the first three years?

A. The first two years. And then they appreciate at 2 percent in years 3 and 4.

Q. Next you impose some direct costs and the most significant of those is you have an assumed $900,000 in erosion control costs, right?

A. Correct.

Q. And that's a figure that you got based on information provided to you by whom?

A. I forget the name but it was a consulting engineer.

Q. Vine Associates?

A. Correct.

Q. And that was provided to you through counsel?

A. Correct.

Q. You have another cost in there but I'm not finding what it is.

A. That was the only direct cost, the soil mitigation. I apologize for the small fonts.

Q. I see that it says the only costs you have in there is the $900,000, which you've increased at 3 percent a year it looks like?

A. Correct.

Page 94

Q. So you get 927,000 for erosion control and mitigation, correct?
A. Right.
Q. Down at the bottom the figures are higher. You have 309, 328, 347 and 384. Is that just a spreadsheet issue? It looks like they've increased all those by 3 percent. Or 3 percent a year?
A. It might be a spreadsheet issue.
Q. So there's a $57,000 discrepancy there that we're not sure where that comes from, right?
A. That appears to be the case.
Q. On the indirect costs you've got a $400,000 estimate for the condominium declaration?
A. Correct.
Q. Where did you get that figure?
A. I believe I discussed that fee with counsel.
Q. Mr. Sheehan?
A. With Mr. Sheehan. As well as with some support from additional attorneys.
Q. What's the support from additional attorneys mean?
A. Friends of mine who are local attorneys.
Q. You're assumption in doing this analysis

Page 95

is that the buyer would purchase the property as a whole and incur the cost of converting it to condominiums?
A. Exactly.
Q. And if in fact under the sale in the settlement agreement it was the sellers who were incurring that expense, that would be an adjustment that you would have to make to the purchase price to reflect an unusual condition, right?
A. Correct.
Q. Next you have the costs of Title D recording. Just run through for me what that represents.
A. That was actually closing costs per condominium unit.
Q. That the buyer would incur?
A. Preparation of the purchase and sale agreement by the developer/seller at actual closings.
Q. How much of that cost would be the recording fees?
A. I didn't break it out separately.
Q. Do you know what recording fees cost?
A. I'm not current on them with respect to

Page 96

the Essex County registry.
Q. I'm trying to know what the term in front of you is. Of the $700 per lot for these closing fees, how much are hard costs that have to be incurred because you have to pay it to the registry and have to pay a fee and how much is on the soft side because it represents costs of preparing documents?
A. Well, I've broken out transfer taxes further down below in the indirect cost column. My assumption here was that it was basically legal fees. Processing fees.
Q. The $700 is sort of all soft costs, so to speak?
A. Yes.
Q. In the sense --
A. In the sense that I haven't sub-itemized the per-unit closing cost.
Q. And it may not be incurred?
A. It may not be incurred.
Q. If you had a sale where everybody was being required to sign the same purchase and sale agreement you wouldn't incur these costs, would you?
A. There's some potential cost savings in

Page 97

batching sales.
Q. The next large items you have accounted for are the transfer tax and project management and overhead, right?
A. Correct.
Q. The transfer tax, you have it at .46 percent?
A. Correct.
Q. Do you know where that came from?
A. That's -- I think it's the statewide transfer tax.
Q. So that's something you can calculate with some certainty?
A. Correct.
Q. And you are comfortable that that's a correct figure that the buyer would incur?
A. Yes.
Q. Legally is that who pays it, the buyer?
A. No, the seller would incur. All these costs that I have accounted for are seller costs.
Q. Seller costs to a buyer?
A. Exactly. To arrive at a value to a buyer. It's a little bit complicated.
Q. Vis-a-vis costs that the condominium

Page 98

developer who bought the property from the Feoffees would incur to sell the property to the end purchasers?
A. To the individual unit owners, correct.
Q. So if the sale were being made directly from the Feoffees to the unit owners, then you wouldn't have to make this adjustment for the transfer taxes because every buyer in Massachusetts pays transfer taxes and that's built into your comparable model, right?
MR. SHEEHAN: Objection.
A. I haven't valued the property to the Feoffees so I would work under a different set of direct and indirect cost assumptions if I were to do that.
Q. You haven't done a valuation of what this property is worth if sold by the Feofees to the tenants?
A. No, I haven't.
Q. Project management and overhead of 2 percent. What does that refer to?
A. That refers to the fact that any -- this is a developer/investor cash flow model and the assumption is that if a developer were to come in

Page 99

here and buy the property on day one he wouldn't himself be sitting down with 167 would-be unit buyers over the next four days to start negotiating purchase and sale contracts. The 2 percent contingency-- or actually the management fee I have accounted for is to hire a project manager to complete these transactions.
Q. To complete these hypothetical sales to the tenants or other end users?
A. Exactly.
Q. At a cost of some 200,000 per year?
A. Ranging from 132 to $220,000 per year.
Q. And then after you have determined the revenues and determined these costs, you netted them out one against the other for each year?
A. Correct.
Q. To get the net revenues for a given year, right?
A. Right.
Q. And then you did some kind of present value calculation, right?
A. Future proceeds were discounted at a rate of 15 percent. And that was derived from investor surveys assuming an unleveraged internal rate of

Page 100

return.
Q. Is that discussed in your report? I'm sure it is.
A. The discount rate?
Q. Yes.
A. Yes, it is.
Q. Under your hypothetical model, the investor pays money at closing for the property, right?
A. Correct.
Q. And when are the units actually sold?
A. They start selling within a year of the developer's initial purchase of the property.
Q. You have 42 sales in year one, right?
A. Correct.
Q. When do those get sold in that first year?
A. Well, as soon as the condominium declaration were in place and you have a legal condominium to sell. So it's a rapid, it's a very rapid -- what I would consider to be an aggressive annual sales pace.
Q. Did you perform any analysis to determine on average what part of the year for discount purposes they'd be sold?

Page 101

A. That's a new question. It's not necessarily a seasonal market property. It's -- in this appraisal it's an investment grade property. So the actual time of year or season of transfer was not really accounted for.
Q. Right. Did you assume that the units would be sold at the end of each year?
A. Well, during -- they were discounted -- it's end of year accounting, so effectively yes.
Q. Do you have an opinion as to what the fair market value price should be if the Feoffees were to convert the real estate to condominium form and enter into sales directly to individual tenants who would purchase individual units?
MR. SHEEHAN: Objection.
A. No, I haven't valued the property under those assumptions.
Q. Could you tell me what Mr. Slater Anderson's qualifications as an appraiser were specifically in 2006?
A. He holds the same state appraisal license I hold.
A. It's the certified general appraiser license, which entitles him to appraise any type of

Page 102

property with no limitation on value.
Q. Let me show you a page from your web site.
MR. PERRY: We'll mark it as Exhibit 5.
(Exhibit 5 marked for identification.)
BY MR. PERRY:
Q. This web site indicates that Mr. Anderson has been with LandVest since August 1999?
A. That sounds right.
Q. Is it fair to say that he when he came to LandVest he didn't have appraisal experience, do you recall?
A. I don't recall but --
Q. You can look at this if it will help refresh your recollection.
It appears he graduated from school in I think it was 1996 -- no, '92?
A. '92 and '96, social studies. He had regional planning background and GIS mapping background. I think he obtained his appraisal trainee license almost immediately.
Q. Almost immediately --
A. As soon as he came on with LandVest.

Page 103

Q. He basically was trained as an appraiser at LandVest, right?
A. Correct.
Q. How much appraisal work did Mr. Anderson do as part of his job at LandVest between the time he joined LandVest in 1999 and the time he performed his appraisal in early 2006?
A. Probably 80 to 90 percent.
Q. So a lot of valuations?
A. Again, 90-plus percent of the work we do involves valuations.
Q. But not 90 percent of your time?
A. I don't think there's much of a distinction. We spend most of our time doing appraisals, either research or actually writing.
MR. PERRY: For completeness why don't we mark as Exhibit 6 a copy of the report done by Anderson.
(Exhibit 6 marked for identification.)
BY MR. PERRY:
Q. Am I correct that Mr. Anderson's 2006 report was one of the prior reports of this property by LandVest that you took into account in performing

Page 104

your own work and own opinion?
A. Each analysis is an individual record of work. We are required under USPAP regulations to cite each previous engagement on the same property. That's summarized on page 3 of Slater's report.
Q. At the time Mr. Anderson did his report it was expected that the cottage owners would be paying substantial amounts to pay for bettermentS on account of the wastewater treatment solution, correct?
A. Correct.
Q. And he in his report, similar to your methodology, reported upon sales that had taken place in recent years at Little Neck, right?
A. Correct.
Q. And he, like you, used those as representative of fee simple sales, direct?
A. Well, to derive underlying land or land use rights, correct.
Q. As though the cottage sales were fee simple sales, right?
A. Qualified fee simple sales. It isn't a transfer of a fee simple interest but he went through a similar land extraction process as I did.

Page 105

Q. Dividing the purchase price paid into improvements and value of real estate?
A. Correct.
Q. Without increasing the real estate values at the end to account for the fact that the buyers were not really getting a fee simple interest?
A. That wouldn't be a positive adjustment. If would be a negative adjustment if you were to make that adjustment. Lack of full fee simple ownership is reflected in the full purchase price.
Q. If a purchaser were willing to pay $500,000 for just a leasehold interest in the property where he's going to have to pay rents, wouldn't that suggest that the same purchaser would pay even more for a fee simple interest in the property?
A. As I said, the market effectively behaves as a fee simple market.
Q. I'm responding to your negative adjustment comment. If there's going to be an adjustment, based on the fact that the buyers are not getting a fee simple, the adjustment would be to increase your land extraction values due to that fact, not to decrease them, right?

Page 106

A. No. The land values we extracted accounted for the property rights that were sold.
Q. Well, the property rights that were sold to the buyers were the right to enter into a lease at the property in your appraisal, right?
A. And to occupy the property as they have been for 300 years.
Q. With respect to the comparable sales at Little Neck that you used in your 2010 report, those six buyers were each buying a cottage and the right to occupy it if they entered into a lease with the Feoffees, right?
A. Perpetuated a rental agreement, yes.
Q. Well, it was actually a lease in those years, wasn't it?
A. In 2010 it was, yes.
Q. From 2006 to 2010 it was a lease that they had to enter into?
A. Yes. I'm not sure what the timing of Slater's report was.
Q. I'm asking about your 2010 report, the one you are intending to testify to if you are called as a witness. Those six Little Neck buyers that you used for comparable sales each had to sign a lease

Page 107

with the Feoffees?
A. Correct.
Q. A long-term lease?
A. Right.
Q. Paying around $10,000 a year rent?
A. I haven't researched it but I assume that's correct.
Q. So when they purchased the cottages they were getting a lot less than a fee simple interest?
MR. SHEEHAN: Objection.
A. They were not receiving a fee simple interest in the land but they appear to have paid near full fee simple value for the property. And that's the peculiarity of the Little Neck market.
Q. How can you tell from the Little Neck sales themselves whether the buyers have paid full value for the property without reference to some external sales?
A. Well, the underlying land value indicated land values payable that approximated fee simple values elsewhere. So sites not -- there's no 50 or 60 or 70 percent discount like you might see in more typical markets where all you're buying is the right to lease the underlying land.

Page 108

Q. Which values elsewhere are you relying upon for your contention that the values paid by these Little Neck buyers was the equivalent of a fee simple interest?
MR. SHEEHAN: Objection.
A. I used Great Neck as a secondary market and made a condominium ownership, discount ownership, to reflect the less than fee simple ownership on Little Neck.
Q. Have you ever testified in court before?
A. Yes, I have.
Q. How many times?
A. Twice. Once in Essex County. Probate.
Q. What kind of case did you testify before in Essex County probate?
A. A valuation issue tied to a divorce proceeding.
Q. Were you testifying on behalf of the husband or the wife in that case?
A. The wife in that case.
Q. Do you know who the judge was?
A. I don't recall.
Q. Male or female?
A. Male.

Page 109

Q. Male?
A. Male.
MR. PERRY: Off the record.
(Discussion off the record.)
BY MR. PERRY:
Q. What was the other time you testified?
A. In Vermont on a tax appeal case.
Q. Are you personally acquainted with any of the other appraisers who have been retained by the parties?
A. Not personally.
Q. Have you spoken to any of them about your work?
A. No, I have not.
Q. Have you reviewed the reports that were prepared by any of the other appraisers?
A. I have not reviewed any of their reports.
Q. Under what circumstance would it be appropriate to define the valuation of the Little Neck sale as the fair market value of each individual unit rather than the value of the property in the aggregate sold to a third-party developer?
MR. SHEEHAN: Objection.

Page 110

BY MR. PERRY:
Q. In your opinion.
A. I guess I don't understand the question.
Q. You testified that in this particular case you valued the land at Little Neck on the assumption that it would be -- you were to look at the fair market value if it were sold in the aggregate to a third-party purchaser who intended to convert it to condominiums?
A. Correct.
Q. And you did not, for example, attempt to estimate the value of the property if it were divided into condominiums and then sold individually to individual tenants by the Feoffees?
A. No, I did not.
Q. Under what circumstance would the latter analysis have been an appropriate one for you to engage in?
MR. SHEEHAN: Objection.
A. If I were engaged to provide -- render an opinion as to investment value of the property.
Q. One could also calculate the fair market value of individual lots as opposed to the investment value of individual lots, correct?

Page 111

A. That's what I have done.
Q. Well, you calculated the fair market value of individual lots but you then assumed that they would all be sold in the aggregate to a single purchaser, right?
A. Correct. But there is an aggregate lot sum.
Q. If individual buyers are purchasing individual lots from the Feoffees, wouldn't it be appropriate to calculate the fair market value of what each individual is buying?
MR. SHEEHAN: Objection.
A. Well, in any valuation scenario on the property you would start with the real estate interests that are sellable. In this case it would be a converted condominium interest. And the range of assumptions as far as how those lots are sold is fairly far-ranging. And the subject of numerous different appraisal outcomes.
MR. PERRY: Let me mark for identification as Exhibit 7 a price list.
(Exhibit 6 marked for identification.)
BY MR. PERRY:

Page 112

Q. Exhibit 7 is a list of addresses you recognize to be Little Neck addresses, correct?
A. Correct.
Q. And each address has a price associated with it on this list, right?
A. Yes.
Q. These prices range from somewhere around 150,000, it looks like, to a high of just under 209,000 on the last page. Right? The range is somewhere in the 150 to $210,000 range?
A. Right.
Q. According to the work you did, will the fair market value of the most expensive lots be approximately twice as high as any of the prices shown on Exhibit 7?
A. Well, I'm not sure what this price list, where this came from. I've never seen it. And I don't know whether these are retail or wholesale prices. But the high end value on this list falls below my figure of retail value, the highest retail value included in my 2010 report.
Q. The highest retail value you came up with was around 420,000, right?
A. Correct, 420.

Page 113

Q. And the retail value you came up with, that means the same thing as the fair market value of those four lots after the condominium conversion, right?
A. By retail I mean market-ready and all expenses have been accounted for and it's a nondiscounted price.
Q. Right. The so-called retail price is equal to the approximate fair market value price to the ultimate purchaser of the unit, right?
A. Correct. For the end user.
Q. The end user tenant, after they have completed the purchase, they now own a unit that if they want to sell it has a land value of as high as 420,000 for the best lot, right?
A. Correct.
Q. If Exhibit 7 were the prices being paid by the tenants under the settlement agreement, that would indicate that whoever is purchasing those particular lots is paying something like half the value of what they'll be getting?
A. Well, if these are retail values and there's no present value discounting or absorption or cost coming out, then correct.

Page 114

Q. Well, let's just assume that these are amounts that the tenants will pay for their units, okay?
MR. SHEEHAN: Objection.
A. Okay.
Q. If these are the prices that the tenants are to pay before allowing for certain rebates, then certain tenants will be acquiring units that will be worth twice as much as what they are paying for them, right?
MR. SHEEHAN: Objection.
A. Well, again I haven't -- I've never reviewed this price list so I don't feel comfortable commenting on it.
Q. All right.
(Exhibit 8 marked for identification.)
BY MR. PERRY:
Q. The first question about Exhibit 8 is do you recognize the handwriting on it?
A. Yes.
Q. Whose handwriting is on it?
A. Mine.
Q. I will represent Exhibit 8 is a document

Page 115

that was provided to us by Mr. Sheehan from your file at LandVest.
A. From my working file, correct.
Q. And this Exhibit A that we have in front of us has been marked as Exhibit 8. It is a list of the comparable sales at Little Neck, right?
A. Correct.
Q. And this is also the -- the same document I guess is also in your report?
A. Correct.
Q. Would you interpret for me the notes that we see on this document. First, there's a note at the top of Exhibit 8 that says Manzi, 43 Cliff?
A. Right. That note refers to Paul Manzi. That's his either current or former address on Little Neck. And I think it was -- the property may have been listed for sale at the time but I just made a note of it just to index it back to the listing history.
And then the notes in the right column, to the right of the comments column, are basically just very quick handwritten notes to index each one of the comparable sales to my driveby photographs.

Page 116

Q. What's the first one say?
A. I can't quite read it. Tan something shades.
Q. And the next?
A. It says Irish mist. Then purple trim. I can't read the rest. Natural shingle on the bottom. Ash-colored. These are all --
Q. These are so that you can tell which property goes with what photographs?
A. When I go back after my first inspection I can accurately index my photographs.
Q. At the bottom of Exhibit 8 you have a note of 55 River Road. Do you know what that note is about?
A. I don't remember.
Q. Katherine O'Brien?
A. She's a RE/MAX broker in Ipswich.
Q. Did you talk to her?
A. I believe I did. She may have had a listing or two at the time on Little Neck.
Q. What does the note below that say? 33, question mark?
A. That was a currently listed property.
Q. How did you determine which sales had

Page 117

taken place at Little Neck between 2007 and the time of your appraisal?
A. A combination of multiple listing service records for openly listed properties and registry research at the Essex County Registry of Deeds.
Q. Are you able to get information at the registry on cottage sales at Little Neck?
A. I typically use that as one of my searches. Town records. I believe they show up at the registry.
Q. Did you ask the Feoffees or their counsel to provide you with a list of any sales they knew of?
A. No, I didn't. Most of the sales on Little Neck are openly listed.
Q. Did you talk to any brokers in connection with your 2010 work?
A. Yes.
Q. Which brokers did you talk to?
A. I believe Dorothy Levesque. Possibly Katherine O'Brien.
Q. Does Ms. Levesque own any property the Little Neck?
A. I don't know.

Page 118

Q. Did you rely on her for any particular information?
A. Well, it's a standard practice to call brokers and find out certain information about sales so I'm sure I did.
Q. Did you rely on her for any comments about the state of the market?
A. I can't recall specifically. I included expired listings as an exhibit to my report as a record of individuals who had tried to sell their unit but pulled them off the market. I think that's -- you know, there's always closed records of sales and active listings and there was a fairly alarming number of withdrawn or expired listings that I noted in my report.
Q. Where is that noted please?
A. Current and expired listings, there are five pages at the -- in the appendix after sales, Exhibit A, and there's a photo and individual record of nine expired listings. Current or expired.
Q. Let me ask you this: Assume, please, a situation where a tenant has entered into a lease for his cottage and was paying fair market rent. Okay?

Page 119

A. Okay.
Q. In fact, there are some lessees out at Little Neck, right, who are paying something that may be around fair market rent. Is that true? There are some leases there, you know that?
A. Sure.
Q. They're paying amounts under those leases that are reasonably consistent with what you have said is fair market rents there, right?
A. I haven't reviewed any, but sure.
Q. Would you agree that hypothetically a buyer who was going to purchase improved property from such a seller, if they were going to have to pay full fair market value for the land pursuant to a lease, should be willing to pay for the property itself just the value of the improvements? Do you agree with that?
A. I guess -- could you restate the question?
Q. Okay. Would you agree that a reasonable fully informed buyer who understood that they were going to have to enter into a lease to pay full fair market value for the land rights would be willing to pay for the improvements, just a fair market value

Page 120

of the improvements?
A. That would be on a deal perspective from a buyer coming forward but unfortunately the record of sales doesn't indicate that people discount the land value to that extent.
Q. Or people think that the rents are too low?
A. I'm sure no prospective buyers think the rents are too low. They're expected to pay some price for the underlying land with an expectation of paying rent on it. Again, it behaves as a cross between a leasehold and a fee simple market. Because the land rents that are paid don't support the fee values that are achieved or have been achieved historically.
If you were to capitalize just the lands rent, it falls short of the fee values that have been paid. Or the effective fee values that have been paid.
Q. I think what you're saying is if you capitalize the land rents even when they're set at what is attempted to be fair market value, that comes out to less than buyers would be willing to pay for the rights to that land?

Page 121

A. Not that they would be willing to pay but that they were expected to pay.
Q. And those capitalization rates you're referring to are capitalization rates that are typically used for commercial property?
A. Well, a land cap rate that would be derived.
MR. PERRY: All right, I have nothing else. Thank you for your time.
MR. SHEEHAN: I have no questions.
(The deposition was concluded at 3:45 p.m.)

ERRATA SHEET

I, JAMES E. MONAHAN, do hereby certify under the pains and penalties of perjury that I have read the foregoing transcript of my testimony, and further certify that it is a true and accurate record of my testimony (with the exception of the corrections listed below):

Page	Line	Correction/Reason

_____

JAMES E. MONAHAN

CERTIFICATE

Commonwealth of Massachusetts
Suffolk, ss.

I, Doris M. Jones, Registered Professional Reporter and Notary Public in and for the Commonwealth of Massachusetts, do hereby certify that JAMES E. MONAHAN, the witness whose deposition is hereinbefore set forth, was duly sworn by me and that such deposition is a true record of the testimony given by the witness.

I further certify that I am neither related to or employed by any of the parties in or counsel to this action, nor am I financially interested in the outcome of this action.

In witness whereof, I have hereunto set my hand this 25th day of October, 2011.

_____

Doris M. Jones, CSR/RPR

My commission expires:
May 19, 2017

This Page Intentionally Left Blank

$

$1,300,000 (1)
89:10
$1,680,000 (1)
89:4
$10,000 (1)
107:5
$10,800 (1)
64:7
$13,000 (3)
52:22;53:8;54:5
$150,000 (2)
34:11,17
$195,000 (1)
50:22
$2,000 (1)
43:20
$210,000 (1)
112:10
$220,000 (1)
99:12
$25,000 (1)
67:3
$250,000 (1)
75:1
$2520 (1)
40:22
$3,000 (1)
40:24
$325,000 (2)
86:3;89:11
$3900 (1)
53:18
$400,000 (1)
94:13
$420,000 (2)
85:23;89:7
$500 (1)
29:11
$500,000 (2)
72:3;105:12
$550,000 (3)
65:4,12;67:8
$57,000 (1)
94:9
$575,000 (1)
67:2
$6,000 (1)
53:24
$6,370 (1)
53:6
$600 (4)
35:3;43:8,14,17
$6370 (1)
52:22
$700 (2)
96:3,13
$80,000 (1)
34:18
$81,000 (1)
34:13
$9,750 (1)
53:10
$900 (2)
29:2,11
$900,000 (2)
93:6,22
$9700 (3)
64:3;65:10;67:23

0

06 (1)
73:23

1

1 (9)
26:7,8,11;28:2;33:4;39:19;
49:12;86:7;87:12
11 (3)
42:19;58:22;89:22
12 (4)
27:20,21;28:3;37:23
125 (1)
91:8
132 (1)
99:12
14 (1)
35:12
15 (2)
5:12;99:23
150 (1)
112:10
150,000 (1)
112:8
16 (2)
40:21,21
167 (5)
85:1,3;90:7,16;99:2
168 (1)
54:8
17 (6)
6:1,2;33:16;36:3;40:21,24
18 (1)
5:13
195 (1)
49:20
195,000 (2)
49:15;51:1
1969 (2)
18:24;79:1
1982 (2)
6:13,17
1986 (1)
7:9
1989 (1)
7:14
1990 (1)
18:10
1990s (2)
15:7;18:10
1993 (3)
8:17;12:3;13:8
1994 (1)
18:20
1995 (1)
18:20
1996 (2)
19:14;102:18
1997 (12)
19:15,17;22:8;26:5,12;33:3;
35:22;36:20;40:12;41:22;43:7;
63:2
1997-98 (1)
41:5
1999 (2)
102:9;103:6

2

2 (6)
37:23;88:20;89:9;93:3;98:20;
99:4
2.5 (1)
56:21
20,000 (1)
65:23
200,000 (1)
99:11
2000 (2)
42:22;43:3
2001 (17)
39:17,23;40:1;41:3,9,15,17,
22;42:14,15,15,19;43:21;44:7;
45:1;47:7,15
2003 (1)
9:4
2004 (4)
52:2,11;53:21;54:19
2006 (6)
57:21;58:12;101:20;103:7,
22;106:17
2007 (2)
72:1;117:1
2010 (16)
30:5,11;58:16,21,22;60:16;
77:11;79:12;81:19;89:22;106:9,
16,17,21;112:21;117:17
209,000 (1)
112:9
22 (4)
5:13;29:5;30:16;49:23
2240 (1)
40:22
23 (1)
47:16
24 (1)
71:13
25 (3)
18:6;58:21;92:9
25.4 (2)
86:16,17
25.6 (1)
86:12
26 (1)
33:11
260,000 (1)
65:22
28 (1)
13:16

3

3 (7)
52:3,11;93:3,23;94:7,7;104:5
3,000 (1)
75:3
3:45 (1)
121:12
30 (2)
72:5;90:11
300 (1)
106:7
300,000s (1)
74:9
309 (1)
94:5
322,630 (2)
65:16;67:20
328 (1)
94:5
33 (1)
116:21
345,000 (2)
50:4,20
347 (1)
94:5
3600 (2)
53:17,24
37.6 (1)
85:16
37.675 (2)
85:17;87:5
384 (1)
94:5

4

4 (5)
39:23;58:15,17,20;93:3
40 (1)
37:9
41 (1)
37:19
42 (3)
65:3;91:5;100:14
420 (1)
112:24
420,000 (3)
87:17;112:23;113:15
43 (1)
115:13
45 (1)
13:16
46 (1)
97:6
48 (1)
71:19
49 (2)

63:16;64:17

5

5 (2)
102:4,5
50 (2)
90:12;107:21
500 (2)
11:6;29:2
51 (3)
4:14;5:5,23
54 (2)
63:16;64:17
55 (1)
116:13
550,000 (1)
67:17
59 (1)
85:9

6

6 (7)
33:16;57:9;58:11;64:23;
103:17,19;111:22
60 (3)
10:15,23;107:22
62 (1)
87:12
6370 (1)
54:5
69,000 (1)
34:13

7

7 (4)
111:21;112:1,15;113:17
70 (3)
10:15,23;107:22
70,000 (4)
49:14,19;50:21,24

8

8 (7)
5:6;114:16,19,24;115:5,13;
116:12
80 (1)
103:8
83 (1)
6:22
85 (1)
6:22
85,000 (2)
50:4,20
87 (1)
7:9
8-year (1)
38:6

9

9 (1)
5:6
9/11 (2)
42:12,14
90 (6)
10:9;80:2;81:15,19;103:8,12
90-plus (1)
103:10
92 (2)
102:18,19
927,000 (1)
94:1
96 (1)
102:19
9700 (1)
53:24

A

A-1 (1)
68:22
A-6 (1)
68:22
able (5)
34:21;66:17;81:23;92:8;
117:6
above (3)
32:10,11;62:18
aboveground (1)
27:11
absolutely (2)
63:3;83:3
absorption (6)
88:11,12;91:19,23;92:9;
113:23
acceptable (2)
15:3;73:14
accepted (1)
78:3
access (2)
50:12;64:8
accomplish (1)
51:23
accordance (1)
76:7
according (3)
57:2;89:15;112:12
account (9)
35:6;44:3;45:1;47:24;48:3;
91:17;103:24;104:9;105:5
accounted (7)
34:13;97:2,20;99:6;101:5;
106:2;113:6
accounting (2)
90:13;101:9
accrue (2)
14:20;30:17
accrues (1)
31:23
accurate (3)
62:17;66:18;71:18
accurately (2)
61:18;116:11
achieve (1)
23:5
achieved (2)
120:14,15
acquainted (1)
109:8
acquiring (2)
48:11;114:8
acquisition (1)
11:15
acre (2)
28:3;73:7
acreage (1)
73:4
acres (1)
28:3
across (2)
54:8;71:14
active (3)
29:16,19;118:13
activity (1)
50:15
actual (4)
23:21;49:20;95:18;101:4
actually (9)
40:10;64:18;66:24;78:24;
95:14;99:5;100:11;103:15;
106:14
Ad (1)
24:10
add (3)
37:6;68:2;85:15
added (3)
65:23;77:6,15
adding (1)
25:19
addition (5)
44:10;54:20;64:12,16;69:11
additional (5)
14:5;37:19;64:19;94:20,21
address (4)
4:13;21:14;112:4;115:15
addressed (1)
64:22
addresses (2)
112:1,2
adhere (2)
76:9,11
adjust (4)
70:24;72:9;75:7;92:24
adjusting (1)
72:24
adjustment (10)
44:24;47:23;95:7;98:7;105:7,
8,9,19,20,22
adjustments (12)
44:1;45:5,6;48:3;55:1,5;70:2;
72:13;73:15;75:2,5;77:18
administering (2)
39:5;51:18
administrative (1)
17:12
adopted (1)
12:23
advisory (1)
33:7
affect (5)
27:11;50:16,16;61:16;78:14
affected (1)
41:18
affecting (1)
35:8
affiliate (1)
17:11
affiliation (1)
17:8
affiliations (1)
17:18
AFTERNOON (1)
76:1
again (14)
9:21;45:16,17;48:7;51:10,16;
54:10;55:6;57:11;75:2;90:6;
103:10;114:12;120:11
against (1)
99:15
age (2)
23:11,21
aggregate (6)
83:20;84:4;109:22;110:7;
111:4,6
aggressive (4)
27:23;28:4;37:21;100:20
ago (3)
9:15,17;42:16
agree (6)
25:5;38:10;44:14;119:11,17,
20
agreeing (1)
64:12
agreement (10)
32:24;65:1;83:12;86:6,11;
95:6,18;96:23;106:13;113:18
akin (1)
77:22
alarming (1)
118:13
allegation (1)
70:18
allocate (1)
50:6
allocated (2)
59:24;82:6
allocating (1)
35:23
allocation (2)
36:1;48:17
allow (1)
80:15
allowed (4)
78:8,10;80:4;83:7
allowing (1)
114:7

allows (1)
83:4
almost (4)
34:23;43:8;102:22,23
alter (1)
82:8
always (7)
18:8;21:22;27:13;47:10;51:7;
62:15;118:12
among (1)
90:4
amount (4)
27:8;45:4;71:10;92:14
amounts (4)
54:22;104:8;114:2;119:7
analysis (30)
23:2;36:10;37:5,10,20;38:12;
42:21;44:6,7;49:1,2;52:18;57:3;
60:8;66:5,8;68:13;73:13;75:9;
77:17;84:2,3;87:7,10;89:20;
90:14;94:24;100:22;104:2;
110:17
analyzed (1)
59:21
Anderson (5)
57:22;102:8;103:4,18;104:6
Anderson's (3)
58:10;101:19;103:22
annual (2)
92:13;100:21
anomaly (1)
67:5
Anselm (2)
6:10,17
anticipated (1)
62:22
anymore (1)
21:18
apart (2)
6:8;17:15
apologize (1)
93:20
appeal (2)
27:12;109:7
Appeals (1)
80:14
appear (2)
28:3;107:12
appeared (1)
15:20
appears (2)
94:11;102:17
appendix (3)
52:16;64:18;118:18
application (4)
16:12;78:18;81:2;92:20
applied (3)
59:8;73:15;85:4
apportionment (1)
48:21
appraisal (51)
8:7;10:2,10,12,14,18;11:1,8;
12:6,11,13,15,16,19,21;13:2,23;
14:2,7,23;16:11;17:10;19:16;
20:13;30:5;39:24;40:6;41:3;
43:7;47:7;50:19;51:10;58:11,
20,24;59:16;73:22;74:15;78:3,
18;84:23;91:18;101:3,21;
102:12,21;103:4,7;106:5;
111:19;117:2
appraisals (6)
10:19;11:3;15:12;20:12;70:1;
103:15
appraise (2)
71:2;101:24
appraised (1)
26:19
appraiser (10)
8:16;9:5,7;11:20;17:6;23:3;
78:14;101:19,23;103:1
Appraisers (9)
12:6;24:22;61:3,13;62:9;
74:16;76:6;109:9,16
appraiser's (1)
8:10
appraising (1)
22:23
appreciate (1)
93:3
appreciation (4)
24:4;41:10,23;42:10
approach (4)
49:5;57:2;68:8,8
approaches (1)
78:18
appropriate (4)
56:24;109:19;110:17;111:10
approved (2)
64:2,6
approximate (1)
113:9
approximated (1)
107:20
approximately (2)
85:22;112:14
approximates (1)
35:18
architecture (2)
6:19;7:3
area (1)
11:8
arguable (1)
37:14
argued (1)
36:20
argument (1)
68:5
around (7)
20:10;21:22;27:6;107:5;
112:7,23;119:4
arrears (1)
21:16
arrive (2)
63:11;97:22
arrived (1)
86:9
arriving (1)
50:24
arts (1)
7:2
Ash-colored (1)
116:7
assertion (1)
71:12
assertions (1)
62:10
assessment (3)
25:15,21;87:23
assessments (6)
24:8;25:11;27:23;28:7;64:13;
66:6
assessors (2)
24:12;33:9
assessors' (2)
36:1;50:13
assets (2)
22:11;79:4
assign (4)
34:3;35:20;85:12;92:5
assigned (1)
20:2
assignment (2)
74:15;91:22
associated (1)
112:4
Associates (1)
93:12
association (4)
39:2,3;51:17,23
assume (7)
32:15;78:4;89:1;101:6;107:6;
114:1;118:21
assumed (9)
38:24;51:16,22;68:9;88:2,6;
92:16;93:5;111:3
assumes (1)
89:20
assuming (10)
25:1;37:11;45:9;57:13,18;
67:23;89:18;92:10,22;99:24
assumption (9)
60:10;69:17;79:18;90:3,9;
94:24;96:11;98:24;110:5
assumptions (16)
24:5;35:14;36:18,23;48:8;
51:8;61:2,15,19;62:13;63:9;
87:14;89:23;98:14;101:17;
111:17
assurance (1)
48:6
attachment (1)
37:5
attack (1)
42:18
attempt (5)
16:5;22:18;75:6;86:23;
110:11
attempted (4)
50:6;65:12;81:11;120:22
attempting (1)
23:14
attended (1)
12:8
attending (1)
39:6
attorneys (3)
94:20,22,23
attract (1)
89:24
attributable (1)
65:14
attributed (1)
65:15
at-will (1)
47:21
August (1)
102:9
available (1)
74:17
average (5)
29:10;53:10;72:2,11;100:23
aware (13)
28:6,12,13,18,23;54:20;
63:18;79:17,24;81:13,14,15;
83:17
away (1)
31:6

B

BA (1)
6:15
back (10)
18:13;23:17;43:5;68:17;
70:20;74:7;79:1;82:19;115:18;
116:10
background (2)
102:20,21
backing (1)
23:6
backs (1)
23:4
balance (1)
30:19
bank (1)
10:14
base (6)
37:17;47:8;52:6;61:24;62:17;
79:2
based (23)
23:11;24:17;25:11;31:21;
38:10;49:13,20;50:19;51:12,13;
55:2;66:8;69:17;70:24;72:10;
75:9;83:24;86:15,18;89:10,14;
93:8;105:21
bases (1)
36:9
basic (3)
24:21;59:6;90:9
basically (12)
14:22;18:11;23:19;25:18;
31:2;57:4;68:12;90:3,23;96:11;

103:1;115:22
basing (2)
53:1;54:10
basis (6)
7:12;47:21;72:3;74:23;79:11;85:22
batching (1)
97:1
became (1)
42:8
become (7)
8:15;13:23;14:3,11;19:11;43:22;70:8
beginning (1)
41:9
behalf (1)
108:18
behaves (6)
35:18;68:15;71:15;78:2;105:17;120:11
behavior (1)
35:18
below (11)
35:1;40:23;41:5,8;42:1;43:13,19;53:21;96:10;112:20;116:21
benefit (2)
27:14,15
benefits (1)
17:14
Berkshires (1)
6:24
best (9)
22:13;58:14;74:17;84:18,22;88:7,16,19;113:15
bettermentS (1)
104:8
Beyond (1)
73:16
Bill (3)
61:3,5,23
bit (7)
14:15;20:14;66:22;67:5;73:24;91:19;97:23
board (6)
9:11,20;12:6;14:7;58:14;80:13
bodies (2)
12:24;13:1
body (1)
64:22
Borden (1)
19:3
B-OR-D-E-N (1)
19:3
both (4)
36:24;47:14;51:11;57:11
bottom (5)
37:9;40:24;94:4;116:6,12
bought (8)
18:10,13;34:16;46:17,22;47:4;54:19;98:1
break (4)
10:7;25:22;75:15;95:22
briefly (1)
39:17
broad (5)
8:3;35:14;50:22;54:7;75:5
Broad-based (1)
10:3
broken (1)
96:9
broker (1)
116:17
brokers (6)
29:16;59:23;68:15;117:16,19;118:4
Bruce (1)
20:23
brush (1)
54:7
bubble (1)
43:4
build (1)
83:8
building (12)
23:20;24:4,21;50:14,15;65:19;66:3,10;67:10;81:7;82:1;89:19
buildings (4)
23:11;30:21;50:17;82:15
built (2)
48:8;98:9
bunch (1)
56:9
bundle (2)
47:4;77:3
Burkholder (1)
19:21
B-U-R-K-H-O-L-D-E-R (1)
19:22
buy (8)
34:10;44:15,17;46:4,11,14;65:6;99:1
buyer (26)
36:17,22;45:13;48:10;54:18;62:2,16,23;67:19,22;69:21;89:21,24;91:16;92:4,8;95:1,16;97:16,18,21,22;98:8;119:12,21;120:3
buyers (29)
35:20;36:23;37:4;44:3,10;45:2,10;55:3,17;62:20;68:21;71:9,10;79:12,14,20;80:4;82:10;99:3;105:5,21;106:4,10,23;107:16;108:3;111:8;120:8,23
buying (12)
35:6;44:3;48:4;55:12;64:2,5;86:6;91:5,8;106:10;107:23;111:11
buyout (4)
18:16,18;36:19;61:2
buys (1)
56:4

C

calculate (7)
36:24;60:17;66:2;84:4;97:12;110:22;111:10
calculated (6)
45:1;60:2;65:18;67:10;92:13;111:2
calculating (2)
23:20;69:16
calculation (3)
23:13;88:10;99:21
calculations (1)
35:5
call (9)
6:4;10:11;29:21;51:11;57:5;61:13,17,20;118:3
called (5)
4:20;14:21;22:12;76:24;106:22
Cambridge (1)
20:1
came (10)
8:22;36:4;59:13;63:6;97:9;102:11,24;112:17,22;113:1
Can (23)
14:17;23:8,18;25:21;29:2;32:5;33:15;38:4;39:15;41:14;69:22;70:8;73:11,15;79:21;80:20;87:13;89:3;97:12;102:15;107:15;116:8,11
candidate (11)
14:12,18;15:5,10,15,22;16:13;40:5,9,11,13
cap (3)
56:24;57:8;121:6
capitalization (2)
121:3,4
capitalize (3)
68:2;120:16,21
cards (1)
50:13
carried (1)
40:16
carry (1)
17:14
case (12)
9:7,12;36:3;71:18;82:14;94:11;108:14,19,20;109:7;110:4;111:15
cases (5)
22:22,23;32:15;34:9;59:24
cash (9)
36:18;37:20;49:8;59:8;60:7;84:2;87:10;92:13;98:23
cast (1)
71:16
casually (1)
20:9
categories (1)
60:6
center (1)
6:5
certain (6)
13:2;31:5;73:16;114:7,8;118:4
certainly (2)
55:21;68:20
certainty (1)
97:13
certification (1)
8:9
certifications (1)
17:16
certified (2)
12:3;101:23
challenge (2)
15:19;84:23
change (1)
82:5
changed (2)
10:20;13:14
characterize (3)
11:13;25:14;62:7
charge (1)
39:3
charged (3)
40:18;41:4;53:17
charged- (1)
43:12
charging (1)
71:9
chart (3)
33:12;38:4,11
charts (3)
23:22,22;24:7
check (2)
57:4,5
children (1)
5:9
choose (2)
13:3;16:13
circumstance (2)
109:18;110:16
cite (2)
73:23;104:4
cited (1)
64:16
classes (1)
12:9
classroom (3)
12:2,4;14:5
clause (1)
28:12
client (2)
69:17;79:2
clients (2)
8:5;20:15
Cliff (1)
115:13
close (2)
38:5;90:17
closed (10)
23:2;24:1;35:24;59:18;60:3;71:5;74:12,12,19;118:12

closely (2)
45:19;71:15
closest (2)
19:10;47:13
closing (4)
95:14;96:3,18;100:8
closings (3)
39:6;51:19;95:19
coincides (1)
38:11
colleagues (1)
58:7
college (2)
6:9,10
Colorado (1)
8:11
column (4)
89:14;96:10;115:21,21
combination (2)
34:7;117:3
comfortable (2)
97:15;114:13
coming (4)
35:20;92:4;113:24;120:3
comment (5)
28:2;30:16;79:7;87:8;105:20
commenting (1)
114:14
comments (3)
27:20;115:21;118:6
commercial (2)
8:5;121:5
commission (1)
37:23
Committee (1)
4:18
communication (1)
61:22
company (3)
18:13,24;79:1
comparable (18)
23:1;25:7;44:8;48:20,22;
55:16;56:16;64:16;70:22;
73:17;74:1;75:1;77:21;98:10;
106:8,24;115:6,23
comparables (4)
63:12;72:14;73:15;79:11
compared (4)
46:4;47:4;55:20,22
Comparing (1)
56:1
comparison (2)
56:1;68:8
comparisons (1)
81:18
complete (3)
80:1;99:7,8
completed (1)
113:13
completeness (1)
103:16
complexity (1)
92:2
complicated (3)
71:12,13;97:23
complying (1)
9:11
composite (2)
25:15;77:8
comprehensive (1)
14:22
comps (1)
64:21
compses (1)
63:15
concepts (1)
11:17
concern (3)
31:1,15;32:4
concerned (1)
32:9
concerning (1)
78:11
concerns (1)
56:3
concluded (3)
34:11;52:21;121:11
conclusion (1)
53:20
condition (3)
23:11;50:14;95:9
condo (3)
56:5,17;77:19
condominium (22)
36:6;37:12;39:6;49:17;55:22;
56:4,12;75:4;84:9,11,15;85:22;
87:1;94:13;95:15;97:24;100:17,
19;101:12;108:7;111:16;113:3
condominiums (7)
38:21;55:24;86:20;88:3;95:3;
110:9,13
condos (1)
88:4
conference (3)
61:13,17,19
connection (5)
12:17;17:9;30:4;33:20;
117:16
consecutive (1)
9:8
conservation (1)
10:13
consider (1)
100:20
considerably (2)
40:23;62:13
consideration (2)
27:19;30:20
considered (4)
16:12;40:11;49:3;66:17
consisted (1)
11:23
consistent (3)
50:21;86:8;119:8
constant (1)
10:21
consultation (1)
61:23
consulting (7)
8:4;10:3;19:12,23;58:9;
59:16;93:10
contact (1)
19:19
contain (1)
78:11
contained (1)
47:12
contention (2)
62:15;108:2
context (1)
75:13
contingency- (1)
99:5
continue (2)
34:21;90:10
continued (1)
30:20
continuing (4)
11:24;13:11,17,22
contract (1)
7:12
contracts (1)
99:4
contributory (1)
23:4
control (2)
93:6;94:1
controlling (1)
18:22
conversion (2)
87:1;113:3
convert (6)
37:12;38:21;86:20;88:3;
101:12;110:8
converted (1)
111:16
converting (1)
95:2
Conway (4)
6:19,23,24;7:6
copy (5)
26:11;39:22;52:11;58:20;
103:17
corporate (1)
18:14
correctly (1)
36:8
cost (17)
23:17,20;24:3;49:4;54:23;
66:2;93:17,19;95:2,20,23;
96:10,18,24;98:14;99:11;
113:24
costs (16)
55:4;93:4,6,21;94:12;95:11,
14;96:4,7,13,23;97:20,20,21,24;
99:14
cottage (32)
27:18;33:20,21;34:10,17;
44:11,15,16,17;46:1,2,4,14,22,
23,24;51:20;53:24;54:21;55:12,
14;64:2;65:7,14;83:8,13,19;
104:7,20;106:10;117:7;118:23
cottages (25)
27:24;31:9,17,23;32:9;35:7;
44:4;45:2;47:20;48:4;50:4;
51:5;55:18;63:20;64:5;69:5;
70:21;71:10;79:13,15;84:5;
85:4,5;89:19;107:8
counsel (4)
20:6;93:15;94:17;117:11
counted (1)
67:13
County (4)
96:1;108:13,15;117:5
couple (2)
20:10,20
course (2)
9:17;17:20
courses (1)
13:5
court (1)
108:10
create (1)
72:23
created (1)
90:16
credentials (1)
40:14
credit (1)
9:10
cross (1)
120:11
current (12)
14:4,16;30:1,6;40:21;53:16;
59:21;62:20;95:24;115:15;
118:17,20
currently (2)
30:17;116:23
cycle (3)
13:15;43:6;74:14
cycles (1)
13:17

D

damage (1)
80:22
dampening (1)
46:9
data (11)
71:4;72:15,16,17,18;73:22;
74:3,5,11,21;75:12
database (1)
59:21
date (1)
81:21
dated (3)
39:23;58:11;73:24
dating (1)
68:17
David (1)
19:4

day (2)
82:14;99:1
days (3)
9:8;10:16;99:3
deadline (1)
9:18
deal (1)
120:2
debate (1)
60:21
December (1)
42:21
decided (4)
16:5;31:5;58:5;61:23
decisions (1)
35:16
declaration (3)
51:19;94:13;100:18
declaring (1)
39:5
decrease (3)
31:17,19;105:24
deduce (1)
24:4
Deeds (1)
117:5
define (1)
109:19
defined (1)
60:18
definitely (1)
88:15
definition (1)
36:20
definitively (2)
5:2;42:6
degree (3)
6:14;7:1,6
delay (1)
90:18
DEM (2)
7:13;11:14
demolish (3)
79:22;82:18;83:8
demolition (4)
80:2;81:15,22,24
demonstration (2)
14:21;15:2
density (1)
27:18
Department (1)
7:7
depending (1)
53:2
depends (1)
49:1
deposition (1)
121:11
depreciated (4)
23:10,15;26:2;32:10
depreciation (6)
23:13,17,22;24:6;66:19;67:11
derive (2)
49:19;104:18
derived (5)
54:5;70:23;84:8;99:23;121:7
describe (1)
8:1
described (6)
9:24;12:17;25:13;26:3;85:19;
87:15
Design (2)
6:20;7:6
design/build (1)
7:10
designation (15)
14:1,2,19;15:4,6,10,14,18,23;
16:6,8,14,23;17:12;40:6
desirable (4)
42:9;53:5,7;88:8
determine (4)
81:23;83:18;100:22;116:24
determined (4)
43:13;67:19;99:13,14
develop (1)
57:7
developed (2)
61:21;84:14
developer (6)
37:22;38:20;62:24;98:1,24;
109:23
developer/investor (1)
98:23
developer/seller (1)
95:18
developer's (1)
100:13
developing (1)
39:4
development (1)
49:5
difference (1)
36:13
different (15)
12:23;23:8;36:9,18;37:1;
49:7;56:2;60:5;62:13;85:2,3,9,
12;98:13;111:19
differently (1)
48:14
difficult (4)
55:24;66:24;67:1;74:14
difficulties (1)
25:6
difficulty (2)
24:24;72:23
diminishing (2)
73:6;92:6
DIRECT (6)
4:9;77:23;93:4,19;98:14;
104:17
directly (3)
78:16;98:5;101:13
disappear (1)
82:14
discipline (1)
9:1
discount (6)
59:9;100:4,23;107:22;108:7;
120:4
discounted (7)
37:20;49:8;60:7;84:2;87:10;
99:22;101:8
discounting (1)
113:23
discrepancy (1)
94:9
discuss (2)
53:15;87:11
discussed (5)
38:12;56:19;87:22;94:16;
100:2
Discussion (2)
38:8;109:4
discussions (1)
62:8
disinterested (1)
36:21
disposed (1)
9:12
disposition (1)
21:17
distinction (1)
103:14
divide (1)
65:13
divided (1)
110:13
dividing (2)
50:9;105:1
division (2)
19:23;33:9
divorce (1)
108:16
document (3)
114:24;115:8,12
documents (1)
96:8
dollars (4)
28:3;54:1;86:17;92:11
Don (2)
20:5,8
done (27)
7:19;11:4;19:17;20:10,12;
21:24;22:1,4,7,14;24:9;30:14;
43:5;51:8;57:21,21;58:3,24;
59:17;62:3;63:4;68:13;83:24;
92:20;98:16;103:17;111:1
Dorothy (3)
29:15;30:13;117:20
dot-com (1)
43:4
doubt (2)
4:23;5:3
down (9)
10:7;25:22;31:9;79:13,14;
82:11;94:4;96:10;99:2
downward (1)
31:8
dramatic (1)
73:6
dramatically (1)
42:8
drive (2)
31:8,9
driveby (1)
115:23
drive-by (1)
50:18
driven (1)
70:6
driver's (1)
4:6
driving (1)
27:6
due (2)
55:18;105:23
duly (1)
4:7
during (6)
7:11,22;43:1,2;44:6;101:8
dynamic (1)
31:1

E

earlier (5)
71:23;76:3,18;77:15;78:1
early (5)
15:7,7;41:15;53:21;103:7
easements (1)
10:13
east (1)
6:4
ed (1)
13:22
editorial (1)
70:5
education (6)
6:16;11:24;12:1;13:11,17;
14:6
educational (1)
15:19
effect (1)
46:9
effective (3)
23:21;81:21;120:18
effectively (7)
31:4;35:18;51:3;82:10;83:7;
101:9;105:17
either (5)
49:5;68:7;71:18;103:15;
115:15
electrical (1)
21:7
electrician (1)
21:6
else (4)
9:13,22;66:7;121:9
elsewhere (3)
34:2;107:21;108:1
employ (2)
23:8;24:21

employed (4)
22:22;36:19,23;59:16
employees (2)
18:7,9
empty (2)
70:11,13
encapsulates (1)
38:4
encounter (1)
82:9
encroaches (1)
81:8
end (11)
73:21;85:8;88:22;98:2;99:9;
101:7,9;105:5;112:19;113:11,
12
ended (1)
61:22
enforced (1)
13:1
enforcement (1)
12:14
engage (1)
110:18
engaged (1)
110:20
engagement (1)
104:4
engineer (1)
93:11
England's (2)
78:21;79:5
enlist (1)
15:5
enough (1)
71:3
enter (5)
69:2;101:13;106:4,18;119:22
entered (4)
83:12;88:10;106:11;118:22
entire (6)
24:12;25:22;39:1;43:14;54:8;
86:19
entitles (1)
101:24
envelopes (1)
75:4
Environmental (1)
7:8
equal (4)
77:7;78:5;89:6;113:9
equity (1)
30:18
equivalent (1)
108:3
erosion (2)
93:6;94:1
essentially (5)
9:20;23:3;68:15;77:12;84:1
Essex (5)
19:9;96:1;108:13,15;117:5
established (1)
62:1
estate (36)
7:22;8:3;10:3,12;11:8;12:6;
17:20;18:12;20:14,14;22:10,11;
24:8,13,24;25:2;28:1;32:5;33:2,
7;35:8;41:10,23;42:4;46:3;
47:1;48:11;53:3;73:3;78:22;
79:4;83:1;101:12;105:2,4;
111:14
estates (1)
78:22
esthetic (3)
27:14,15,19
estimate (12)
11:6;23:9,14;24:1,2;56:17;
84:8,18,22;86:18;94:13;110:12
estimated (2)
54:4;86:1
estimating (2)
23:16,21
ethical (1)
78:15
evaluation (2)
38:18;54:11
even (9)
34:4;41:8;51:4;73:8;75:2;
88:8;90:2;105:15;120:21
events (2)
20:9;41:18
everybody (1)
96:21
everyone (3)
61:14,18;68:18
everyone's (1)
61:16
evidence (1)
77:23
exact (2)
28:15;60:22
Exactly (14)
16:3;34:22;35:16;49:18;
66:16;67:12;69:10;75:14;89:6,
17;91:20;95:4;97:22;99:10
exam (3)
12:10;13:6,7
EXAMINATION (2)
4:9;15:1
examined (1)
4:7
example (7)
30:4;34:12;35:22;46:11;
49:24;85:18;110:11
exceeded (1)
33:24
exception (1)
13:19
exceptional (2)
85:20;86:7
exclusive (1)
70:21
Exhibit (36)
26:7,8,11;33:4;39:19,22;
47:15;48:10;52:2,3,11;58:15,
17,20;64:17;71:22;74:3,6;
102:3,5;103:17,19;111:21,22;
112:1,15;113:17;114:16,19,24;
115:4,5,13;116:12;118:9,19
exist (1)
31:4
existing (9)
23:15;31:23;37:7,14;51:20;
60:1;80:5;83:9;90:4
expand (3)
80:8;81:7,12
expanded (1)
80:21
expansion (4)
80:7,15,18,22
expect (1)
4:20
expectation (3)
34:20;77:5;120:10
expected (5)
37:15;76:7;104:7;120:9;
121:2
expecting (1)
92:8
expense (2)
30:19;95:7
expenses (1)
113:6
expensive (1)
112:13
experience (4)
50:19;70:15;71:14;102:12
expert (1)
4:17
expertise (1)
28:15
expired (5)
118:9,14,17,20,20
explain (1)
36:13
explained (1)
78:1
expressed (1)
57:6
extent (3)
55:17;80:5;120:5
external (1)
107:18
extra (2)
54:1;73:4
extract (3)
22:18,20;24:9
extracted (3)
60:4;65:16;106:1
extracting (3)
24:24;25:16;35:23
extraction (6)
25:12;33:3,13;71:5;104:24;
105:23
extremely (1)
30:19

F

face (1)
51:6
faced (1)
54:16
fact (21)
28:4;31:3;35:20;41:17;45:2;
47:24;48:4;55:3,9;70:1,24;
72:10;74:12;79:18;82:23;95:5;
98:22;105:5,21,23;119:2
fair (31)
31:22;32:12;34:4,18;39:8;
41:5;42:1;53:1;54:4;69:14;
76:14;83:18;84:14;85:21;
101:10;102:11;109:20;110:6,
22;111:2,10;112:13;113:2,9;
118:23;119:4,9,14,22,24;120:22
fairly (16)
31:7;35:21;50:21;58:8;65:13;
66:18;70:20;71:5,6,10,14;90:1,
7;92:14;111:18;118:13
fall (1)
40:22
falls (2)
112:19;120:17
familiar (4)
24:11;26:17;63:22;86:10
familiarity (1)
11:17
families (3)
78:21;79:3,6
family (2)
20:23;22:11
family-held (1)
22:10
far (4)
38:11;68:17;81:23;111:17
farms (1)
24:18
far-ranging (1)
111:18
fastest (1)
88:7
fee (59)
16:11,12;27:24;28:8;35:19;
36:16;42:7;45:19;46:12,17;
47:4,13;48:11,15,20,22;51:2;
55:10,20;56:2;60:10;62:1,16;
68:15;71:11,16,16;72:3;74:5,
23;75:3;77:1,1,6,18,23;78:6;
94:16;96:6;99:5;104:17,20,22,
23;105:6,9,15,18,22;107:9,11,
13,20;108:3,8;120:12,14,17,18
feel (1)
114:13
fees (6)
56:5;95:21,23;96:4,12,12
feet (1)
75:3
fell (2)
48:20,22
female (1)
108:23
Feofees (1)

98:17
Feoffees (31)
4:18;20:4,6;22:1;32:4,20;
40:1;44:12;46:3,5;47:1,21;
55:19;56:9;63:19;71:8;80:9;
83:13,13;86:24;90:5,14;98:1,6,
13;101:11;106:12;107:1;
110:14;111:9;117:11
few (5)
17:22;21:22;24:5;54:19;
64:18
field (1)
28:15
figure (12)
38:16;50:24;53:8;65:18;86:8,
13,17;87:4;93:8;94:15;97:16;
112:20
figures (6)
55:2;64:9;67:15;70:22;89:13;
94:4
file (3)
16:11;115:2,3
filed (2)
81:23,24
final (1)
61:16
financial (1)
37:10
financially (1)
45:12
financing (3)
10:14;39:4;51:18
find (6)
29:2;30:6,11;38:4;40:19;
118:4
finding (2)
41:4;93:18
finished (1)
17:19
firm (1)
7:10
first (23)
4:5;11:7,19;14:11;19:16;
20:2;34:10;40:4;44:23;59:12;
61:9;84:1;87:14;89:3;91:5,9;
93:1,2;100:16;114:19;115:12;
116:1,10
five (2)
29:21;118:18
flagged (1)
9:11
flipped (1)
18:11
flood (1)
31:7
flow (7)
36:18;37:20;59:8;60:7;84:2;
87:10;98:23
flows (1)
92:13
follow (2)
16:13;81:20
following (1)
26:2
follows (1)
4:8
fonts (1)
93:20
foot (2)
23:10;50:17
footnote (2)
54:3;77:24
footprint (2)
80:6;83:9
footprints (2)
81:12;82:16
forget (2)
61:9;93:10
form (4)
28:10;29:7;92:2;101:12
formal (5)
6:16;11:9,19,22;17:23
former (1)
115:15
forms (1)
10:2
forth (4)
62:11;66:14;76:8;87:20
forward (3)
40:16;83:17;120:3
Foster (3)
61:6,11,12
found (2)
38:5;72:2
foundation (1)
80:1
founded (2)
31:2;79:1
four (7)
62:12;87:17;89:6,10;90:12;
99:3;113:3
four-year (3)
51:22;88:4;90:8
fractional (1)
18:7
frame (2)
30:1;63:20
frankly (1)
84:23
free (1)
14:22
fresh (1)
58:7
Friends (1)
94:23
front (3)
86:2;96:2;115:4
front-loaded (1)
88:21
full (7)
57:7;105:9,10;107:13,16;
119:14,22
full-time (1)
7:17
fully (2)
57:7;119:21
function (1)
90:10
further (4)
41:8;54:15;58:24;96:10
future (3)
37:17;51:6;99:22

G

general (3)
8:9;12:3;101:23
generally (7)
13:18;29:11;33:24;41:22;
74:5;76:9;78:3
gets (2)
80:9;91:18
girls (1)
5:10
GIS (1)
102:20
given (4)
28:4;60:23;77:2;99:17
giving (1)
92:10
goal (1)
16:15
goes (1)
116:9
good (1)
5:12
Gordon (1)
19:9
grade (1)
101:3
graduate (1)
6:12
graduated (3)
5:16,17;102:17
graduating (1)
6:17
grandfather (1)
79:21
grandfathered (1)
79:19
granted (1)
15:3
Great (25)
27:4,6;46:12,18;47:5,13;
71:20,23;72:10,13,14,15,17,20;
73:19;74:21;75:7,11;77:16,16;
78:21,22;79:5;88:1;108:6
Greenough (3)
20:6,8;22:8
gross (2)
29:12;73:14
group (3)
12:16;58:9;60:18
growing (1)
78:20
guess (9)
5:1;6:4;35:11;40:16;77:24;
92:24;110:3;115:9;119:18
guidelines (2)
76:9,12
guiding (1)
78:14

H

half (4)
6:8;57:9;73:7;113:20
half-acre (2)
74:24;75:3
Hampshire (3)
6:11,23;8:11
handful (1)
54:5
handwriting (2)
114:20,22
handwritten (1)
115:22
happened (1)
42:12
happenings (1)
13:4
happens (1)
89:18
happy (2)
32:22,23
hard (1)
96:4
Hart (1)
16:20
H-A-R-T (1)
16:20
head (1)
19:22
heard (1)
5:2
Hebel (2)
20:23,23
H-E-B-E-L (1)
20:23
help (1)
102:15
helps (1)
82:24
high (6)
35:21;49:15;112:8,14,19;
113:14
higher (13)
37:15;55:9;60:17;62:5,23;
63:2,3,5;72:5,11;74:22;88:22;
94:4
highest (2)
112:20,22
highly (1)
22:24
himself (2)
78:15;99:2
hire (1)
99:6
hired (1)
21:7
historically (1)
120:15

history (4)
7:5;8:2;54:15;115:19
hold (4)
8:8,12;18:24;101:22
holdings (1)
78:22
holds (4)
18:21;76:21,24;101:21
home (2)
7:24;70:8
honestly (2)
14:15;15:11
hours (4)
12:3,5;13:16,16
house (4)
21:9,10,13;80:1
houses (2)
6:7;78:22
hundred (3)
81:14;90:3,6
husband (1)
108:19
hybrid (2)
71:18;78:1
hypothetical (6)
36:10;46:7;51:12;88:2;99:8;
100:7
hypothetically (2)
44:14;119:11

I

idea (1)
40:10
identification (9)
26:9;39:20;52:4;58:18;102:6;
103:20;111:21,23;114:17
identified (7)
4:5;36:22;37:3,4;51:13;
62:19,23
immediately (2)
102:22,23
impair (1)
80:16
important (1)
30:19
impose (1)
93:4
improved (4)
23:3;24:16;71:23;119:12
improvement (2)
25:23;73:3
improvements (25)
23:4,7;24:3;25:20;32:11,12,
21;33:10;34:1,8,11;48:18;50:7,
10;59:23;60:1;65:21;66:2,14,
18;82:7;105:2;119:16,24;120:1
imputed (2)
35:24;48:19
Inc (2)
17:24;18:1
include (2)
52:7;78:22
included (5)
55:7;72:17;75:11;112:21;
118:8
including (1)
8:5
income (15)
30:18;31:19,20;49:2;54:2;
57:2,7;68:8;90:14;91:17,22;
92:6,11,15,17
increase (3)
43:23;46:8;105:22
increased (3)
64:13;93:22;94:6
increases (1)
54:15
increasing (1)
105:4
incur (7)
55:4;95:2,16;96:23;97:16,19;
98:2
incurred (3)
96:5,19,20
incurring (1)
95:7
index (3)
115:18,22;116:11
indicate (2)
113:19;120:4
indicated (6)
41:13;49:24;53:16;65:3;
70:18;107:19
indicates (2)
35:2;102:8
indicating (1)
74:22
indirect (3)
94:12;96:10;98:14
individual (24)
16:19;18:21;20:17;55:2;59:5,
7,14;83:15,19;84:9,19;98:4;
101:13,14;104:2;109:21;
110:14,23,24;111:3,8,9,11;
118:19
individually (3)
84:20;87:2;110:13
individuals (4)
35:6;51:4;86:6;118:10
industry (1)
12:15
inferior (1)
47:3
informal (1)
11:11
information (12)
9:19;29:14;49:3,6;66:9,13,23;
74:17;93:9;117:6;118:2,4
informed (1)
119:21
infraction (2)
9:3,16
in-house (1)
90:23
initial (3)
16:9;73:8;100:13
inland (1)
88:14
inspect (1)
9:5
inspection (5)
9:12;24:18,21;50:13;116:10
inspections (1)
50:18
inspector's (1)
82:1
instance (1)
36:24
instances (1)
79:18
instead (1)
86:24
instigated (1)
9:16
Institute (9)
12:7,11,16,21;13:24;14:7;
16:11;17:10;40:6
instituted (1)
8:18
institutional (1)
8:5
intended (4)
79:13,14;82:5;110:8
intending (1)
106:22
interest (31)
18:22;31:10,11,16;32:20;
48:11;51:2;55:10;72:6;76:17,
20,20,23;77:1,1,6,6,7,22,23;
78:5,6,12;104:23;105:6,12,15;
107:9,12;108:4;111:16
interests (4)
37:13;77:12,14;111:15
interior (3)
24:20;50:16;66:23
intermediate (1)
84:12
internal (1)
99:24
internship (1)
7:7
interpret (1)
115:11
interviewed (1)
68:16
into (17)
35:6;44:3;45:12;69:2;83:12;
88:10;89:23;98:9;101:13;
103:24;105:1;106:4,11,18;
110:13;118:22;119:22
invested (1)
7:22
investment (18)
36:17,22;37:2;38:1,12,24;
51:13;56:3;57:12,15;60:18;
62:4,19,22;63:4;101:3;110:21,
24
investor (8)
37:11,16;60:11,15;62:6;90:5;
99:23;100:8
investors (1)
91:16
involved (7)
8:3;11:15;14:8;19:11;28:16;
29:22;59:23
involves (4)
9:24;10:10;23:1;103:11
involving (2)
10:12;23:2
Ipswich (18)
4:15;5:5,14,24;6:1,2;19:7,8;
20:10,18;21:6;24:14,18;25:18;
80:15,19;81:1;116:17
Irish (1)
116:5
IRS (1)
10:12
Island (1)
86:2
issue (5)
54:4,9;94:6,8;108:16
issues (1)
58:5
items (1)
97:2
it's- (1)
45:18

J

JAMES (2)
4:4,12
January (4)
39:23;40:1;42:20;58:11
job (4)
7:11,14;66:18;103:5
jobs (1)
81:16
John (1)
19:21
joined (3)
10:5,23;103:6
judge (2)
76:14;108:21
judgment (2)
25:18;27:10
judgments (1)
50:19
July-August (1)
29:10

K

Katherine (2)
116:16;117:21
kind (10)
7:11;33:2;34:20;42:24;61:20;
81:11;91:14,17;99:20;108:14
knew (7)
20:5,9,20;21:1;66:10;82:4;
117:12

knock (2)
79:13,14
knockdown (2)
81:19;82:5
knockdowns (2)
79:23;81:15
knowledge (2)
22:4;55:6
knowledgeable (5)
45:9,13,24;54:18;69:21
known (2)
20:20;43:22

L

Labor (4)
4:14;5:5,24;6:6
Lachance (2)
61:4,5
lack (3)
25:1;27:10;105:9
land (78)
8:5;19:12;22:18,20,23;23:1,5;24:2,9,15;25:16,19,23;30:18;31:20,21;33:9;34:4,7,13,21;35:21,24;36:1,2;37:12,13;40:21;45:20;48:18,20,22;50:7,10;51:20;52:18,21;54:4,11,14;57:3,13,18;60:2,4;63:11;65:7,9,15,16;67:20,24;71:4;72:19;82:6;83:20;85:5,21;86:2;104:18,18,24;105:23;106:1;107:12,19,20,24;110:5;113:14;119:14,23;120:4,10,13,21,24;121:6
landlord (1)
76:24
landlords (1)
31:15
landmark (1)
26:20
lands (2)
11:15;120:17
landscape (3)
6:19;7:2,10
landscaping (2)
65:23;67:13
LandVest (32)
7:14,15,20,20;8:2;10:5,23;11:10,20;13:3;16:8,21;17:3,13,23,24;18:1,12,22;19:11,19;76:4,6;78:19;102:9,12,24;103:2,5,6,24;115:2
LandVest's (2)
39:23;78:20
large (4)
27:22;31:3;72:22;97:2
larger (1)
27:18
last (5)
21:2;25:9;40:4;52:15;112:9
latter (1)
110:16
leadership (1)
51:17
lease (19)
31:13;32:5;68:19;69:2;76:21,24;77:1,2,6;106:4,11,14,17,24;107:3,24;118:22;119:15,22
leased (1)
28:7
leasehold (13)
31:10,11,16;76:17,20;77:5,12,14,22;78:5,12;105:12;120:12
leaseholds (1)
54:8
leases (7)
63:20,23;64:1,10;69:6;119:5,7
least (7)
12:8;53:5;55:6;65:10;80:5;88:7;93:1
leaving (1)
91:21
legal (5)
39:5;51:19;81:5;96:11;100:18
legally (2)
28:5;97:18
lends (1)
73:4
less (8)
45:14;46:1;55:17;67:4,11;107:9;108:8;120:23
lessee (2)
28:8;76:21
lessees (4)
32:17,21,22;119:2
level (7)
10:10;14:5;17:7;31:18;35:21;59:22;68:18
levelled (1)
43:1
levels (1)
8:7
Levesque (3)
29:15;117:20,22
liable (1)
46:9
liberal (1)
6:15
license (14)
4:6;8:10,20;9:10,15;12:4,9;13:21;15:20,23;17:20;101:21,24;102:22
licensed (1)
8:15
licenses (4)
8:8,13;9:2;17:15
licensing (3)
8:18,18;15:19
lieu (1)
15:1
likely (2)
91:17;92:4
limitation (1)
102:1
Lincoln (2)
61:8,9
line (6)
10:11;37:17;57:8;61:22,24;62:17
lines (1)
27:9
list (12)
40:17;47:16;67:4;85:11;111:21;112:1,5,16,19;114:13;115:5;117:12
listed (11)
30:15;33:12,19;40:14;48:10;67:2;89:16;115:17;116:23;117:4,15
listing (4)
66:13;115:19;116:20;117:3
listings (8)
31:7;64:19;74:10;118:9,13,14,17,20
litigation (1)
4:17
little (95)
14:15;19:13;20:16,18,21;21:2,11,21;22:2,17;24:23;25:5,11,17;26:12,22;27:1,11,15;29:16;30:1,5,21,23;31:2;32:8,11;33:17;39:9;40:2;42:4,8;44:2,9,17;46:14,22;47:9,10,16;49:21;50:1,23;51:8;54:11;58:21;59:1,17,19;63:12;64:13,21;67:5;68:14;70:5;71:13;72:6,9,16,24;73:24;74:12,19;75:3,9;77:11,20;79:11,23;80:8;81:11;82:14,24;83:8;87:24;91:19;97:23;104:14;106:9,23;107:14,15;108:3,9;109:19;110:5;112:2;115:6,16;116:20;117:1,7,14,23;119:3
live (4)
5:7,23;21:18,21
lived (2)
5:4,23
lives (1)
19:9
LN-1 (1)
34:16
load (2)
10:15;58:1
local (6)
14:7;22:24;26:20;62:10;74:5;94:23
location (1)
32:23
locations (1)
25:17
long (6)
5:4;15:9;16:14;40:8;80:16,21
long-term (1)
107:3
look (12)
24:1;33:11;39:17;43:5;47:10,11,14;48:17;49:12;88:12;102:15;110:6
look-back (1)
74:1
looked (6)
35:24;44:2;49:7,24;58:2;77:10
looking (9)
30:14;44:8,9;49:1,2,4;59:18;81:7;84:1
looks (5)
34:12;88:6;93:23;94:6;112:8
losing (1)
79:21
lot (18)
25:7,22;53:3;60:5;70:15;74:11;80:18;82:2,3;84:11,24;85:2;92:5;96:3;103:9;107:9;111:6;113:15
lots (37)
31:4;53:6,7;55:2;59:5,7,14;73:12,18;80:16;84:15,19;85:12,19,20,22;86:2,7;87:18;88:7,8,16,22,24;89:15,19;90:11;91:20,21;110:23,24;111:3,9,17;112:13;113:3,20
low (4)
43:14;49:14;120:7,9
lower (2)
45:8;88:8
low-high (1)
50:21
lunch (2)
75:16,17
Lynch (1)
18:11

M

MAI (14)
14:1,3,11,19;15:4,6,8,10,14,22;16:6,8;17:9;40:6
maintenance (2)
30:18;56:5
majority (1)
19:1
making (2)
25:18;45:11
Male (4)
108:23,24;109:1,2
managed (1)
17:13
Management (9)
7:8;8:6;10:1;18:16,18;35:16;97:3;98:20;99:5
manager (2)
17:4;99:6
managers (1)
32:13
managing (1)
22:11
Manchester (1)

6:10
mandatory (1)
8:18
manner (1)
78:16
Manual (2)
23:19,23
many (4)
11:3;15:12;91:21;108:12
Manzi (4)
21:1,5;115:13,14
M-A-N-Z-I (1)
21:2
mapping (1)
102:20
March (1)
52:11
marginal (1)
73:4
mark (8)
26:6;52:1;58:15;85:6;102:3;
103:17;111:20;116:22
marked (11)
26:8;33:3;39:19,22;52:3;
58:17;102:5;103:19;111:22;
114:16;115:5
market (87)
22:13;25:9;30:21,23;31:1;
32:12;34:3,7;35:1,17,19;36:20;
38:16,18;40:23;41:5,8,18;42:1,
24;43:6,13,19;46:7;51:11;
52:21;53:21;54:4;55:20,22;
56:2;57:5,11;60:12,13;62:6,24;
63:6;67:3,6;68:15,20;70:4,6,6,
14;71:13,15,16,17,17,18;74:14;
77:7,17;78:1;83:19;84:14;
85:21;86:8;90:2,2,20;101:2,11;
105:17,18;107:14;108:6;
109:20;110:7,22;111:2,10;
112:13;113:2,9;118:7,11,23;
119:4,9,14,23,24;120:12,22
marketed (1)
66:21
marketing (1)
90:23
market-ready (1)
113:5
markets (1)
107:23
Marshall (3)
23:18;24:6;26:2
Massachusetts (11)
4:6;6:24;7:8,13;8:10,21;9:14;
12:5;17:21;24:9;98:8
master (2)
6:18;7:2
master's (1)
7:6
matched (1)
60:5
mathematically (1)
75:7
matter (4)
34:6;71:8;80:13;81:1
may (19)
9:15;19:21;21:18,18,20;
28:11;40:10;44:19;52:6;57:8,8,
9;82:14;85:3;96:19,20;115:17;
116:19;119:4
maybe (4)
40:21;58:6;81:3;82:8
mean (11)
22:20;23:16;30:22;35:12;
42:7;54:7;55:24;57:3;88:16;
94:22;113:5
means (4)
35:22;76:6,20;113:2
meant (2)
53:5;79:5
measure (1)
31:5
member (1)
13:23
membership (1)
17:12
mental (1)
74:4
mention (1)
26:21
mentioned (7)
8:22;12:11;17:15;19:6;56:20;
76:3,17
merits (1)
49:14
Merrill (1)
18:11
met (1)
13:18
method (2)
23:24;50:9
methodology (15)
23:9;24:11,15,22;25:12;
36:14;44:2;59:4,7,15;60:13;
65:2;67:7;71:7;104:13
methods (1)
23:8
Michael (1)
16:20
mid (1)
15:7
middle (3)
27:22;41:2;65:3
might (5)
17:11;35:8;70:11;94:8;
107:22
mile (1)
6:7
million (7)
28:2;54:1;85:16,17;86:17;
87:5;92:11
million- (1)
86:12
mine (3)
7:10;94:23;114:23
minimum (3)
12:2,8;13:19
Minnesota (1)
8:11
minus (1)
77:1
missed (1)
9:18
Missing (1)
77:3
mist (1)
116:5
mitigation (2)
93:20;94:2
MLS (1)
30:14
Mm-hmm (2)
41:19;45:23
model (7)
35:14;47:14;60:6;61:1;98:10,
23;100:7
models (2)
57:13,17
modification (1)
80:21
modified (1)
80:21
moment (1)
37:3
MONAHAN (4)
4:4,12;5:21;38:17
money (1)
100:8
month (1)
9:19
months (2)
17:22;90:19
more (19)
25:15;29:16;37:21;42:8;44:4,
11,16;48:1;55:14;56:11;60:23;
69:21;72:16;74:2;78:13;87:4;
88:22;105:15;107:22
most (17)
23:9;42:21;53:7;62:17;67:1;
69:14,15;75:1;79:1,20;91:16,
16;92:4;93:5;103:14;112:13;
117:14
motivation (1)
79:20
move (1)
38:15
much (15)
10:8,14;32:5;47:3;65:13,14;
71:8;73:2;88:13;95:20;96:4,6;
103:4,13;114:9
much- (1)
73:5
multiple (1)
117:3
myself (1)
16:15

N

name (5)
4:11;5:19;17:23;61:10;93:10
narrative (1)
38:13
national (1)
12:13
Natural (1)
116:6
nature (1)
21:4
near (2)
6:5;107:13
necessarily (4)
54:6;70:17;74:24;101:2
necessary (1)
60:23
Neck (109)
19:13;20:16,19,21;21:2,12,
21;22:2,17;24:23;25:5,11,17;
26:12,22;27:2,4,6,11,16;29:17;
30:2,5,21,23;31:2;32:8;33:17;
39:9;40:2;42:4,8;44:2,9,17;
46:12,15,18,22;47:5,9,10,13,16;
49:21;50:1,23;51:9;54:11;
58:22;59:1,17,19;63:12;64:13,
21;68:14;70:5;71:13,20,23;
72:6,9,10,14,15,16,17,20,24;
73:19;74:19,21;75:4,7,10,11;
77:11,16,16,20;79:11,23;80:8;
81:11;82:15,24;83:8;87:24;
88:1;104:14;106:9,23;107:14,
15;108:3,6,9;109:20;110:5;
112:2;115:6,16;116:20;117:1,7,
15,23;119:3
need (3)
25:22;82:2,13
needed (2)
13:16;89:24
needs (1)
61:24
negative (2)
105:8,19
negotiating (1)
99:3
negotiations (1)
37:18
neighborhood (2)
80:17,23
nester (1)
70:13
nesters (1)
70:11
net (2)
89:21;99:17
netted (1)
99:14
New (10)
6:10,23;8:11;9:4;23:20;24:3;
66:3;78:21;79:5;101:1
newspapers (1)
62:11
next (12)
17:22;33:19;39:22;52:1;
82:14;88:19,23;93:4;95:11;

97:2;99:3;116:4
Nicole (2)
5:8,20
nine (5)
60:5;84:24;85:9,11;118:20
nominal (2)
34:24;43:9
nonconforming (3)
31:4;80:16,18
nondiscounted (1)
113:7
none (1)
68:21
non-fee (1)
72:6
non-misleading (1)
78:16
normal (1)
27:8
Notary (1)
4:7
note (8)
64:15;74:4;115:12,14,18;
116:12,13,21
noted (2)
118:14,16
notes (4)
50:13;115:11,20,22
November (1)
42:21
number (12)
11:5;12:2,9;31:3;63:3,5;
70:21;84:23;89:3,15;92:21;
118:14
numbers (2)
52:14;64:8
numerous (2)
82:9;111:18

O

Objection (23)
25:3;28:10,20;29:7;41:11;
43:10;44:19;46:6;80:10,24;
83:2,16;84:21;87:6;98:11;
101:15;107:10;108:5;109:24;
110:19;111:12;114:4,11
obligation (11)
44:18;45:14,15,16,18;46:5,
18;55:18;56:5,8;68:11
obligations (2)
44:5,12
O'Brien (2)
116:16;117:21
obtained (3)
8:19;66:1;102:21
obviously (2)
31:19;44:21
occupants (1)
81:10
occupation (1)
7:17
occupational (2)
7:5;8:2
occupationally (1)
7:19
occupies (1)
10:15
occupy (12)
46:19;47:1;48:6;56:13;65:7,
9;67:20,24;70:7,19;106:6,11
occupying (3)
68:22;91:11,13
occurred (1)
47:9
October (1)
58:21
odd (1)
68:20
of- (1)
71:3
Off (8)
38:7,8;43:1;86:21;89:19;
109:3,4;118:11
offer (1)
45:11
offered (2)
12:5;44:21
offhand (1)
26:4
office (2)
17:13;82:1
offset (2)
27:17;42:10
old (2)
5:11;35:12
once (5)
29:21;48:21;73:6;90:21;
108:13
one (53)
5:16,17;13:19,23;14:3,11;
18:6,21;23:6;24:10;25:5;29:16;
33:8;34:10;36:9;44:22,22,23;
45:15;49:3;50:12;56:4,11,12;
58:6,11;60:4;61:3;67:5;68:5;
69:22;76:23;80:8,8;82:2;83:18,
21;85:18,19;88:15,17,20;92:10;
99:1,15;100:14;103:23;106:21;
110:17,22;115:23;116:1;117:8
ones (3)
52:9;64:16;74:2
ongoing (2)
13:13;31:1
only (9)
20:20;22:22;32:11;54:9;69:5,
23;91:5;93:19,21
on-the-job (1)
11:14
openly (2)
117:4,15
opinion (10)
22:12;36:2;39:9;57:6;63:8;
68:16;101:10;104:1;110:2,21
opportunity (1)
42:9
opposed (1)
110:23
opted (3)
61:20,22;63:7
option (1)
37:10
order (4)
14:11;65:18;82:12;87:4
organization (2)
12:13;78:17
original (3)
18:23;20:16;79:2
Originally (2)
8:17;19:14
Orthophotograph (1)
52:7
others (2)
13:3;92:12
out (29)
14:15;21:19,23;22:17;23:4,6,
17;24:15,19;26:15;29:19;30:6,
11;46:11,12;61:20,22;63:6;
70:21;72:20;78:20;88:3;95:22;
96:9;99:15;113:24;118:4;
119:2;120:23
outcomes (1)
111:19
outlined (1)
34:6
outset (2)
60:21;61:13
outside (4)
7:20;22:1;89:21;90:5
over (13)
10:20;27:7;40:23;43:20;
46:10;58:2;73:7;86:21;88:4;
90:7,12;92:10;99:3
overall (2)
24:16;27:12
overfull (1)
58:2
overhead (3)
27:8;97:4;98:20
overly (1)
63:8
oversees (1)
12:14
oversight (1)
78:17
own (16)
18:7;20:24;21:18;46:1;47:20;
50:17;56:12;66:5,8;70:15,16;
87:1;104:1,1;113:13;117:22
owned (8)
18:1,2,8;20:21;21:2,11;32:21;
79:3
owner (4)
14:23;28:8;32:3;33:20
owners (10)
27:24;30:17;31:5,5;32:8;
51:20;83:13;98:4,6;104:7
ownership (6)
28:1;37:12;105:10;108:7,8,9

P

pace (1)
100:21
page (25)
27:20,21;29:5;30:16;33:11;
37:9,19;38:6;40:4,21,24;47:16;
49:23;52:14,14,15;53:13,15;
57:6;71:19;85:9;87:12;102:2;
104:5;112:9
pages (3)
63:16;64:17;118:18
paid (20)
33:20;35:19;47:19;48:1;50:3;
55:17;65:6;67:20;70:19;71:10;
78:4,6;105:1;107:12,16;108:2;
113:17;120:13,18,19
paragraph (3)
27:22;37:10;41:2
parcel (4)
24:16;82:3;86:19,24
parcels (3)
25:8;74:8;83:14
park (1)
11:15
part (12)
6:2;22:17;35:13;36:4;38:13;
45:16;59:12;82:11,16;84:1;
100:23;103:5
partially (2)
88:19,20
participation (3)
90:4,6,24
particular (10)
34:9,12;41:7;53:2;63:15;
67:19;82:4;110:4;113:20;118:1
parties (1)
109:10
partner (1)
7:10
parts (1)
58:13
party (6)
36:10,17,21;37:11;57:14,18
pass (2)
13:9;58:6
Patriot (1)
24:19
Paul (3)
21:1,5;115:14
Pause (2)
29:3;40:20
pay (57)
31:14;35:7;37:15;44:10,12,
15,16,18;45:4,14;46:1,2,5,19,
23,24;47:20;51:5;54:20,21;
55:3,13,13,18;56:5,8,11,12,14;
64:3,12;68:11;69:4,5,9,21;
82:10,13;86:19;89:21;91:14;
96:5,6;104:8;105:11,13,15;
114:2,7;119:14,15,22,24;120:9,
24;121:1,2

payable (1)
107:20
paying (13)
64:6,9;67:22;69:1;86:8;
104:7;107:5;113:20;114:9;
118:23;119:3,7;120:11
pays (3)
97:18;98:9;100:8
peak (1)
67:6
peculiar (1)
68:14
peculiarity (1)
107:14
peer (1)
15:13
peers (1)
15:2
pending (1)
4:17
people (9)
20:18,20;21:20,22;47:19;
50:3;79:2;120:4,6
per (15)
28:3;29:2;30:1;52:22;53:6,8,
11,24;64:3;89:15;90:12;95:14;
96:3;99:11,12
per-acre (1)
73:12
percent (28)
10:9,15,23,24;37:23,23;
56:21;57:9;72:5;80:2;81:14,15,
19;90:3,6;92:9;93:3,23;94:7,7;
97:7;98:21;99:4,23;103:8,10,
12;107:22
percentage (2)
31:22;60:3
percentages (1)
10:7
perform (2)
76:7;100:22
performance (1)
40:15
performed (2)
28:8;103:6
performing (2)
13:22;103:24
period (14)
7:11,23;15:24;18:15;40:14;
41:7;43:1,2;51:22;64:14;86:21;
88:4;90:8;91:24
Perkins (1)
19:4
permission (1)
80:9
permit (3)
50:15;81:3,24
permits (1)
81:23
permitting (2)
8:6;10:1
perpetuated (2)
68:19;106:13
perpetuity (1)
48:6
PERRY (31)
4:2,10;26:6,10;29:4,8;38:9;
39:21;41:12;43:11;52:1,5,10;
58:15,19;75:15;76:2;82:19;
85:6,7;102:3,7;103:16,21;
109:3,5;110:1;111:20,24;
114:18;121:8
person (1)
19:19
personal (1)
24:17
personally (3)
76:11;109:8,11
perspective (2)
91:15;120:2
perspectives (1)
58:7
per-unit (2)
91:22;96:18
photo (1)
118:19
photographs (3)
115:24;116:9,11
physical (3)
23:10,11;50:11
piece (1)
22:10
place (9)
9:5;11:20;18:19;27:7;33:16;
61:20;100:18;104:14;117:1
plan (3)
17:21;52:6;83:17
planning (4)
8:6;10:1;37:10;102:20
please (8)
8:1;11:23;27:21;59:3,13;
82:20;118:16,21
Plum (1)
86:2
plus (1)
56:21
pm (1)
121:12
point (8)
19:11;21:13;54:24;62:17;
72:18;73:16;77:15;87:10
points (1)
74:5
political (1)
60:24
pool (3)
36:23;37:3;62:19
portions (1)
48:18
position (1)
17:3
positive (1)
105:7
possible (2)
4:22;84:7
possibly (2)
20:11;117:20
potential (2)
92:11;96:24
practical (1)
34:6
Practice (5)
12:19;58:9;78:4,8;118:3
preceding (1)
54:19
predominantly (1)
87:23
pre-existing (2)
31:3;80:20
premium (1)
70:19
Preparation (3)
10:18;14:6;95:17
prepared (4)
26:12;38:17;40:1;109:16
preparing (1)
96:7
presence (1)
9:6
present (4)
10:5,23;99:20;113:23
presents (1)
78:15
Presumably (3)
42:3;52:8;91:15
pretty (1)
88:13
previous (4)
58:3;59:16;89:16;104:4
previously (1)
80:5
price (37)
33:19;34:4;45:17;48:19;
50:20;55:7,8;60:3;65:4;67:4,8,
16,17;72:11;73:12;78:4,5;82:6,
12,13,17;85:12;89:22;92:22;
93:1;95:8;101:11;105:1,10;
111:21;112:4,16;113:7,8,9;
114:13;120:10
priced (1)
88:8
prices (24)
33:24;34:5;35:19;45:7,8;
47:24;48:8,9,14;49:9,13,17;
50:3,6,10;69:1,5,8;84:15;112:7,
14,19;113:17;114:6
pricing (2)
31:8,9
primarily (2)
59:18;70:6
primary (5)
7:24;11:24;12:1;72:14;79:20
prime (6)
29:10;56:20;70:6,8,13;87:17
principal (1)
9:5
principally (3)
47:8;63:12;74:18
principals (3)
18:13,24;19:7
principles (1)
78:14
printed (1)
62:10
prior (10)
20:5,11,16;42:5;50:15;60:14;
62:4;70:1,18;103:23
private (4)
8:4;20:11,15;79:3
privately (1)
18:2
pro (1)
73:13
probably (8)
10:15;11:6;18:6;29:21;30:13;
42:20;44:23;103:8
Probate (2)
108:13,15
proceeding (1)
108:17
proceeds (1)
99:22
process (9)
14:14;22:21;25:6,15;39:5;
51:19;59:11,18;104:24
Processing (1)
96:12
produce (1)
58:13
product (3)
9:9;14:6,19
production (1)
4:6
professional (6)
8:8,12;12:18;16:15;17:16,18
profit (1)
37:22
profit-minded (1)
37:11
profit-motivated (1)
38:20
program (4)
6:18;16:10;90:23,24
project (15)
8:6;10:1;17:4;19:16;20:2,5,
16;22:9;28:16;60:22;61:14,18;
97:3;98:20;99:6
projected (2)
88:23;89:13
projects (5)
20:11;21:9;59:17;80:2,3
promulgated (1)
12:20
Properties (14)
24:19;31:6;33:1;44:21;48:20,
23;49:10,13;61:8,9;72:24;74:6,
22;117:4
property (78)
9:6,7;14:23;22:13;23:3;
26:15,17;27:12;28:5,7;31:2;
32:4,13;35:16;36:5,11,16;
37:15;38:19,21;39:4;40:2;

45:14,17;46:12,17,20;47:11;
49:3;57:2;60:24;61:15;62:12;
68:7,10,13;69:21;71:24;77:18;
82:12;83:5;89:22;90:5,10;92:3;
95:1;98:1,2,12,17;99:1;100:8,
13;101:2,3,16;102:1;103:23;
104:4;105:13,16;106:2,3,5,6;
107:13,17;109:22;110:12,21;
111:14;115:16;116:9,23;
117:22;119:12,15;121:5
property's (1)
61:1
prospective (1)
120:8
provide (5)
14:23;22:12;82:24;110:20;
117:12
provided (3)
93:9,14;115:1
prudent (8)
35:15;45:10,13,24;54:18;
69:20;91:16;92:3
Prudential (3)
18:12,14,19
Public (7)
4:7;5:14,15;59:22;66:8,22;
78:15
publicly (1)
43:22
pulled (1)
118:11
purchase (33)
34:5;37:18;45:7,8,17,19;48:8,
19;49:9,13;55:7,8;67:16,17;
77:12;78:4,5;82:4,12,17;92:21,
24;95:1,8,17;96:22;99:4;
100:13;101:14;105:1,10;
113:13;119:12
purchased (1)
107:8
purchaser (9)
46:1;51:12;86:19;88:3;
105:11,14;110:8;111:5;113:10
purchasers (4)
51:14;60:18;63:19;98:3
purchases (2)
48:16;77:21
purchasing (5)
45:2;51:5;69:1;111:8;113:19
purple (1)
116:5
purposes (4)
25:21;70:3;91:18;100:24
pursuant (2)
76:15;119:14
pursue (6)
15:8,18;16:5,6,16,23
pursued (1)
15:14
pursuing (1)
16:8
put (2)
9:4;86:7

Q

qualifications (1)
101:19
Qualified (1)
104:22
qualifying (1)
54:9
quality (2)
50:14;53:2
quick (1)
115:22
quickly (1)
88:22
quite (8)
20:14;21:22;24:5;64:18;
66:22;67:3;72:22;116:2
quote (1)
76:4

R

raised (1)
53:23
ran (1)
61:15
range (18)
8:3,4;29:1;35:14;49:19;
50:20,21;52:22,24;53:6;54:5;
61:2;62:14;72:13;111:16;112:7,
9,10
ranges (2)
29:11;73:14
ranging (2)
49:14;99:12
rapid (2)
100:19,20
rata (1)
73:13
rate (14)
24:4;29:10;40:23;52:21;
56:20,24;57:8,10;90:11;92:9;
99:22,24;100:4;121:6
rates (7)
30:6;40:22;46:8;54:7;56:19;
121:3,4
rather (4)
25:16;70:8;83:19;109:21
RE/MAX (1)
116:17
read (6)
39:15;78:24;82:19,21;116:2,6
readily (1)
37:13
real (35)
7:22;8:3;10:3;11:8;12:6;
17:20;18:12;20:14;22:10,11;
24:8,13,24;25:2;28:1;32:5;33:2,
7;35:8;41:9,23;42:4;46:3,7;
47:1;48:11;53:2;73:2;78:21;
79:3;83:1;101:12;105:2,4;
111:14
really (8)
17:14;57:4;71:4;73:7,16;
77:8;101:5;105:6
Realty (1)
18:11
reasonable (4)
59:20;68:18;90:18;119:20
reasonably (1)
119:8
rebates (1)
114:7
rebuild (1)
80:4
recall (10)
12:4;15:11;21:14,15;30:10;
69:13;102:13,14;108:22;118:8
receive (1)
11:7
received (2)
7:5;11:13
receiving (1)
107:11
recent (3)
59:20;74:2;104:14
recently (1)
28:17
recess (1)
75:17
recession (3)
42:11,12,23
recognize (2)
112:2;114:20
recollection (1)
102:16
recommendations (1)
35:15
record (13)
5:18;38:7,8;52:5;59:20;66:9;
82:21;104:2;109:3,4;118:10,19;
120:3
recording (3)
95:12,21,23
records (4)
59:22;117:4,9;118:12
reduce (1)
84:23
reduced (1)
37:22
refer (4)
27:23;37:19;71:19;98:21
reference (4)
30:24;62:18;75:12;107:17
referenced (2)
33:8,9
referred (3)
13:20;30:22;71:22
referring (2)
76:23;121:4
refers (4)
78:19,23;98:22;115:14
reflect (4)
35:20;62:19;95:9;108:8
reflected (3)
45:6,19;105:10
refresh (1)
102:16
regarding (2)
22:1;59:22
regional (1)
102:20
registry (6)
96:1,5;117:4,5,7,10
regulations (1)
104:3
regulatory (3)
12:14,24;13:1
relating (1)
19:12
relationship (1)
21:4
relative (1)
49:14
relatively (2)
10:21;58:4
reliable (4)
22:24;37:17;62:17;71:6
reliance (1)
63:8
relied (5)
50:12;63:12;64:19;72:16;
74:18
relief (1)
81:12
rely (4)
72:12;77:16;118:1,6
relying (3)
47:17;66:6;108:1
remained (2)
10:21;29:18
remaining (1)
91:21
remember (4)
26:23,24;27:1;116:15
removal (1)
80:1
render (2)
36:2;110:20
renew (1)
13:21
renewal (2)
13:15;17:13
rent (36)
21:16,23;31:14;34:21;35:7;
40:23;41:5;43:12;44:12,15,18;
45:4;46:3,5,19,24;48:1;51:6;
52:21;53:10;54:15,22;55:3,13,
18;56:8,14;64:3;68:11;69:6;
71:9;107:5;118:23;119:4;
120:11,17
rental (44)
29:10,11;30:6;31:19,20,22,
24;32:3,13,23;39:9;40:22;42:3,
9;43:17;44:5,22;45:14,15,16,
18;46:8;52:18;53:1,6,7;54:2,4;
56:19;57:3;65:10;67:23;70:4,5;
71:3,15,17;90:14;91:22;92:6,

11,14,16;106:13
rentals (4)
29:24;30:15;53:16;70:3
rented (3)
21:19;69:22,23
rent-free (2)
44:22,23
rents (21)
29:1;30:12;34:23;40:17;41:4;
42:1;43:8,19,23;47:20;53:20,
23;64:13;69:9;91:14;105:13;
119:9;120:6,9,13,21
repeat (1)
41:14
replace (1)
67:11
replacement (4)
23:16,20;24:3;66:2
replicate (1)
82:17
report (68)
14:21,24;15:2;26:5,11,14,22;
27:21;28:24;33:3,8;34:2;35:2,
12,17;36:4;37:3;38:13,17;
39:12,15,18,23,24;40:12,18;
41:13,15;42:5;47:15;49:23;
51:1;52:2,6,12,15;57:12,21;
58:11,13,16,21;60:9,16;62:5;
63:16,18;64:22;71:19;74:19;
75:6;76:14;77:11;81:19;85:8;
100:2;103:17,23;104:5,6,12;
106:9,20,21;112:21;115:9;
118:9,15
reported (1)
104:13
reports (7)
10:18;58:3;60:14;68:13;
103:23;109:15,17
represent (1)
114:24
representative (1)
104:17
represented (1)
71:1
representing (1)
39:2
represents (3)
71:11;95:13;96:7
require (1)
91:21
required (8)
12:3,9;28:16;72:13;74:16;
82:11;96:22;104:3
requirement (3)
28:7,19;44:22
requirements (7)
12:20;13:14,19;14:4,16;
37:22;40:16
requires (3)
24:5;36:17;63:8
requiring (1)
63:19
reread (1)
39:14
resale (2)
49:5;51:20
research (6)
28:17;29:22;43:6;45:10;
103:15;117:5
researched (1)
107:6
resell (3)
37:13;38:21;91:2
reselling (1)
91:4
reside (4)
19:6,7,24;20:18
residential (3)
4:13;21:7;83:5
residing (1)
20:17
respect (7)
24:23;40:2;65:2;77:20;80:20;
95:24;106:8
responding (1)
105:19
responsible (1)
51:18
rest (1)
116:6
restate (1)
119:18
restrictions (1)
69:18
result (1)
62:14
retail (8)
112:18,20,20,22;113:1,5,8,22
retained (3)
4:16;20:15;109:9
retroactive (1)
43:6
return (3)
73:6,8;100:1
revenue (2)
89:14;92:19
revenues (6)
88:23,24;89:10,14;99:14,17
review (2)
14:6;15:13
reviewed (6)
15:2;59:22;109:15,17;
114:13;119:10
Richard (1)
19:4
right (141)
5:17,22;6:5;10:2;12:18;25:2,
4,24;31:14,21;33:17;34:18;
36:6;37:24;39:7,15;41:1,10,15;
42:15,16,17,23;43:9,15,18,20,
23;46:1,4,19;47:1,20;49:10,15,
17;50:4,7;53:4,12;54:2,10;55:8,
10,14,23;56:6,10,12,13;60:8;
62:6;63:2;64:23,24;65:4,7,9,21;
66:3;67:8,20,24,24;68:6,23;
69:2,2,6,18;70:2,7,16,16,19;
72:7;73:3,3,10,13;74:9;76:15,
22;77:13,18;80:7;81:4,6;82:7;
83:9;84:20;85:1,13;87:11;88:4,
13,21;90:17;91:6;92:23;93:6;
94:3,10;95:9;97:4;98:10;99:18,
19,21;100:9,14;101:6;102:10;
103:2;104:14,21;105:24;106:4,
5,10,12;107:4,23;111:5;112:5,9,
11,23;113:4,8,10,15;114:10,15;
115:6,14,20,21;119:3,9;121:8
rights (10)
47:4;77:2,3;85:21;86:2;
104:19;106:2,3;119:23;120:24
risk (1)
79:21
River (1)
116:13
Road (8)
4:14;5:5,24;6:1,3,6;65:3;
116:13
Robert (2)
19:3,9
roll (1)
21:23
root (1)
5:3
roots (1)
78:20
Rosen (1)
19:4
R-O-S-E-N (1)
19:4
roughly (6)
13:15;18:10,20;34:18;53:24;
75:1
row (1)
86:2
Rowley (1)
22:9
rule (5)
9:4,12,16;80:19;81:1
run (2)
79:21;95:12

S

safe (2)
56:20;57:10
sale (24)
24:2;37:18,23;39:1;50:15;
51:1,16;57:13,18;59:21;60:3;
65:2,17;90:17,17,19;95:5,17;
96:21,22;98:5;99:4;109:20;
115:17
sales (93)
17:20;23:1;25:1,7,17;29:22;
33:12,16;35:24;36:3;38:2;44:2,
8,9;47:16,19;48:9,14;49:20,24;
50:12,18;54:6,11,14;55:16;
56:16;59:18,20;64:16,19;65:3;
67:1,7;68:8;69:8,11;70:22;71:1,
2,5,20,23;72:11,14,20;73:22,23;
74:1,4,12,13,19,24;75:7,10,12;
77:10,16,21;79:8;81:21;82:9;
87:23;88:24;89:11,14,15,15;
97:1;99:8;100:14,21;101:13;
104:13,17,20,21,22;106:8,24;
107:16,18;115:6,23;116:24;
117:7,12,14;118:4,12,18;120:4
same (19)
4:2;6:7;7:11;16:10;24:21;
26:2;46:4;56:13;61:19;68:10,
16;69:8;83:9;96:22;101:21;
104:4;105:14;113:2;115:8
sat (2)
12:10;13:5
satisfactorily (1)
4:5
savings (1)
96:24
saw (2)
9:7;62:8
saying (3)
10:22;60:16;120:20
scenario (1)
111:13
scenarios (1)
36:15
schedule (3)
37:21;88:21;91:20
scheduled (1)
43:23
scheduling (1)
51:19
schematic (1)
57:5
School (5)
4:18;5:15;6:19;7:6;102:17
schools (1)
5:14
scope (3)
35:13;60:22;61:18
searches (1)
117:9
season (3)
29:11;71:3;101:4
seasonal (11)
35:3;43:17;53:18;64:3;67:23;
69:12,15,17;70:9;71:1;101:2
seasonally (1)
69:23
second (3)
36:10;37:9;38:6
secondary (5)
23:24;77:17;91:22;92:1;
108:6
Section (1)
57:3
securing (2)
39:4;51:18
security (1)
68:19
seeing (2)
38:11;50:11
seem (2)
35:19;72:22

seemed (2)
34:3;62:11
sell (16)
31:7;38:22;86:21;87:1;88:3,7,9,22;90:5;91:1,20;92:9;98:2;100:19;113:14;118:10
sellable (1)
111:15
seller (5)
46:23;97:19,20,21;119:13
sellers (1)
95:6
selling (6)
32:9,11;57:19;83:14,15;100:12
sellout (2)
37:21;38:6
sells (1)
88:14
senior (2)
17:4,6
sense (3)
81:6;96:16,17
sent (1)
29:5
sentence (1)
29:9
separately (1)
95:22
separating (1)
24:15
September (4)
41:17;42:19;58:22;89:22
serve (3)
4:16;14:24;37:17
Service (2)
23:19;117:3
services (3)
8:4;19:12;78:20
serving (1)
78:21
SESSION (1)
76:1
set (13)
16:15;36:18;51:13;56:2;58:7;61:19;63:9;75:5;76:8;78:13;89:23;98:13;120:21
sets (1)
62:13
settlement (5)
83:11;86:5,10;95:6;113:18
settlements (1)
10:13
several (1)
25:9
several-year (1)
86:21
sewage (1)
55:4
sewer (1)
54:23
shades (1)
116:3
shareholders (2)
18:4,5
shares (2)
18:7;19:1
Sheehan (32)
22:15;25:3;28:10,20,22;29:7;38:7;41:11;43:10;44:19;46:6;61:3,23;80:10,24;83:2,16;84:21;87:6;94:18,19;98:11;101:15;107:10;108:5;109:24;110:19;111:12;114:4,11;115:1;121:10
sheets (1)
66:14
shingle (1)
116:6
shop (3)
13:4;16:7;76:4
shops (1)
13:2
Shore (2)
6:1,2
short (4)
48:20,22;90:7;120:17
Shortly (2)
8:17;11:9
shoulder (1)
58:3
show (4)
9:15;89:9;102:2;117:9
showed (1)
74:8
showing (1)
88:24
shown (3)
63:15;85:9;112:15
shows (1)
37:5
side (5)
6:5;7:11;81:8;92:19;96:7
sign (4)
14:18;63:20;96:22;106:24
signed (1)
15:15
significant (13)
17:14;44:4,11,18;45:4;46:3;54:21,23;79:3;82:16;84:6;92:14;93:5
significantly (1)
82:9
Similar (10)
17:5,7;24:1;25:12;52:8;59:15;60:13;74:5;104:12,24
Similarly (1)
86:1
simple (46)
28:1,9;35:19;36:17;42:7;45:19;46:12,18;47:5,13;48:11,15;51:2;55:10,20;56:2;60:10;62:1,16;68:15;71:11,16,17;72:3,6;74:6,23;75:3;77:18;78:6;104:17,21,22,23;105:6,9,15,18,22;107:9,11,13,20;108:4,8;120:12
simplistic (1)
71:6
simply (3)
16:16;40:13;92:20
single (3)
60:10;62:12;111:4
sit (2)
13:6;17:21
site (3)
78:19;102:2,8
sites (1)
107:21
sitting (1)
99:2
situation (4)
48:5;56:1;60:24;118:22
situations (2)
79:12;81:19
six (6)
29:21;67:1;81:18;90:19;106:10,23
size (3)
22:13;66:10;75:2
Slater (3)
57:22;58:2;101:18
Slater's (2)
104:5;106:20
slightly (2)
27:17;90:1
slots (1)
92:6
slowest (1)
88:9
small (3)
31:8;73:12;93:20
smaller (1)
73:18
so-called (1)
113:8
social (1)
102:19
soft (2)
96:6,13
soil (1)
93:19
sold (30)
21:15;36:6,11;38:19;67:3,5;73:18;74:10,24;84:16,19;88:15,16,19;89:19;90:11;92:7,21;98:17;100:11,16,24;101:7;106:2,3;109:22;110:7,13;111:4,17
solution (1)
104:9
somebody (9)
16:7;31:12;33:20;34:9,16;44:15,16;46:11;65:6
somewhat (1)
91:23
somewhere (5)
26:21;28:24;40:19;112:7,10
soon (2)
100:17;102:24
sorry (2)
17:9;53:14
sort (5)
28:17;39:2;45:18;78:17;96:13
Sound (1)
86:2
sounding (1)
58:14
sounds (1)
102:10
speak (1)
96:14
speaking (1)
33:24
special (1)
81:3
specialties (1)
24:11
specific (2)
55:5;79:17
specifically (2)
101:20;118:8
spectrum (1)
50:22
speculative (4)
63:9;90:1;91:19,23
speed (1)
58:4
spend (1)
103:14
spent (1)
10:24
spoken (1)
109:12
spreadsheet (2)
94:6,8
square (3)
23:10;50:17;75:3
St (2)
6:10,17
stability (1)
30:23
stage (1)
90:21
stance (1)
92:3
standard (5)
23:9;58:8;76:8;90:22;118:3
Standards (3)
12:18;76:15;78:11
standing (3)
79:18;81:22;90:2
Stanier (1)
19:5
S-T-A-N-I-E-R (1)
19:5
start (7)
23:16;26:5;59:12;64:21;99:3;100:12;111:14
started (3)
11:10;16:9;18:24

state (9)
4:11;8:19;9:10;11:14;15:19, 23;42:6;101:21;118:7
stated (3)
39:12;40:5,12
statement (2)
30:17;35:17
states (1)
8:22
statewide (1)
97:10
status (2)
15:9;79:22
statute (2)
28:13,23
statutory (2)
28:6,12
step (2)
16:9;84:12
Steve (3)
61:11,12,17
still (10)
16:21;20:24;21:18;29:19; 40:10,22;46:24;81:22;91:11,13
stipulations (1)
4:3
straight (1)
10:11
stream (2)
91:18;92:6
strike (2)
42:2;59:5
structure (5)
79:22;82:10,13,18,23
structures (3)
23:15;79:19;80:20
studies (2)
6:15;102:19
sub (1)
70:6
subcontractor (1)
24:20
subdivided (1)
28:5
sub-itemized (1)
96:17
subject (3)
9:6;47:12;111:18
submarket (5)
31:8;47:12,12;59:19;68:14
submit (2)
14:19;15:13
submitted (2)
9:9,19
subsequently (1)
33:1
substantial (2)
69:6;104:8
substantially (2)
32:10;80:22
subtenant (2)
32:1,2
Subtracted (1)
67:15
suffice (1)
15:20
suggest (1)
105:14
suggested (2)
61:12,17
sum (1)
111:7
summarize (4)
7:4;59:3,12;63:10
summarized (1)
104:5
summer (4)
29:1,10,24;30:6
support (5)
24:6;88:1;94:20,21;120:13
supporting (1)
23:12
Suppose (1)
83:18
supposed (1)
24:17
sure (16)
20:15,24;45:21;56:15;61:21; 65:1;70:10,20;94:10;100:3; 106:19;112:16;118:5;119:6,10; 120:8
surveys (1)
99:24
Swift (3)
23:18;24:6;26:2
sworn (1)
4:7

T

table (9)
33:15;34:6;49:12;87:11,12; 88:12,23;89:16;92:4
takedown (1)
90:7
talk (4)
37:2;116:18;117:16,19
talked (1)
59:23
talking (3)
30:13;31:24;61:2
Tan (1)
116:2
tax (4)
97:3,6,11;109:7
taxation (1)
24:10
taxes (3)
96:9;98:8,9
technical (3)
10:19;23:12;78:17
technically (5)
10:11;68:17;77:14,22;84:6
ten (3)
42:15;47:18;49:24
tenancy (10)
34:5;37:7,14,18;39:2;49:6; 51:17;57:16;68:17;90:4
tenant (6)
31:12;36:19;55:12,13; 113:12;118:22
tenants (28)
22:5;36:11;37:4;40:18;48:1, 4,5;54:16;55:9;62:4,20,23;63:5; 68:23;70:16;87:2;91:1,3,4,8; 98:18;99:9;101:13;110:14; 113:18;114:2,6,8
tenant-type (1)
38:2
tend (2)
12:23;57:1
term (3)
16:15;76:17;96:2
terms (2)
32:23;63:22
terrorist (1)
42:18
test (2)
14:8;17:21
testified (4)
4:8;108:10;109:6;110:4
testify (3)
4:21;106:22;108:14
testifying (2)
4:24;108:18
testimony (2)
45:22;76:3
theoretically (1)
55:6
thereabouts (1)
7:9
therefore (2)
56:11;66:22
third (6)
36:10,17,21;37:11;57:14,18
third-party (16)
37:16;38:18,20;49:6;60:11, 15;62:2,6,16,24;86:18;89:20; 91:16;92:4;109:22;110:8
though (7)
28:8;34:4;48:10;51:4;73:11; 88:8;104:20
thought (4)
15:8;16:1;38:5;58:6
three (12)
4:14;5:10;7:13;9:14;18:15, 23;37:21;62:12;64:14;74:1; 90:19;93:1
three-year (1)
13:15
tied (1)
108:16
tier (4)
84:15;85:19;86:7;89:9
tiers (3)
60:5;85:9;87:15
times (3)
89:6;92:21;108:12
timing (1)
106:19
title (2)
17:6;95:11
together (1)
9:8
told (2)
9:20;70:15
took (7)
7:14;11:20;60:4;61:20;65:12; 67:7;103:24
top (2)
57:6;115:13
total (8)
12:4;31:22;45:17;46:9;48:18; 82:17;85:11,15
touch (1)
14:15
towards (2)
9:10;14:20
town (4)
6:5;21:22;50:12;117:9
town's (1)
24:12
tract (1)
39:1
tracts (1)
72:23
trained (1)
103:1
trainee (3)
9:6,9;102:22
training (6)
11:7,9,11,14,19,23
transaction (3)
23:2;24:1;71:11
transactions (4)
47:8;59:24;70:23;99:7
transfer (9)
33:21;96:9;97:3,6,11;98:8,9; 101:4;104:23
translate (1)
54:7
treat (1)
48:14
treated (3)
48:9,15;69:8
treatment (1)
104:9
trial (2)
4:21;5:2
tried (1)
118:10
trim (1)
116:5
true (3)
27:4;42:5;119:4
truly (1)
71:17
trying (6)
33:12;59:4;71:2;82:22;85:18; 96:2
Turkey (2)
6:1,2

Turn (2)
27:20;40:4
Twice (3)
108:13;112:14;114:9
two (16)
5:15;6:7;7:13;9:8,14,17;16:9;18:15,23;36:9,14;44:21;70:2;74:24;93:2;116:20
two- (1)
13:15
two-part (1)
59:11
two-year (2)
6:18;9:18
type (5)
15:21;66:14;84:11;89:24;101:24
types (4)
84:24;85:2,12,13
typical (1)
107:23
typically (6)
22:21;24:20;73:24;88:14;117:8;121:5

U

ultimate (1)
113:10
umbrella (1)
18:15
uncertain (1)
51:6
under (28)
9:1;13:3;18:14;31:13;33:23;37:16;60:9;61:1;62:12;64:1,10;69:6;76:21,24;78:8,10;83:11;86:5;95:5;98:13;100:7;101:16;104:3;109:18;110:16;112:8;113:18;119:7
underground (3)
26:23;27:2,13
underlying (18)
23:5;24:2;25:19;34:4;35:21,23;36:1,2;45:20;48:19;60:2;71:4;83:1;89:23;104:18;107:19,24;120:10
understate (1)
55:16
understood (4)
61:14;62:3;64:1;119:21
undertake (1)
24:12
undertaking (3)
44:4,11;84:6
unfortunately (1)
120:3
unhold (1)
32:20
Uniform (1)
12:18
unimproved (1)
25:1
unit (14)
21:11;56:4,12,13;84:9;85:3;95:15;98:4,6;99:2;109:21;113:10,13;118:11
units (13)
83:15,19;90:7,12,16,20;91:2;92:21;100:11;101:6,14;114:2,8
unleveraged (1)
99:24
unquote (2)
76:4;78:23
unusual (1)
95:9
up (25)
15:15;16:13;35:14;36:4;41:8;42:4,7;43:20;49:9,12;58:4;59:13;61:22;64:14;73:7,21;77:2;81:20;85:8,15,15;92:10;112:22;113:1;117:9
update (1)
13:20
updates (1)
12:14
upgrade (1)
54:24
upheld (1)
33:1
uphold (3)
32:14,16,24
upon (8)
47:17;64:19;69:17;74:18;86:18;89:14;104:13;108:2
upward (3)
47:23;70:24;72:9
usable (1)
62:14
usage (2)
64:6;69:18
use (17)
22:13;23:18;35:3;37:16;48:24;53:16,18,18;56:20;59:20;64:3;71:1,2;72:13;74:3;104:19;117:8
used (16)
14:17,18;22:23;24:5;56:16;57:9;58:14;68:21;81:18,20;83:4;104:16;106:9,24;108:6;121:5
user (2)
113:11,12
users (1)
99:9
using (5)
51:1;60:6;73:21;77:21;81:5
USPAP (14)
9:17,23;12:17;13:3,4,20;76:4,8;78:9,10,11,13,16;104:3
utilities (4)
26:22;27:1,11,13
utility (1)
27:8

V

vacant (5)
22:23;23:1;25:8;72:19;73:21
Vain (4)
4:14;5:5,24;6:6
valorem (1)
24:10
valuation (17)
10:10;23:19;24:19;25:6,16;28:3;36:14;39:8;51:8;57:7;64:20;71:6;81:21;98:16;108:16;109:19;111:13
valuations (4)
36:5;72:10;103:9,11
value (165)
22:12,13;23:4,5,10,15;24:2,15,16;25:19,19,21;26:3;30:20,23;31:1,12,16,16,18,21,23,24;32:10,12,14,20;33:2,24;34:18;35:8,21,23;36:1,2,16,20,21,22,22;37:2,6,15,16,17;38:1,16,19,24;39:9;41:8;42:2,3;46:9;48:18,19;50:17,22;51:11,13;53:1,8;55:2,17;57:1,5,11,12,15;59:4,24;60:2,6,10,12,13,17,18,22;61:1,16,24;62:1,4,5,6,10,12,14,16,17,18,19,22,24;63:4,6,6;65:16,19;66:1;68:7,10;69:16;71:5,20;72:5;73:2,4;74:22;77:7,8,23;78:12;82:16,24;83:19,20;84:5,9,15;85:4,19,21;86:1,8,12,23,23;92:2,5;97:22;99:21;101:11;102:1;105:2;107:13,17,19;109:20,21;110:7,12,21,23,24;111:2,10;112:13,19,20,21,22;113:1,2,9,14,21,23;119:14,16,23,24;120:5,22
valued (5)
59:7;79:9;98:12;101:16;110:5
values (33)
22:18,20;24:9,24;25:16;32:17;33:1;34:3;36:24;41:23;42:7,24;45:1;56:16,17;59:13;60:4;63:11;84:19;85:3;87:15,22;105:4,23;106:1;107:20,21;108:1,2;113:22;120:14,17,18
valuing (4)
24:12;26:12;58:21;66:18
variance (4)
81:2,3,5,9
various (5)
8:7;10:1;61:12;85:4;87:15
varying (1)
61:15
vastly (1)
56:2
Vermont (2)
8:11;109:7
versus (5)
32:11;50:7;69:12;77:19;82:6
view (5)
38:11;70:13;85:20,20;86:7
viewed (1)
90:22
views (1)
27:12
Vine (1)
93:12
Vis-a-vis (1)
97:24
volatile (2)
59:19;71:15
volatility (1)
61:14

W

Wade (1)
19:4
walk (1)
31:6
wastewater (1)
104:9
Waterfront (1)
88:14
way (9)
18:8;49:4,7;62:7;66:1;74:6;77:9;78:1,14
ways (1)
23:12
web (3)
78:19;102:2,8
week (3)
29:2,12;30:1
were- (1)
69:14
weren't (2)
34:24;54:12
what's (7)
5:18;17:3,23;21:4;33:15;94:21;116:1
whereas (1)
36:21
whole (3)
36:5;83:14;95:2
wholesale (1)
112:18
whomever (1)
38:22
whose (2)
78:21;114:22
wide (1)
61:1
wife (3)
5:8;108:19,20
wife's (1)
5:18
willing (5)
105:11;119:15,23;120:23;121:1
wires (1)
27:7
withdraw (1)

79:9
withdrawn (1)
118:14
within (3)
13:17;90:18;100:12
without (5)
13:22;85:5;87:7;105:4;
107:17
witness (3)
4:21;28:21;106:23
words (5)
4:14;34:16;84:14;85:1;87:17
work (43)
8:7;9:9,10,24;10:9,12,14,14,
15;11:1;13:2;14:6,17,19;15:21;
17:20;19:20;20:13,14;21:8,24;
22:1,4,7,14,17;35:13;58:1,10,
24;71:4;76:7;79:12;83:24;84:8;
98:13;103:4,10;104:1,3;109:13;
112:12;117:17
worked (3)
7:20;22:9;60:9
working (2)
61:18;115:3
works (1)
14:14
worth (4)
24:13;67:10;98:17;114:9
worth- (1)
34:12
would-be (1)
99:2
writing (2)
14:20;103:15
Written (6)
10:18,24;13:6,6;15:1;64:10
wrote (1)
26:14

Y

yard (1)
81:8
year (47)
6:12;7:9;9:23;14:20;21:2;
35:3;43:8,14,17,20;52:22;53:7,
8,11,17,18;54:2;64:3,7;65:10;
67:23;88:15,16,20,20;89:1,16;
90:12;91:6,9,20;92:10,21;
93:23;94:7;99:11,12,15,17;
100:12,14,16,23;101:4,7,9;
107:5
year-round (8)
53:18;64:6;69:12,22;70:7,16,
19;71:2
years (23)
5:6;7:13;9:14,16,18;13:14;
18:15;25:9;29:22;35:12;37:22;
42:16;54:19;64:14;71:14;74:1;
90:12;93:1,2,3;104:14;106:7,15
Yep (1)
64:15
yone (1)
82:15

Z

Zoning (3)
80:13,15;81:12

LandVest®

REAL ESTATE ADVISORY REPORT

FEOFFEES OF THE GRAMMAR SCHOOL PROPERTY
IPSWICH, MASSACHUSETTS

Located:
Little Neck Estate
Ipswich, Massachusetts 01938

Report Date:
April 15, 1997

Requested by:
Mr. Donald M. Greenough
Ipswich Cooperative Bank Building
Depot Square - P. O. Box 790
Ipswich, Massachusetts 01938-0790

Prepared by:
James E. Monahan, Associate Director
Real Estate Consulting Group
LandVest, Inc.
Ten Post Office Square
Boston, MA 02109



Report #2573

LandVest

TABLE OF CONTENTS

I. INTRODUCTION/PURPOSE OF ANALYSIS 1

II. PROPERTY DESCRIPTION
- A. Site Description 2
- B. Parcel Inventory and Assessment 3
  - • Table I - Parcel Inventory 4
  - • Table II - Lot Inventory Under Feoffee's Ownership 10
- C. Current Use Analysis 13

III. REGULATORY ANALYSIS
- A. Zoning - Town of Ipswich 15
- B. Open Space Preservation (Cluster) Zoning 15
- C. Subdivision Regulations 16
- D. Wetlands Protection Act 17
- E. Soils Analysis 18
- G. Approval Issues 19

IV. REAL ESTATE MARKET ANALYSIS:
- A. Purchase and Sale Dynamics 21
- B. Comparable Sales Overview: 22
- C. Allocated Land Value Analysis 26
- D. Lot Value Tiers 30

V. HIGHEST AND BEST USE ANALYSIS
- A. Concept Plan A - Land as Though Vacant 34
- B. Concept Plan B - Definitive Subdivision at Existing Lot Density . 37
- C. Concept Plan C - Condominium Conversion 40
- D. Planning Option D - Conversion to Long-Term Lease 43

VI. SUMMARY AND RECOMMENDATIONS: 45

APPENDIX:

Certification, James E. Monahan
Qualifications, James E. Monahan

I. INTRODUCTION/PURPOSE OF ANALYSIS

This report constitutes a summary of work completed in accordance with LandVest's Real Estate Advisory Contract with the Feoffees of the Grammar School in Ipswich, Massachusetts. The findings and conclusions contained in this report are intended to serve as a basis for rendering informed decisions regarding continued management and/or the future disposition of Trust-held land known as Little Neck Estate.

The primary goals of this analysis include the following:

- Determine the Highest and Best Use of the land as though vacant, if other than the current use;

- Assuming the most valuable use of the property is its current use, analyze the existing land rental agreement and advise on strategies aimed at enhancing the property's value through stabilized management under the following land use/ownership options:

  - Legal subdivision and conversion to fee simple (land) ownership;
  - Restructure the current tenancy at will as a long term land lease;
  - Convert the land to a condominium or cooperative form of ownership.

This analysis will also evaluate the potential for a bulk sale of the property to a third party investor and provides preliminary estimates of value assuming this disposition option. Finally, the current assessment of the land by the town of Ipswich for taxation purposes will be evaluated relative to the property's market value.

This report includes an evaluation of a full range of use and ownership alternatives and provides preliminary estimates of market value under each option. The steps undertaken in this analysis include an inspection and inventory of physical site conditions; an overview of all pertinent local and state land use regulations; existing utilities and infrastructure; and the supply and demand balance of the local real estate market.

Preliminary market value estimates contained in this report are market-supported, and the appraisal methods employed are considered adequate for the purposes of evaluating the financial implications of a relatively wide range of individual property types and disposition options. However, all market value estimates may be subject to minor revision pending more refined master planning and appraisal efforts.

II. PROPERTY DESCRIPTION

A. SITE DESCRIPTION

The subject of this analysis is a coastal peninsula commonly known as "Little Neck Estate", located in the east-central portion of the Town of Ipswich, southern Essex County, Massachusetts. The property is situated on the northerly bank of the Ipswich River at its confluence with Plum Island Sound and Ipswich Bay. The property is bordered to the east by Plum Island Sound/Ipswich Bay; southerly and westerly by the Ipswich River; and northerly by Neck Cove, an enclosed tidal tributary of the Ipswich River. The property was originally part of a land grant made in trust by the Town of Ipswich in 1650 for the stated purpose of providing financial support for a free grammar school in Ipswich.

There is no recorded perimeter survey or legal subdivision plan of the property. In the absence of a record plan, Town assessor's maps have been used for reference and area calculations. Assuming fee ownership extends to mean low water, planimetric area calculations from the scaled assessor's map 24C, indicates between 35-36± acres.

Geologically, the property represents a coastal drumlin with a regular oval shape and single point of access via Little Neck Road. The primary access road paralleling Pavilion Beach constitutes a flood-prone, filled causeway between Ipswich Bay and Neck Cove. The property's overall (extreme) dimensions are approximately 1,900± feet (east/west) by 1,200± feet (north/south), and the total navigable shorefrontage on Plum Island Sound and the Ipswich River amounts to approximately 3,400± feet. Additional tidal frontage along Neck Cove (measured from Plum Sound Road to the community dock), totals approximately 1,220± feet. The south-central portion of the Ipswich 'River frontage is sandy beach available to residents and guests. This frontage also provides excellent access to seasonal moorings.

The property ranges in elevation from mean sea level to a high point elevation of approximately 90± feet and although quite steep in areas, the side slopes of the hill are generally quite smooth and regular. A combination of the site's conical/oval shape and substantial elevation allows for a dramatic, 360-degree view perspective from the central upland. The best view perspective is generally to the east/southeast across the mouth of the Ipswich River to Steep Hill, Crane Beach and down the coastline to Halibut Point at Rockport. Long southeasterly views to the Ipswich River, Neck Creek and tidal marshes are also available from the western half of the site. There are a few *natural* impediments to off-site views from the property's interior, though the high density of existing cottages limits views from several portions of the site. The most severe slopes are found in the northeast portion of the property facing Plum Island Sound. Nearly the entire east and northeast-facing slope is composed of dramatic headlands which rise approximately 50

feet from mean sea level at an average gradient of 50%. This portion of the shoreline is structurally retained by a boulder revetment and riprap and the upper portion of the coastal bank is generally well-vegetated and there is no evidence of active gullying, bank-slippage or erosion.

The property is traversed by a grid network of interior private (paved) roads totalling approximately 9,700± feet (184± acres). These roads range in paved width from approximately 10 to 14± feet and are generally improved with underground (conduit) utilities, municipal water and surface storm drainage. The entire interior road network is privately owned and monitored by the Feoffees of the Grammar School, but the Town of Ipswich plows the roads during the winter months.

A review of S.C.S. Soil Map indicate that the entire upland portion of the property is comprised of Paxton fine sandy loam with an overall slope gradient range of 15-25%. These soils are deep, moderately steep and are found mainly on the upper sides of hills. The subsoil consists of fine sandy loam about 14 inches in depth. The substratum is very firm and brittle, extending to a depth of 60" or more. The permeability of the substratum soils is slow to very slow and a high water table is perched above the substratum for brief periods in late winter and early spring. Paxton soils are rated as being severely constrained in terms of on-site sewage disposal due to slope and slow permeability.

B. PARCEL INVENTORY AND ASSESSMENT

Based on a review of Town of Ipswich Assessors' records and parcel mapping, the subject property as currently referenced for taxation purposes has a total of 210 individually-taxed parcels. Of this total, approximately 168 are improved with privately owned, seasonal and year-round dwellings with approximately 42 parcels vacant or marginally improved and owned by the Feoffees of the Grammar School.

A comprehensive tabulation and assessment summary for the improved leasehold parcels is included in **Table I** on the following pages of this report. A **Base Plan** of the property (following Table I) provides a color-coded summary of seasonal and year-round cottage lots, vacant parcels, open space and roads.

LandVest

TABLE I

PARCEL INVENTORY
LITTLE NECK ESTATE - IPSWICH, MASSACHUSETTS

I. Leased Parcels with Existing Dwellings

				Tax Assessments - 1997			
Parcel #	Address	Owner	Lot Area	Land	Yard	Bldg.	Total
1	63 River Road	N. Munro	3,060 SF	$93,000	$0	$78,900	$171,900
2	61 River Road	C. Stevens	2,843 SF	$92,300	$0	$39,500	$131,800
3	59 River Road	N. Wilkey	3,327 SF	$94,000	$0	$38,700	$132,700
4	57 River Road	A. Anderson	3,400 SF	$94,200	$0	$50,900	$145,100
5	55 River Road	K. Rodman	3,210 SF	$93,600	$0	$50,300	$143,900
6	53 River Road	M. Sandberg	3,458 SF	$94,400	$0	$77,500	$171,900
7	49 River Road	W. Hough	2,400 SF	$90,700	$0	$50,300	$141,000
8	47 River Road	R. Saunders	1,980 SF	$81,600	$0	$37,900	$119,500
9	44 River Road	R. Aiello	2,860 SF	$92,300	$0	$68,400	$160,700
10	46 River Road	J. Cronin	5,160 SF	$100,400	$0	$73,600	$174,000
11	48 River Road	T. Ciolek	3,720 SF	$95,400	$900	$125,500	$221,800
12	50 River Road	J. Blake	3,360 SF	$94,100	$0	$57,800	$151,900
13	45 River Road	P. Saunders	2,600 SF	$83,600	$0	$38,600	$122,200
14	43 River Road	K. Rodman	2,340 SF	$90,500	$0	$87,500	$178,000
15	41 River Road	C. Hebel	2,350 SF	$90,500	$0	$69,200	$159,700
16	39 River Road	J. Foley	2,400 SF	$90,700	$4,200	$51,400	$146,300
17	37 River Road	J. Survilas	2,600 SF	$91,400	$0	$50,300	$141,700
18	35 River Road	M. Heinlein	2,500 SF	$91,100	$0	$30,700	$121,800
20	31 River Road	R. Melanson	3,000 SF	$92,800	$3,900	$65,100	$161,800
21	29 River Road	S. Lalikos	3,250 SF	$93,700	$0	$42,600	$136,300
22	27 River Road	R. Tetreault	2,770 SF	$92,000	$1,200	$51,900	$145,100
23	25 River Road	K. Tetreault	2,400 SF	$90,700	$500	$55,300	$146,500
24	6 Bay Crest Rd.	R. Watson	3,000 SF	$84,900	$0	$47,000	$131,900
25	31 Middle Road	R. Doherty	2,980 SF	$84,900	$0	$51,200	$136,100
26	29 Middle Road	C. Laughton	3,540 SF	$86,700	$0	$42,900	$129,600
28	21 Middle Road	M. Moylan	3,000 SF	$84,900	$0	$51,800	$136,700
29	19 Middle Road	E. Kain	3,000 SF	$84,900	$0	$102,800	$187,700

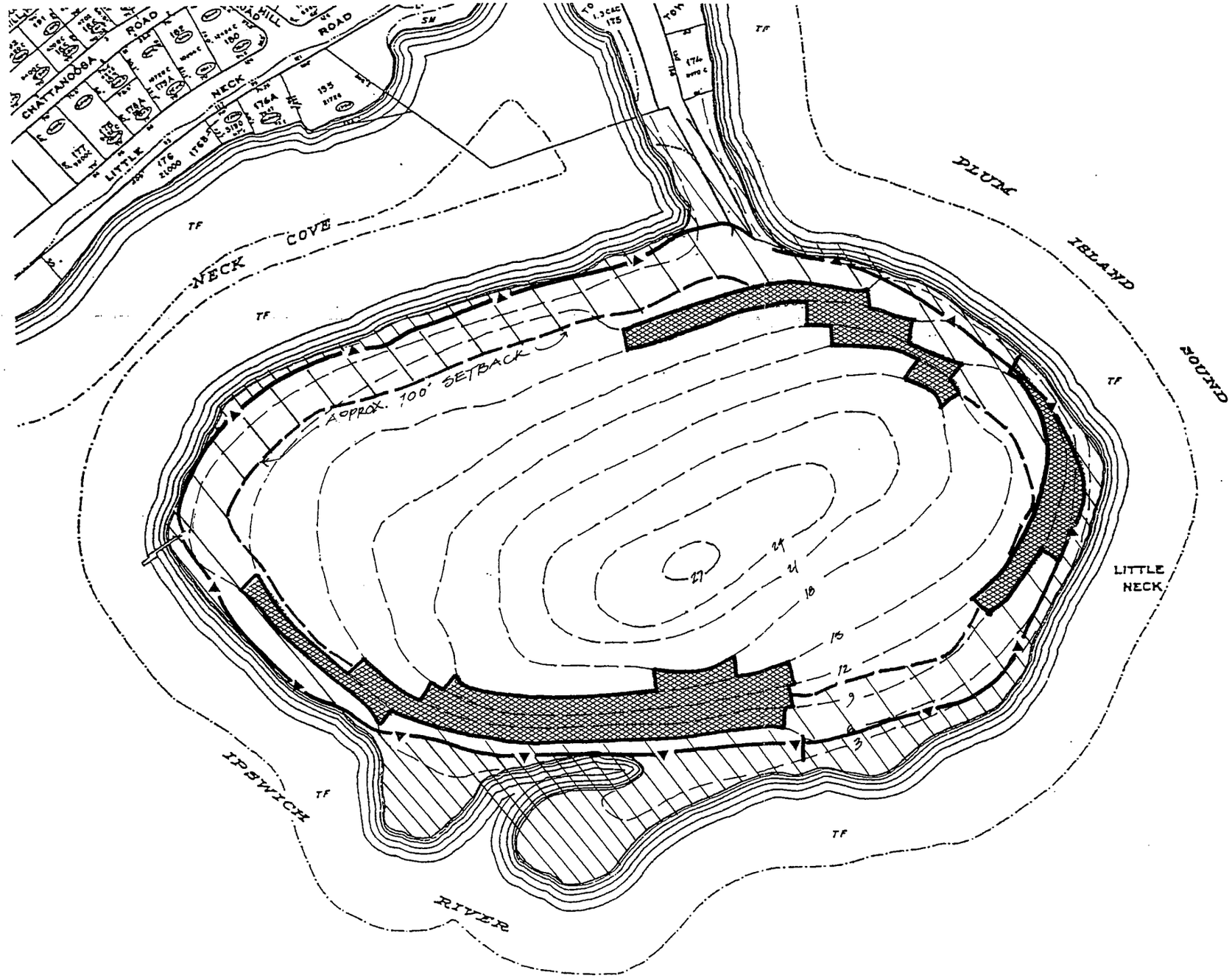
Parcel #	Address	Owner	Lot Area	Tax Assessments - 1997 Land	Yard	Bldg.	Total
30	15 Middle Road	D. Wallace –	2,000 SF	$16,300	$5,700	$0	$22,000
31	11 Middle Road	D. Wallace +	2,780 SF	$84,200	$7,700	$60,100	$152,000
32	9 Middle Road	R. Greenhalge	4,020 SF	$88,200	$0	$41,200	$129,400
33	7 Middle Road	M. Kelly	3,870 SF	$87,700	$0	$34,600	$122,300
34	5 Middle Road	R. Passarelli	3,870 SF	$87,700	$0	$55,300	$143,000
35	3 Middle Road	M. Kelly	3,870 SF	$87,700	$0	$34,800	$122,500
37	1 Hilltop Road	W. Russo	2,159 SF	$53,300	$0	$52,000	$105,300
38	4 Middle Road	D. Gresek	2,230 SF	$59,400	$0	$81,000	$140,400
39	6 Middle Road	M. Kelly	2,400 SF	$59,800	$0	$79,400	$139,200
40	8 Middle Road	R. Marchisio –	4,240 SF	$64,100	$0	$110,600	$174,700
41	12 Middle Road	W. Hardy	3,840 SF	$63,200	$0	$44,200	$107,400
42	16 Middle Road	D. Berman	5,300 SF	$66,600	$0	$57,500	$124,100
43	20 Middle Road	J. Spinney –	4,360 SF	$64,400	$0	$65,200	$129,600
44	22 Middle Road	H. Gerrish	4,280 SF	$64,200	$0	$57,300	$121,500
45	24 Middle Road	S. Lewis –	3,590 SF	$62,600	$0	$46,900	$109,500
46	26 Middle Road	C. Devlin	3,370 SF	$62,100	$0	$49,500	$111,600
47	28 Middle Road	R. Benjamin	3,240 SF	$61,800	$0	$54,700	$116,500
48	30 Middle Road	A. Carroll	3,000 SF	$61,200	$0	$81,200	$142,400
49	25 Hilltop Road	R. Saunders –	4,225 SF	$64,100	$0	$85,300	$149,400
50	23 Hilltop Road	V. Cutler	3,591 SF	$62,600	$0	$43,700	$106,300
51	21 Hilltop Road	R. Thorngren	3,450 SF	$62,300	$500	$46,000	$108,800
52	19 Hilltop Road	A. Donahoe	3,575 SF	$62,600	$0	$53,500	$116,100
53	15 Hilltop Road	W. Odenthal –	3,950 SF	$63,400	$0	$68,800	$132,200
54	11 Hilltop Road	J. Reardon –	7,420 SF	$71,500	$0	$82,800	$154,300
55	9 Hilltop Road	K. Kiley	3,500 SF	$62,400	$600	$71,000	$134,000
56	10 Middle Road	J. Duran	3,210 SF	$58,600	$0	$63,500	$122,100
57	7 Hilltop Road	D. Dieringer –	3,660 SF	$62,800	$1,000	$72,900	$136,700
59	35 Bay Road	C. Bouvier –	4,550 SF	$89,900	$800	$95,000	$185,700
60	33 Bay Road	C. Laughton	2,400 SF	$83,000	$0	$53,800	$136,800
61	31 Bay Road	H. Akerstrom	2,160 SF	$82,200	$0	$38,400	$120,600
62	29 Bay Road	V. Carbone	2,400 SF	$83,000	$0	$58,000	$141,000
63	27 Bay Road	A. Yemma –	2,470 SF	$83,200	$500	$46,000	$129,700
64	25 Bay Road	J. Gallagher	3,000 SF	$84,900	$500	$33,100	$118,500

Parcel #	Address	Owner	Lot Area	Tax Assessments - 1997 Land	Yard	Bldg.	Total
65	23 Bay Road	C. Lichoulas	3,000 SF	$84,900	$0	$36,100	$121,000
66	19 Bay Road	H. Lyons	3,600 SF	$86,900	$0	$57,400	$144,300
67	17 Bay Road	M. Holden	3,180 SF	$85,500	$0	$52,700	$138,200
68	15 Bay Road	W. Moskowitz	3,230 SF	$85,700	$0	$47,800	$133,500
70	16 Bay Road	M. Donaldson	4,510 SF	$64,700	$0	$54,500	$119,200
71	18 Bay Road	T. Allen	4,410 SF	$64,500	$500	$47,900	$112,900
72	5 Gala Way	R. Hamlin	3,000 SF	$61,200	$0	$52,400	$113,600
75	8 Hilltop Road	R. Scioletti	3,000 SF	$61,200	$0	$37,600	$98,800
76	10 Hilltop Road	J. Dowling	3,000 SF	$61,200	$0	$41,000	$102,200
77	12 Hilltop Road	M. Casey	3,000 SF	$61,200	$0	$43,800	$105,000
79	4 Cove Road	B. Horsman	5,110 SF	$66,100	$0	$38,600	$104,700
80	6 Cove Road	S. Ruta	3,000 SF	$61,200	$0	$38,500	$99,700
81	8 Cove Road	C. Robinson	3,000 SF	$61,200	$0	$44,100	$105,300
82	10 Cove Road	N. Ball	3,000 SF	$61,200	$0	$51,000	$112,200
83	12 Cove Road	M. Anderson	5,100 SF	$66,100	$0	$49,200	$115,300
84	12 Bay Road	N. Fidrocki	4,260 SF	$64,200	$0	$53,200	$117,400
85	17 Cove Road	K. Gilletti	3,000 SF	$61,200	$0	$36,900	$98,100
86	15 Cove Road	R. Varney	3,000 SF	$61,200	$400	$44,400	$106,000
87	9 Cove Road	P. Mattson	3,000 SF	$61,200	$0	$56,900	$118,100
89	5 Cove Road	Rev. Mcaskill	3,000 SF	$61,200	$0	$43,200	$104,400
90	3 Cove Road	F. Parker	3,000 SF	$61,200	$0	$52,500	$113,700
91	16 Hilltop Road	V. Carbone	1,780 SF	$58,400	$0	$44,400	$102,800
92	18 Hilltop Road	R. Stocker	3,140 SF	$61,500	$0	$49,500	$111,000
93	18 Baycrest Rd.	J. Fogarty	3,000 SF	$61,200	$0	$48,000	$109,200
94	22 Baycrest Rd.	L. Fiske	3,000 SF	$61,200	$0	$37,600	$98,800
95	24 Baycrest Rd.	J. Lyon	3,000 SF	$61,200	$0	$46,400	$107,600
96	26 Baycrest Rd.	P. Bottomly	3,000 SF	$61,200	$0	$38,300	$99,500
97	28 Baycrest Rd.	G. Church	3,000 SF	$61,200	$0	$86,700	$147,900
98	30 Baycrest Rd.	C. McGilvary	3,870 SF	$63,200	$0	$51,100	$114,300
99	8 Bay Road	R. Attridge	3,750 SF	$63,000	$0	$48,700	$111,700
100	27 Baycrest Rd.	E. Williams	3,000 SF	$61,200	$0	$40,700	$101,900
101	25 Baycrest Rd.	J. Ferrino	3,000 SF	$61,200	$0	$41,900	$103,100
102	21 Baycrest Rd.	D. Carroll	3,000 SF	$61,200	$0	$43,200	$104,400

Parcel #	Address	Owner	Lot Area	Tax Assessments - 1997 Land	Yard	Bldg.	Total
103	20 Hilltop Road	J. Garvey	3,000 SF	$61,200	$0	$39,300	$100,500
104	33 Hilltop Road	R. Gilbert	3,000 SF	$61,200	$0	$48,500	$109,700
105	9 Baycrest Rd.	R. Betts	3,000 SF	$58,200	$0	$36,200	$94,400
106	32 Middle Road	R. Harrington	3,000 SF	$61,200	$0	$58,600	$119,800
107	35 Middle Road	P. Rhodes	3,000 SF	$84,900	$0	$50,700	$135,600
108	3 Baycrest Rd.	C. Moore	3,000 SF	$92,800	$0	$31,800	$124,600
109	21 River Road	E. Green	3,000 SF	$92,800	$0	$43,100	$135,900
110	4 Kings Way	P. Rowell	3,000 SF	$84,900	$0	$54,500	$139,400
111	37 Middle Road	R. Johnson	3,000 SF	$84,900	$0	$58,400	$143,300
112	8 Kings Way	R. Harrington	3,000 SF	$61,200	$0	$78,800	$140,000
113	10 Kings Way	B. Pulsford	3,000 SF	$58,200	$0	$52,500	$110,700
114	35 Hilltop Road	M. Obrion	3,000 SF	$61,200	$0	$51,800	$113,000
115	14 Kings Way	P. Surette	3,000 SF	$61,200	$0	$73,300	$134,500
116	16 Kings Way	M. Mathieson	3,000 SF	$61,200	$0	$46,400	$107,600
117	20 Kings Way	R. McHale	3,000 SF	$61,200	$0	$56,100	$117,300
118	22 Kings Way	P. Hull	3,000 SF	$61,200	$0	$50,200	$111,400
120	30 Kings Way	G. Donovan	2,700 SF	$60,500	$0	$37,200	$97,700
121	29 Kings Way	J. Kurnick	4,410 SF	$64,500	$0	$38,300	$102,800
122	27 Kings Way	J. Cook	3,000 SF	$61,200	$0	$46,200	$107,400
123	25 Kings Way	J. Sullivan	3,000 SF	$61,200	$0	$48,400	$109,600
124	21 Kings Way	L. Varney	3,000 SF	$61,200	$0	$50,200	$111,400
125	19 Kings Way	F. Phaneuf	3,000 SF	$61,200	$0	$40,300	$101,500
126	17 Kings Way	J. Spenser	3,000 SF	$61,200	$0	$42,000	$103,200
127	24 Hilltop Road	E. O'Keefe	3,000 SF	$61,200	$300	$61,200	$122,700
128	37 Hilltop Road	J. Gorman	3,000 SF	$61,200	$0	$49,100	$110,300
129	11 Kings Way	F. Kiley	3,000 SF	$58,200	$0	$43,200	$101,400
130	36 Middle Road	W. Lonergan	3,000 SF	$61,200	$0	$59,900	$121,100
131	39 Middle Road	R. Cole	3,000 SF	$84,900	$0	$49,100	$134,000
132	5 Kings Way	R. Barton	3,000 SF	$84,900	$0	$59,800	$144,700
133	3 Kings Way	D. Goodhue	3,000 SF	$92,800	$0	$55,200	$148,000
134	2 Plum Sound Rd.	R. Maloney	3,000 SF	$92,800	$0	$67,600	$160,400
135	4 Plum Sound Rd.	R. Maloney	3,000 SF	$84,900	$0	$64,400	$149,300
136	6 Plum Sound Rd.	C. Jannino	3,000 SF	$84,900	$0	$56,300	$141,200

Parcel #	Address	Owner	Lot Area	Tax Assessments - 1997 Land	Yard	Bldg.	Total
137	41 Middle Road	C. Huntley	3,000 SF	$84,900	$0	$54,100	$139,000
138	38 Middle Road	W. Carroll	3,000 SF	$61,200	$500	$68,900	$130,600
139	12 Plum Sound Rd.	C. Fogg	3,000 SF	$61,200	$0	$32,700	$93,900
140	14 Plum Sound Rd.	M. Green	3,000 SF	$61,200	$0	$38,500	$99,700
141	26 Hilltop Road	D. Greenwood	3,000 SF	$61,200	$0	$52,200	$113,400
142	20 Plum Sound Rd.	R. Hodgdon	3,000 SF	$61,200	$2,000	$50,300	$113,500
143	22 Plum Sound Rd.	S. Simkins	3,000 SF	$61,200	$0	$45,100	$106,300
144	24 Plum Sound Rd.	S. Moore	3,000 SF	$61,200	$0	$48,200	$109,400
145	28 Plum Sound Rd.	D. Rocco	3,000 SF	$61,200	$0	$54,900	$116,100
146	30 Plum Sound Rd.	F. Davis	3,950 SF	$63,400	$0	$53,300	$116,700
147	27 Plum Sound Rd.	D. Blum	4,490 SF	$89,700	$0	$31,600	$121,300
148	25 Plum Sound Rd.	J. Burkiewicz	4,680 SF	$90,300	$0	$52,400	$142,700
149	23 Plum Sound Rd.	E. Goodwin	3,000 SF	$61,200	$0	$54,300	$115,500
150	21 Plum Sound Rd.	L. Fidrocki	3,000 SF	$61,200	$0	$48,200	$109,400
151	19 Plum Sound Rd.	E. Raymond	3,750 SF	$63,000	$0	$40,500	$103,500
152	15 Plum Sound Rd.	I. Bettis	3,000 SF	$61,200	$0	$50,000	$111,200
153	13 Plum Sound Rd.	P. Lucas	3,000 SF	$61,200	$0	$64,400	$125,600
154	40 Middle Road	R. Veno	3,000 SF	$61,200	$0	$55,300	$116,500
155	43 Middle Road	A. Lowden	3,000 SF	$84,900	$0	$64,100	$149,000
156	5 Plum Sound Rd.	G. Boone	3,000 SF	$84,900	$0	$38,900	$123,800
157	3 Plum Sound Rd.	C. Story	3,000 SF	$92,800	$0	$63,500	$156,300
158	15 River Road	S. Tannahill	3,000 SF	$92,800	$0	$54,700	$147,500
159	11 River Road	E. Cowdrey	3,000 SF	$92,800	$0	$63,900	$156,700
160	45 Middle Road	R. Tomb	3,000 SF	$84,900	$0	$64,200	$149,100
161	42 Middle Road	J. Warnick	3,000 SF	$61,200	$0	$77,800	$139,000
162	3 River Road	R. MacRae	3,000 SF	$61,200	$0	$41,500	$102,700
163	43 Hilltop Road	E. Demers	3,000 SF	$84,900	$0	$86,300	$171,200
164	2 River Road	E. Dever	3,500 SF	$94,600	$0	$96,100	$190,700
165	6 River Road	J. Kurnick	2,470 SF	$90,900	$0	$89,700	$180,600
166	10 River Road	L. Eaton	3,325 SF	$94,000	$0	$80,300	$174,300
167	12 River Road	F. O'Malley	3,000 SF	$92,800	$0	$62,600	$155,400
168	16 River Road	P. Merlino	7,820 SF	$109,800	$500	$60,000	$170,300
169	2 Cliff Road	T. Amore	3,020 SF	$92,900	$0	$92,700	$185,600

Parcel #	Address	Owner	Lot Area	Tax Assessments - 1997 Land	Yard	Bldg.	Total
170	4 Cliff Road	J. Faria	4,790 SF	$99,200	$0	$54,900	$154,100
171	6 Cliff Road	A. Rice	3,520 SF	$94,700	$0	$57,100	$151,800
172	8 Cliff Road	Sullivan	3,700 SF	$95,300	$0	$44,900	$140,200
173	10 Cliff Road	J. Duran	2,430 SF	$90,800	$0	$36,600	$127,400
101A	23 Baycrest Rd.	G. Couturier	3,000 SF	$61,200	$0	$34,200	$95,400
102A	17 Baycrest Rd.	J. Buckley	3,000 SF	$61,200	$0	$87,300	$148,500
116A	18 Kings Way	J. Connor	3,000 SF	$61,200	$0	$46,800	$108,000
118A	24 Kings Way	L. Varney	3,000 SF	$61,200	$0	$51,400	$112,600
41A	14 Middle Road	H. Wills	4,900 SF	$65,700	$0	$93,700	$159,400
	TOTALS:		**545,883 SF (12.53 ac.)**	**$12,357,300**	**$32,200**	**$9,197,800**	**$21,587,300**



Key:

- Flood Plain
- 25%+ Slopes
- Approx. Buffer

Notes: Plan compiled from Town Assessor's Plats and is intended for planning purposes.

LandVest Project #2573

DATE: 3/97

Site Analysis

LITTLE NECK ESTATE IPSWICH, MA

PREPARED FOR:
FEOFFEES/GRAMMAR SCHOOL

PREPARED BY
LANDVEST, INC.

Scale: 1" = 200'

0 100 200 300

LandVest

TEN POST OFFICE SQUARE, BOSTON, MA 02109

THIS PLAN IS CONCEPTUAL ONLY AND NOT REPRESENTED AS AN ENGINEERED PLAN.

2. Vacant Parcel Inventory - Feoffees Ownership

Table II provides an inventory and per parcel assessment of vacant or semi-improved (i.e., landscape improvements) parcels owned by the Feoffees.

TABLE II

LOT INVENTORY UNDER FEOFFEE'S OWNERSHIP

		Assessments			
Parcel #	Lot Area	Land	Yard	Bldg.	Total
0	11 acres	$295,700	$8,800	$72,800*	$377,300
19	2,200 SF	$18,000	$3,900	0	$21,900
36	3,960 SF	$17,600	0	0	$17,600
58	2,190 SF	$59,300	0	0	$59,300
73	6,000 SF	$6,800	0	0	$6,800
	4,000 SF	$12,200	0	0	$12,200
78	3,000 SF		0	0	$12,000
88	3,000 SF		0	0	$12,200
119	3,000 SF		0	0	$12,200
101B	3,000 SF	$12,200		0	$12,200
102B	3,000 SF			0	$12,200
103A	3,000 SF		0	0	$12,200
109A	1,500 SF	$17,500		0	$17,500
124A	3,000 SF	$12,200		0	$12,200
134A	1,500 SF	$17,500	0	0	$17,500
141A	3,000 SF	$12,200	$1,900	0	$14,100
144A	3,000 SF	$12,200	0	0	$12,200
152A	3,000 SF	$12,200	0	0	
153A	3,000 SF	$12,200	0	0	$12,200
158A	1,250 SF	$17,300	0	0	$17,300
159A	3,000 SF	$18,600	0	0	$18,600
165A	2,000 SF	$17,900	0	0	$17,900
166A	3,000 SF	$18,600	0	0	$18,600

Parcel #	Lot Area	Assessments			
		Land	Yard	Bldg.	Total
166B	3,700 SF	$19,100	0	0	$19,100
169A	3,000 SF	$17,000	0	0	$17,000
23A	3,000 SF	$18,600	0	0	$18,600
25A	3,000 SF	$17,000	0	0	$17,000
27A	3,000 SF	$17,000	0	0	$17,000
27B	3,380 SF	$17,200	0	0	$17,200
27C	3,360 SF	$17,200	0	0	$17,200
29A	3,000 SF	$17,000	0	0	$17,000
43A	4,360 SF	$12,900	0	0	$12,900
49A	2,915 SF	$12,200	0	0	$12,200
52A	3,875 SF	$12,600	0	0	$12,600
66A	3,600 SF	$17,400	0	0	$17,400
6A	1,728 SF	$17,700	0	0	$17,700
70A	3,000 SF	$6,100	0	0	$6,100
71A	3,000 SF	$12,200	0	0	$12,200
75A	4,120 SF	$6,400	0	0	$6,400
87A	3,000 SF	$12,200	0	0	$12,200
92A	3,000 SF	$12,200	0	0	$12,200
93A	3,000 SF	$12,200	0	0	$12,200
TOTALS:	**13.82 ac.**	**$925,200**	**$14,600**	**$72,800**	**$1,012,600**

3. Land Use/Assessment Analysis

The parcel inventory by lot type/use and ownership is further consolidated as follows:

Property Component	Number	Approx. Acreage	Assessed Value
Improved Parcels/Tenant-owned	168	12.53 ac.	$21,587,300
Improved Parcels/Feoffee-owned*	1	11.0 ac.	$377,300
Vacant Parcels/Feoffee-owned	41	2.82 ac.	$635,300
Total Parcels:	**210**	**26.35 ac.**	**$22,599,900**

* Community Center

This analysis indicates that the total *land* assessment for the property amounts to $13,282,500, or approximately $504,079 per taxable acre and 58.6% of the gross valuation of $22,599,900.

It is important to note that the total assessed land value for the 168 leasehold parcels of $12,357,300 indicates values of approximately $986,217 per rentable (improved) acre and approximately $73,555 per parcel.

These per unit values would be considered reasonably accurate if the 168 parcels were legally-divided, fee simple lots. However, no legal subdivision exists and the potential of obtaining subdivision approvals for this density is extremely speculative. While the assessed values of the privately owned cottages appear accurate (based on depreciated replacement cost), the near $1m per acre valuation of the 12.53 acres of improved land appears quite aggressive considering the property constitutes a single legal parcel and owners do not have the benefit of fee simple ownership rights. In fact, the $73,555 average cottage parcel valuation is closely aligned with current fee simple values for ***non-seasonal*** lots seen in the competing shorefront neighborhoods in Ipswich.

The question as to whether the per parcel assessments date back to the original terms of the land grant for the Town or subsequent statute is difficult to ascertain. If this is the case, then the property would represent a somewhat unique property in terms of assessment methodology in the Town. Undivided land is rarely taxed as though legally divided and fully transferrable. Undivided leasehold properties are typically assigned reference numbers, but the assessments typically reflect some level of discount for lack of fee simple property rights and seasonal use restrictions. No such discount is evident in the current per parcel land assessment.

Despite what appears to be an aggressive land assessment, I believe the current overall assessment (i.e., land and improvements) of the rentable properties is reasonably accurate. This opinion is based in part on the fact that 17 sales on Little Neck over the past 7± years have indicated an average value of approximately $133,525 (see Little Neck Sales Overview - Section IV). The current assessment of 168 improved parcels indicates an average value of $128,888. Thus, the overall sales/assessed value margin is approximately 3.5%. If Little Neck properties were taxed as a condominium where land value is accounted for in unit assessments as fractional shares of the whole, the individual parcels would not be assessed separately and there would be no question of over valuation. In summary, while I believe the current land assessment *methodology* results in inordinately high per parcel values, the overall assessed value is consistent with market value levels indicated by recent sales activity on Little Neck.

C. CURRENT USE ANALYSIS - TENANCY AT WILL

The Little Neck property is the subject of an annually-renewable land rental agreement which essentially dates back to circa 1650. The terms of this agreement permit each homeowner to occupy their cottages between April 1st and November 30th of each year. With the exception of 17 cottages which were grandfathered in 1966 to allow for year-round occupancy, the balance of the cottages may be occupied only within the designated eight month season, and the Feoffees may impose a fine of $1,000 per week for each period of illegal, out-of-season use. The seasonal use restriction is attributable to stringent sewage disposal limitations and state sanitary code restrictions.

Under current rental terms, individual parcel rents are assessed equally throughout the property. Seasonal parcels rent for $600 annually and year-round parcels rent for $800. Individual tenants (cottage owners) are responsible for a portion of land rent, real estate taxes, insurance and all utilities. Additionally, tenants are responsible for any necessary repair or replacement of in-ground sewage disposal systems in the event of a system failure.

Based on a review of provided financial statements for the years 1992, 1994, and 1995, the total cash receipts and average per-unit rents are summarized below:

TABLE III

	1992	1994	1995
Taxes	$283,561.54	$303,809.05	$312,857.25
Rental Income	$104,852.07	$118,834.45	$ 96,963.28
Total	$388,413.61	$422,643.40	$409,820.53

1. **Potential Gross Rental Income**

Assuming current rates at 100% occupancy and collection, the annual (stabilized) gross (land) rental income totals $104,200. Average fixed and variable spending expense over the three years of available data (prior to the allowance for school gifts) amounts to approximately $58,000 indicating a net operating income (NOI) of approximately $46,200. Capitalized at a relatively conservative rate of 10%, the property's value under the current income structure to an investor would amount to approximately $462,000 or only $2,750 per rental parcel. If the school gift allowances are accounted for in the NOI calculation, the property may have a value only slightly above zero.

III. REGULATORY ANALYSIS

The following section of this report provides an overview of the most pertinent land use and environmental regulations impacting the range of legal uses of the subject property.

A. ZONING - TOWN OF IPSWICH

The entire subject property is located within the Town's rural residence B (RRB) Zoning District.

As-of-right uses within this district include single-family detached dwellings, church and religious uses, educational uses, recreational facilities, charitable uses and general conservation/agricultural uses. Uses which may be allowed following the issuance of a special permit from the Board of Appeals and Planning Board include open space preservation (cluster development), two-family dwellings, private clubs, rest home and private waste water treatment plants.

The following is a summary of spatial requirements enforced within the RRB Zoning District.

Minimum Lot Area:	43,560 square feet (1 acre)
Minimum Lot Width:	175 feet
Minimum Lot Frontage:	150 feet
Minimum Front Yard Setback:	20 feet
Minimum Side Yard Setback:	20 feet
Minimum Rear Yard Setback:	20 feet
Maximum Building Area:	20% of lot area
Maximum Floor Area:	30% of lot area

B. OPEN SPACE PRESERVATION (CLUSTER) ZONING

A cluster development is not a permitted use in the RRB District but has been included in this analysis as an alternative to conventional subdivision. It is assumed that the site may either be re-zoned to RRA or RRC to make the property eligible for Special Permit approval of a cluster developement.

The following is a brief overview of performance standards enforced under the cluster bylaw.

Minimum Track Size:	At least 5 times the minimum lot area within the District.
Maximum Lot Density:	It cannot exceed density by "conventional" subdivision.
Wetlands/Coastal Exclusion:	50% of wetlands/coastal flood plain may be included in lot area calculations.
Minimum Open Space:	25% of total parcel.
Maximum Site Coverage:	30% (impervious).
Minimum Lot Area:	None.
Minimum Lot Width:	100 feet.
Minimum Lot Frontage:	50 feet.
Minimum Front Yard Setback:	20 feet.
Minimum Side Yard Setback:	20 feet.
Minimum Rear Yard Setback:	30 feet.
Maximum Building Coverage:	20%.
Minimum Project Buffer:	40 feet.

C. SUBDIVISION REGULATIONS

Any subdivision of land within the Town of Ipswich is subject to the regulations enacted under the Subdivision Control Law. These regulations dictate the manner in which subdivisions are implemented, specifically with regard to public health and safety issues such as road construction standards, utility installation, and septic system design and construction. The subdivision regulations pertinent to this study include the following:

Road Classification	Minimum Right-of-Way	Paved Width	Maximum Gradient
Primary	60 Feet	36 Feet	5%
Secondary	50 Feet	30 Feet	6%
Residential	50 Feet	28 Feet	8%

In the Town of Ipswich, there are two types of subdivision review.

1. Approval Not Required

This process allows for the subdivision of land for properties which can provide the proposed lot or lots with adequate street frontage, lot area, and meet all the

minimum requirements of the Subdivision Control Law. When submitted to the Planning Board, the Board must make the determination that the plan meets or exceeds the minimum requirements defined in the Zoning Bylaws. Once a positive determination has been made, the plan is endorsed without requiring approval from the Board, hence the nomenclature, "Approval Not Required."

2. **Definitive Subdivision**

If a subdivision of land containing less than the minimum required street frontage is proposed, a standard, definitive subdivision is necessary. This type of development requires extensive review and approval of engineering issues related to the proposal. The approval process of a definitive subdivision is longer than that of an ANR and typically involves a public hearing prior to final approval.

D. WETLANDS PROTECTION ACT

Wetland areas in Ipswich are regulated under the State Wetlands Protection Act (M.G.L. Chapter 131, Section 40), and as such, any proposed work within 100 feet of a classified wetland is subject to review by the Town Conservation Commission and State Department of Environmental Protection.

Under the State Wetlands Protection Act (MGL Chapter 131), the subsurface disposal of wastewater within 100 feet of the edge of a vegetative wetland, and within 100 feet of a stream or other waterbody is prohibited. State Wetlands Regulations also prohibit the filling of more than 5,000 square feet of wetlands for the purpose of providing access to a parcel or lot. The Act requires that the proposed alteration of land within 100 feet of any bordering vegetative wetland or waterbody must first be reviewed by the local Conservation Commission under the authority of the State Department of Environmental Protection.

While the 100-foot buffer zone is not considered a "no-build" area, any future work proposed within these areas requires the filing of a "Determination of Applicability" and "Notice of Intent" at the local level. The local Conservation Commission then performs a field inspection of the site relative to the work proposed and then determines whether the work falls within the buffer zone or Protected Resource Area. If the proposed scope of work falls within 100-foot buffer zone, the Conservation Commission may conditionally approve or disapprove the application. Conditional approval is referred to as an "Order of Conditions" which stipulates mitigating measures aimed at protecting wetland resources. Failure to comply with this process in the Commonwealth of Massachusetts can result in punitive damages and/or a cease order.

E. SOILS ANALYSIS

Sewage disposal on the property is currently accommodated by a mix of upgraded, fully complying septic systems and numerous older (original) cesspools which would be considered substandard by current design and leaching requirements enforced under Title 5 of the State Sanitary Code. It is reported that in some cases, two to three cottages may be connected to a single, shallow leaching gallery or cesspool. These types of substandard systems typically go undiscovered until the property either sells (mandatory Title 5 inspection) or the system completely fails. "As built" plans for repaired systems are filed with the Ipswich Board of Health, but these upgraded systems constitute a small fraction of the total systems serving the cottages.

It should be stressed that in-ground sewage disposal is one of the most significant factors affecting the property's development potential and market value. Due to the lack of detailed records, it is beyond the scope of this analysis to ascertain the potential impact on value from outdated systems. As one example of the potential value impact affecting a single parcel, in the event that a cesspool failed and no complying "repair" was feasible, a "tight tank" may be the only option. In this instance, the annual costs incurred in scheduled pumping of a 2,000 gallon tight tank would be capitalized and deducted from the value attributed to the land. At an average pump-out cost of $180 and a pump-out frequency of eight times per year, the liability to the parcel value may exceed $14,000. Fifty such cases would result in a devalution of the property by as much as $700,000.

Accordingly, the issue of soils/septic suitability has been *generally* considered in the property's valuation, but a detailed analysis of its tangible impact on value will require additional engineering information.

F. COASTAL FLOOD PLAIN

The entire perimeter of the subject property is located within the Flood Hazard District - Zone A as depicted on the Federal Insurance Rate Map of the property (FIRM) (Community Panel No. 250086-3D, revised as of July 2, 1992). If any part of a proposed subdivision is located at or below the base flood elevation, the design of the subdivision and associated utilities should minimize the potential for flood damage, and should provide for adequate drainage to minimize damage to abutting properties.

G. SITE ANALYSIS

The **Site Analysis** plan on the following page of this report depicts the most significant planning constraints affecting the property. These constraints include the landward extent of the 100-year floodplain (tight cross-hatching on plan); minimum 100-foot setback from the approximate delineation of coastal banks on the property (minimum setback for new septic systems and Conservation Commission jurisdiction as buffer zone); and 25%-plus slopes.

This analysis indicates a total upland area of approximately 21.4± acres.

H. APPROVAL ISSUES

In order to gain additional insight to planning and approval issues affecting the property, I met with Ipswich Planning Director, Glenn Gibbs. The specific goal of this meeting was to evaluate the regulatory feasibility of obtaining definitive subdivision approval for the property as currently platted for taxation purposes (i.e., 168 improved parcels).

Because "cluster" or open space development is not permitted in the RRB zoning district, this option was considered marginal at the outset. Mr. Gibbs indicated that because the property had never been legally subdivided, it could not be "grandfathered" from current zoning or subdivision regulations. Additionally, because the average lot size is well below 5,000 square feet, the lots do not even satisfy the minimum lot size requirement enforced under the state zoning act as a minimum grandfathered lot. While Mr. Gibbs conceded that the acceptance of the tax assessment plan as a legal subdivision may appear logical (if strictly restricted to seasonal use and private road status), the plan would be considered extremely controversial.

While this use cannot effectively be ruled out without an actual plan filing, considerable risks associated with legally subdividing the property will be accounted for in the third party investor/purchase analysis of the property for subdivision purposes.

IV. REAL ESTATE MARKET ANALYSIS

The Little Neck neighborhood is not dissimilar to other seasonal waterfront colonies in New England which were originally settled as clamming and fishing camps which served a relatively utilitarian purpose. There are several examples of this type of settlement from Connecticut to Maine, and all appear to share one common element: each was settled at a time when market demand for waterfront land was low and land use regulations were either slowly evolving or nonexistent. Over the years, cultural changes which place a higher value on leisure time and shorefront recreation have increased the demand for waterfront land and prices have rapidly escalated. This trend has forced owners of this type of property to re-examine the value implications of the original settlement pattern and conditions of use in the present-day economy.

The subject property is unique in that it was one of the earliest settled summer colonies in the country, and the original set of land use guidelines dates back to an original grant made in 1648. The original tenancy-at-will has essentially been perpetuated since that time, and indeed one of the greatest measures of security afforded to today's buyer of Little Neck property is its long-standing history under the Feoffees' ownership and control.

The only local ecample of a comparable seasonal leasehold property is the 113± lot Conomo Point neighborhood in Essex. This 22± acre town-owned tract is the subject of a long-term land lease at submarket rates. The next renewal date is 2001 at which time the tenants have one remaining ten year renewal option. There is a planned tenant buyout which is scheduled for discussin at the May Town Meeting. The buyout value remains unknown (though recent rumors indicate a range of $6-$10 million) and extensive septic system upgrades are required. Therefore, Conomo Point does not provide any useful measure of value for Little Neck, but the evenutal value and condition of sale may add insight to the subject analysis.

I am aware of one other shorefront leasehold property purchase being contemplated on the Connecticut shoreline. The tenant buyer group in this case is evaluating the purchase of a 22.5± acres Long Island Sound-front peninsula for $4.5 million, or approximately $60,000 per lot (75 total). The average lot size in this case is larger than the average Little Neck lot and there is a greater percentage of accessible shorefront parcels. Ths land is subject to a remaining lease term of 12± years, also at submarket rates.

The following section of this report provides an analysis of how the Little Neck neighborhood functions under the current land rental program and as a well-defined real estate submarket in Ipswich and Boston's north shore. Key questions and issues to be addressed in this analysis include:

- What are the key attractions and liabilities associated with investment on Little Neck?;
- What is the recent history of transfer activity and what kind of value levels have been achieved for various parcel/property types and locations?;
- Approximately how is value apportioned to the land in the mind of the buyer, or is any value indicated?;
- Do recent transfers on Little Neck indicate any value discount relative to fee simple sales in competing sub-markets? In other words, does the lack of land ownership and rental security affect the buyer's perception of market value?

A. PURCHASE AND SALE DYNAMICS - TRANSFERABLE PROPERTY RIGHTS

Prior to reviewing recent sales transactions and value levels, it is important to first examine the marketable and transferable property rights in Little Neck real estate. As previously noted, the property constitutes a single legal parcel of 35± acres. It is improved with approximately 168 seasonal and year-around cottages on individually referenced and taxed parcels. When a Little Neck property transfers, the buyer purchases the residential improvements in fee simple as well as *the right* to perpetuate the (tenancy-at-will) ground rental at the prevailing rate of $600 per seasonal property and $800 per year-around property. Because the property is not legally subdivided nor is it a legal condominium form of ownership, ownership rights do not extend to the land. Additionally, the absence of a recorded lease affords buyers none of the investment security typically found in leasehold property. Typical security provisions may include a set lease term of 5, 10, 15 or 30 years, base rent and escalator provisions, renewal/termination options, a lease assignment clause and termination conditions with defined site restoration or Lessor buyback obligations.

Based on my review of Town assessment records and financial records provided by the Feoffees (assuming 100% occupancy and collection), the average annual financial obligation (including rent, taxes, and insurance) totals approximately $3,000. This assumes an average tax bill of $1,825 at $14.15/$1,000; average rent of $620; and, $500-$600 in insurance and maintenance. Annual occupancy and carrying costs, coupled with amortized acquisition costs can easily total $10,000-$15,000, depending on financing terms. ***This level of investment indicates that in the absence of purchasing fee ownership in the underlying land, after allowing for the value of the improvements, buyers in Little Neck are placing a relatively high value on the right to rent the underlying land with a nominal level of investment security. On this point, while tenants under the current rental terms pay property taxes on land they do not own, a considerable percentage of total sales value is attributable to the land.***

This illustrates, to some extent, the property's excellent market appeal as a very scenic coastal neighborhood and relatively convenient second home market. The Little Neck neighborhood generates buyers from the Boston, Hartford and Springfield areas as well

as many local residents who use their cottage sporadically during the summer months. The stable and close-knit character of the neighborhood, its private status and wide-range of children's activities, beach, boating and summer functions - all contribute to its appeal. Additionally, this market is seen as being *relatively* affordable, especially when one considers the monthly rental income potential during the summer months.

The most significant liabilities affecting the Little Neck submarket include the lack of land security and difficulty in obtaining bank financing. The Ipswich Cooperative Bank offers 75-80% financing on improvements only, but most transactions involve either all cash or some level of seller financing.

Additionally, some perceive the properties as having an inordinately high real estate tax burden, and in-ground sewage disposal options (in conformance with Title V) are constrained by limited space.

Average summer rental rates for the prime July/August season (9± weeks) generally range between $500 and $900 gross a week. Proximity to the beach (walk-on access) and water views are key factors in achievable summer rental rates. Rents during the shoulder seasons of May/June and September/October average approximately $1,000 per month, and the approximate winter rental range is $500 to $850, depending upon the overall quality of the house and heating costs. Thus, the potential annual gross rental income from the average (seasonal) Little Neck cottage may range between $8,500 and $12,000. In most cases, this is sufficient to offset annual debt service and basic carrying costs. It is fair to assume that because a majority of Little Neck cottages have been long-held and are no longer leveraged, this potential rental income is typically more than adequate to offset costs. ***However, because owners currently accrue no equity in the land, the maintenance of this income/expense balance is an extremely important consideration in continued value stability in the Little Neck market.*** In other words, as second home/vacation investments with no equity build-up in the land, properties on Little Neck should be financially self-sustaining.

B. COMPARABLE SALES OVERVIEW - LITTLE NECK COTTAGES

Tables III and IV on the following pages of this report summarize information gathered on a total of 17 closed transactions and 4 current listings on Little Neck. This information is followed by more detailed evaluation of approximate allocation of value between improvements and land rights in each sale. The sales information is graphically depicted on the Sales History Plan, three pages forward.

TABLE V
CURRENT LISTINGS

Listing No.	Location	Listing Price	Land Area	Improvements	Exposure
L-1	30 Hilltop Rd. (#48)	$239,000	3,000 Sf	6 rooms, 3 BR, 1 bath. Year round. 1,694± SF effective area.	NA
L-2	5 Cove Rd. (#89)	$119,000	3,000 Sf	5 rooms, 2 BR, 1 bath. Seasonal. 752± SF effective area.	2± yrs.
L-3	26 Baycrest Rd. (#96)	$84,000	3,000 Sf	6 rooms, 3 BR's, 1 bath. 780± SF effective area.	5± mos.
L-4	45 Middle Rd. (#160)	$184,000	3,000 Sf	1,268 Sf, 2 BR's. Cottage needs septic (seller responsibility at $12K+). 983± SF effective area.	2± yrs.



THIS PLAN IS CONCEPTUAL ONLY AND NOT REPRESENTED AS AN ENGINEERED PLAN.

C. ALLOCATED LAND VALUE ANALYSIS

Table VI (below) provides an overview of allocated lot/land rights value from each of the closed sales. The *assessed* land value as a percentage of the total assessment is applied to the *selling* price in each case to indicate the approximate value attributed to the land or land rights. This method is deemed reliable as it utilizes the most accurate value estimates for the improvements value. This process also begins to clarify approximate value levels for various lot types in the neighborhood. These values will be considered in fee simple and condominium conversion options for the property.

TABLE VI
ALLOCATED LOT/LAND RIGHTS VALUE - LITTLE NECK SALES

Sale #	Price	Lot Type	Assessor's Land Assessment as % of Total	Allocated Lot/Land Value**
LN-1	$150,000	Interior - marginal view	46%	$69,000
LN-2	$78,000	Interior - good view	65%	$51,000
LN-3*	$172,000	Interior - excellent view	41%	$70,500
LN-4	$125,000	Interior - marginal view	64%	$80,000
LN-5	$150,000	Ipswich riverfront - average	62%	$93,000
LN-6	$189,500	Exceptional view - frontage	50%	$95,000
LN-7	$127,000	Interior - average view	58%	$74,000
LN-8	$215,000	Ipswich riverfront - prime	58%	$125,000
LN-9	$152,000	Neck Cove front - prime	61%	$93,000
LN-10	$135,000	Interior - average view	55%	$74,000
LN-11	$68,000	Neck Cove front - average	70%	$47,600
LN-12	$145,000	Interior - excellent view	54%	$78,000
LN-13	$73,000	Interior - average view	NA	NA
LN-14	$115,000	Front row - Plum Island Sound	74%	$85,000
LN-15*	$115,000	Interior - excellent view	49%	$56,000
LN-16	$93,400	Interior - good view	61%	$57,000
LN-17	$167,000	Ipswich River front - average	69%	$115,000

* Year round residence
** Rounded figures

Unit Values:
Overall Range: $47,600-125,000
Average Value: $78,945

The allocated lot/land rights value outlined above are the most reliable estimates of allocated value to lots of various types and locations on Little Neck. Again, this is most accurately interpreted as value attributed to the occupancy rights to the parcel rather than fee simple land value. This analysis clearly indicates that despite the relative lack of investment security, sales volume in the neighborhood is similar to that of any other densely-settled residential neighborhood.

In essence, the Little Neck submarket appears to function as a condominium development. While the lack of bank financing diminishes the potential buyer pool, buyers obviously consider the total investment value and sub-lease income potential in their assessment of market value. The extent to which buyers may discount property value under the current rental program is evaluated in the following comparison of (fee simple) market value levels on Great Neck (see Table VII - following page).

TABLE VII
APPORTIONED VALUES - FEE SIMPLE SALES - GREAT NECK

Sale No.	Location	Sale Date	Sale Price	Land Area	Improvements	Assessment(%) Land	Bldg.	Extracted Land Value/$SF	Lot Type
1	4 Northridge Rd.	7/8/94	$170,000	7,971 Sf	1,084 Sf Cottage	68.85%	31.15%	$117,045/ $14.68 psf	Eagle Hill River-front -- 55±'
2	8 Northridge Rd.	2/4/94	$238,000	10,367 Sf	880 Sf Cottage	56.5%	43.5%	$134,470/ $12.97 psf	Eagle Hill River-front -- 75±'
3	12 Northridge Rd.	12/29/94	$175,000	14,331 Sf	1,300 Sf Ranch	65.9%	34.1%	$115,325/ $8.04 psf	Eagle Hill River-front -- 109±'
4	26 Northridge Rd.	3/10/95	$200,000	13,852 Sf	1,130 Sf Bungalow	65.5%	34.5%	$131,000/ $9.45 psf	Eagle Hill River-front -- 80±'
5	58 Northridge Rd.	12/20/96	$190,000	15,682 Sf	658 Sf Cottage	72%	28%	$136,800/ $8.72 psf	Eagle Hill River-front -- 75±'
6	60 Northridge Rd.	3/29/95	$300,000	15,987 Sf	1,263 Sf Ranch	63.7%	36.3%	$191,100/ $11.95	Eagle Hill River-front -- 86±'
7	73 Skytop Rd.	11/30/95	$196,750	13,591 Sf	1,798 Sf Ranch	44.5%	55.5%	$87,553/ $6.44 psf	Interior, non-view
8	10 Appomattox Rd.	1/4/95	$188,000	12,807 Sf	1,440 Sf Ranch	51.3%	48.7%	$96,444/ $7.53 psf	Interior, non-view
9	10 Bunker Hill Rd.	2/27/95	$137,500	8,538 Sf	754 Sf Cottage	65.7%	34.3%	$90,337/ $10.58 psf	Interior, non-view

Sale No.	Location	Sale Date	Sale Price	Land Area	Improvements	Assessment(%) Land	Bldg.	Extracted Land Value/$SF	Lot Type
10	49 Bunker Hill Rd.	9/15/94	$159,900	12,807 Sf	700 Sf Cottage	61.3%	38.7%	$98,018/ $7.65 psf	Interior, pond view
11	16 Capeview Rd	9/12/96	$199,500	9,540 Sf	1,347 Sf Cottage	53.6%	46.4%	$106,932/ $11.20 psf	Interior, non-view
12	10 Bay View Rd	9/30/94	$175,000	7,492 Sf	1,083 Sf Cottage	56%	44%	$98,000/ $13.08	Plum Island Sound view across street

Average Land Value as % of Total Sale Price	61.3%
Average (Extracted) Lot Value:	$116,255
Average Value per Square Foot	$10.04

The preceding land value allocations from recent sales on Great Neck (fee simple) and Little Neck (land rental) provides a basis for evaluating value levels for various lot types and approximate market discounts for less than fee simple ownership.

	Neighborhood		
Lot Type	Great Neck*	Little Neck	% Discount
Prime waterfront	$132,000	$125,000	-5.3%
Average waterfront	$105,000	$90,000	-13.6%
Excellent view	$95,000	$80,000	-15.8%
Good view	$85,000	$70,000	-16.7%
Average view	$80,000	$65,000	-17.65%
Marginal view	$70,000	$52,500	-25%

* Size adjusted average values

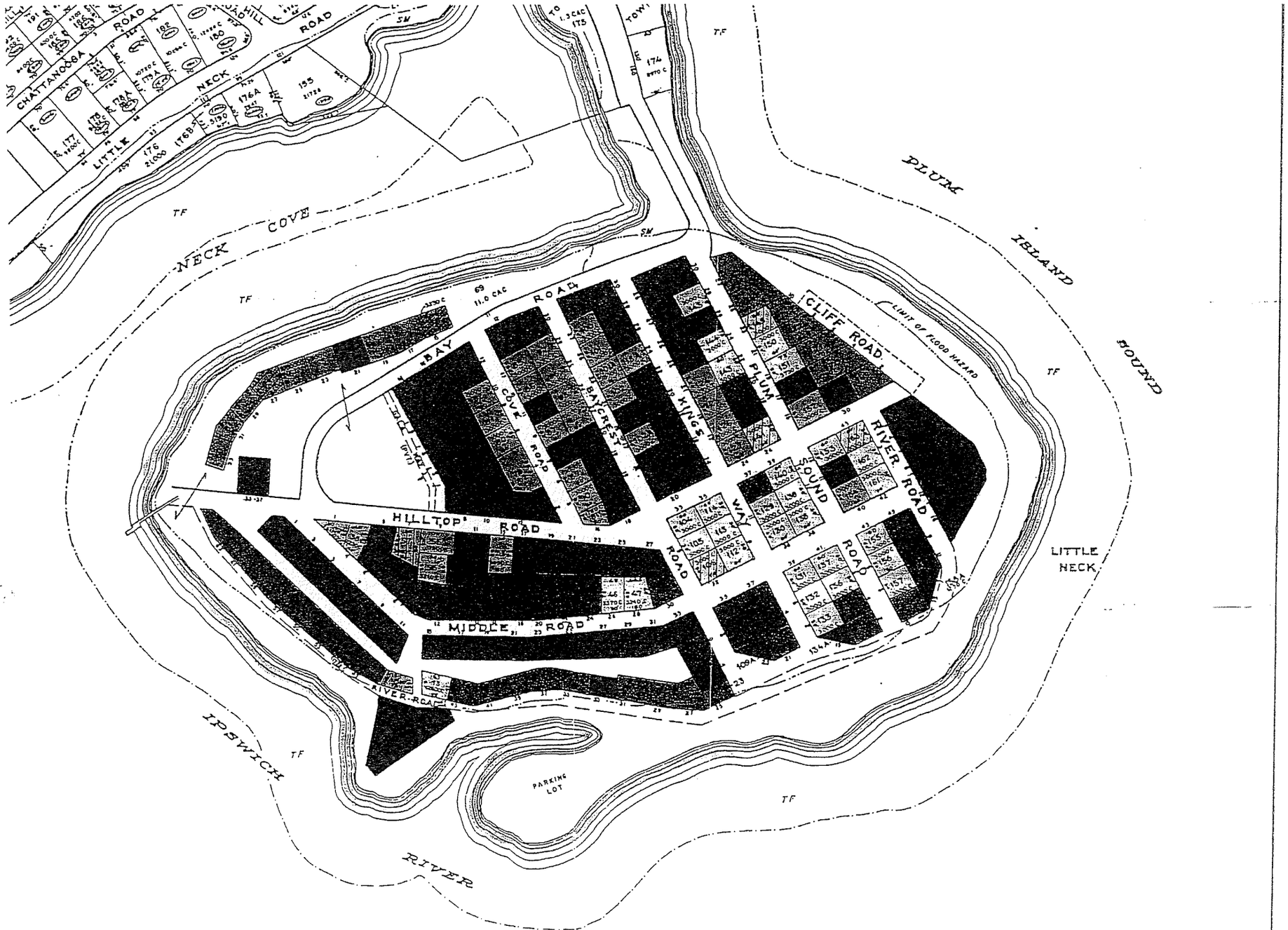
It is interesting to note that the prime waterfront lots indicate the smallest value discount (5.3%) while lots with the least amenity value (i.e., inland lots with marginal views) indicate the greatest discount of approximately 25%. This trend is attributable to the fact that buyers of the higher quality properties tend to pay a premium for the right to enjoy prime frontage or views, while buyers of more average lots place a higher discount on less than fee simple ownership.

Based on this analysis, which essentially separates building and land values, the market appears to apply a discount for the lack of fee ownership and security of land rented on Little Neck. This discount is considered a reliable indication of underlying land value under condominium form of land ownership (i.e., fractional ownership of total).

D. LOT VALUE TIERS

The color-coded, multi-tier lot value summary plan on the following page depicts a total of ten parcel types as well as waterfront and year round parcels. This plan serves as a basis for estimating the market value of the entire property by parcel type, location and quality (as though subdivided or declared a condominium) and to estimate various market rental rates for the land (assuming continued rental).

The tier classification considers the various view perspectives, direct and road-bisected waterfrontage, solar orientation and beach access afforded by the various lots. While this per lot/tier analysis may be subject to some refinement, it represents a reasonably accurate accounting of the qualitative differences between lots which are seen to directly impact value.



Value Tiers - Key:

- #1 - Exceptional View/ Frontage
- #2 - Front Row/Plum Island Sound
- #3 - Front Row/Neck Cove - Prime
- #4 - Front Row/Neck Cove - Average
- #5 - Front Row/Ipswich River - Prime
- #6 - Front Row/Ipswich River - Average
- #7 - Interior - Excellent View
- #8 - Interior - Good View
- #9 - Interior - Avg. View
- #10 - Interior - Marginal View
- #11 - Front Row/Yr. Round
- #12 - Interior/Yr. Round

Notes: Plan compiled from Town Assessor's Plats and is intended for planning purposes

LandVest Project #2573

DATE: 3/97

BASE PLAN

LITTLE NECK ESTATE IPSWICH, MA

PREPARED FOR
FEOFFEES/GRAMMAR SCHOOL

PREPARED BY
LANDVEST, INC.

Scale: 1" = 200'

0 100 200 300

LandVest

TEN POST OFFICE SQUARE, BOSTON, MA 02109

THIS PLAN IS CONCEPTUAL ONLY AND NOT REPRESENTED AS AN ENGINEERED PLAN.

1. Lot Value Tier Summary

The ten lot tiers and corresponding value estimates under fee simple ownership and condominium conversion (applying previously calculated discounts) are set forth below:

Lot Tier/Type	# Lots	Estimated Market Value	
		Fee Simple	Condominium
#1 - Exceptional View/Frontage	4	$145,000	$138,000
#2 - Front Row - Plum Island Sound	7	$138,000	$130,000
#3 - Front Row - Neck Cove/Prime	2	$130,000	$125,000
#4 - Front Row - Neck Cove/Average	7	$105,000	$90,000
#5 - Front Row - Ipswich River/Prime	4	$132,000	$125,000
#6 - Front Row - Ipwich River/Average	19	$120,000	$105,000
#7 - Interior - Excellent View	24	$95,000	$80,000
#8 - Interior - Good View	33	$85,000	$70,000
#9 - Interior - Average View	35	$80,000	$65,000
#10 - Interior - Marginal View	33	$70,000	$50,000
Total:	168		

It should be noted that the above-outlined average value estimates assuem an eight month seasonal use. Specific lots may be valued considerably higher or lower based on septic system upgrade costs and potential for year-round conversion. The feasibility of common septic systems should be evaluated prior to any future purchase and sale negotiations and/or per parcel land rent increases.

V. HIGHEST AND BEST USE ANALYSIS

The Highest and Best Use of real property is defined as follows:

> "The reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and results in the highest value."[1]

After considering the definition, it is apparent that a potential use for a site must pass the following tests:

1. The use must be physically and legally permissible.
2. That legal use must be probable, not speculative.
3. There must be a demand for such use.
4. That use must be profitable.
5. The use must return to the land the highest return possible.
6. The use must provide the highest return for the longest period of time.

The analysis of Highest and Best Use involves consideration of existing land use regulations, any reasonably probable modifications to those regulations, the subject's physical adaptability, and economic demand for the physically and legally permissible uses of the subject property type. This analysis also accounts for prevailing market trends, established neighborhood development patterns and aesthetic issues impacting market demand.

The following review of development/subdivision options for the property is intended to serve several purposes. First, the property is evaluated as though vacant and available for development to Highest and Best Use. The purpose of this analysis is to determine whether the property may be more valuable if developed at a lesser number of larger lots. In this regard, the Highest and Best Use analysis as though vacant will test the most basic assumptions and economic implications of the current use.

Other land use options included in this Highest and Best Use Analysis include the feasibility of subdivision at the current density or a conversion to a condominium/cooperative form of ownership.

Each of these conceptual land use options will be valued utilizing market information summarized in the following section of this report.

---

[1] Dictionary of Real Estate Appraisal, American Institute of Real Estate Appraisers, Chicago, Illinois, 3rd printing, 1987; Page 152.

A. CONCEPT PLAN A - LAND AS THOUGH VACANT

Concept Plan A on the following page of this report depicts the property's Highest and Best Use (as though vacant).

In conformance with the spatial requirements of RRB zoning and incorporating reasonable assumptions about on-site sewage disposal, Plan A calls for the division of a total of 24 lots, including 16 waterfront lots and 8 interior lots. The lots range in size from 1 to 1.75± acres, and they are accessed by a total of 2,900± linear feet of interior subdivision road configured in a loop. This lot density is approximately 14% of the current cottage density, or a net density decrease of 144± lots.

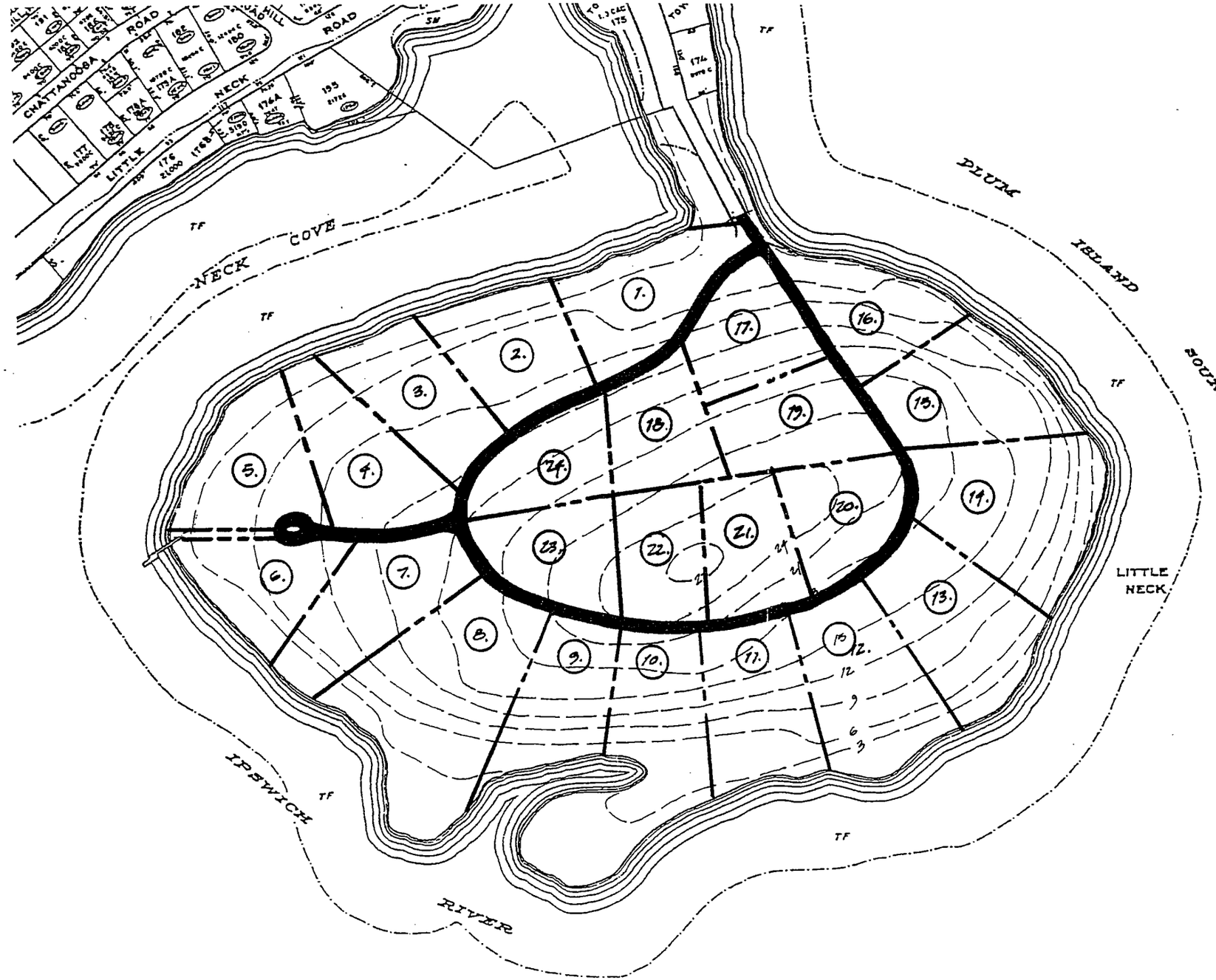
The plan is designed to appeal to the upper middle-high end market as a year-round neighborhood and overall lot pricing ranges between $160,000 and $265,000, assuming moderate pricing and between $210,000 and $350,000 assuming aggressive lot pricing.

1. Market Value Estimates - Development per Plan A

Two-page Discounted Cash Flow Analyses (DCF) of concept Plan A are provided two pages forward. The DCFs incorporate both moderate and aggressive lot pricing and absorption assumptions and summarize all approval/holding/resale costs to be incurred by a developer in the successful implementation of Plan A.

Assuming a total project duration of four years (i.e., "as is" acquisition until final lot sale), the estimated market value of the property as though vacant amounts to approximately $2,220,000, or $92,500 per raw lot (using moderate pricing) and $3,350,000, or $139,585 per raw lot under the aggressivly-priced sellout.

When divided by the current cottage density of 168, the above-outlined values indicate a range of approximately $13,215 to $19,940 per lot. This clearly indicates that the current non-conforming use (possibly under a different ownership mechanism) represents the property's highest and best use.



LEGEND:

- PROPERTY BOUNDARY
- PARCEL BOUNDARIES
- EXISTING DWELLINGS

Notes: Plan compiled from Town Assessor's Plats and is intended for planning purposes.

LandVest Project #2573

DATE: 3/97

Plan A

Conventional Subdivision

LITTLE NECK ESTATE IPSWICH, MA

PREPARED FOR:
FEOFFEES/GRAMMAR SCHOOL

PREPARED BY:
LANDVEST, INC.

Scale: 1" = 200'

0 100 200 300

LandVest

TEN POST OFFICE SQUARE, BOSTON, MA 02109

THIS PLAN IS CONCEPTUAL ONLY AND NOT REPRESENTED AS AN ENGINEERED PLAN.

DISCOUNTED CASH FLOW ANALYSIS (Third Party Buyer) — PROJECT: FEOFFEES/GRAMMAR SCHOOL
PLAN B - 168 FEE SIMPLE LOTS - AS THOUGH DIVIDED — DATE: MARCH 97

SALES ASSUMPTIONS		#UNITS	UNIT VALUE	SUBTOTAL (*)	SALES SCHEDULE (UNIT) YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8	TOTAL
Tier 1:	Exceptional view/frontage	4	145,000	$580,000	2	2	0	0	0	0	0	0	4
Tier 2:	Front Row - Plum Island Sound	7	138,000	$966,000	2	2	1	1	1	0	0	0	7
Tier 3:	Front Row - Neck Cove/Prime	2	130,000	$260,000	1	1	0	0	0	0	0	0	2
Tier 4:	Front Row - Neck Cove/Average	7	105,000	$735,000	1	1	1	1	1	1	1	0	7
Tier 5:	Front Row - Ipswich River/Prime	4	132,000	$528,000	0	1	1	1	1	0	0	0	4
Tier 6:	Front Row - Ipswich River/Average	19	120,000	$2,280,000	0	4	2	2	2	2	3	4	19
Tier 7:	Interior - Ex ellent view	24	95,000	$2,280,000	0	6	3	3	3	3	3	3	24
Tier 8:	Interior - G od view	33	85,000	$2,805,000	0	4	4	5	7	6	5	2	33
Tier 9:	Interior - A g. view	35	80,000	$2,800,000	0	5	5	5	5	5	5	5	35
Tier 10:	Interior - M rginal view	33	70,000	$2,310,000	0	5	5	5	5	5	5	3	33
Tier 11:		0	0	$0	0	0	0	0	0	0	0	0	0
Tier 12:		0	0	$0	0	0	0	0	0	0	0	0	0
				$0	0	0	0	0	0	0	0	0	0
					0	0	0	0	0	0	0	0	0
	TOTAL	168		$15,544,000	6	31	22	23	25	22	22	17	168
				APPRECIATION:	0%	3%	3%	3%	3%	3%	3%	3%	

COST ASSUMPTIONS	SIZE / LENGTH	UNIT COST	SUBTOTAL (*)	COST SCHEDULE (%) 1YR	2YR	3YR	4YR	5YR	6YR	7YR	8YR	TOTAL
DIRECT COSTS												
Engineering/Survey/Plan Prep ($500/lot)	168	$500	84,000	100%	0%	0%	0%	0%	0%	0%	0%	100%
Legal Fees/Approvals	168	$300	50,400	100%	0%	0%	0%	0%	0%	0%	0%	100%
Soil Testing/Septic Upgrade Analysis (1/2 of syst	84	$600	50,400	100%	0%	0%	0%	0%	0%	0%	0%	100%
Wetland Delineations/Coastal Bank/NOI	1	$12,000	12,000	90%	10%	0%	0%	0%	0%	0%	0%	100%
Interior Road Improvements	9,700	$35	339,500	100%	0%	0%	0%	0%	0%	0%	0%	100%
Septic Upgrades/Common System	1	$500,000	500,000	25%	50%	25%	0%	0%	0%	0%	0%	100%
Contingency (% of Direct Costs)		5.00%	51,815									
CPI				4%	4%	4%	4%	4%	4%	4%	4%	
INDIRECT COSTS												
Developer Profit Allowance		20.00%	$3,108,800									
Real Estate Taxes (Per Unsold Lot @50%)		1,295	217,615									
Transfer Taxes ($/1000)		0.47%	72,280									
Sales Commission (% of Gross Sales)		6.00%	932,640									
Advertising Expense (% of Gross Sales)		0.00%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%
Contingency (% of Indirect Costs)		5.00%	216,567									
CPI				0%	3%	3%	3%	3%	3%	3%	3%	
	TOTAL:		$5,936,016									

LITTLE NECK ESTATE - IPSWICH

BANK FINANCING

Prime Rate	8.3%
Interest Rate - Prime 2.50%	10.8%
% Land Costs	0.0%
% Development Costs (Direct & Indirect)	100.0%
Annual Drawdown Rate (Ave. outstanding loan balance)	50.0%
Construction Loan Fee	1.0%
Discount Rate:	15.00%

DCF - Plan B - Fee Simple (168 Lots)

CASH FLOW ANALYSIS - PLAN B - LITTLE NECK ESTATE
RESALES ANALYSIS - AS THOUGH DIVIDED

PROJECT: FEOFFEES/GRAMMAR SCHOOL
DATE: MARCH 1997

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Totals
SALES PROCEEDS:									
Total Lots (Beginning of Year)	168	162	131	109	86	61	39	17	
Lots/Unit Sold	6	31	22	23	25	22	22	17	168
Gross Sales Price	$801,000	$3,165,190	$2,049,700	$2,137,250	$2,312,350	$1,948,700	$1,982,750	$1,591,350	16,986,290
Cum. Gross Sales Price	$801,000	$3,966,190	$6,016,890	$8,153,140	$10,465,490	$12,412,190	$14,394,940	$15,986,290	
DEVELOPMENT COSTS:									
DIRECT COSTS:									
Engineering/Survey	$87,360	$0	$0	$0	$0	$0	$0	$0	$87,360
Legal Fees	$52,416	$0	$0	$0	$0	$0	$0	$0	$52,416
Soil Testing/Septic	$52,416	$0	$0	$0	$0	$0	$0	$0	$52,416
Wetland Delineations	$11,232	$1,298	$0	$0	$0	$0	$0	$0	$12,530
Road Construction	$353,080	$0	$0	$0	$0	$0	$0	$0	$353,080
Septic Upgrades	$130,000	$270,400	$140,608	$0	$0	$0	$0	$0	$541,008
Contingency	$27,825	$65	$0	$0	$0	$0	$0	$0	$27,890
Total Direct Costs	$714,329	$271,763	$140,608	$0	$0	$0	$0	$0	$1,126,700
INDIRECT COSTS:									
Construction Loan Fee	$58,360	$0	$0	$0	$0	$0	$0	$0	$58,360
Developer's Overhead	160,200	633,038	409,940	427,450	462,470	389,340	396,550	318,270	$3,197,258
Real Estate Taxes	106,295	84,140	69,797	54,838	38,654	25,032	11,158	3,422	$393,336
Transfer Taxes	3,725	14,718	9,531	9,938	10,752	9,052	9,220	7,400	$74,336
Sales Commission	48,060	189,911	122,982	128,235	138,741	116,802	118,965	95,481	$959,177
Advertising Expense	0	0	0	0	0	0	0	0	$0
Interest Charges	77,147	29,352	15,185	0	0	0	0	0	319,823
Contingency	22,589	12,281	318	275	32,531	27,011	26,795	21,229	$143,029
Total Indirect Costs	$474,376	$963,441	$627,753	$620,736	$683,148	$567,237	$562,687	$445,801	$4,945,181
TOTAL COSTS:	$1,188,705	$1,235,203	$768,361	$620,736	$683,148	$567,237	$562,687	$445,801	$6,071,881
NET CASH PROCEEDS	($387,705)	$1,929,987	$1,281,339	$1,616,514	$1,629,202	$1,379,463	$1,420,063	$1,145,649	$9,914,409
DISCOUNT FACTOR (PW @ 15.00%)	0.8696	0.7561	0.6575	0.5718	0.4972	0.4323	0.3759	0.3269	
PRESENT VALUE	($337,135)	$1,459,347	$842,501	$887,072	$810,001	$596,380	$533,854	$374,482	

CUMULATIVE PRESENT VALUE $5,146,502 SAY: $5,145,000 ($30,626/Unit)

TOTAL PROFIT $4,767,908 29.82% OF GROSS SALES

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Totals
OUTSTANDING LOAN BALANCE (At beginning of year; interest charges also based on 50% average development cost balance)	0	387,705	0	0	0	0	0	0	387,705

0 0 0 232,253
(657,950) (660,603) (833,365) 4,320,985

DCF - Plan B - Continued

C. CONCEPT PLAN C - CONDOMINIUM CONVERSION

Planning option C assumes a condominium ownership of the land underlying the existing cottages. All land outside of the individual building "footprints" would be considered common land and properties would be assessed as units with apportioned association dues. This plan would not require any municipal or state subdivision review/approval. One key advantage to this planning option is that the existing land use/density would be legalized and units would be made eligible for bank financing, etc. Additionally, owners would have the added benefit of equity build-up accruing to the common land.

1. Market Value Estimate - Plan C - Condominium Conversion

Planning Option C could be implemented under several different scenarios. The simplest program would involve a bulk offering of the property by the Feoffees to the current tenancy, who would likely form a cohesive purchase group and appoint leaders. This would assume 100% participation among the tenancy and would allow for an all-inclusive, single phased land condominium declaration. The association leadership would essentially play the role of "developer" and would be responsible for securing financing, administering the legal process of declaration and scheduling closings on the resale of fractional land interests to existing cottage owners.

If tenant participation is less 100%, it may be possible to divide the ownership between condo units and leaseholds, but this option is not very desirable in terms of neighborhood cohesiveness. The ideal plan would assume 100% participation over a pre-determined grace period of perhaps two to three years.

The financial analysis of Planning Option C assumes sale to a profit-minded third party investor who would convert the land to a condominium ownership and resell land interests. While it is readily arguable that the existing tenancy should be expected to pay a higher value for the property under this use (i.e., higher self-interest and lower profit requirement), the third-party investor value will serve as a reliable baseline value in any future purchase and sale negotiations with the tenancy. Their price will ultimately reflect the initial level of tenant purchase participation and commitment to long term ownership on Little Neck.

The DCF on the following page assumes an eight year sellout of land interests and all costs associated with condo conversion and tenant resale and indicates a market value of approximately $6,145,000, or $36,577 per unit.

Again, the investment value of the property assuming a condominium conversion and sale to the current tenancy (as opposed to a third party investor) may be substantially higher. For example, an additional Discounted Cash Flow analysis for Option C employed a more aggressive sellout schedule of only three years. Additionally, developer profit requirements were reduced to approximately 12% and sale commissions are reduced to 2%. Under these more aggressive resale assumptions, the upper end of value to the current tenancy may range as high as $9,500,000, or $56,550 per unit. Assuming a 20% downpayment, average annual debt service per unit would amount to approximately $4,175 (or $521 per month in season).

Based on this analysis, the overall (preliminary) range of negotiating value to the third party investors and the current tenancy is estimated at between $6,145,000 and $9,500,000.

DISCOUNTED CASH FLOW ANALYSIS (Third Party Buyer) — PROJECT: LITTLE NECK ESTATE - IPSWICH, MA
PLAN C - EXISTING DENSITY - CONDO CONV./SELLOUT — DATE: MARCH 97

SALES ASSUMPTIONS		#UNITS	UNIT VALUE	SUBTOTAL (*)	SALES SCHEDULE (UNIT) YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8	TOTAL
Tier 1:	Exceptional view/frontage	4	138,000	$552,000	2	2	0	0	0	0	0	0	4
Tier 2:	Front Row - Plum Island Sound	7	130,000	$910,000	2	2	1	1	1	0	0	0	7
Tier 3:	Front Row - Neck Cove/Prime	2	125,000	$250,000	1	1	0	0	0	0	0	0	2
Tier 4:	Front Row - Neck Cove/Average	7	90,000	$630,000	1	1	1	1	1	1	1	0	7
Tier 5:	Front Row - Ipswich River/Prime	4	125,000	$500,000	1	1	1	1	0	0	0	0	4
Tier 6:	Front Row - Ipswich River/Average	19	105,000	$1,995,000	2	4	2	2	2	2	3	2	19
Tier 7:	Interior - Ex ellent view	24	80,000	$1,920,000	2	6	3	3	3	3	3	1	24
Tier 8:	Interior - G od view	33	70,000	$2,310,000	2	4	4	5	7	6	5	0	33
Tier 9:	Interior - A g. view	35	65,000	$2,275,000	2	5	5	5	5	5	5	3	35
Tier 10:	Interior - M rginal view	33	50,000	$1,650,000	2	5	5	5	6	6	4	0	33
Tier 11:		0	0	$0	0	0	0	0	0	0	0	0	0
Tier 12:		0	0	$0	0	0	0	0	0	0	0	0	0
				$0	0	0	0	0	0	0	0	0	0
					0	0	0	0	0	0	0	0	0
	TOTAL	168		$12,992,000	17	31	22	23	25	23	21	6	168
				APPRECIATION:	0%	3%	3%	3%	3%	3%	3%	3%	

COST ASSUMPTIONS	SIZE / LENGTH	UNIT COST	SUBTOTAL (*)	COST SCHEDULE (%) 1YR	2YR	3YR	4YR	5YR	6YR	7YR	8YR	TOTAL
DIRECT COSTS												
Engineering/Survey/Plan Prep ($500/lot)	168	$500	84,000	100%	0%	0%	0%	0%	0%	0%	0%	100%
Legal Fees/Condo Declaration	1	$50,000	50,000	100%	0%	0%	0%	0%	0%	0%	0%	100%
Soil Testing/Septic Evaluations (1/2 os systems)	84	$600	50,400	100%	0%	0%	0%	0%	0%	0%	0%	100%
Wetland Delineations/Coastal Bank/NOI	1	$12,000	12,000	90%	10%	0%	0%	0%	0%	0%	0%	100%
Road Improvements	9,700	$10	97,000	100%	0%	0%	0%	0%	0%	0%	0%	100%
Septic Upgrades/Common System	1	$500,000	500,000	50%	50%	0%	0%	0%	0%	0%	0%	100%
Contingency (% of Direct Costs)		5.00%	39,870									
CPI				4%	4%	4%	4%	4%	4%	4%	4%	
INDIRECT COSTS												
Developer Overhead Allowance		15.00%	$1,948,800									
Real Estate Taxes (Per Unsold Lot @50%)		1,385	232,680									
Transfer Taxes ($/1000)		0.47%	60,413									
Sales Commission (% of Gross Sales)		6.00%	779,520									
Advertising Expense (% of Gross Sales)		0.00%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%
Contingency (% of Indirect Costs)		5.00%	151,071									
CPI				0%	3%	3%	3%	3%	3%	3%	3%	
	TOTAL:		$4,005,553									

LITTLE NECK ESTATE - IPSWICH

BANK FINANCING	
Prime Rate	8.5%
Interest Rate - Prime 2.50%	11.0%
% Land Costs	0.0%
% Development Costs (Direct & Indirect)	100.0%
Annual Drawdown Rate (Ave. outstanding loan balance)	50.0%
Construction Loan Fee	1.0%
Discount Rate:	10.00%

DCF - Plan C - Land Condominium Conversion

Ten Post Office Square • Boston, Massachusetts 02109 • 617-723-1800

LandVest

CASH FLOW ANALYSIS - PLAN B - LITTLE NECK ESTATE
RESALES ANALYSIS

PROJECT: LITTLE NECK ESTATE - IPSWICH
DATE: MARCH 1997

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Totals
SALES PROCEEDS:									
Total Lots (Beginning of Year)	168	151	120	98	75	50	27	6	
Lots/Unit Sold	17	31	22	23	25	23	21	6	168
Gross Sales Price	$1,616,000	$2,709,930	$1,699,500	$1,771,600	$1,838,550	$1,632,550	$1,565,600	$499,550	13,333,280
Cum. Gross Sales Price	$1,616,000	$4,325,930	$6,025,430	$7,797,030	$9,635,580	$11,268,130	$12,833,730	$13,333,280	
DEVELOPMENT COSTS:									
DIRECT COSTS:									
Engineering/Survey	$87,360	$0	$0	$0	$0	$0	$0	$0	$87,360
Legal Fees	$52,000	$0	$0	$0	$0	$0	$0	$0	$52,000
Soil Testing/Septic	$52,418	$0	$0	$0	$0	$0	$0	$0	$52,418
Wetland Delineations	$11,232	$1,298	$0	$0	$0	$0	$0	$0	$12,530
Road Improvements	$100,880	$0	$0	$0	$0	$0	$0	$0	$100,880
Septic Upgrades	$260,000	$270,400	$0	$0	$0	$0	$0	$0	$530,400
Contingency	$15,194	$65	$0	$0	$0	$0	$0	$0	$15,259
Total Direct Costs	$578,082	$271,763	$0	$0	$0	$0	$0	$0	$850,845
INDIRECT COSTS:									
Construction Loan Fee	$40,056	$0	$0	$0	$0	$0	$0	$0	$40,056
Developer's Overhead	242,400	406,490	254,925	265,740	275,783	244,883	234,840	74,933	$1,899,992
Real Estate Taxes	82,019	63,056	51,163	38,766	25,900	14,476	3,521	1,766	$280,667
Transfer Taxes	7,514	12,601	7,903	8,238	8,549	7,591	7,280	2,323	$62,000
Sales Commission	98,960	162,596	101,970	106,296	110,313	97,953	93,938	29,973	$799,997
Advertising Expense	0	0	0	0	0	0	0	0	$0
Interest Charges	62,540	29,350	0	0	0	0	0	0	227,409
Contingency	26,574	12,281	318	275	21,027	18,245	16,979	5,450	$101,149
Total Indirect Costs	$558,063	$686,373	$416,279	$419,315	$441,572	$383,148	$356,556	$114,444	$3,375,750
TOTAL COSTS:	$1,137,146	$958,136	$416,279	$419,315	$441,572	$383,148	$356,556	$114,444	$4,226,596
NET CASH PROCEEDS	$478,854	$1,751,794	$1,283,221	$1,352,285	$1,396,978	$1,249,402	$1,209,044	$385,106	$9,106,884
DISCOUNT FACTOR (PW @ 10.00%)	0.9091	0.8264	0.7513	0.6830	0.6209	0.5645	0.5132	0.4665	
PRESENT VALUE	$435,322	$1,447,763	$964,103	$923,629	$867,413	$705,255	$620,431	$179,655	

CUMULATIVE PRESENT VALUE $6,143,571 SAY: $6,145,000 ($36,577/Unit)

TOTAL PROFIT $2,963,113 22.22% OF GROSS SALES

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Totals
OUTSTANDING LOAN BALANCE (At beginning of year; interest charges also based on 50% average development cost balance)	0	0	0	0	0	0	0	0	0

DCF - Plan C - Continued

D. PLANNING OPTION D - CONVERSION TO LONG-TERM LEASE

1. Continued Land Rental - Market Rate Analysis

One final planning option would involve the conversion of the current tenancy-at-will to a long-term lease with a 15- to 30-year term. Under this option, the currently delineated tax parcels will be evaluated based on estimated market level rental rates.

There are several accurate and technically appropriate means of calculating market land rent for seasonal and year round leasehold property. The first method employed in the subject analysis involves a calculation of market rent attributable to the rental cottages and residual income attributable to the underlying land. This method relies on a reasonably accurate estimate of total net rental income (i.e. land and building) and essentially separates income attributable to the land. Due to the relatively broad range of achievable (land) rental values and variable quality of improvements, this analysis will, as a matter of necessity, utilize *averaged* rental income estimates and assume a cottage of average size and quality.

As previously discussed, annual potential gross income for various cottages may range between $8,500 and $12,000. The approximate midpoint of this range is $10,250. Using this assumed rental income level, market rate (net of real estate taxes) land rent is calculated as follows:

POTENTIAL GROSS INCOME:	$10,250.00
Less vacancy allowance/ collection loss @ 5%:	512.50
Less real estate taxes:	1,825.00
NET RENTAL INCOME:	$8,425.00
Income Allocation:	
Estimated Building Value (1,200± SF @ $36.50*)	$43,800.00
	x .11
Estimated Market Rent - Building:	$4,818.00

* depreciated replacement cost

Land Income Calculation:

Net Rental Income:	$8,425.00
less Building Rent:	4,818.00
INCOME ATTRIBUTABLE TO LAND: (Average Market Level Land Rent)	$3,607.00

From this average case analysis, it is clearly evident that the current contract land rent of $620 (seasonal and year round parcels) is approximately $3,000 below market rent.

As a check on this methodology, market rate land rent was estimated by calculating the market value of the fee simple interest of the property derived from Planning Option C - Condominium Conversion. The value to a third party investor was estimated at $6,145,000. Capitalized at a rate of 10.5% the estimated market rent is then: $6,145,000 x .1050 = $645,225 or $3,840 per land rental unit. This reconciles quite closely with the value derived via the above outlined land residual analysis.

An average rent increase of this magnitude would push annual occupancy costs (i.e., rent, taxes and insurance) to approximately $6,000 (or $750 per month in season).

VI. SUMMARY AND RECOMMENDATIONS

The preceding land planning evaluation analysis indicates the following findings and preliminary value estimates:

- The current overall assessed value of the property is generally consistent with the values indicated by recent sales. I believe there is an arguable basis for seeking a value abatement against the per parcel land value as comparable sales for *fee simple, year-round* lots are consistent with the average assessed value of of smaller, seasonally-restricted lots on Little Neck. The success of an abatement request will, however, be limited by the close sales value/assessement ratio indicated by recent transfers.

- If the Feoffees decide to continue to hold and manage the property, the feasibilty of a tax abatement should be tested prior to renegotiating land rental rates with the current tenancy. Without any offsetting measure of tax relief or preliminary discussion of purchase options, a $3,000± average land rent increase, though technically supportable, would not be well-recieved and could prompt some percentage of owners to sell. This would, of course, carry negative value implications for the entire neighborhood.

- Regardless of the Feoffees decision to hold or sell, the Highest and Best Use of the property calls for the conversion of the underlying land to a condominium form of ownership. This use carries the lowest approval risk and infrastructure expense and would provide owners with a more stable and secure legal ownership structure. Additionally, this use would essentially allow transfer activity to occur as it has in the past, while substantially increasing the depth of the prospective buyer pool. The approximate market value under this use is $6,145,000 ($36,577/Unit) assuming an "as is" sale to a third party investor. The upper limit of negotiable value to an association of current tenants may approach $9,500,000 ($56,547/Unit). Net of sales costs, a value of this magnitude would readily provide an annual dividend of over $500,000 (at a conservative yield rate of 6% over a 100 year term) in fulfillment of the Feoffeees original charter.

- If the Feoffees decide to sell the property, the recommended disposition strategy would involve the initiation of preliminary purchase and sale negotiations toward a tenant purchase and (land) condominium conversion. The evaluation of septic system upgrades and possible common septic system use is recommended prior to more detailed valuation studies and purchase contract negotiations.

APPENDIX

Certification, James E. Monahan
Qualifications, James E. Monahan

LandVest

CERTIFICATION OF VALUE

I hereby certify that:

1. I have made a personal inspection of the property that is the subject of this report.

2. To the best of my knowledge and belief, the statements of fact and the opinions contained in this report are true and correct.

3. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.

4. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.

5. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

6. This appraisal was not based on a requested minimum valuation, specific valuation or approval of a loan.

7. I am a candidate for the MAI designation from the Appraisal Institute. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of The Appraisal Institute, as well as the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation. I am currently licensed as a Certified General Appraiser in Massachusetts (CG-3481).

8. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

9. No one provided significant professional assistance to the person(s) signing this report.

Appraiser: _____ Date: 4/24/97
James E. Monahan

LandVest

JAMES E. MONAHAN

Associate Director, Real Estate Consulting Group, LandVest, Inc.

James E. Monahan is the Associate Director with the Real Estate Consulting Group of LandVest, a broad-based real estate company involved in all aspects of land planning, real estate brokerage, consulting, development, and conservation planning. As Associate Director, he is responsible for residential and commercial appraisals, development feasibility studies, land use planning and design, and implementation of development projects.

Prior to joining the firm, Mr. Monahan was Project Manager with the Massachusetts Department of Environmental Management where his responsibilities included design and engineering studies, contract documents, and construction management on a variety of projects including site design for the restoration of Walden Pond Reservation in Concord, acquisition and site planning for Halibut Point State Park, and site design for the expansion of Ashland State Park. Additionally, as founder of Landforms, Inc., he has worked as a consultant on various landscape design projects throughout Boston's North Shore.

Mr. Monahan received a Bachelor of Arts degree in Liberal Arts from St. Anselm's College, Manchester, New Hampshire in 1982 and a Master of Arts degree in Landscape Design from the Conway School of Design in 1985. He is a Certified General Appraiser in the state of Massachusetts (CG-#3481) and is a current candidate for the MAI designation, a commercial appraisal designation awarded by the Appraisal Institute.

PROJECT ASSUMPTIONS - DEVELOPER BUYER ANALYSIS
LITTLE NECK PROPERTY - PLAN A - AS THOUGH VACANT

PROJECT : FEOFFEES/GRAMMAR SCHOOL
DATE : MARCH 1997

SALES ASSUMPTIONS		#UNITS	UNIT VALUE	SUBTOTAL (*)	SALES SCHEDULE (UNIT) YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8	TOTAL
I:	Oversized Waterfront	7	$265,000	$1,855,000	0	2	2	2	0	0	0	0	6
II:	Average W terfront	9	$220,000	$1,980,000	0	3	3	4	0	0	0	0	10
III:	Interior/	8	$160,000	$1,280,000	0	3	3	2	0	0	0	0	8
IV:		0	$0	$0	0	0	0	0	0	0	0	0	0
V:		0	$0	$0	0	0	0	0	0	0	0	0	0
V:		0	$0	$0	0	0	0	0	0	0	0	0	0
	TOTAL	24		$5,115,000	0	8	8	8	0	0	0	0	24
				APPRECIATION :	0.0%	2.0%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	

COST ASSUMPTIONS	SIZE/LENGT OR UNIT	UNIT COST	SUBTOTAL (*)	COST SCHEDULE (%) 1YR	2YR	3YR	4YR	5YR	6YR	7YR	8YR	TOTAL
DIRECT COSTS												
Engineering - Approvals, Plan Prep. ($3000/Lot)	24	$3,000	$72,000	100%	0%	0%	0%	0%	0%	0%	0%	100%
Legal (Initial Approvals)	1	10,000	10,000	100%	0%	0%	0%	0%	0%	0%	0%	100%
Legal Fees/Closings	24	500	12,000									0%
Filing Fees	1	750	750	100%	0%	0%	0%	0%	0%	0%	0%	100%
Performance Bond ($10 per $1,000 Direct Cost)	823	10	8,230	25%	75%	0%	0%	0%	0%	0%	0%	100%
Wetland Delineations/NOI Filing	1	5,000	5,000	100%	0%	0%	0%	0%	0%	0%	0%	100%
Site Preparation/Demolition	0	0	0	80%	20%	0%	0%	0%	0%	0%	0%	100%
Common Drive Construction	0	0	0	60%	40%	0%	0%	0%	0%	0%	0%	100%
Hydrants	9	1,600	14,400	30%	70%	0%	0%	0%	0%	0%	0%	100%
New Subdivision Road w/ Water	2,900	225	652,500	30%	70%	0%	0%	0%	0%	0%	0%	100%
Soil Testing/Schematic Septic Design	24	750	18,000	100%	0%	0%	0%	0%	0%	0%	0%	100%
Contingency (% of Direct Costs)		5.00%	39,644									
CPI				0.0%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	
	SUB-TOTAL:		$832,524									
INDIRECT COSTS												
Project Management		1	$50,000	50%	50%	0%	0%	0%	0%	0%	0%	100%
Developer's Profit		15.00%	$767,250									
Phase I R.E. Taxes (per $1000 of Reassessment)		$14.15	54,265									
Phase II R.E. Taxes (per $1000 of Reassessment)		$0.00	0									
Sales Commission (% of Gross Sales)		5.00%	255,750									
Advertising/Marketing Expense (% of Gross Sales)		1.00%	51,150	0%	0%	0%	0%	0%	0%	0%	0%	0%
Insurance		0.50%	25,575	50%	50%	0%	0%	0%	0%	0%	0%	100%
Accounting/ Administration		0.75%	38,363	50%	50%	0%	0%	0%	0%	0%	0%	100%
Contingency (% of Indirect Costs)		2.00%	24,847									
CPI				0.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	
	SUB-TOTAL:		1,267,200									
	TOTAL :		$2,099,724									

BANK FINANCING	
Prime Rate	6.25%
Interest Rate - Prime + 2.00%	10.25%
% Land Costs	0.0%
% Development Costs (Direct)	75.0%
Release Payments (% of Net Cash Proceeds)	130.0%
Construction Loan Fee	1.0%
Discount Rate:	9.00%

DCF - Plan A - Conservative Pricing

Ten Post Office Square • Boston, Massachusetts 02109 • 617-723-1800
LandVest

CASH FLOW ANALYSIS - PLAN A - PLAN A - VALUE AS VACANT
(CURRENT MARKET VALUE)

PROJECT: FEOFFEES/GRAMMAR SCHOOL
DATE: MARCH 1997

	Closing	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Totals
SALES PROCEEDS :										
Total Lots (Beginning of Year)	24	24	24	16	8	0	0	0	0	
Lots/Unit Sold	0	0	8	8	8	0	0	0	0	24
Gross Sales Price	$0	$0	$1,703,400	$1,754,502	$1,881,152	$0	$0	$0	$0	$5,339,054
Cum. Gross Sales Price	$0	$0	$1,703,400	$3,457,902	$5,339,054	$5,339,054	$5,339,054	$5,339,054	$5,339,054	
DEVELOPMENT COSTS :										
DIRECT COSTS :										
Engineering - Approvals, Plan Prep.	$0	$72,000	$0	$0	$0	$0	$0	$0	$0	$72,000
Legal - Initial Approvals	$0	$10,000	$0	$0	$0	$0	$0	$0	$0	$10,000
Legal Fees - Lot Closings	$0	$0	$4,000	$4,000	$4,000	$0	$0	$0	$0	$12,000
Filing Fees	$0	$750	$0	$0	$0	$0	$0	$0	$0	$750
Performance Bond	$0	$2,058	$6,358	$0	$0	$0	$0	$0	$0	$8,415
Wetland Delineation	$0	$5,000	$0	$0	$0	$0	$0	$0	$0	$5,000
Site Prep	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Common Drive	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Hydrants	$0	$4,320	$10,382	$0	$0	$0	$0	$0	$0	$14,702
New Interior Road	$0	$195,750	$470,453	$0	$0	$0	$0	$0	$0	$666,203
Soil Testing	$0	$18,000	$0	$0	$0	$0	$0	$0	$0	$18,000
Contingency	$0	$15,394	$24,560	$200	$200	$0	$0	$0	$0	$40,354
Total Direct Costs	$0	$323,271	$515,752	$4,200	$4,200	$0	$0	$0	$0	$847,424
INDIRECT COSTS :										
Project Management	$0	$25,000	$25,000	$0	$0	$0	$0	$0	$0	$50,000
Developer's Profit	$0	$0	$255,510	$263,175	$282,173	$0	$0	$0	$0	$800,858
Real Estate Taxes - Phase I	$0	$81,398	$67,832	$40,699	$13,566	$0	$0	$0	$0	$203,495
Sales Commission	$0	$0	$85,170	$87,725	$94,058	$0	$0	$0	$0	$266,953
Advertising Expense	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Insurance	$0	$0	$8,517	$8,773	$9,406	$0	$0	$0	$0	$26,695
Accounting/ Administration	$0	$0	$12,776	$13,159	$14,109	$0	$0	$0	$0	$40,043
Contingency	$0	$2,128	$9,098	$8,271	$8,268	$0	$0	$0	$0	$27,761
Total Indirect Costs	$0	$108,526	$463,900	$421,801	$421,577	$0	$0	$0	$0	$1,415,804
TOTAL COSTS :	$0	$431,797	$979,652	$426,001	$425,777	$0	$0	$0	$0	$2,263,228
NET CASH PROCEEDS BEFORE DEBT	$0	($431,797)	$723,748	$1,328,501	$1,455,375	$0	$0	$0	$0	$3,075,826
Loan Proceeds	$624,393									
Construction Loan Fee	$15,748									
Release Payments	$0	$0	$212,757	$397,095	$14,451	$90	$0	$0	$0	$624,393
Interest Payments	$0	$64,000	$53,096	$21,842	$750	$5	$0	$0	$0	$139,693
NET PROCEEDS AFTER DEBT SERVICE	$608,645	($495,797)	$457,894	$909,564	$1,440,174	($95)	$0	$0	$0	$2,920,385
DISCOUNT FACTOR (PW @ 9.00%)	1.0000	0.9174	0.8417	0.7722	0.7084	0.6499	0.5963	0.5470	0.5019	
PRESENT VALUE	$608,645	($495,797)	$385,400	$702,350	$1,020,255	($95)	$0	$0	$0	$2,220,759

CUMMULATIVE PRESENT VALUE $2,220,759

ROUNDED: $2,220,000

NET CASH PROCEEDS:	$2,920,385
LESS LAND VALUE:	$2,220,000
DISCOUNT:	$700,385
LINE ITEM PROFIT: (From Above)	$800,858
TOTAL PROFIT:	$1,501,243
(% GROSS SALES):	28.12%

DCF - Plan A - Continued

PROJECT ASSUMPTIONS - DEVELOPER BUYER ANALYSIS — PROJECT : FEOFFEES/GRAMMAR SCHOOL
LITTLE NECK PROPERTY - PLAN A - AS THOUGH VACANT Aggressive Pricing — DATE : MARCH 1997

SALES ASSUMPTIONS		#UNITS	UNIT VALUE	SUBTOTAL (*)	SALES SCHEDULE (UNIT) YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8	TOTAL
I:	Oversized Waterfront	7	$350,000	$2,450,000	0	3	2	1	0	0	0	0	6
II:	Average Waterfront	9	$290,000	$2,610,000	0	4	3	3	0	0	0	0	10
III:	Interior	8	$210,000	$1,680,000	0	4	3	1	0	0	0	0	8
IV:		0	$0	$0	0	0	0	0	0	0	0	0	0
V:		0	$0	$0	0	0	0	0	0	0	0	0	0
V:		0	$0	$0	0	0	0	0	0	0	0	0	0
	TOTAL	24		$6,740,000	0	11	8	5	0	0	0	0	24
				APPRECIATION :	0.0%	2.0%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	

COST ASSUMPTIONS	SIZE/LENGT OR UNIT	UNIT COST	SUBTOTAL (*)	COST SCHEDULE (%) 1YR	2YR	3YR	4YR	5YR	6YR	7YR	8YR	TOTAL
DIRECT COSTS												
Engineering - Approvals, Plan Prep. ($3000/Lot)	24	$3,000	$72,000	100%	0%	0%	0%	0%	0%	0%	0%	100%
Legal (Initial Approvals)	1	10,000	10,000	100%	0%	0%	0%	0%	0%	0%	0%	100%
Legal Fees/Closings	24	500	12,000									0%
Filing Fees	1	750	750	100%	0%	0%	0%	0%	0%	0%	0%	100%
Performance Bond ($10 per $1,000 Direct Cost)	823	10	8,230	25%	75%	0%	0%	0%	0%	0%	0%	100%
Wetland Delineations/NOI Filing	1	5,000	5,000	100%	0%	0%	0%	0%	0%	0%	0%	100%
Site Preparation/Demolition	0	0	0	80%	20%	0%	0%	0%	0%	0%	0%	100%
Common Drive Construction	0	0	0	60%	40%	0%	0%	0%	0%	0%	0%	100%
Hydrants	9	1,600	14,400	30%	70%	0%	0%	0%	0%	0%	0%	100%
New Subdivision Road w/ Water	2,900	225	652,500	30%	70%	0%	0%	0%	0%	0%	0%	100%
Soil Testing/Schematic Septic Design	24	750	18,000	100%	0%	0%	0%	0%	0%	0%	0%	100%
Contingency (% of Direct Costs)		5.00%	39,644									
CPI				0.0%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	
	SUB-TOTAL:		$832,524									
INDIRECT COSTS												
Project Management		1	$50,000	50%	50%	0%	0%	0%	0%	0%	0%	100%
Developer's Profit		15.00%	$1,011,000									
Phase I R.E. Taxes (per $1000 of Reassessment)		$14.15	71,599									
Phase II R.E. Taxes (per $1000 of Reassessment)		$0.00	0									
Sales Commission (% of Gross Sales)		5.00%	337,000									
Advertising/Marketing Expense (% of Gross Sales)		1.00%	67,400	0%	0%	0%	0%	0%	0%	0%	0%	0%
Insurance		0.50%	33,700	50%	50%	0%	0%	0%	0%	0%	0%	100%
Accounting/ Administration		0.75%	50,550	50%	50%	0%	0%	0%	0%	0%	0%	100%
Contingency (% of Indirect Costs)		2.00%	32,425									
CPI	SUB-TOTAL:		1,653,674	0.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	
	TOTAL :		$2,486,198									

BANK FINANCING	
Prime Rate	8.25%
Interest Rate - Prime + 2.00%	10.25%
% Land Costs	0.0%
% Development Costs (Direct)	75.0%
Release Payments (% of Net Cash Proceeds)	130.0%
Construction Loan Fee	1.0%
Discount Rate:	8.00%

DCF - Plan A - Aggressive Pricing

Ten Post Office Square • Boston, Massachusetts 02109 • 617-723-1800
LandVest

CASH FLOW ANALYSIS - PLAN A - PLAN A - VALUE AS VACANT
(CURRENT MARKET VALUE)

PROJECT: FEOFFEES/GRAMMAR SCHOOL
DATE: MARCH 1997

	Closing	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Totals
SALES PROCEEDS :										
Total Lots (Beginning of Year)	24	24	24	13	5	0	0	0	0	
Lots/Unit Sold	0	0	11	8	5	0	0	0	0	24
Gross Sales Price	$0	$0	$3,111,000	$2,311,320	$1,554,941	$0	$0	$0	$0	$6,977,261
Cum. Gross Sales Price	$0	$0	$3,111,000	$5,422,320	$6,977,261	$6,977,261	$6,977,261	$6,977,261	$6,977,261	
DEVELOPMENT COSTS :										
DIRECT COSTS :										
Engineering - Approvals, Plan Prep.	$0	$72,000	$0	$0	$0	$0	$0	$0	$0	$72,000
Legal - Initial Approvals	$0	$10,000	$0	$0	$0	$0	$0	$0	$0	$10,000
Legal Fees - Lot Closings	$0	$0	$5,500	$4,000	$2,500	$0	$0	$0	$0	$12,000
Filing Fees	$0	$750	$0	$0	$0	$0	$0	$0	$0	$750
Performance Bond	$0	$2,058	$6,358	$0	$0	$0	$0	$0	$0	$8,415
Wetland Delineation	$0	$5,000	$0	$0	$0	$0	$0	$0	$0	$5,000
Site Prep	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Common Drive	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Hydrants	$0	$4,320	$10,382	$0	$0	$0	$0	$0	$0	$14,702
New Interior Road	$0	$195,750	$470,453	$0	$0	$0	$0	$0	$0	$666,203
Soil Testing	$0	$18,000	$0	$0	$0	$0	$0	$0	$0	$18,000
Contingency	$0	$15,394	$24,635	$200	$125	$0	$0	$0	$0	$40,354
Total Direct Costs	$0	$323,271	$517,327	$4,200	$2,625	$0	$0	$0	$0	$847,424
INDIRECT COSTS :										
Project Management	$0	$25,000	$25,000	$0	$0	$0	$0	$0	$0	$50,000
Developer's Profit	$0	$0	$466,850	$346,698	$233,241	$0	$0	$0	$0	$1,046,589
Real Estate Taxes - Phase I	$0	$107,399	$82,786	$40,274	$11,187	$0	$0	$0	$0	$241,647
Sales Commission	$0	$0	$155,550	$115,566	$77,747	$0	$0	$0	$0	$348,863
Advertising Expense	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Insurance	$0	$0	$15,555	$11,557	$7,775	$0	$0	$0	$0	$34,886
Accounting/ Administration	$0	$0	$23,333	$17,335	$11,662	$0	$0	$0	$0	$52,329
Contingency	$0	$2,648	$15,377	$10,829	$6,832	$0	$0	$0	$0	$35,486
Total Indirect Costs	$0	$135,046	$784,251	$542,059	$348,444	$0	$0	$0	$0	$1,809,801
TOTAL COSTS :	$0	$458,318	$1,301,579	$546,259	$351,069	$0	$0	$0	$0	$2,657,224
NET CASH PROCEEDS BEFORE DEBT	$0	($458,318)	$1,809,421	$1,765,061	$1,203,871	$0	$0	$0	$0	$4,320,036
Loan Proceeds	$624,393									
Construction Loan Fee	$18,646									
Release Payments	$0	$0	$212,757	$397,095	$14,541	$0	$0	$0	$0	$624,393
Interest Payments	$0	$64,000	$53,086	$21,842	$745	$0	$0	$0	$0	$139,684
NET PROCEEDS AFTER DEBT SERVICE	$605,747	($522,318)	$1,543,568	$1,346,125	$1,188,585	$0	$0	$0	$0	$4,161,706
DISCOUNT FACTOR (PW @ 8.00%)	1.0000	0.9259	0.8573	0.7938	0.7350	0.6806	0.6302	0.5835	0.5403	
PRESENT VALUE	$605,747	($522,318)	$1,323,361	$1,068,597	$673,645	$0	$0	$0	$0	$3,349,032

CUMMULATIVE PRESENT VALUE $3,349,032

ROUNDED: $3,350,000

NET CASH PROCEEDS:	$4,161,706
LESS LAND VALUE:	$3,350,000
DISCOUNT:	$811,706
LINE ITEM PROFIT: (From Above)	$1,046,589
TOTAL PROFIT:	$1,858,295
(% GROSS SALES):	26.63%

DCF - Plan A - Continued

B. CONCEPT PLAN B - DEFINITIVE SUBDIVISION AT EXISTING LOT DENSITY

Concept Plan B on the following page of this report assumes the approval of the existing lot (tax parcel) density by the Ipswich Planning Board.

This plan calls for a total 168 lots ranging in size from approximately 1,980± square feet to 7,820± square feet. Wherever possible, improved lots would be merged with adjoining vacant lots owned by the Feoffees in an effort to increase the average lot size and improve the potential for septic system expansion/replacement. The area underlying the playing field would likely be reserved as common open space and possibly as a site for a community leach field, if required as a Condition of Approval.

The financial evaluation of Concept Plan B will assume a speculative developer purchase of the property and the anticipated difficulty in obtaining municipal subdivision approval.

1. Market Value Estimate - Plan B - Divided as Platted

The valuation of the property per Plan B (i.e., existing tax parcel delineation) is based on a highly aggressive set of assumptions regarding municipal subdivision approval feasibility. The most compelling argument in favor of approval is the fact that parcels are individually assessed, improved, and for the most part restricted to seasonal use. Due to the uncertainty of gaining approval, an outside investor would take an extremely guarded view of an "as is" purchase of the property for subdivision. Accordingly, the total developer profit margin is understandably aggressive.

Assuming an 8-year approval and absorption schedule, the DCF on the following pages indicates a value for the entire property of approximately $5,145,000 or $147,000 per gross acre and $30,625 per unapproved lot.

Due to the risks associated with subdivision approval of the existing density, Plan B is not considered a reliable planning option for the purposes of disposition analysis. However, this Plan and resulting value may prove valuable in future approval negotiations and tax abatement applications.



Notes: Plan compiled from Town Assessor's Plats and is intended for planning purposes

LandVest Project #2573

DATE: 3/97

Plan B

Divided as Platted

PREPARED FOR
FEOFFEES/GRAMMAR SCHOOL

PREPARED BY
LANDVEST, INC.

Scale: 1" = 200'

0 100 200 300

LandVest

TEN POST OFFICE SQUARE, BOSTON, MA 02109

THIS PLAN IS CONCEPTUAL ONLY AND NOT REPRESENTED AS AN ENGINEERED PLAN.

LandVest®

APPRAISAL REPORT

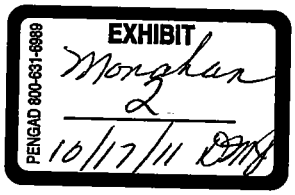
FEOFFEES OF THE GRAMMAR SCHOOL PROPERTY
IPSWICH, MASSACHUSETTS

Located:
Little Neck Estate
Ipswich, Massachusetts 01938

Report Date:
January 4, 2001

Requested by:
Mr. Donald M. Greenough
Ipswich Cooperative Bank Building
Depot Square - P. O. Box 790
Ipswich, Massachusetts 01938-0790

Prepared by:
James E. Monahan, Associate Director
Real Estate Consulting Group
LandVest, Inc.
Ten Post Office Square
Boston, MA 02109



Report #3200

LandVest®
Distinctive Properties • Real Estate Consulting & Appraisal • Forestry Consulting
TEN POST OFFICE SQUARE, BOSTON, MASSACHUSETTS 02109

REGIONAL OFFICES

148 Middle Street
Portland, ME 04101
Telephone 207 774-8518
Fax 207 774-5845

9 Elm Street
Post Office Box 1262
Camden, ME 04843
Telephone 207 236-3543
Fax 207 236-2172

4A Tracy Road
P.O. Box 1068
Northeast Harbor, ME 04662
Telephone 207 276-3840
Fax 207 276-3837

126 College Street
Burlington, VT 05401
Telephone 802 660-2900
Fax 802 660-2543

5 The Green
Woodstock, VT 05091
Telephone 802 457-4977
Fax 802 457-9021

33 Fuller Street
Martha's Vineyard
Edgartown, MA 02539
Telephone 508 627-4400
Fax 508 627-7044

109 North Main Street
Concord, NH 03301
Telephone 603 228-2020
Fax 603 226-4391

January 4, 2001

Mr. Donald M. Greenough
Ipswich Cooperative Bank Building
Depot Square - P. O. Box 790
Ipswich, MA 01938-0790

RE: ***APPRAISAL REPORT***
"Little Neck Estate" - Ipswich, Massachusetts

Dear Don:

In accordance with your request, I have inspected the above-referenced real property generally known as *Little Neck Estate* in Ipswich, Southern Essex County, Massachusetts for the propose of estimating the property's market value in fee simple.

The attached document represents a "complete appraisal" within a *restricted-use* report format prepared in full conformance and without departure from the Uniform Standards of Professional Appraisal Practice (USPAP) and the Appraisal Standards Board. It is my understanding that this appraisal is to be used by the Feoffees of the Grammar School and their assigns in the context of on-going asset management and disposition planning. It should be noted that this report contains opinions as to the subject property's value under alternate assumptions of sale to a third party buyer (i.e., *market value*) or to a buyer group comprised of the current tenancy (i.e., investment value).

This appraisal constitutes an update of an opinion of market value set forth in LandVest's Real Estate Advisory Report dated April 15, 1997. The 1997 Advisory Report is included herein by reference.

Based on my inspections, research and analysis, it is my opinion that as of December 1, 2000 (date of most recent inspection) it is my opinion that the value of a fee simple interest in the property assuming a condominium conversion (land only) was:

Market Value (to third party buyer): $7,700,000

Investment Value (to current tenancy): $10,290,000

TELEPHONE: 617 723-1800
FAX: 617 482-5376

Additional documentation in support of this market value estimate is provided within the attached report, respectfully submitted for your review.

Sincerely,

James E. Monahan
Associate Director
Real Estate Consulting Group
LandVest, Inc.

I. SCOPE OF APPRAISAL AND DEFINITIONS

A. Purpose

The purpose of this appraisal is to provide the client with an opinion as to the property's market value.

B. Function or Use of Appraisal

The function and intended use of the report is to establish the current market value of the property as part of an internal review of disposition options.

C. Effective Date of Valuation

The subject property was inspected most recently by James E. Monahan on December 1, 2000. This date serves as the effective valuation date.

D. Definitions

1. Fee Simple Estate

Fee Simple Estate is defined as:

Absolute ownership unencumbered by any other interest or estate; subject only to the limitations of eminent domain, escheat, police power, and taxation.[1]

2. Tenancy At Will

Tenancy At Will is defined as:

An estate in real estate that has no fixed term and may be canceled at will by the landlord or the tenant.

---

[1] The Dictionary of Real Estate Appraisal: The Appraisal Institute, 1993.

3. **Market Value**

Market value is defined as follows:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. *Buyer and seller are typically motivated;*
2. *Both parties are well-informed or well-advised, and acting in what they consider their best interests;*
3. *A reasonable time is allowed for exposure to the open market;*
4. *Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and*
5. *The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.*[2]

4. **Investment Value**

Investment Value is defined as follows:

The specific value of an investment to a particular investor or class of investors based on individual investment requirements; distinguished from market value, which is impersonal and detached.

5. **Condominium**

Condominium is defined as follows:

A form of fee ownership of separate units or portions of multiple unit buildings that provides for formal filing and recording of a divided interest in real property and/or a multi-unit structure or property in which persons hold fee simple title to individual units and an undivided interest in common areas.

---

[2]The Uniform Standards of Professional Appraisal Practice (USPAP): The Appraisal Foundation, 1997.

E. Scope of Investigation and Analysis Parameters

The subject physical analysis is based on personal inspections of the subject property, as well as reference to public records including; Federal Flood Insurance Rate Maps; U.S.G.S. Topographic Maps; aerial orthophotos; Town of Ipswich Assessor's Maps and Field Cards; written offers to purchase; and, Title V inspections prepared by H.L. Graham Associates, Inc. of Ipswich, Massachusetts.

The legal and regulatory analysis includes a review of the Town of Ipswich's zoning and subdivision regulations in effect as of the effective valuation date. In addition, State and local health regulations, wetland, flood plain and other land use regulations are considered as they may affect the additional development potential and market value of the subject property.

The sources of data presented in the valuation analysis contained in this appraisal include public records, local real estate professionals, private individuals and companies, and/or the appraisers' files. All sales were confirmed with at least one or two of the following sources: buyer, seller, listing agent, selling agent, recorded deed, or other private individuals familiar with the terms of a particular transaction.

F. Statement of Competency

LandVest and the subject appraiser have experience appraising all types of residential, commercial and industrial properties throughout New England, including northeastern Massachusetts. LandVest's Real Estate Consulting Group staff includes appraisers and land planners with the experience and skills required to evaluate the physical and legal constraints on land use, and to develop reliable estimates of Highest and Best Use. A thorough review of the subject property's greater Essex County market, as documented in this report, provides support for the market value options developed in this appraisal.

James E. Monahan is the primary appraiser and is a Certified General Appraiser in the Commonwealth of Massachusetts (#3481).

• Reporting Format

This report constitutes a "complete appraisal" presented in a ***Restricted-Use Appraisal Report*** format. In accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) Rule 2-2(c), the report includes only summary analyses and reasoning in support of market value estimates. Additional supporting documentation concerning the data, reasoning and analysis is retained in the appraisers' files. The appraisers are not responsible for unauthorized use of this report.

II. IDENTIFICATION OF SUBJECT PROPERTY

A. Address and Legal References

The subject property is generally located at the end of Jeffrey's Neck Road in the eastern portion of the Town of Ipswich. The address is simply referred to as:

Little Neck Estate
Ipswich, Massachusetts 01938

A full legal description of the subject property is recorded in the Essex County South Registry of Deeds, Book 16320, Page 170. A copy of the subject legal description, as well as other relevant legal instruments are contained in the ***Appendix*** to this report.

B. Subject Ownership

As of the effective valuation date, fee simple title to the subject property vested in:

The Feoffees of the Grammar School in Ipswich
c/o Donald Whiston

For the Feoffees title, see the Acts of 1765 of the Legislature of Massachusetts Colony in confirming the title to the premises of the Feoffees which originated by grant of the Town of Ipswich in 1650.

C. Parcel Inventory and Current Assessments

The following pages of this report provide tabular summaries of leased parcels (both improved and vacant) and various parcels (not leased) held by the Feoffees. These summaries include proposed (F.Y. 2001) assessed values for all land and improvements.

TABLE I

PARCEL INVENTORY
LITTLE NECK ESTATE - IPSWICH, MASSACHUSETTS

I. Leased Parcel Assessments F.Y. 2001 (proposed)

Parcel #	Address	Owner	Lot Area	Assessments			
				Land	Yard	Bldg	Total
1*	63 River Road	P. Regal	3,060 SF	$105,400	0	$110,300	$215,700
2*	61 River Road	C. Harris	2,843 SF	$104,500	0	$47,200	$151,700
3	59 River Road	N. Wilkey	3,327 SF	$106,500	0	$51,300	$157,800
4	57 River Road	A. Anderson	3,400 SF	$106,700	0	$54,500	$161,200
5	55 River Road	K. Rodman	3,210 SF	$106,000	0	$55,600	$161,600
6	53 River Road	M. Sandberg	3,458 SF	$107,000	0	$132,600	$239,600
7	49 River Road	W. Hough	2,400 SF	$102,800	0	$75,600	$178,400
8	47 River Road	R. Saunders	1,980 SF	$92,700	0	$41,000	$133,700
9	44 River Road	R. Aiello	2,860 SF	$104,600	0	$84,500	$189,100
10	46 River Road	J. Cronin	5,160 SF	$113,800	0	$87,200	$201,000
11	48 River Road	T. Ciolek	3,720 SF	$108,000	$900	$196,600	$305,500
12	50 River Road	J. Blake	3,360 SF	$106,600	0	$63,600	$170,200
13	45 River Road	P. Saunders	2,600 SF	$95,000	0	$38,100	$133,100
14	43 River Road	K. Rodman	2,340 SF	$102,500	0	$141,300	$243,800
15*	41 River Road	C. Hebel	2,350 SF	$102,600	0	$123,500	$226,100
16	39 River Road	J. Foley	2,400 SF	$102,800	$5,500	$61,000	$169,300
17	37 River Road	J. Survilas	2,600 SF	$103,600	0	$63,500	$167,100
18*	35 River Road	R. Bowman	2,500 SF	$103,200	0	$28,400	$131,600
20*	31 River Road	Darimiro Trust	3,000 SF	$105,100	$4,600	$79,600	$189,300
21*	29 River Road	R. Maloney	3,250 SF	$106,100	0	$53,700	$159,800
22	27 River Road	F. Lalikos	2,770 SF	$104,200	$1,200	$65,700	$171,100
23	25 River Road	K. Tetreault	2,400 SF	$102,800	$500	$77,700	$181,000
24	6 Bay Crest Rd.	R. Watson	3,000 SF	$96,500	0	$50,600	$147,100

*denotes change in ownership since 1997

Parcel #	Address	Owner	Lot Area	Assessments Land	Yard	Bldg.	Total
25	31 Middle Road	R. Doherty	2,980 SF	$96,400	0	$62,500	$158,900
26*	29 Middle Road	Lot 26 L.N. Nom. Tr.	3,540 SF	$98,400	0	$54,900	$153,300
28*	21 Middle Road	M. O'Flahaven	3,000 SF	$96,500	0	$58,400	$154,900
29	19 Middle Road	E. Kaine	3,000 SF	$96,500	0	$115,600	$212,100
30	15 Middle Road	D. Wallace	2,000 SF	$16,600	$13,000	0	$31,600
31	11 Middle Road	D. Wallace	2,780 SF	$95,700	$7,700	$69,600	$165,300
32*	9 Middle Road	D. Anderson	4,020 SF	$100,200	0	$58,600	$158,800
33	7 Middle Road	M. Kelly	3,870 SF	$99,600	0	$44,300	$143,900
34	5 Middle Road	R. Passarelli	3,870 SF	$99,600	0	$71,200	$170,800
35	3 Middle Road	M. Kelly	3,870 SF	$99,600	0	$44,500	$144,100
37	1 Hilltop Road	W. Russo	2,159 SF	$61,300	0	$52,900	$114,200
38	4 Middle Road	D. Gresek	2,230 SF	$68,300	0	$130,200	$198,500
39	6 Middle Road	M. Kelly	2,400 SF	$68,800	0	$88,700	$157,500
40*	8 Hilltop Road	P. Scioletti	4,240 SF	$70,400	0	$103,100	$173,500
41*	12 Hilltop Road	M. Casey	3,840 SF	$70,400	0	$55,400	$125,800
42*	16 Hilltop Road	K. Annen	5,300 SF	$67,100	0	$43,900	$111,000
43*	20 Hilltop Road	M. Disalvo	4,360 SF	$70,400	0	$51,200	$121,600
44*	22 Hilltop Road	P. Surette	4,280 SF	$70,400	0	$123,300	$193,700
45*	24 Hilltop Road	E. Okeefe	3,590 SF	$70,400	0	$77,800	$148,200
46*	26 Hilltop Road	D. Greenwood	3,370 SF	$70,400	0	$57,800	$128,200
47	28 Middle Road	B. Roy	3,240 SF	$71,000	0	$71,000	$142,000
48*	30 Middle Road	P. McDonald	3,000 SF	$73,000	0	$70,400	$143,400
49	25 Hilltop Road	R. Saunders	4,225 SF	$73,700	0	$169,800	$243,500
50	23 Hilltop Road	V. Cutler	3,591 SF	$72,000	0	$45,500	$117,500
51	21 Hilltop Road	R. Thorngren	3,450 SF	$71,600	$500	$56,300	$128,400
52	19 Hilltop Road	A. Donahoe	3,575 SF	$71,900	0	$63,100	$135,000
53*	15 Hilltop Road	E. Erickson	3,950 SF	$72,900	0	$73,800	$146,700
54	11 Hilltop Road	J. Reardon	7,420 SF	$82,200	0	$117,800	$200,000

*denotes change in ownership since 1997

LandVest®

Parcel #	Address	Owner	Lot Area	Assessments			
				Land	Yard	Bldg	Total
55*	9 Hilltop Road	R. Harrington	3,500 SF	$71,700	$500	$114,900	$187,100
56	10 Middle Road	J. Duran	3,210 SF	$64,700	0	$72,600	$140,000
57	7 Hilltop Road	D. Dieringer	3,660 SF	$72,200	$600	$95,300	$168,100
59	35 Bay Road	C. Bouvier	4,550 SF	$102,100	$500	$153,700	$256,300
60	33 Bay Road	C. Laughton	2,400 SF	$94,300	$500	$98,400	$193,200
61	31 Bay Road	H. Akerstrom	2,160 SF	$93,400	0	$49,100	$142,500
62	29 Bay Road	B. Carbone	2,400 SF	$94,300	0	$75,800	$170,100
63	27 Bay Road	A. Yemma	2,470 SF	$94,500	$600	$173,800	$268,900
64	25 Bay Road	J. Gallagher	3,000 SF	$96,500	$700	$35,700	$132,900
65	23 Bay Road	C. Lichoulas	3,000 SF	$96,500	0	$47,600	$144,100
66*	19 Bay Road	M. Johnson	3,600 SF	$98,700	0	$61,000	$159,700
67	17 Bay Road	M. Holden	3,180 SF	$97,100	0	$48,800	$145,900
68	15 Bay Road	W. Moskowitz	3,230 SF	$97,300	0	$56,300	$153,600
70	16 Bay Road	M. Donaldson	4,510 SF	$74,400	0	$72,400	$146,800
71	18 Bay Road	T. Allen	4,410 SF	$74,200	$400	$161,800	$236,400
72	5 Gala Way	R. Hamlin	3,000 SF	$70,400	0	$60,500	$130,900
75	8 Hilltop Road	R. Scioletti	3,000 SF	$70,400	0	$108,100	$173,500
76	10 Hilltop Road	J. Dowling	3,000 SF	$70,400	0	$56,400	$126,800
77	12 Hilltop Road	M. Casey	3,000 SF	$70,400	0	$55,400	$125,800
79	4 Cove Road	B. Horsman	5,110 SF	$76,000	0	$52,500	$128,500
80	6 Cove Road	S. Ruta	3,000 SF	$70,400	0	$44,300	$114,700
81	8 Cove Road	C. Robinson	3,000 SF	$70,400	0	$56,600	$127,000
82	10 Cove Road	N. Ball	3,000 SF	$70,400	$600	$59,200	$130,200
83	12 Cove Road	M. Anderson	5,100 SF	$76,000	0	$53,800	$129,800
84	12 Bay Road	N. Fidrocki	4,260 SF	$73,800	0	$71,600	$145,400
85	17 Cove Road	K. Gilletti	3,000 SF	$70,400	0	$52,100	$122,500
86	15 Cove Road	R. Varney	3,000 SF	$70,400	$1,800	$54,100	$126,300
87	9 Cove Road	P. Mattson	3,000 SF	$70,400	0	$127,700	$198,100

*denotes change in ownership since 1997

LandVest®

Parcel #	Address	Owner	Lot Area	Assessments			
				Land	Yard	Bldg.	Total
89*	5 Cove Road	H. Cogan	3,000 SF	$70,400	0	$64,800	$135,200
90	3 Cove Road	F. Parker	3,000 SF	$70,400	0	$52,200	$122,600
91*	16 Hilltop Road	K. Annen	1,780 SF	$67,100	0	$43,900	$111,000
92	18 Hilltop Road	R. Stocker	3,140 SF	$70,800	0	$46,500	$117,300
93	18 Baycrest Rd.	J. Fogarty	3,000 SF	$70,400	0	$51,200	$121,600
94	22 Baycrest Rd.	L. Fiske	3,000 SF	$70,400	0	$44,900	$115,300
95	24 Baycrest Rd.	J. Lyon	3,000 SF	$70,400	0	$76,800	$147,200
96*	26 Baycrest Rd.	A. Connolly	3,000 SF	$70,400	0	$54,400	$124,800
97	28 Baycrest Rd.	G. Church	3,000 SF	$70,400	0	$138,800	$209,200
98	30 Baycrest Rd.	C. McGilvary	3,870 SF	$72,700	0	$105,300	$178,000
99	8 Bay Road	M. Attridge	3,750 SF	$72,400	0	$63,400	$135,800
100	27 Baycrest Rd.	E. Williams	3,000 SF	$70,400	0	$50,200	$120,600
101	25 Baycrest Rd.	J. Ferrino	3,000 SF	$70,400	0	$63,100	$135,500
102	21 Baycrest Rd.	D. Carroll	3,000 SF	$70,400	0	$57,800	$128,200
103*	20 Hilltop Road	M. Disalvo	3,000 SF	$70,400	0	$51,200	$121,600
104	33 Hilltop Road	R. Gilbert	3,000 SF	$70,400	0	$52,200	$122,600
105	9 Baycrest Rd.	R. Betts	3,000 SF	$66,900	0	$39,900	$106,800
106*	32 Middle Road	A. Cairns	3,000 SF	$70,400	0	$62,900	$133,300
107	35 Middle Road	P. Rhodes	3,000 SF	$96,500	0	$53,300	$149,800
108*	3 Baycrest Rd.	P. Benjamin	3,000 SF	$105,100	0	$42,900	$148,000
109	21 River Road	Green Trust	3,000 SF	$105,100	0	$54,700	$159,800
110	4 Kings Way	B. Rowell	3,000 SF	$96,500	0	$70,800	$167,300
111	37 Middle Road	C. Johnson	3,000 SF	$96,500	0	$72,600	$169,100
112	8 Kings Way	R. Harrington	3,000 SF	$70,400	0	$103,800	$174,200
113	10 Kings Way	B. Pulsford	3,000 SF	$66,900	0	$66,900	$133,800
114	35 Hilltop Road	M. Obrien	3,000 SF	$70,400	0	$65,000	$135,400
115	22 Hilltop Road	P. Surette	3,000 SF	$70,400	0	$123,300	$193,700
116*	16 Kings Way	C. Ryan	3,000 SF	$70,400	0	$66,300	$136,700

*denotes change in ownership since 1997

Parcel #	Address	Owner	Lot Area	Assessments			
				Land	Yard	Bldg.	Total
117	20 Kings Way	R. McHale	3,000 SF	$70,400	0	$68,600	$139,000
118	22 Kings Way	P. Hull	3,000 SF	$70,400	0	$65,600	$136,000
120	6 Bay Road	G. Donovan	2,700 SF	$69,600	0	$43,200	$112,800
121	29 Kings Way	J. Kurnick	4,410 SF	$74,200	0	$49,000	$123,200
122	27 Kings Way	J. Cook	3,000 SF	$70,400	0	$74,000	$144,400
123*	25 Kings Way	W. Morrison	3,000 SF	$70,400	0	$60,000	$130,400
124	21 Kings Way	M. Varney	3,000 SF	$70,400	0	$69,800	$140,200
125*	19 Kings Way	R. McCaughey	3,000 SF	$70,400	0	$39,800	$110,200
126	17 Kings Way	J. Spenser	3,000 SF	$70,400	0	$54,900	$125,300
127	24 Hilltop Road	E. O'Keefe	3,000 SF	$70,400	0	$77,800	$148,200
128	37 Hilltop Road	M. Gorman	3,000 SF	$70,400	0	$73,200	$143,600
129	11 Kings Way	F. Kiley	3,000 SF	$66,900	0	$54,600	$121,500
130	36 Middle Road	W. Lonergan	3,000 SF	$70,400	0	$79,100	$149,500
131	39 Middle Road	R. Cole	3,000 SF	$96,500	0	$43,600	$140,100
132	5 Kings Way	R. Barton	3,000 SF	$96,500	0	$51,700	$148,200
133	3 Kings Way	D. Goodhue	3,000 SF	$105,100	0	$52,500	$157,000
134	2 Plum Sound Rd.	M. Maloney	3,000 SF	$105,100	0	$102,500	$207,600
135	4 Plum Sound Rd.	M. Maloney	3,000 SF	$96,500	0	$79,700	$176,200
136	6 Plum Sound Rd.	C. Jannino	3,000 SF	$96,500	0	$69,200	$165,700
137	41 Middle Road	C. Huntley	3,000 SF	$96,500	0	$71,500	$168,000
138	38 Middle Road	W. Carroll	3,000 SF	$70,400	$500	$111,300	$182,200
139*	12 Plum Sound Rd.	E. Torissi	3,000 SF	$70,400	0	$53,600	$124,000
140	14 Plum Sound Rd.	M. Green	3,000 SF	$70,400	0	$45,900	$116,300
141	26 Hilltop Road	D. Greenwood	3,000 SF	$70,400	0	$57,800	$128,200
142	20 Plum Sound Rd.	R. Hodgdon	3,000 SF	$70,400	$1,700	$62,500	$134,600
143*	22 Plum Sound Rd.	J. Lyons	3,000 SF	$70,400	0	$61,900	$132,300
144	24 Plum Sound Rd.	S. Moore	3,000 SF	$70,400	0	$82,400	$152,800
145	28 Plum Sound Rd.	D. Rocco	3,000 SF	$70,400	0	$69,400	$139,800

*denotes change in ownership since 1997

Parcel #	Address	Owner	Lot Area	Assessments			
				Land	Yard	Bldg.	Total
146	30 Plum Sound Rd.	F. Davis	3,950 SF	$72,900	0	$71,500	$144,400
147	27 Plum Sound Rd.	D. Blum	4,490 SF	$101,900	0	$44,400	$146,300
148	25 Plum Sound Rd.	J. Burkiewicz	4,680 SF	$102,600	0	$62,500	$165,100
149	23 Plum Sound Rd.	E. Goodwin	3,000 SF	$70,400	0	$72,500	$142,900
150*	21 Plum Sound Rd.	J. Lyons	3,000 SF	$70,400	0	$84,800	$155,200
151	19 Plum Sound Rd.	E. Raynard	3,750 SF	$72,400	0	$48,200	$120,600
152	15 Plum Sound Rd.	I. Bettis	3,000 SF	$70,400	0	$66,100	$136,500
153	13 Plum Sound Rd.	P. Lucas	3,000 SF	$70,400	0	$87,000	$157,400
154	40 Middle Road	R. Veno	3,000 SF	$70,400	0	$80,500	$150,900
155	43 Middle Road	A. Lowden	3,000 SF	$96,500	0	$78,400	$174,900
156*	5 Plum Sound Rd.	B. Brennan	3,000 SF	$96,500	0	$49,800	$146,300
157	3 Plum Sound Rd.	C. Story	3,000 SF	$105,100	0	$82,500	$187,600
158	15 River Road	S. Tannahill	3,000 SF	$105,100	0	$57,300	$162,400
159	11 River Road	E. Cowdrey	3,000 SF	$105,100	0	$78,100	$183,200
160*	45 Middle Road	J. Berman	3,000 SF	$96,500	0	$78,200	$174,700
161*	42 Middle Road	P. Sciple	3,000 SF	$70,400	0	$98,500	$168,900
162	3 River Road	R. MacRae	3,000 SF	$70,400	0	$50,600	$121,000
163	43 Hilltop Road	E. Demers	3,000 SF	$96,500	0	$149,800	$246,300
164	2 River Road	E. Dever	3,500 SF	$107,100	0	$147,000	$254,100
165	6 River Road	J. Kurnick	2,470 SF	$103,000	0	$141,200	$244,200
166	10 River Road	L. Eaton	3,325 SF	$106,400	0	$97,400	$203,800
167	12 River Road	F. O'Malley	3,000 SF	$105,100	0	$75,200	$180,300
168	16 River Road	P. Merlino	7,820 SF	$124,400	$500	$103,600	$228,500
169*	2 Cliff Road	F. Koris	3,020 SF	$105,200	0	$115,200	$220,400
170	4 Cliff Road	J. Faria	4,790 SF	$112,300	0	$78,000	$190,300
171	6 Cliff Road	A. Rice	3,520 SF	$107,200	0	$74,600	$181,800
172	8 Cliff Road	E. Sullivan	3,700 SF	$107,900	0	$52,200	$160,100
173	10 Cliff Road	J. Duran	2,430 SF	$102,900	0	$48,000	$150,900

*denotes change in ownership since 1997

Parcel #	Address	Owner	Lot Area	Assessments Land	Yard	Bldg.	Total
101A*	23 Baycrest Rd.	A. Neiler	3,000 SF	$70,400	0	$44,700	$115,100
102A	17 Baycrest Rd.	J. Buckley	3,000 SF	$70,400	0	$149,300	$219,700
116A	18 Kings Way	J. Connor	3,000 SF	$70,400	0	$64,900	$135,300
118A	24 Kings Way	L. Varney	3,000 SF	$70,400	0	$55,200	$125,600
41A*	14 Middle Road	W. Gotlieb	4,900 SF	$75,500	0	$93,300	$168,800
	TOTALS:		**12.53± ac.**	**$14,082,400**	**$42,800**	**$12,322,300**	**$26,447,500**

II. Leased Parcels - Vacant

Parcel #	Address	Owner	Lot Area	Assessments Land	Yard	Bldg.	Total
29A	Middle Road	E. Kaine	3,000 SF	$19,300	0	0	$19,300
66A	21 Bay Road	C. DiAmico	3,400 SF	$19,700	0	0	$19,700
78	Middle/Cove Road	F. Parker	2,400 SF	$13,800	0	0	$13,800
159A	River Road	A. Cowdrey	3,000 SF	$21,000	0	0	$21,000
	TOTALS:			**$73,800**	**0**	**0**	**$73,800**

*denotes change in ownership since 1997

TABLE II

LOT INVENTORY/ASSESSMENT UNDER FEOFFEE'S OWNERSHIP

		Assessments			
Parcel #	Lot Area	Land	Yard	Bldg.	Total
69	11 acres	$333,100	$63,100	$84,200	$480,400
6A	.4 acres	$20,000	0	0	$20,000
19	2,200 SF	$20,400	$4,700	0	$25,100
36	3,960 SF	$20,000	0	0	$20,000
58	2,190 SF	$68,200	0	0	$68,200
73	6,000 SF	$7,800	0	0	$7,800
74	3,000 SF	$14,100	0	0	$14,100
88	3,000 SF	$14,100	0	0	$14,100
119	3,000 SF	$14,100	0	0	$14,100
101B	3,000 SF	$14,100	0	0	$14,100
102B	3,000 SF	$14,100	0	0	$14,100
103A	3,000 SF	$14,100	0	0	$14,100
109A	1,500 SF	$19,800	0	0	$19,800
124A	3,000 SF	$14,100	0	0	$14,100
134A	1,500 SF	$19,800	0	0	$19,800
141A	3,000 SF	$14,100	$2,100	0	$16,200
144A	3,000 SF	$14,100	0	0	$14,100
152A	3,000 SF	$14,100	0	0	$14,100
153A	3,000 SF	$14,100	0	0	$14,100
158A	1,250 SF	$19,600	0	0	$19,600
165A	2,000 SF	$20,200	0	0	$20,200
166A	3,000 SF	$21,000	0	0	$21,000
166B	3,700 SF	$21,600	0	0	$21,600
169A	3,000 SF	$19,300	0	0	$19,300
23A	3,000 SF	$21,000	0	0	$21,000

Parcel #	Lot Area	Assessments Land	Yard	Bldg	Total
25A	3,000 SF	$19,300	0	0	$19,300
27A	3,000 SF	$19,300	0	0	$19,300
27B	3,380 SF	$19,600	0	0	$19,600
27C	3,360 SF	$19,600	0	0	$19,600
43A	4,360 SF	$14,800	0	0	$14,800
49A	2,915 SF	$14,000	0	0	$14,000
52A	3,875 SF	$14,500	0	0	$14,500
70A	3,000 SF	$7,000	0	0	$7,000
71A	3,000 SF	$14,100	0	0	$14,100
75A	4,120 SF	$7,300	0	0	$7,300
87A	3,000 SF	$14,100	0	0	$14,100
92A	3,000 SF	$14,100	0	0	$14,100
93A	3,000 SF	$14,100	0	0	$14,100
72	3,000 SF	$70,000	0	$60,500	$130,900
Totals		**$1,049,100**	**$69,000**	**$144,700**	**$1,263,700**

Tabulation - F.Y. 2001 Assessment

Total Assessed Value - Leased Parcels With Improvements:	$26,447,500
Total Assessed Value - Leased Parcels - Vacant:	$ 73,800
Total Assessed Value - Feoffee's Ownership:	$ 1,263,700
TOTAL ASSESSED VALUE - SUBJECT PROPERTY:	**$27,785,000**

The above-outlined assessment for Fiscal Year 2001 indicates the following unit values:

- Total leased parcels with improvements: 168
- Average assessment per leased parcel (w/Cottage): $157,425
- Average assessment per leased parcel - land only: $83,823
- Average assessment per tenant-owned cottage: $73,347
- Assessed value per leased acre: $1,123,894

The total F.Y. 2001 assessment for the 168 leasehold parcels ($14,082,400) indicates a 13.96% increase (approximately 3.33%/annually) over the F.Y. 1997 assessment ($12,357,300). This assessment rate increase is *significantly* slower than the town-wide median residential value increase of 25.3± over the same period (1/1/97 - 1/1/00 for assessment purposes).

Based on the proposed mill rate of $11.40/$1,000 the total annual tax liability owing to the subject property is summarized as follows:

Property Component	Assessed Value	Annual Tax
Leasehold Parcels - Improved	$26,447,500	$301,501.50
Leasehold Parcels - Vacant	$73,800	$840.18
Feoffee-Owned Parcels	$1,263,700	$14,406.18
Total Real Estate Taxes (F.Y. 2001):		**$316,747.86**

III. PROPERTY DESCRIPTION AND CURRENT USE

A. Site Description

The subject property comprises approximately 35 to 36± acres of coastal upland surrounded by the Ipswich River, Plum Island Sound, and Neck Cove. The oval shaped coastal drumlin is linked with the mainland by a low-lying, coastal causeway which extends southeasterly from an adjacent residential neighborhood known as *Great Neck*. The property's overall (extreme) dimensions are approximately 1,900± feet (east/west) by 1,200 feet north/south and a total navigable shore frontage on Plum Island Sound and the Ipswich River amounts to over 3,400 feet. Additional tide restricted frontage along Neck Cove (measured from Plum Sound Road to the community dock) totals approximately 1,220± feet.

There is no recorded perimeter survey of legal subdivision of the property and town assessor's maps have been used for reference and area calculations.

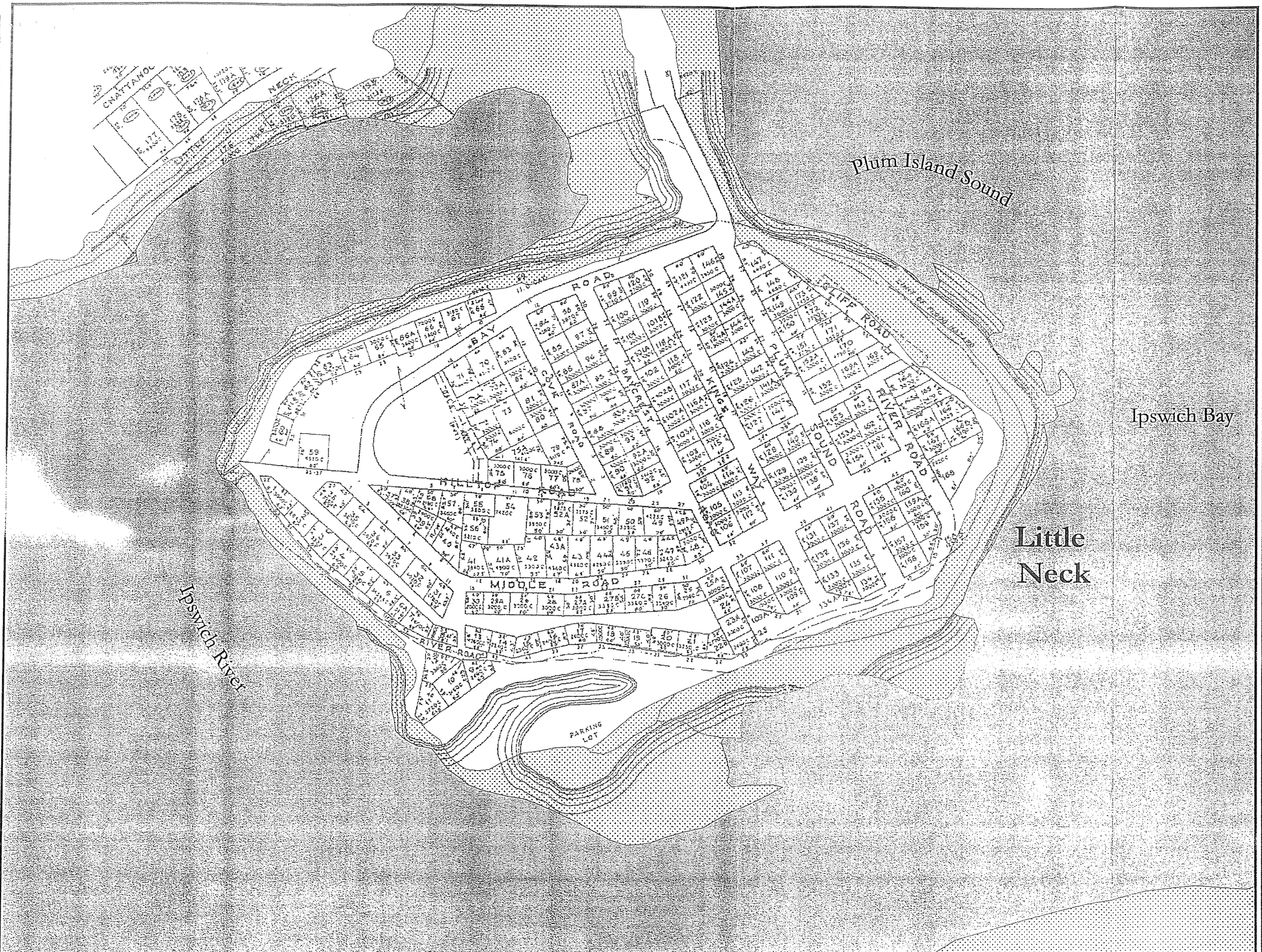
The interior of the property is traversed by a grid network of privately held, interior roads totaling approximately 9,700± feet. Though privately held, on February 17, 1995 (Essex County Book 12954), Page 10 the Feoffees of the Grammar School granted to the inhabitants of the Town of Ipswich a perpetual easement "over, along, in, through and under the paved roads and ways in that part of Ipswich known as Little Neck for the purposes of garbage and trash removal, recycling, snow removal and related activities, passage by school buses, fire, police, ambulance, and other municipal vehicles, maintenance, repair and improvement electrical power lines, poles, underground conduits, and any and all water distribution pipes, values and fittings, and appurtenances thereto."

It is important to note that there has been no change in the legal status of the property since 1997 and the per parcel assessments do not reflect any *legal* subdivision of the property.

1. Sewage Disposal

The Town of Ipswich is currently evaluating the feasibility of extending municipal sewer service along Jeffrey's Neck Road to service the waterfront neighborhoods of *Great Neck* and *Little Neck*. The outcome of the Town's analysis cannot be ascertained at this time, though this prospect will likely affect a prospective buyers assessment of sewage disposal options, seasonal/year-round use options and ultimately, the market value of the property.


NECK
COVE
MIDDLE
10
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61



Legend:

Wetlands

Open Water

Project Number: 3200

Date: January 5, 2001

Base Plan

Little Neck Estate
Ipswich, Massachusetts

Scale: 1" = 200'

100 0 100 200 *Feet*

This plan is conceptual only and is not represented as an engineered plan.

LandVest
Ten Post Office Square, Boston, MA 02109

As part of an on-going analysis of the adequacy of the *existing* on-site sewage disposal systems, H.L. Graham Associates of Ipswich was retained in 1999 to perform individual Title V inspections for all of the 168 residential septic systems/cesspools serving the existing cottages. The system serving the community center building was also inspected. Of 169 systems inspected, only 3 conventional systems passed. These systems are located at 27 Bay Road (Tax Parcel 63), 45 Middle Road (Tax Parcel 160) and 23 Bay Road (Tax Parcel 65). Three additional dwellings currently served by tight tanks passed a Title V inspection. The six parcels which passed Title V inspection have, since the 1997 appraisal, been permitted for year-round occupancy. This brings the total to 24 year-round cottages.

The vast majority of the inspection failures were due to older cesspools located in groundwater. Five "systems" were found to involve direct overboard discharge to the tidal waters of Plum Island Sound or the Ipswich River. All have been repaired under an emergency remediation order issued by DEP.

Barring the extension of municipal sewer main (highly speculative as of the date of this report), the most feasible remedy for compliant sewage disposal calls for the installation of 2,500 gallon "tight tanks" for each of the failed properties.

Representatives at Graham Associates indicated the *average* anticipated cost for tight tank installation (materials and labor) amounts to approximately $15,000 per unit. **Thus, the total amount for the 163 required tight tanks (including the community center) amounts to approximately $2,445,000.**

Individual tenants would subsequently billed at a rate of $.09 per gallon for scheduled pump out.

2. Current Use-Tenancy at Will

As noted in LandVest's 1997 advisory report, the Little Neck property is the subject of an annually-renewable land rental agreement which permits each homeowner to occupy their cottages between April 1 and November 30 of each year. With the exception of cottages grandfathered in 1966 and those recently permitted to allow for year-round occupancy, the balance of the cottages may be occupied only within the designated eight month season.

Under current rental terms, individual parcel rents are assessed equally throughout the property. Following rent increased since LandVest's 1997 valuation, 144 tenants pay $2,240 annually for seasonal use and 24 year-round tenants pay $2,520. Thus,

potential gross income (PGI) amounts to approximately $383,040. Individual tenants (cottage owners) are responsible for a portion of land rent, real estate taxes, insurance and all utilities. Additionally, tenants are responsible for any necessary repair or replacement of in-ground sewage disposal systems in the event of a system failure.

It should be noted that the current land rental rates of $2,240 and $2,520 still fall considerably below *market rate* rents of over $3,000 per LandVest's 1997 Advisory Report.

3. Previous Valuation and Recent Purchase Offers

As outlined in LandVest's 1997 Real Estate Advisory Report, the highest and best use of the property called for a conversion from the current tenancy at will leasehold to condominium form of ownership which would provide existing cottage owners greater security in the underlying land. The estimated *market value* of this use to a third party buyer was approximately $6,145,000 or $36,577 per leasehold unit. *Investment value* under the same form of ownership *to the current tenancy* was estimated at approximately $9,500,000 or $56,550 per unit. Following preliminary discussions with an increasingly interested tenant buyer group, on December 7, 1999, the Little Neck Homeowners voted in excess of 90% to initiate negotiations on the purchase of Little Neck. The Owners forwarded a written offer to pay $3,000,000 with only minor contingencies. On January 21, 2000, the Feofees of the Grammar School rejected the offer without counter. Following this rejection, on August 21, 2000, a second offer in the amount of $7,000,000 was submitted by the Little Neck Homeowners. This offer specified that the homeowners pay all costs associated with the septic upgrades and/or tight tank installation. Assuming total costs of between $1,680,000 to $2,100,000 (buyers estimates), the *effective* purchase offer totaled nearly $9,000,000. The purchase offer is currently under review by the Feoffees of the Grammar School, with no formal acceptance or rejection.

IV. HIGHEST AND BEST USE ANALYSIS

The Highest and Best Use of real property is defined as:

> *The reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and results in the highest value.*[3]

In estimating the Highest and Best Use, there are four essential factors to analyze:

A.	***Physically Possible:***	The uses which the subject property can physically support;
B.	***Legally Permissible:***	The uses which are permitted by zoning and other land use regulations affecting the subject property;
C.	***Financially Feasible:***	The possible and permissible uses that will produce any net return to the owner of the subject property; and
D.	***Maximally Productive:***	Among the feasible uses, the use that is consistent with the market expectations and that will produce the highest net return or the highest present worth.

The Highest and Best Use analysis involves consideration of existing land use regulations, any *reasonably probable* modifications to those regulations, the subject's physical adaptability, and economic demand for the physically and legally permissible uses of the subject property type. This analysis also accounts for prevailing market trends, established neighborhood development patterns, and aesthetic issues impacting market demand.

It should be stressed that the Highest and Best Use analysis is used in this report as a tool to determine that use which will yield the highest value for the property. It does not mean this is the only application for which the property may be used; nor is it a recommendation that the property be developed.

---

[3] Dictionary of Real Estate Appraisal, American Institute of Real Estate Appraisers, Chicago, Illinois, 3rd printing, 1987; Page 152.

As described in LandVest's *Real Estate Advisory Report* dated April 15, 1997, the highest and best use of the subject property calls for a continued seasonal and year-round and residential use (168± parcel density) with a conversion in the form of ownership from a tenancy at will land lease to a legal condominium (land only).

This conclusion is based on recognition that the land cannot be legally subdivided as 168+ *fee simple* parcels and the highest supportable underlying land value *is not* supported by a removal of the existing cottages in favor of a low to moderate density residential subdivision.

V. REAL ESTATE MARKET ANALYSIS

Table 1 on the following page summarizes market trends in real estate sales volume and median residential value in both Ipswich and surrounding communities from 1997 through October 2000.

Table I

Calendar Year Median Sales Price Changes
Single-Family Sales in Subject Market Area

Town	1995		1996			1997			1998			1999			2000 (1/00 - 6/00)			95 - 99 Four Year Average
	Median Price	No. Sales	Median Price	No. Sales	Median Price Change	Median Price	No. Sales	Median Price Change	Median Price	No. Sales	Median Price Change	Median Price	No. Sales	Median Price Change	Median Price	No. Sales	Median Price Change	
Ipswich	$169,000	209	$186,000	231	10.06%	$197,000	201	5.91%	$225,000	285	14.21%	$233,000	238	3.56%	$310,000	79	33.05%	9.46%
Topsfield	$228,000	97	$249,900	82	9.61%	$250,000	101	0%	$315,000	128	26.00%	$305,000	108	-3.17%	$373,000	32	22.30%	8.44%
Wenham	$280,000	55	$261,000	70	-6.80%	$295,000	50	13.03%	$305,000	66	3.39%	$332,000	83	8.85%	$450,000	17	35.54%	4.64%
Hamilton	$205,000	106	$232,000	139	13.17%	$237,000	118	2.16%	$257,000	134	8.39%	$299,000	98	16.34%	$385,000	44	28.76%	11.46%
Essex	$183,000	62	$193,000	45	5.46%	$189,900	63	-1.60%	$197,000	53	3.74%	$233,700	60	18.63%	$262,500	23	12.32%	6.93%
Rockport	$169,900	110	$180,000	145	5.90%	$189,900	157	5.5%	$207,000	173	9%	$234,000	148	13%	$282,500	108	20.72%	8.35%

As outlined above, the median residential home price in Ipswich has increased a total of 48.76±% from 1997 through two quarters of 2000. This trend indicates average annual appreciation of approximately 17.7%, supported in large part by a dramatic spike in 2000 (20.7%) on significantly declining sales volume.

A. Little Neck Sales Activity

Exhibit A on the following page of this report provides a tabular summary of sales activity occurring on Little Neck since LandVest's 1997 appraisal. It should be noted that this table does not account for several intra-family transfers occurring within the update.

The 10 sales occurred between February 27, 1998 and November 15, 2000 with prices ranging between $85,000 and $345,000. Prices for square foot of gross building area exhibit a wide range of value between $41.18 and $156.81.

The location of each of the sales is illustrated on the Sales Activity Map (two pages forward).

Based on a review of apportionment of *assessed* land/building value, indicate a range of land value (as though held in fee simple) ranges between $65,000 and $150,000. These sales occurring over the update period indicate an average increase of approximately 30-35±% from similarly classified land value estimates per LandVest's 1997 appraisal.

Exhibit A

Residential Sales Overview
Little Neck Estate, Ipswich, Massachusetts
1998-Present

Sale No.	Location	Sale Date	Sale Price	Land Area	Gross Bldg. Area	Use	Room Count Rms/BRS/BA	$/SF
LN-1	26 Bay Crest Road (PCL. 96)	7/31/98	$85,000	3,000± s.f.	2,064± s.f.	Seasonal	6/3/1	$41.18
LN-2	25 King's Way (PCL. 123)	12/7/98	$110,000	3,000± s.f.	2,262± s.f.	Seasonal	6/3/1	$48.62
LN-3	63 River Road (PCL. 1)	3/15/99	$242,000	3,060± s.f.	3,072± s.f.	Year-Round	5/2/1	$79.08
LN-4	3 Bay Crest Road (PCL. 108)	11/5/99	$130,000	3,000± s.f.	1,290± s.f.	Seasonal	7/4/1	$100.77
LN-5	31 Bay Road (PCL. 61)	6/15/00	$185,000	2,160± s.f.	1,254± s.f.	Seasonal	5/2/1	$147.52
LN-6	41 River Road (PCL. 15)	10/30/00	$345,000	2,350± s.f.	2,200± s.f.	Year-Round	6/3/1	$156.81
LN-7	21 Plum Sound Road (PCL. 150)	2/27/98	$154,000	3,000± s.f.	3,000± s.f.	Seasonal	4/2/1	$51.33
LN-8	22 Middle Road (PCL. 44)	1/29/99	$180,000	$4,280± s.f.	2,366± s.f.	Seasonal	5/2/1	$76.07
LN-9	21 Hilltop Road (PCL. 51)	11/15/00	$245,000	3,450± s.f.	2,862± s.f.	Seasonal	7/4/1	$85.60
LN-10	43 Hilltop Road (PCL. 163)	6/30/00	$300,000	3,000± s.f.	3,496± s.f.	Year-Round	6/3/1	$85.81

Unit Values:

Overall Price Ranges:	$85,000 - $345,000
Average Price:	$197,600
Median Price:	$193,250
Average Price/S.F.:	$71.59/S.F.
Median Price/S.F.:	$85.51/S.F.

LandVest®


Plum Island Sound
Ipswich Bay
Ipswich River
Mill Creek
Mill Creek
Mill Creek

The 10 sales outlined in the preceding *Exhibit A* indicate an average selling price of $197,600. This represents an approximate 48% increase from the *average* selling price derived from 17 Little Neck Sales per LandVest's 1997 Advisory Report. This rate falls only slightly above the 34.22% median residential value increase indicated between January 1998 and October 2000. The collective aggregate sales price amounts to $1,976,000. The aggregate *assessed* value (proposed for Fiscal 2001) amounts to $1,711,100, indicating a 15.5±% *under assessment* on average. The most striking exceptions to this selling/assessed value trend are Sales LN-1, which sold at approximately 32% *below* assessed value and Sale LN-9, which sold at over 90% *over* assessed value.

B. Market Value Estimate - Condominium Conversion

As outlined in LandVest's 1997 report, Planning Option C assumes condominium ownership of the land underlying the existing cottages. All land outside the individual building "footprints" would be considered common land and the property's would be assessed as units with apportioned association dues. Under this planning option, the 168 unit density would be made legal and eligible for bank financing without the need for any formal approval at the state of local level.

Based on a review of local and real estate market trends since 1997 and with specific reference to the 12 value tiers delineated in LandVest's 1997 report, land unit pricing has been appreciated at a rate of 40% over the subject update period. Selected rate falls below the town-wide median residential rate for *fee simple* residential properties but significantly above the conservative town-wide appreciation rate and just over 4% for condominium value trends over the update period.

The initial financial analysis of the subject property as a condominium conversion assumes outside sale to a disinterested third party buyer. ***Table I*** on the following page of this report provides a two page discounted cash flow analysis of the property's market value to an outside buyers. Aggregate land unit value amounts to $18,102,000 with an anticipated absorption period of four years with 4% annual appreciation projected. **In accordance with this analysis, it is my opinion that the property's market value to a third party buyer as of December 1, 2000 amounts to $7,700,000 or $45,833 per unit.**

Table 1

DISCOUNTED CASH FLOW ANALYSIS - Little Neck Estate
Condominium Conversion - 168 Unit Density Market Value to Outside Buyer

Project: *Little Neck Estate - Ipswich, MA*
Date: December, 2000

SALES ASSUMPTIONS		#Units	Unit Value	Subtotal (*)	SALES SCHEDULE (UNIT) YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8	TOTAL
I:	Exceptional View/Frontage	4	$195,000	$780,000	2	1	1	0	0	0	0	0	4
II:	Front Row - Plum Island Sound	7	$180,000	$1,260,000	1	1	2	3	0	0	0	0	7
III:	Front Row - Neck Cove/Prime	2	$175,000	$350,000	1	0	1	0	0	0	0	0	2
IV:	Front Row - Neck Cove/Average	7	$125,000	$875,000	1	2	2	2	0	0	0	0	7
V:	Front Row - Ipswich RiverPrime	4	$175,000	$700,000	1	1	1	1	0	0	0	0	4
VI:	Front Row - Ipswich River/Average	19	$145,000	$2,755,000	4	4	4	7	0	0	0	0	19
VII:	Interior - Excellent View	24	$112,000	$2,688,000	8	8	5	3	0	0	0	0	24
VIII:	Interior - Good View	33	$98,000	$3,234,000	10	10	10	3	0	0	0	0	33
IX.	Interior - Average View	35	$90,000	$3,150,000	10	10	10	5	0	0	0	0	35
X.	Inrterior - Marginal View	33	$70,000	$2,310,000	8	8	8	9	0	0	0	0	33
XI.		0	$0	$0	0	0	0	0	0	0	0	0	0
XII.		0	$0	$0	0	0	0	0	0	0	0	0	0
XIII.		0	$0	$0	0	0	0	0	0	0	0	0	0
XIV.		0	$0	$0	0	0	0	0	0	0	0	0	0
XV.		0	$0	$0	0	0	0	0	0	0	0	0	0
	TOTAL	168		$18,102,000	46	45	44	33	0	0	0	0	168
				APPRECIATION :	4.0%	4.0%	4.0%	4.0%	4.0%	3.5%	3.5%	3.5%	

COST ASSUMPTIONS	Size/Length	Unit Cost'	Subtotal (*)	COST SCHEDULE (%) 1YR	2YR	3YR	4YR	5YR	6YR	7YR	8YR	TOTAL
DIRECT COSTS												
Engineering/Site Plan Preparation			$60,000	80%	10%	10%	0%	0%	0%	0%	0%	100%
Application Fees (local & State)			$5,000	80%	20%	0%	0%	0%	0%	0%	0%	100%
Legal Fees - Condo Declaration			$60,000	90%	10%	0%	0%	0%	0%	0%	0%	100%
Legal Fees Closings	168	750	$126,000	27%	26%	26%	21%	0%	0%	0%	0%	100%
Road Improvements			$50,000	90%	10%	0%	0%	0%	0%	0%	0%	100%
Tight Tank Installation	163	15,000	$2,445,000	40%	30%	20%	10%	0%	0%	0%	0%	100%
Road Improvements (new & upgrade)			$0	20%	40%	40%	0%	0%	0%	0%	0%	100%
Wetland Delineation/NOI			$10,000	40%	60%	0%	0%	0%	0%	0%	0%	100%
Water Service			$0	40%	60%	0%	0%	0%	0%	0%	0%	100%
Soil Testing/Septic Systems	0	$0	$0	100%	0%	0%	0%	0%	0%	0%	0%	0%
Fire Pond with dry-hydrant			$0	20%	80%	0%	0%	0%	0%	0%	0%	0%
Envelope Clearing (1/4 acre)			$0	40%	60%	0%	0%	0%	0%	0%	0%	0%
Legal - Initial Approvals	0	$0	$0	90%	10%	0%	0%	0%	0%	0%	0%	0%
Legal Fees (Conveyance @$750 per Unit)	0	$0	$0	20%	30%	50%	0%	0%	0%	0%	0%	100%
Contingency (% of Direct Costs)		2.00%	$55,120									
CPI				0.0%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	
	SUB-TOTAL:		$2,811,120									
INDIRECT COSTS												
Project Management			$50,000	50%	50%	0%	0%	0%	0%	0%	0%	100%
Developer's Profit		15.00%	$2,715,300									
R.E. Taxes (per $100 of Reassessment @70%FMV		$7.98	16,279									
Phase II R.E. Taxes (per $1000 of Reassessment)		$0.00	0									
Sales Commission (% of Gross Sales)		4.00%	$724,080									
Advertising/Marketing Expense (% of Gross Sales)		1.50%	271,530	30%	30%	40%	0%	0%	0%	0%	0%	100%
Insurance		0.20%	36,204	30%	30%	40%	0%	0%	0%	0%	0%	100%
Accounting/ Administration		0.10%	18,102	30%	30%	40%	0%	0%	0%	0%	0%	100%
Contingency (% of Indirect Costs)		1.00%	$38,315									
CPI				0.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	
	SUB-TOTAL:		$3,869,810									
	TOTAL :		$6,680,930									

Discounted Cash Flow Analysis

DCF - PLAN A
168 - Unit Condominium Conversion

Project: *Little neck Estate*
Date: December, 2000

	Closing	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Totals
SALES PROCEEDS :										
Total Lots (Beginning of Year)	168	168	122	77	33	0	0	0	0	
Lots/Unit Sold	0	46	45	44	33	0	0	0	0	168
Gross Sales Price	$0	$3,641,040	$4,904,640	$4,924,400	$3,837,600	$0	$0	$0	$0	$17,307,680
Cum. Gross Sales Price	$0	$3,641,040	$8,545,680	$13,470,080	$17,307,680	$17,307,680	$17,307,680	$17,307,680	$17,307,680	
DEVELOPMENT COSTS :										
DIRECT COSTS :										
Engineering - Approvals, Plan Prep.	$0	$48,000	$6,180	$6,396	$0	$0	$0	$0	$0	$60,576
Application Fees	$0	$4,000	$1,030	$0	$0	$0	$0	$0	$0	$5,030
Legal Fees - Declaration	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Legal Fees Closings	$0	$34,020	$33,743	$34,924	$29,195	$0	$0	$0	$0	$131,882
Road Improvements	$0	$45,000	$5,150	$0	$0	$0	$0	$0	$0	$50,150
Tight Tanks	$0	$978,000	$755,505	$521,298	$269,772	$0	$0	$0	$0	$2,524,575
Road Improvements	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Wetlands	$0	$4,000	$6,180	$0	$0	$0	$0	$0	$0	$10,180
Waterline Extention	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Upgrade Access Road	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Fire Protection	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Contingency	$0	$22,260	$16,156	$11,252	$5,979	$0	$0	$0	$0	$55,648
Total Direct Costs:	$0	$1,135,280	$823,944	$573,871	$304,946	$0	$0	$0	$0	$2,838,041
INDIRECT COSTS :										
Project Management	$0	$25,000	$25,000	$0	$0	$0	$0	$0	$0	$50,000
Developer's Profit	$0	$546,156	$735,696	$738,660	$575,640	$0	$0	$0	$0	$2,596,152
Real Estate Taxes - Phase I	$0	$316,747	$181,291	$81,396	$24,419	$0	$0	$0	$0	$603,853
Sales Commission	$0	$145,642	$196,186	$196,976	$153,504	$0	$0	$0	$0	$692,307
Advertising Expense	$0	$81,459	$83,903	$115,786	$0	$0	$0	$0	$0	$281,148
Insurance	$0	$7,282	$9,809	$9,849	$7,675	$0	$0	$0	$0	$34,615
Accounting/ Administration	$0	$3,641	$4,905	$4,924	$3,838	$0	$0	$0	$0	$17,308
Contingency	$0	$11,259	$12,368	$11,476	$7,651	$0	$0	$0	$0	$42,754
Total Indirect Costs:	$0	$1,137,186	$1,249,157	$1,159,067	$772,726	$0	$0	$0	$0	$4,318,137
TOTAL COSTS :	$0	$2,272,466	$2,073,101	$1,732,938	$1,077,673	$0	$0	$0	$0	$7,156,178
NET CASH PROCEEDS BEFORE DEBT	$0	$1,368,574	$2,831,539	$3,191,462	$2,759,927	$0	$0	$0	$0	$10,151,502
Loan Proceeds	$1,405,560									
Construction Loan Fee	$33,405									
Release Payments	$0	$500,312	$489,436	$415,812	$0	$0	($1)	$0	$0	$1,405,560
Interest Payments	$0	$132,871	$75,961	$23,909	($0)	($0)	($0)	$0	$0	$232,741
NET PROCEEDS AFTER DEBT SERVICE	$1,372,155	$735,390	$2,266,142	$2,751,741	$2,759,927	$0	$1	$0	$0	$9,885,356
DISCOUNT FACTOR (PW @ 11.00%)	1.0000	0.9009	0.8116	0.7312	0.6587	0.5935	0.5346	0.4817	0.4339	
PRESENT VALUE	$1,372,155	$662,513	$1,839,252	$2,012,049	$1,818,050	$0	$0	$0	$0	$7,704,020
CUMMULATIVE PRESENT VALUE:	$7,704,020									

Discounted Cash Flow Analysis

C. **Property Valuation - Investment Value to Current Tenancy**

Table II on the following pages of this report provides a discounted cash flow analysis of the subject property under an assumed buyout of the subject property by the current tenancy. In this *investment value* analysis, developer profit allowances and cost of resale allowances have been eliminated as reduced to reflect a captive buyer pool and market cohesiveness owing to a sense of owner control over the property's disposition. All unit pricing, internal absorption and line item development expenses remain the same.

In accordance with this analysis, the estimated *investment value* to the current tenancy amounts to:

$10,290,000

TEN MILLION TWO HUNDRED NINETY THOUSAND DOLLARS

Table II

DISCOUNTED CASH FLOW ANALYSIS - Little Neck Estate
Condominium Conversion - 168 Unit Density Investment Value to Tenancy

Project: *Little Neck Estate - Ipswich, MA*
Date: December, 2000

SALES ASSUMPTIONS

		#Units	Unit Value	Subtotal (*)	SALES SCHEDULE (UNIT) YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8	TOTAL
I:	Exceptional View/Irontage	4	$195,000	$780,000	2	1	1	0	0	0	0	0	4
II:	Front Row - Plum Island Sound	7	$180,000	$1,260,000	1	1	2	3	0	0	0	0	7
III:	Front Row - Neck Cove/Prime	2	$175,000	$350,000	1	0	1	0	0	0	0	0	2
IV:	Front Row - Neck Cove/Average	7	$125,000	$875,000	1	2	2	2	0	0	0	0	7
V:	Front Row - Ipswich River/Prime	4	$175,000	$700,000	1	1	1	1	0	0	0	0	4
VI:	Front Row - Ipswich River/Average	19	$145,000	$2,755,000	4	4	4	7	0	0	0	0	19
VII:	Interior - Excellent View	24	$112,000	$2,688,000	8	8	5	3	0	0	0	0	24
VIII:	Interior - Good View	33	$98,000	$3,234,000	10	10	10	3	0	0	0	0	33
IX.	Interior - Average View	35	$90,000	$3,150,000	10	10	10	5	0	0	0	0	35
X.	Interior - Marginal View	33	$70,000	$2,310,000	8	8	8	9	0	0	0	0	33
XI.		0	$0	$0	0	0	0	0	0	0	0	0	0
XII.		0	$0	$0	0	0	0	0	0	0	0	0	0
XIII.		0	$0	$0	0	0	0	0	0	0	0	0	0
XIV.		0	$0	$0	0	0	0	0	0	0	0	0	0
XV.		0	$0	$0	0	0	0	0	0	0	0	0	0
	TOTAL	168		$18,102,000	46	45	44	33	0	0	0	0	168
				APPRECIATION	4.0%	4.0%	4.0%	4.0%	4.0%	3.5%	3.5%	3.5%	

COST ASSUMPTIONS

	Size/Length	Unit Cost	Subtotal (*)	COST SCHEDULE (%) 1YR	2YR	3YR	4YR	5YR	6YR	7YR	8YR	TOTAL
DIRECT COSTS												
Engineering/Site Plan Preparation			$60,000	80%	10%	10%	0%	0%	0%	0%	0%	100%
Application Fees (local & State)			$5,000	80%	20%	0%	0%	0%	0%	0%	0%	100%
Legal Fees - Condo Declaration			$60,000	90%	10%	0%	0%	0%	0%	0%	0%	100%
Legal Fees Closings	168	750	$126,000	27%	26%	26%	21%	0%	0%	0%	0%	100%
Road Improvements			$50,000	90%	10%	0%	0%	0%	0%	0%	0%	100%
Tight Tank Installation	163	15,000	$2,445,000	40%	30%	20%	10%	0%	0%	0%	0%	100%
Road Improvements (new & upgrade)			$0	20%	40%	40%	0%	0%	0%	0%	0%	100%
Wetland Delineation/NOI			$10,000	40%	60%	0%	0%	0%	0%	0%	0%	100%
Water Service			$0	40%	60%	0%	0%	0%	0%	0%	0%	100%
Soil Testing/Septic Systems	0	$0	$0	100%	0%	0%	0%	0%	0%	0%	0%	0%
Fire Pond with dry-hydrant			$0	20%	80%	0%	0%	0%	0%	0%	0%	0%
Envelope Clearing (1/4 acre)			$0	40%	60%	0%	0%	0%	0%	0%	0%	0%
Legal - Initial Approvals	0	$0	$0	90%	10%	0%	0%	0%	0%	0%	0%	0%
Legal Fees (Conveyance @$750 per Unit)	0	$0	$0	20%	30%	50%	0%	0%	0%	0%	0%	100%
Contingency (% of Direct Costs)		2.00%	$55,120									
CPI				0.0%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	
	SUB-TOTAL:		$2,811,120									
INDIRECT COSTS												
Project Management			$50,000	50%	50%	0%	0%	0%	0%	0%	0%	100%
Developer's Profit		0.00%	$0									
R.E. Taxes (per $100 of Reassessment @70%FMV		$7.88	16,279									
Phase II R.E. Taxes (per $1000 of Reassessment)		$0.00	0									
Sales Commission (% of Gross Sales)		0.00%	$0									
Advertising/Marketing Expense (% of Gross Sales)		1.50%	271,530	30%	30%	40%	0%	0%	0%	0%	0%	100%
Insurance		0.20%	36,204	30%	30%	40%	0%	0%	0%	0%	0%	100%
Accounting/ Administration		0.10%	18,102	30%	30%	40%	0%	0%	0%	0%	0%	100%
Contingency (% of Indirect Costs)		1.00%	$3,921									
CPI	SUB-TOTAL:		$396,036	0.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	
	TOTAL :		$3,207,156									

BANK FINANCING

Prime Rate	9.50%
Interest Rate - Prime + 2.00%	11.50%
% Land Costs	0.0%
% Development Costs (Direct)	50.0%
Release Payments (% of Net Cash Proceeds)	130.0%
Construction Loan Fee	1.0%
Discount Rate:	11.00%

Discounted Cash Flow Analysis

DCF - PLAN A
168 - Unit Condominium Conversion

Project: *Little neck Estate*
Date: December, 2000

	Closing	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Totals
SALES PROCEEDS :										
Total Lots (Beginning of Year)	168	168	122	77	33	0	0	0	0	
Lots/Unit Sold	0	46	45	44	33	0	0	0	0	168
Gross Sales Price	$0	$3,641,040	$4,904,640	$4,924,400	$3,837,600	$0	$0	$0	$0	$17,307,680
Cum. Gross Sales Price	$0	$3,641,040	$8,545,680	$13,470,080	$17,307,680	$17,307,680	$17,307,680	$17,307,680	$17,307,680	
DEVELOPMENT COSTS :										
DIRECT COSTS :										
Engineering - Approvals, Plan Prep.	$0	$48,000	$6,180	$6,396	$0	$0	$0	$0	$0	$60,576
Application Fees	$0	$4,000	$1,030	$0	$0	$0	$0	$0	$0	$5,030
Legal Fees - Declaration	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Legal Fees Closings	$0	$34,020	$33,743	$34,924	$29,195	$0	$0	$0	$0	$131,882
Road Improvements	$0	$45,000	$5,150	$0	$0	$0	$0	$0	$0	$50,150
Tight Tanks	$0	$978,000	$755,505	$521,298	$269,772	$0	$0	$0	$0	$2,524,575
Road Improvements	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Wetlands	$0	$4,000	$6,180	$0	$0	$0	$0	$0	$0	$10,180
Waterline Extention	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Upgrade Access Road	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Fire Protection	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Contingency	$0	$22,260	$16,156	$11,252	$5,979	$0	$0	$0	$0	$55,648
Total Direct Costs:	$0	$1,135,280	$823,944	$573,871	$304,946	$0	$0	$0	$0	$2,838,041
INDIRECT COSTS :										
Project Management	$0	$25,000	$25,000	$0	$0	$0	$0	$0	$0	$50,000
Developer's Profit	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Real Estate Taxes - Phase I	$0	$316,747	$181,291	$81,396	$24,419	$0	$0	$0	$0	$603,853
Sales Commission	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Advertising Expense	$0	$81,459	$83,903	$115,786	$0	$0	$0	$0	$0	$281,148
Insurance	$0	$7,282	$9,809	$9,849	$7,675	$0	$0	$0	$0	$34,615
Accounting/ Administration	$0	$3,641	$4,905	$4,924	$3,838	$0	$0	$0	$0	$17,308
Contingency	$0	$4,341	$3,049	$2,120	$359	$0	$0	$0	$0	$9,869
Total Indirect Costs:	$0	$438,470	$307,957	$214,075	$36,291	$0	$0	$0	$0	$996,793
TOTAL COSTS :	$0	$1,573,751	$1,131,900	$787,945	$341,237	$0	$0	$0	$0	$3,834,834
NET CASH PROCEEDS BEFORE DEBT	$0	$2,067,289	$3,772,740	$4,136,455	$3,496,363	$0	$0	$0	$0	$13,472,846
Loan Proceeds	$1,405,560									
Construction Loan Fee	$16,036									
Release Payments	$0	$500,312	$489,436	$415,812	$0	$0	($1)	$0	$0	$1,405,560
Interest Payments	$0	$132,871	$75,961	$23,909	($0)	($0)	($0)	$0	$0	$232,741
NET PROCEEDS AFTER DEBT SERVICE	$1,389,524	$1,434,105	$3,207,343	$3,696,733	$3,496,363	$0	$1	$0	$0	$13,224,069
DISCOUNT FACTOR (PW @ 11.00%)	1.0000	0.9009	0.8116	0.7312	0.6587	0.5935	0.5346	0.4817	0.4339	
PRESENT VALUE	$1,389,524	$1,291,987	$2,603,151	$2,703,020	$2,303,163	$0	$0	$0	$0	$10,290,845

CUMMULATIVE PRESENT VALUE: $10,290,845

ROUNDED: *$10,290,000*

NET CASH PROCEEDS:	$13,224,069
LESS LAND VALUE:	$10,290,000
DISCOUNT:	$2,934,069
LINE ITEM PROFIT: (From Above)	$0
TOTAL PROFIT:	$2,934,069
(% GROSS SALES):	16.95%

Discounted Cash Flow Analysis

Appendix

LandVest®

JAMES E. MONAHAN

Associate Director, Real Estate Consulting Group, LandVest, Inc.

James E. Monahan is the Associate Director with the Real Estate Consulting Group of LandVest, a broad-based real estate company involved in all aspects of land planning, real estate brokerage, broad-scope consulting, development, and conservation planning. As Associate Director, he is responsible for oversight and management of residential and commercial real property appraisals, development feasibility studies, land use planning and design, conservation planning and implementation of limited development projects. Mr. Monahan's specific area of expertise involves the design, valuation and implementation of multi-use disposition plans for privately-held land in the context of generational asset/estate planning.

Prior to joining the firm in 1989, Mr. Monahan was Project Manager with the Massachusetts Department of Environmental Management where his responsibilities included design and engineering studies, contract documents, and construction management on a variety of projects including site design for the restoration of Walden Pond Reservation in Concord, acquisition and site planning for Halibut Point State Park, and site design for the expansion of Ashland State Park. Additionally, as co-founder of Landforms, Inc., he has worked as a design/build consultant on various residential and commercial design projects throughout Boston's North Shore.

Mr. Monahan received a Bachelor of Arts degree in Liberal Arts from St. Anselm's College, Manchester, New Hampshire in 1982 and a Master of Arts degree in Landscape Design from the Conway School of Design in 1985. He is a Certified General Appraiser in the state of Massachusetts (CG-#3481) and is a current candidate for the MAI designation, a commercial appraisal designation awarded by the Appraisal Institute.

LandVest®

CERTIFICATION OF VALUE

I hereby certify that:

1. I have made a personal inspection of the property that is the subject of this report.

2. To the best of my knowledge and belief, the statements of fact and the opinions contained in this report are true and correct.

3. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.

4. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.

5. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

6. This appraisal was not based on a requested minimum valuation, specific valuation or approval of a loan.

7. I am a candidate for the MAI designation from the Appraisal Institute. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of The Appraisal Institute, as well as the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation. I am currently licensed as a Certified General Appraiser in Massachusetts (CG-3481) and Maine (CG 1289).

8. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

9. No one provided significant professional assistance to the person(s) signing this report.

Appraiser: _____ Date: 1/4/01

James E. Monahan

LandVest®

APPRAISAL REPORT

Feoffees Of The Grammar School Property
Ipswich, Massachusetts

***Located at*:**
Little Neck Estate
Ipswich, Massachusetts 01938

***Effective Valuation Date*:**
February 13, 2004

***Report Date*:**
March 19, 2004

***Requested by*:**
Mr. Donald F. Whiston, Trustee
Feoffees of the Grammar School
2 Jeffrey's Neck Road
Ipswich, MA 01938

***Prepared by*:**
James E. Monahan, *Senior Advisor*
Real Estate Consulting Group
LandVest, Inc.
Ten Post Office Square
Boston, MA 02109

Report #3962



LandVest®

Distinctive Properties • Real Estate Consulting & Appraisal • Forestry Consulting

TEN POST OFFICE SQUARE, BOSTON, MASSACHUSETTS 02109

REGIONAL OFFICES

148 Middle Street
Portland, ME 04101
Telephone 207 774-8518
Fax 207 774-5845

22 Bayview Street
P.O. Box 1262
Camden, ME 04843
Telephone 207 236-3543
Fax 207 236-2172

4A Tracy Road
P.O. Box 1068
Northeast Harbor, ME 04662
Telephone 207 276-3840
Fax 207 276-3837

126 College Street
Burlington, VT 05401
Telephone 802 660-2900
Fax 802 660-2543

One The Green
Woodstock, VT 05091
Telephone 802 457-4977
Fax 802 457-9021

19 South Summer Street
P.O. Box 459
Martha's Vineyard
Edgartown, MA 02539
Telephone 508 627-4400
Fax 508 627-7044

16 Centre Street
Concord, NH 03301
Telephone 603 228-2020
Fax 603 226-4391

March 19, 2004

Mr. Donald F. Whiston, Trustee
Feoffees of the Grammar School
2 Jeffrey's Neck Road
Ipswich, MA 01938

RE: Appraisal Report
"Little Neck Estate" - Ipswich, Massachusetts

Dear Don:

In accordance with your request, I have re-inspected the above-referenced real property generally known as *Little Neck Estate* in Ipswich, southern Essex County, Massachusetts for the purposes of providing the Feoffees of the Grammar School in Ipswich with an updated opinion of the property's *Market Value.*

The attached document represents a "complete appraisal" within a USPAP-compliant Restricted Use Report format. The attached report includes updated opinions regarding the subject property's market value to a third party buyer and investment value assuming purchase by the currant tenancy. The attached appraisal constitutes an update of LandVest's original real estate advisory report dated April 15, 1997 and an update report as of December 1, 2000. The previous reports are included herein by reference.

Based on my inspections, research and analyses, it is my opinion that as of February 13, 2004 (date of most recent inspection) that the market value of a fee simple interest in the subject property assuming a condominium conversion of the underlying land was:

Market Value - Third Party Buyer:	$10,700,000
Investment Value - To Current Tenancy:	$13,800,000

TELEPHONE: 617 723-1800
FAX: 617 482-5376
WEB: www.landvest.com

Additional documentation in support of the above-outlined value opinions is provided within the attached report, respectfully submitted for your review.

Sincerely,

James E. Monahan
Senior Advisor
Real Estate Consulting Group
LandVest, Inc.
(MA Gen. Cert. #3481)

APPRAISAL REPORT

1. **Report Type**:

USPAP-complaint, *Restricted-Use* appraisal report intended for Client use only.

2. **Intended Use of Appraisal**:

This appraisal report is intended for use by the Feoffees of the Grammar School in Ipswich, Massachusetts and authorized assigns to facilitate an internal, three year interval accounting of Market Value and a review management/disposition options.

3. **Property Identification:**

The subject property is *generally* located at the end of Jeffrey's Neck Road in the easterly portion of the Town of Ipswich. The address is commonly referred to as the *Little Neck Estate* (Ipswich Assessor's Map 24C) As of the effective valuation date, Fee Simple Title of the subject property vested in The Feoffees of the Grammar School in Ipswich, c/o Donald Whiston.

4. **Property Interest Appraised:**

Fee Simple Estate

Fee Simple Estate is defined as:

Absolute ownership unencumbered by any other interest or estate; subject only to the limitations of eminent domain, escheat, police power, and taxation.[1]

5. **Purpose of Appraisal:**

The purpose of this appraisal is to provide the Client with updated opinions regarding the *Highest and Best Use* and *Market Value* to a third party buyer. The property's *Investment Value* to the current tenancy is included. *Highest and Best Use, Market Value* and *Investment Value* are defined as follows.

---

[1] The Dictionary of Real Estate Appraisal: The Appraisal Institute, 1993.

Highest and Best Use of real estate is defined as:

The reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and results in the highest value.[2]

Market Value is defined as follows:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

(1)Buyer and seller are typically motivated;
(2) Both parties are well-informed or well-advised, and acting in what they consider their best interests;
(3) A reasonable time is allowed for exposure to the open market;
(4) Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
(5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.[3]

Investment Value *is defined as:*

The specific value of an investment to a particular investor or class of investors based on individual investment requirements; distinguished from market value, which is impersonal and detached.4

This document represents a re-appraisal of the subject property. LandVest's original summary-format appraisal report with an effective valuation date of April 15, 1997 and Restricted-Use update report with an effective valuation date of December 1, 2000 are incorporated herein by reference. As of December 1, 2000, the subject property's *Market Value* to a third party buyer was estimated at $7,700,000 and its *Investment Value* to the current tenancy was estimated at $10,290,000.

---

[2]Dictionary of Real Estate Appraisal, American Institute of Real Estate Appraisers, Chicago, Illinois, 3rd printing, 1987; Page 152.

[3]The Uniform Standards of Professional Appraisal Practice (USPAP): The Appraisal Foundation, 1997.

6. **Effective Valuation Date:**

The subject property was most recently inspected by James E. Monahan on February 13, 2004. The inspection date serves as the effective valuation date of this re-appraisal.

7. **Report Date:**

March 19, 2004

8. **Scope of Analysis:**

In consideration of the intended use/users of the report and in accordance with our verbal agreement, LandVest's *Market Value* opinion is set forth in a ***Restricted Use Appraisal Report*** prepared and delivered in full conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) Standards Rule 2-2(c) and 8-2(c). This appraisal is intended for client use only and the full extent of the valuation process cannot be fully understood without a review of additional documentation contained in LandVest's original/previous appraisal reports and the appraiser's current working file. This report is not intended for third party use and the appraiser is not responsible for unauthorized use of this report.

The specific scope of analysis involved a review of: The subject property's title ownership and history; Pertinent land use regulations governing legal use; Consideration of the subject property's local and regional market position; Real estate market supply/demand trends and pricing as of the effective valuation date; and, updated information regarding sewage disposal options.

9. **Property Identification and Description:**

The subject property comprises a total of approximately 211 individually-assessed parcels of land with leasehold improvements occupying 35 to 36± acres of coastal upland surrounded by the Ipswich River, Plum Island Sound and Neck Cove in the easterly portion of Massachusetts. Approximately 172 of the total parcels (168 improved and 4 vacant) are the subject of an annual land lease (tenancy at will) dating back to the 1760's. The remaining 39± mostly vacant parcels (one improved) are retained by the Feoffees.

Table I on the following page of this report summarizes the current parcel inventory and Fiscal 2004 assessed values for the parcels comprising the subject property.

Table I
PARCEL INVENTORY
Little Neck Estate - Ipswich, Massachusetts

I. Leased Parcel Inventory/Assessments - F.Y. 2004:

Parcel #	Address	Owner	Lot Area	Assessments			
				Land	Yard	Bldg.	Total
1*	63 River Road	E. Mann	3,060 SF	$203,800	0	$132,400	$336,200
2	61 River Road	C. Harris	2,843 SF	$202,100	0	$69,000	$271,100
3	59 River Road	N. Wilkey	3,327 SF	$205,900	0	$86,300	$292,200
4*	57 River Road	Riv.Rd.Trs.	3,400 SF	$206,400	0	$87,200	$293,600
5*	55 River Road	P. Martin	3,210 SF	$205,000	0	$89,500	$294,500
6	53 River Road	M. Sandberg	3,458 SF	$206,900	0	$199,400	$406,300
7	49 River Road	W. Hough	2,400 SF	$198,700	0	$127,800	$326,500
8	47 River Road	R. Saunders	1,980 SF	$179,200	0	$67,000	$246,200
9	44 River Road	R. Aiello	2,860 SF	$202,300	0	$140,800	$343,100
10	46 River Road	J. Cronin	5,160 SF	$220,000	0	$132,300	$352,300
11	48 River Road	T. Ciolek	3,720 SF	$208,900	$900	$277,200	$487,000
12	50 River Road	J. Blake	3,360 SF	$206,100	0	$102,600	$308,700
13	45 River Road	P. Saunders	2,600 SF	$183,600	0	$55,500	$239,100
14	43 River Road	S. Rodman	2,340 SF	$198,200	0	$198,400	$396,600
15*	41 River Road	T. Clarke	2,350 SF	$198,300	0	$180,100	$378,400
16*	39 River Road	R. Schless	2,400 SF	$198,700	$5,000	$221,100	$424,800
17	37 River Road	J. Survilas	2,600 SF	$200,300	0	$97,000	$297,300
18*	35 River Road	S. Veno	2,500 SF	$199,500	0	$45,600	$245,100
20*	31 River Road	Darimiro Trust	3,000 SF	$203,300	$4,400	$136,200	$343,900
21*	29 River Road	R. Maloney	3,250 SF	$205,300	0	$80,000	$285,300
22	27 River Road	F. Lalikos	2,770 SF	$201,600	$1,100	$114,200	$316,900
23*	25 River Road	D. Gorham	2,400 SF	$198,700	$500	$124,400	$323,600
24	6 Bay Crest Rd.	S.&S.Watson	3,000 SF	$186,400	0	$78,500	$264,900

*denotes change in ownership since 2001

LandVest®

Parcel #	Address	Owner	Lot Area	Assessments			
				Land	Yard	Bldg.	Total
25	31 Middle Road	R. Doherty	2,980 SF	$186,300	0	$96,000	$282,300
26	29 Middle Road	Lot 26 L.N. Nom. Tr.	3,540 SF	$190,200	0	$83,600	$273,800
28	21 Middle Road	M. O'Flahaven	3,000 SF	$186,400	0	$134,200	$320,600
29	19 Middle Road	E. Kaine	3,000 SF	$186,400	0	$166,200	$352,600
30	15 Middle Road	D. Wallace	2,000 SF	$35,900	$12,700	0	$48,600
31	11 Middle Road	D. Wallace	2,780 SF	$184,800		$119,000	$303,800
32	9 Middle Road	J. Krupanski	4,020 SF	$193,600	0	$91,900	$285,500
33	7 Middle Road	The Kelly LN Trust	3,870 SF	$192,600	0	$70,400	$263,000
34*	5 Middle Road	C. Brown	3,870 SF	$192,600	0	$124,500	$317,100
35	3 Middle Road	The Kelly LN Trust	3,870 SF	$192,600	0	$69,900	$262,500
37*	1 Hilltop Road	W. Currie/ Y. Beerman	2,159 SF	$136,300	0	$93,900	$230,200
38	4 Middle Road	D. Gresek	2,230 SF	$151,800	0	$197,500	$349,300
39	6 Middle Road	Kelly LN Trust	2,400 SF	$152,900	0	$162,500	$315,400
40	8 Hilltop Road	P. Scioletti	4,240 SF	$156,400	0	$269,700	$426,100
41	12 Hilltop Road	M. Casey	3,840 SF	$156,400	0	$93,700	$250,100
42	16 Hilltop Road	K. Annen	5,300 SF	$149,200	0	$72,100	$221,300
43*	20 Hilltop Road	K. Sapienza	4,360 SF	$156,400	0	$82,100	$238,500
44	22 Hilltop Road	P. Surette	4,280 SF	$156,400	0	$175,900	$332,300
45	24 Hilltop Road	E. Okeefe	3,590 SF	$156,400	0	$130,600	$287,000
46	26 Hilltop Road	D. Greenwood	3,370 SF	$156,400	0	$94,700	$251,100
47	28 Middle Road	B. Roy	3,240 SF	$157,800	0	$122,200	$280,000
48*	30 Middle Road	P. McDonald	3,000 SF	$156,400	0	$132,500	$288,900
49	25 Hilltop Road	R. Saunders	4,225 SF	$163,700	0	$260,000	$423,700
50	23 Hilltop Road	G. Cutler	3,591 SF	$159,900	0	$63,400	$223,300
51*	21 Hilltop Road	M. Walker	3,450 SF	$159,100	$400	$90,800	$250,300
52	19 Hilltop Road	A. Donahoe	3,575 SF	$159,800	0	$101,600	$261,400
53*	15 Hilltop Road	M. Kersker	3,950 SF	$162,100	0	$140,400	$302,500

*denotes change in ownership since 2001

LandVest®

Parcel #	Address	Owner	Lot Area	Assessments			
				Land	Yard	Bldg.	Total
54	11 Hilltop Road	J. Reardon	7,420 SF	$182,700	0	$165,700	$348,400
55*	9 Hilltop Road	R. Siebert	3,500 SF	$159,400	$500	$169,500	$329,400
56	10 Middle Road	J. Duran	3,210 SF	$149,800	0	$127,000	$276,800
57	7 Hilltop Road	D. Dieringer	3,660 SF	$160,300	$600	$159,700	$320,600
59	35 Bay Road	C. Bouvier	4,550 SF	$197,400	$500	$228,200	$426,100
60	33 Bay Road	C. Laughton	2,400 SF	$182,200	$500	$146,700	$329,400
61*	31 Bay Road	J. Norkeika	2,160 SF	$180,500	0	$73,900	$254,400
62	29 Bay Road	B. Carbone	2,400 SF	$182,200	0	$132,900	$315,100
63	27 Bay Road	A. Yemma	2,470 SF	$182,600	$600	$242,900	$426,100
64	25 Bay Road	J. Gallagher	3,000 SF	$186,400	$700	$52,700	$239,800
65	23 Bay Road	C. Lichoulas	3,000 SF	$186,400	0	$71,400	$257,800
66*	19 Bay Road	M. Johnson	3,600 SF	$190,600	0	$112,200	$302,800
67	17 Bay Road	M. Holden	3,180 SF	$187,700	0	$78,600	$266,300
68	15 Bay Road	W. Moskowitz	3,230 SF	$188,000	0	$93,100	$281,100
70	16 Bay Road	M. Donaldson	4,510 SF	$165,400	0	$130,000	$295,400
71	18 Bay Road	T. Allen	4,410 SF	$164,800	$400	$221,900	$387,100
72	5 Gala Way	R. Hamlin	3,000 SF	$156,400	0	$103,800	$260,200
76	10 Hilltop Road	J. Dowling	3,000 SF	$156,400	0	$96,600	$253,000
79	4 Cove Road	B. Horsman	5,110 SF	$169,000	0	$92,100	$261,100
80	6 Cove Road	S. Ruta	3,000 SF	$156,400	0	$65,000	$221,400
81	8 Cove Road	C. Robinson	3,000 SF	$156,400	0	$99,200	$255,600
82	10 Cove Road	N. Ball	3,000 SF	$156,400	$600	$109,700	$266,700
83	12 Cove Road	M. Anderson	5,100 SF	$168,900	0	$97,900	$266,800
84	12 Bay Road	N. Fidrocki	4,260 SF	$163,900	0	$130,400	$294,300
85	17 Cove Road	K. Gilletti	3,000 SF	$156,400	0	$80,600	$237,000
86	15 Cove Road	R. Varney	3,000 SF	$156,400	$1,800	$99,600	$257,800
87	9 Cove Road	P. Mattson	3,000 SF	$156,400	0	$180,100	$336,500
89*	5 Cove Road	H. Cogan	3,000 SF	$156,400	0	$95,300	$251,700
90	3 Cove Road	F. Parker	3,000 SF	$156,400	0	$92,000	$248,400
92	18 Hilltop Road	R. Stocker	3,140 SF	$157,300	0	$75,300	$232,600

*denotes change in ownership since 2001

Parcel #	Address	Owner	Lot Area	Assessments			
				Land	Yard	Bldg.	Total
93	18 Baycrest Rd.	J. Fogarty	3,000 SF	$156,400	0	$75,500	$231,900
94	22 Baycrest Rd.	L. Fiske	3,000 SF	$156,400	0	$70,000	$226,400
95	24 Baycrest Rd.	J. Lyon	3,000 SF	$156,400	0	$129,800	$286,200
96*	26 Baycrest Rd.	A. Connolly	3,000 SF	$156,400	0	$84,900	$241,300
97	28 Baycrest Rd.	G. Church	3,000 SF	$156,400	0	$211,100	$367,500
98	30 Baycrest Rd.	C. McGilvary	3,870 SF	$161,600	0	$150,500	$312,100
99	8 Bay Road	M. Attridge	3,750 SF	$160,900	0	$110,800	$271,700
100	27 Baycrest Rd.	E. Williams	3,000 SF	$156,400	0	$81,100	$237,500
101	25 Baycrest Rd.	J. Ferrino	3,000 SF	$156,400	0	$100,900	$257,300
102	21 Baycrest Rd.	D. Carroll	3,000 SF	$156,400	0	$92,800	$249,200
104	33 Hilltop Road	R. Gilbert	3,000 SF	$156,400	0	$95,200	$251,600
105	9 Baycrest Rd.	R. Betts	3,000 SF	$148,600	0	$66,000	$214,600
106	32 Middle Road	A. Cairns	3,000 SF	$156,400	0	$104,000	$260,400
107	35 Middle Road	P. Rhodes	3,000 SF	$186,400	0	$97,400	$283,800
108	3 Baycrest Rd.	P. Benjamin	3,000 SF	$203,300	0	$93,400	$296,700
109*	21 River Road	E. Torisi	3,000 SF	$203,300	0	$98,700	$302,000
110	4 Kings Way	B. Rowell	3,000 SF	$96,500	0	$70,800	$167,300
111	37 Middle Road	C. Johnson	3,000 SF	$96,500	0	$72,600	$169,100
112	8 Kings Way	R. Harrington	3,000 SF	$156,400	0	$182,900	$339,300
113	10 Kings Way	B. Pulsford	3,000 SF	$148,600	0	$118,700	$267,300
114	35 Hilltop Road	M. O'Brien	3,000 SF	$156,400	0	$109,500	$265,900
116*	16 Kings Way	M. Mathieson	3,000 SF	$156,400	0	$111,500	$267,900
117*	20 Kings Way	R. Yacubian	3,000 SF	$156,400	0	$125,500	$281,900
118	22 Kings Way	P. Hull	3,000 SF	$156,400	0	$105,400	$261,800
120	6 Bay Road	G. Donovan	2,700 SF	$154,600	0	$63,900	$218,500
121	29 Kings Way	J. Kurnick	4,410 SF	$164,800	0	$73,500	$238,300
122	27 Kings Way	J. Cook	3,000 SF	$156,400	0	$130,900	$287,300
123	25 Kings Way	W. Morrison	3,000 SF	$156,400	0	$98,600	$255,000
124	21 Kings Way	M. Varney	3,000 SF	$156,400	0	$121,800	$278,200
125	19 Kings Way	D. Gorham	3,000 SF	$156,400	0	$62,700	$219,100

*denotes change in ownership since 2001

Parcel #	Address	Owner	Lot Area	Assessments			
				Land	Yard	Bldg.	Total
126	17 Kings Way	J. Spenser	3,000 SF	$156,400	0	$89,400	$245,800
128	37 Hilltop Road	M. Gorman	3,000 SF	$156,400	0	$131,800	$288,200
129	11 Kings Way	F. Kiley	3,000 SF	$148,600	0	$99,100	$247,700
130	36 Middle Road	W. Lonergan	3,000 SF	$156,400	0	$139,300	$295,700
131	39 Middle Road	R. Cole	3,000 SF	$186,400	0	$74,400	$260,800
132	5 Kings Way	R. Barton	3,000 SF	$186,400	0	$90,900	$277,300
133	3 Kings Way	Goodhue Cottage Tr.	3,000 SF	$203,300	0	$81,400	$284,700
134	2 Plum Sound Rd.	J. Maloney	3,000 SF	$203,300	0	$155,600	$358,900
135	4 Plum Sound Rd.	J. Maloney	3,000 SF	$186,400	0	$137,800	$324,200
136*	6 Plum Sound Rd.	Hanson	3,000 SF	$186,400	0	$107,200	$293,600
137	41 Middle Road	C. Huntley	3,000 SF	$186 ,400	0	$108,600	$295,000
138	38 Middle Road	R. Carroll	3,000 SF	$156,400	$500	$171,200	$328,100
139*	12 Plum Sound Rd.	P. Dever	3,000 SF	$156,400	0	$141,500	$297,900
140	14 Plum Sound Rd.	M. Green	3,000 SF	$156,400	0	$78,000	$234,400
142	20 Plum Sound Rd.	R. Hodgdon	3,000 SF	$156,400	$1,700	$115,900	$274,000
143*	22 Plum Sound Rd.	S. Simkins	3,000 SF	$156,400	0	$96,300	$252,700
144	24 Plum Sound Rd.	S. Moore	3,000 SF	$156,400	0	$118,400	$274,800
145	28 Plum Sound Rd.	D. Rocco	3,000 SF	$156,400	0	$110,700	$267,100
146	30 Plum Sound Rd.	F. Davis	3,950 SF	$162,100	0	$127,200	$289,300
147	27 Plum Sound Rd.	D. Blum	4,490 SF	$196,900	0	$64,600	$261,500
148*	25 Plum Sound Rd.	I. Butkiewicz	4,680 SF	$198,300	0	$103,600	$301,900
149	23 Plum Sound Rd	E. Goodwin	3,000 SF	$156,400	0	$129,700	$286,100

*denotes change in ownership since 2001

Parcel #	Address	Owner	Lot Area	Assessments			
				Land	Yard	Bldg.	Total
150*	21 Plum Sound Rd.	J. Lyons	3,000 SF	$156,400	0	$127,100	$283,500
151	19 Plum Sound Rd.	E. Raynard	3,750 SF	$160,900	0	$76,100	$237,000
152	15 Plum Sound Rd.	Betts Trust	3,000 SF	$156,400	0	$112,500	$268,900
153*	13 Plum Sound Rd.	C. Saline	3,000 SF	$156,400	0	$130,000	$286,400
154	40 Middle Road	A. Veno	3,000 SF	$156,400	0	$138,600	$295,000
155	43 Middle Road	A. Lowden	3,000 SF	$186,400	0	$144,200	$330,600
156*	5 Plum Sound Rd.	B. Brennan	3,000 SF	$186,400	0	$74,800	$261,200
157	3 Plum Sound Rd.	C. Story	3,000 SF	$203,300	0	$126,800	$330,100
158*	15 River Road	K. Stover	3,000 SF	$203,300	0	$101,600	$304,900
159	11 River Road	M. Cowdrey	3,000 SF	$203,300	0	$137,900	$341,200
160*	45 Middle Road	J. Berman	3,000 SF	$186,400	0	$131,900	$318,300
161*	42 Middle Road	P. Sciple	3,000 SF	$156,400	0	$146,500	$302,900
162	3 River Road	R. MacRae	3,000 SF	$156,400	0	$78,800	$235,200
163*	43 Hilltop Road	P. Manzi	3,000 SF	$186,400	0	$255,800	$442,200
164	2 River Road	R. Dever	3,500 SF	$207,200	0	$211,300	$418,500
165	6 River Road	J. Kurnick	2,470 SF	$199,300	0	$199,700	$399,000
166	10 River Road	L. Eaton	3,325 SF	$205,900	0	$163,200	$369,100
167	12 River Road	F. O'Malley	3,000 SF	$203,300	0	$130,100	$333,400
168	16 River Road	P. Merlino	7,820 SF	$240,600	$400	$156,300	$397,300
169*	2 Cliff Road	F. Koris	3,020 SF	$203,500	0	$214,500	$418,000
170*	4 Cliff Road	D.Girdwood	4,790 SF	$217,200	0	$121,000	$338,200
171*	6 Cliff Road	J. Lyon	3,520 SF	$207,400	0	$136,000	$343,400
172	8 Cliff Road	M. Sullivan	3,700 SF	$208,800	0	$85,200	$294,000
173	10 Cliff Road	J. Duran	2,430 SF	$198,900	0	$87,100	$286,000
101A*	23 Baycrest Rd.	P. Anthony	3,000 SF	$156,400	0	$82,200	$238,600
102A	17 Baycrest Rd.	J. Buckley	3,000 SF	$156,400	0	$175,900	$332,300
116A	18 Kings Way	J. Connor	3,000 SF	$156,400	0	$101,100	$257,500

*denotes change in ownership since 2001

Parcel #	Address	Owner	Lot Area	Assessments Land	Yard	Bldg.	Total
118A	24 Kings Way	M. Varney	3,000 SF	$156,400	0	$125,500	$281,900
41A*	14 Middle Road	W. Gottlieb	4,900 SF	$167,700	0	$170,400	$338,100
	TOTALS:		**12.53± ac.**	**$23,348,934**	**$33,800**	**$18,943,700**	**$42,326,434**

II. Leased Parcels - Vacant

Parcel #	Address	Owner	Lot Area	Assessments Land	Yard	Bldg.	Total
29A	Middle Road	E. Kaine	3,000 SF	$37,300	0	0	$37,300
66A	21 Bay Road	C. DiAmico	3,400 SF	$38,100	0	0	$38,100
78	Middle/Cove Road	F. Parker	2,400 SF	$30,600	0	0	$30,600
159A	River Road	A. Cowdrey	3,000 SF	$40,700	0	0	$40,700
	TOTALS:			**$146,700**	**0**	**0**	**$146,700**

*denotes change in ownership since 2001

Table II

LOT INVENTORY/ASSESSMENT UNDER FEOFFEE'S OWNERSHIP

		Assessments			
Parcel #	Lot Area	Land	Yard	Bldg.	Total
69	11 acres	$582,600	$62,700	$106,100	$751,400
6A	.4 acres	$38,700	0	0	$38,700
19	2,200 SF	$39,400	$4,500	0	$43,900
36	3,960 SF	$38,600	0	0	$38,600
58	2,190 SF	$151,600	0	0	$151,600
73	6,000 SF	$17,400	0	0	$17,400
74	3,000 SF	$31,300	0	0	$31,300
88	3,000 SF	$31,300	0	0	$31,300
119	3,000 SF	$31,300	0	0	$31,300
101B	3,000 SF	$31,300	0	0	$31,300
102B	3,000 SF	$31,300	0	0	$31,300
103A	3,000 SF	$31,300	0	0	$31,300
109A	1,500 SF	$38,400	0	0	$38,400
124A	3,000 SF	$31,300	0	0	$31,300
134A	1,500 SF	$38,400	0	0	$38,400
141A	3,000 SF	$31,300	$2,100	0	$33,400
144A	3,000 SF	$31,300	0	0	$31,300
152A	3,000 SF	$31,300	0	0	$31,300
153A	3,000 SF	$31,300	0	0	$31,300
158A	1,250 SF	$38,000	0	0	$38,000
165A	2,000 SF	$39,100	0	0	$39,100
166A	3,000 SF	$40,700	0	0	$40,700
166B	3,700 SF	$41,800	0	0	$41,800
169A	3,000 SF	$37,300	0	0	$37,300
23A	3,000 SF	$40,700	0	0	$40,700
25A	3,000 SF	$37,300	0	0	$37,300
27A	3,000 SF	$37,300	0	0	$37,300
27B	3,380 SF	$37,800	0	0	$37,800

Parcel #	Lot Area	Assessments Land	Yard	Bldg.	Total
27C	3,360 SF	$37,800	0	0	$37,800
43A	4,360 SF	$32,900	0	0	$32,900
49A	2,915 SF	$31,200	0	0	$31,200
52A	3,875 SF	$32,300	0	0	$32,300
70A	3,000 SF	$15,600	0	0	$15,600
71A	3,000 SF	$31,300	0	0	$31,300
75A	4,120 SF	$16,300	0	0	$16,300
87A	3,000 SF	$31,300	0	0	$31,300
92A	3,000 SF	$31,300	0	0	$31,300
93A	3,000 SF	$31,300	0	0	$31,300
72	3,000 SF	$156,40	0	$103,800	$260,200
Totals		**$2,087,100**	**$69,300**	**$209,900**	**$2,366,300**

Tabulation - F.Y. 2004 Assessment

Total Assessed Value - Leased Parcels With Improvements:	$42,326,434
Total Assessed Value - Leased Parcels - Vacant:	$ 146,700
Total Assessed Value - Feoffee's Ownership:	$ 2,366,300
TOTAL ASSESSED VALUE - SUBJECT PROPERTY:	***$44,839,434***

Based on the F.Y. 2004 mill rate of $9.54, the total annual tax liability owing to the subject property amounts to approximately $427,768.20. It should be noted that the effective valuation date for F.Y. 2004 taxation is January 1, 2003.

The above-outlined valuation of the entire subject property indicates a 61.38% increase since F.Y. 2001 (19.24% annually - compounded). The valuation of the land comprising the 168 leased parcels increased from $14,082,400 to $23, 348,934 (65.8%) over the 3-year update period and the privately-owned improvements increased from $12,322,300 to $18,943,700 (53.73%). **The updated assessment indicates an *average* per parcel (land and improvements) value of approximately $251,943, and an *average* annual tax liability of $2,403.53.** The average annual tax burden for the underlying land only (paid by tenants) amounts to $1,325.88, based on an average assessed parcel value of $139,791.

Site Description

Based on my re-inspection of the subject land, there have been no significant *physical* changes to the subject property over the 3± incremental update period. Additionally, there have been no significant changes in the legal status of the property over the update period and the per parcel delineation and individual assessments do not reflect a legal division of the subject property.

The issue of on-site sewage disposal has become an increasingly important use and valuation issue over the three year update period. In December of 2003, the Massachusetts Department of Environmental Protection issued a second Administrative Consent Order to the Feoffees and tenants requiring the installation of 143 "tight tanks" by 2006 (85% of total cottages). Approximately 24 cottages have been approved by DEP for installation of alternative "drip systems." The initial 25 tight tanks were originally scheduled for installation prior to June 15, 2004 and an additional 25 tanks were scheduled for installation by late fall of 2004. This schedule has been revised such that 25 tanks must now be installed by the fall of 2004.

The Massachusetts Department of Environmental Protection (DEP) does not view the installation of tight tanks as a "solution" to sewage disposal on the subject property and the vehicle trips associated with the projected peak season pumping schedule pose an additional public safety concern at the local level. Little Neck tenants have recently retained an engineering consultant to further evaluate more long-term disposal alternatives. Alternative solutions being evaluated include the installation of a central collection tank aimed at reducing the number and frequency of pumper truck trips. Another option involves pumping sewage to a large, common leaching facility on Great Neck. The option of extending municipal sewer service from Jeffrey's Neck Road is no longer viewed as a realistic disposal option.

The as yet unresolved nature of the sewage disposal issue and absence of a long-term solution will tend to affirm the subject property's "seasonal cottage" market stature and may also limit the extent to which existing and future owners/tenants invest in renovations and expansions of their cottages. Furthermore, tenant-borne costs for tight tank installations and pumping could tend to increase the frequency of peak season rentals to offset carrying costs. For example, tight tank permitting and installation costs may range between $5,000-$12,000 per site (depending on slope and access constraints) and high season pumping at a 3-4 week frequency may range between $750-$1,000 per site.

The combined effects of these issues are considered in the current valuation of the subject property.

Compiled Base Plans of the subject property are included on the following pages of this report.

10. Current Use - Tenancy At Will

As noted in LandVest's 1997 appraisal report and December 2000 update, the Little Neck property is the subject of an annually-renewable land rental agreement which permits each homeowner to occupy their cottages between April 1 and November 30 of each year. With the exception of cottages grandfathered in 1966 and those recently permitted to allow for year-round occupancy, the balance of the cottages may be occupied only within the designated eight month season.

Under current rental terms, individual parcel rents are assessed equally throughout the property. Following rent increased since LandVest's 1997 valuation, 144 tenants pay $3,600 annually for seasonal use and 24 year-round tenants pay $3,900. Thus, potential gross income (PGI) amounts to approximately $612,000. This indicates a 59.8±% increase since 2000. Individual tenants (cottage owners) are responsible for the land rent, real estate taxes, insurance and all utilities. Additionally, tenants are responsible for any necessary repair or replacement of in-ground sewage disposal systems in the event of a system failure.

11. Previous Valuation and Recent Purchase Offers

There are no pending purchase offers for the subject property and the property is not actively listed for sale.

12. Highest and Best Use:

The analysis of *Highest and Best Use* involves consideration of existing land use regulations, any *reasonably probable* modifications to those regulations, the subject property's physical adaptability, and economic demand for the physically and legally permissible uses of the subject property type. This analysis also accounts for prevailing market trends, established neighborhood development patterns and aesthetic issues affecting market demand.

1. Conceptual Development Analysis

As described in LandVest's original appraisal report in 1997 and 2000 update, the highest and best use of the subject property calls for continued seasonal and year-round residential use (168± parcel density) and conversion of the current tenancy at will land lease structure to a condominium form of ownership.

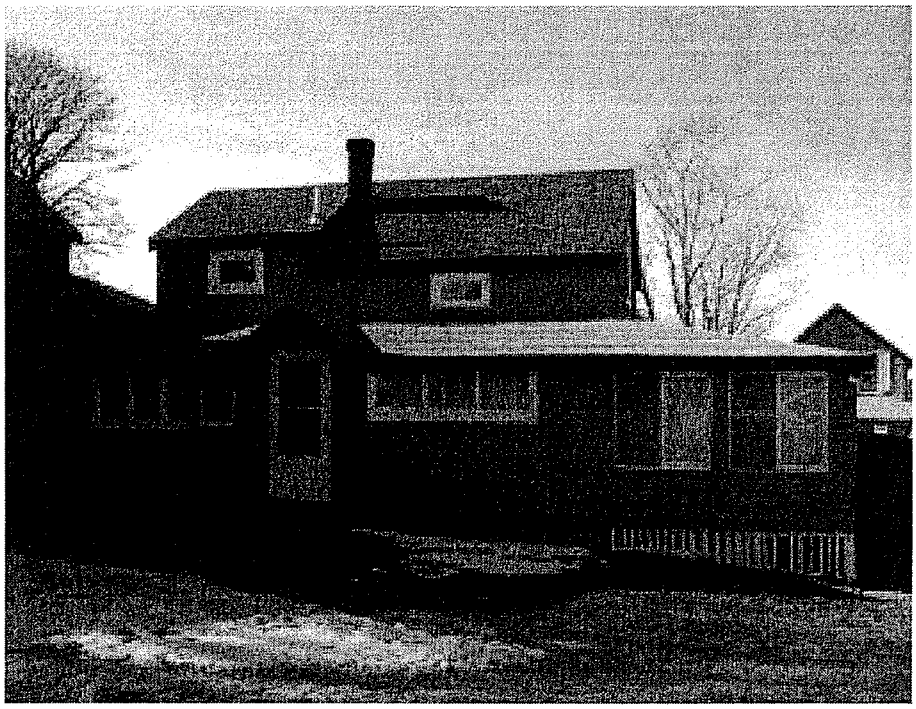
13. Real Estate Market Analysis

Table II on the following page summarizes market trends in real estate sales volume and median residential value in both Ipswich and surrounding communities from 1999 through 2003.

Table II

Calendar Year Median Sales Price Changes
North Shore Regional Market Overview
1999-2003

Town	1999		2000			2001			2002			2003			Δ 99 - 03 Four Year Median Value Trend
	Median Price	No. Sales	Median Price	No. Sales	Median Price Change	Median Price	No. Sales	Median Price Change	Median Price	No. Sales	Median Price Change	Median Price	No. Sales	Median Price Change	
Ipswich	$233,000	238	$293,000	235	25.75%	$325,000	149	10.9%	$344,000	143	5.8%	$407,000	145	18.3%	74.7%
Beverly	$219,000	367	$243,000	327	10.95%	$285,000	364	17.3%	$316,000	340	10.9%	$345,000	351	9.1%	57.5%
Essex	$233,700	60	$263,200	66	12.62%	$273,500	22	3.9%	$363,200	35	32.8%	$354,500	30	-2.4%	51.7%
Topsfield	$305,000	108	$350,000	88	14.75%	$411,000	66	17.4%	$482,500	62	17.4%	$527,000	67	9.2%	72.8%
Wenham	$332,000	83	$373,590	65	12.52%	$533,000	53	42.6%	$530,000	52	-.01%	$565,000	52	6.6%	70.2%
Hamilton	$299,000	98	$364,000	108	21.73%	$330,750	78	-9.2%	$378,750	68	14.5%	$472,250	86	24.7%	57.95%
Rockport	$234,000	148	$290,000	130	23.93%	$311,600	77	7.4%	$375,000	69	20.3%	$390,000	71	4%	66.7%
Rowley	$234,000	49	$300,000	53	28.2%	$299,950	58	-0.1%	$313,500	48	4.5%	$415,000	47	32.4%	77.35%
Gloucester	$189,450	272	$215,000	243	13.4%	$249,000	235	15.8%	$295,000	214	18.5%	$330,000	253	11.85%	74.2%
Manchester	$384,000	56	$369,500	57	-3.8%	$520,000	79	40.7%	$494,000	70	-5%	$615,000	55	24.5%	60.15%



COMPARABLE SALES DATA

SALE NO. 1

Location: 1 Hilltop Road
Municipality: Ipswich
State: Massachusetts

RESIDENCE DESCRIPTION:

Type: Single Family
Style: Cottage
Total S.F.:1,023
Mechanical Systems: FHA/Oil
Utilities: Public water, Private sewer
Exterior Wall: Wood shingle
Roof Covering: Asphalt shingle
Stories: 1.5
Age (actual): 84 years
Quality: Average
Special Features: Deeded beach rights. Seasonal.

SALE DATA:

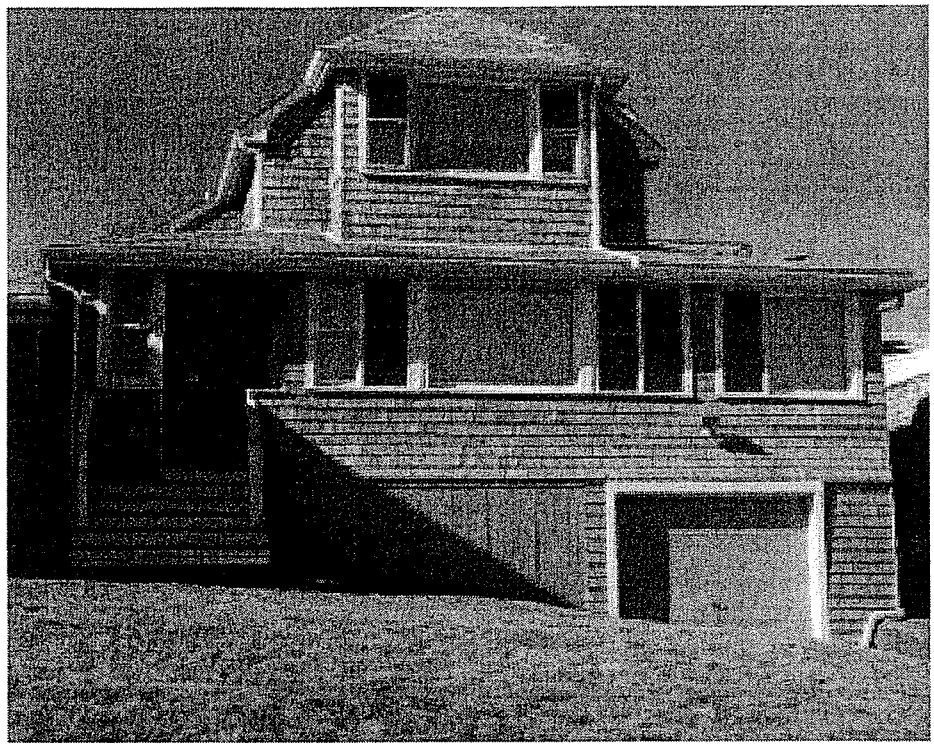
Sale Price: **$255,000**
Sale Date: **11/04/03**
Grantor:
Grantee:
Financing:
Deed Reference:

LAND DATA:

Land Area: 2,159 SF
Assessor's Ref.: Map 24C, Block 69, Lot 37
Zoning: RRB

COMMENTS:

This property sold fully furnished and has a dock and a pier.



COMPARABLE SALES DATA

SALE NO. 2

Location: 4 Cliff Road
Municipality: Ipswich
State: Massachusetts

SALE DATA:

Sale Price: **$375,000**
Sale Date: **08/01/01**
Grantor: **James Faria**
Grantee:
Financing:
Deed Reference:

RESIDENCE DESCRIPTION:

Type: Single Family
Style: Cottage
Total S.F.: 1,338
Mechanical Systems: No heat
Utilities: Public water, Private sewer
Exterior Wall: Wood shingle
Roof Covering: Asphalt shingle
Stories: 2
Age (actual): 94 years
Quality: Average
Special Features: Deeded beach rights. Seasonal.

LAND DATA:

Land Area: 4,790 SF
Assessor's Ref.: Map 24C, Block 69, Lot 170
Zoning: RRB

COMMENTS:

This cottage has direct ocean views and was completely rebuilt prior to sale.



COMPARABLE SALES DATA

SALE NO. 3

Location: 13 Plum Sound Road
Municipality: Ipswich
State: Massachusetts

RESIDENCE DESCRIPTION:

Type: Single Family
Style: Gambrel
Total S.F.: 1,046
Mechanical Systems:
Utilities: Public water, Private sewer
Exterior Wall: Wood shingle
Roof Covering: Asphalt shingle
Stories: 2
Age (actual): 74 years
Quality: Average
Special Features: Seasonal. Deeded beach rights.

SALE DATA:

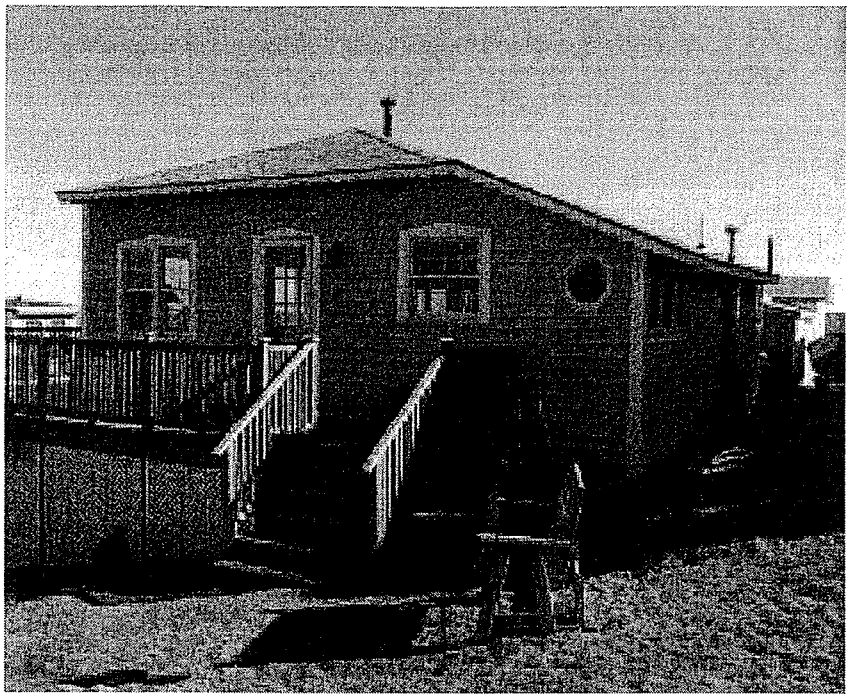
Sale Price: **$384,000**
Sale Date: **09/22/03**
Grantor:
Grantee:
Financing:
Deed Reference:

LAND DATA:

Land Area: 3,000 SF
Assessor's Ref.: Map 24C, Block 69, Lot 153
Zoning: RRB

COMMENTS:

This property has a deck off the master bedroom and a wraparound enclosed porch. It hs views of Plum Island Sound and Crane Beach.



COMPARABLE SALES DATA

SALE NO.4

Location: 19 Kings Way
Municipality: Ipswich
State: Massachusetts

SALE DATA:

Sale Price: **$248,000**
Sale Date: **08/22/01**
Grantor: **Geoffrey Weiler**
Grantee:
Financing:
Deed Reference:

RESIDENCE DESCRIPTION:

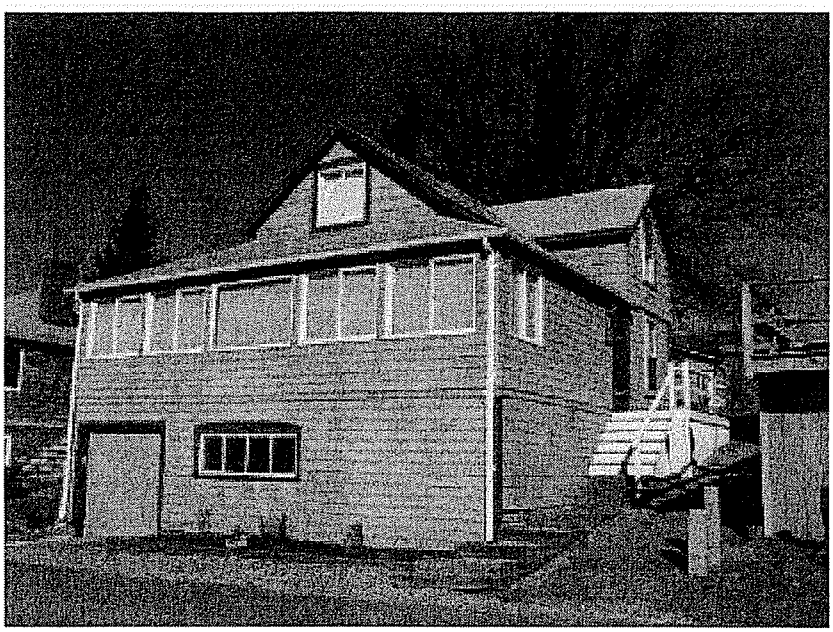
Type: Single Family
Style: Cottage
Total S.F.: 672
Mechanical Systems: No heat.
Utilities: Public water, Private sewer
Exterior Wall: Wood shingle
Roof Covering: Asphalt shingle
Stories: 1
Age (actual): 74 years
Quality: Average
Special Features: Deeded beach rights. Seasonal.

LAND DATA:

Land Area: 3,000 SF
Assessor's Ref.: Map 24C, Block 69, Lot 125
Zoning: RRB

COMMENTS:

This property has ocean views and sold with a mooring available.



COMPARABLE SALES DATA

SALE NO. 5

Location: 22 Middle Road
Municipality: Ipswich
State: Massachusetts

RESIDENCE DESCRIPTION:

Type: Single Family
Style: Cottage
Total S.F.: 1,244
Mechanical Systems:
Utilities: Public water, Private sewer
Exterior Wall: Wood shingle
Roof Covering: Asphalt shingle
Stories: 1.75
Age (actual): 74 years
Quality: Average
Special Features: Seasonal. Deeded beach rights.

SALE DATA:

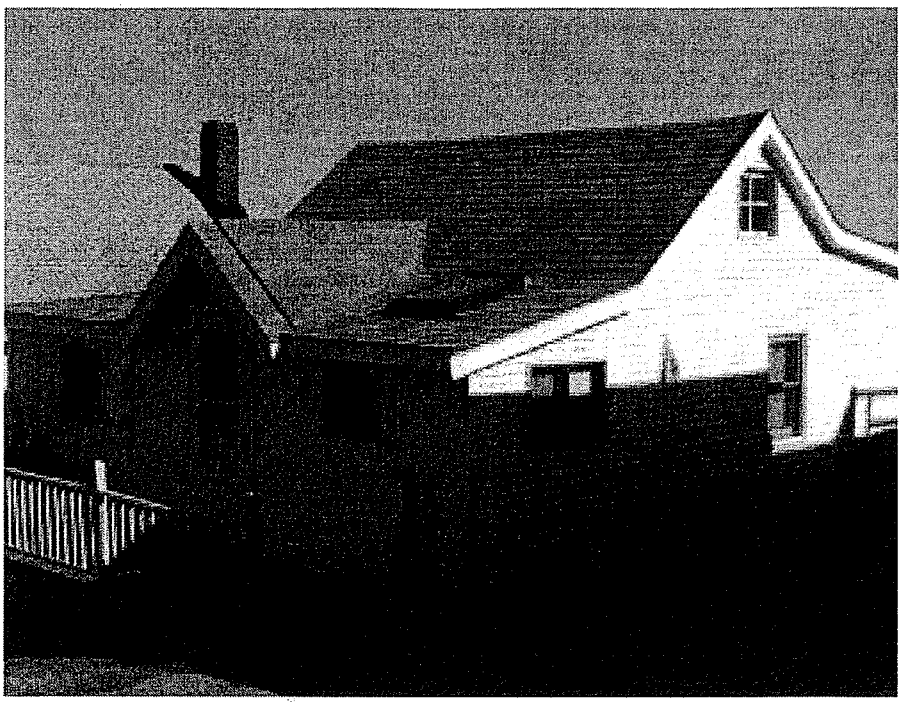
Sale Price: **$405,000**
Sale Date: **05/14/03**
Grantor:
Grantee:
Financing:
Deed Reference:

LAND DATA:

Land Area: 4,280 SF
Assessor's Ref.: Map 24C, Block 69, Lot 44
Zoning: RRB

COMMENTS:

This cottage has panoramic views of the Ipswich River and Plum Island Sound. The electrical system has been updated and it has an updated kitchen and a new bath on the second floor.



COMPARABLE SALES DATA

SALE NO.6

Location: 23 Baycrest Road
Municipality: Ipswich
State: Massachusetts

RESIDENCE DESCRIPTION:

Type: Single Family
Style: Cottage
Total S.F.: 928
Mechanical Systems: FHW/Central A/C
Utilities: Public water, Private sewer
Exterior Wall: Wood shingle
Roof Covering: Vinyl siding
Stories: 1
Age (actual): 74 years
Quality: Average
Special Features: Deeded beach rights. Seasonal.

SALE DATA:

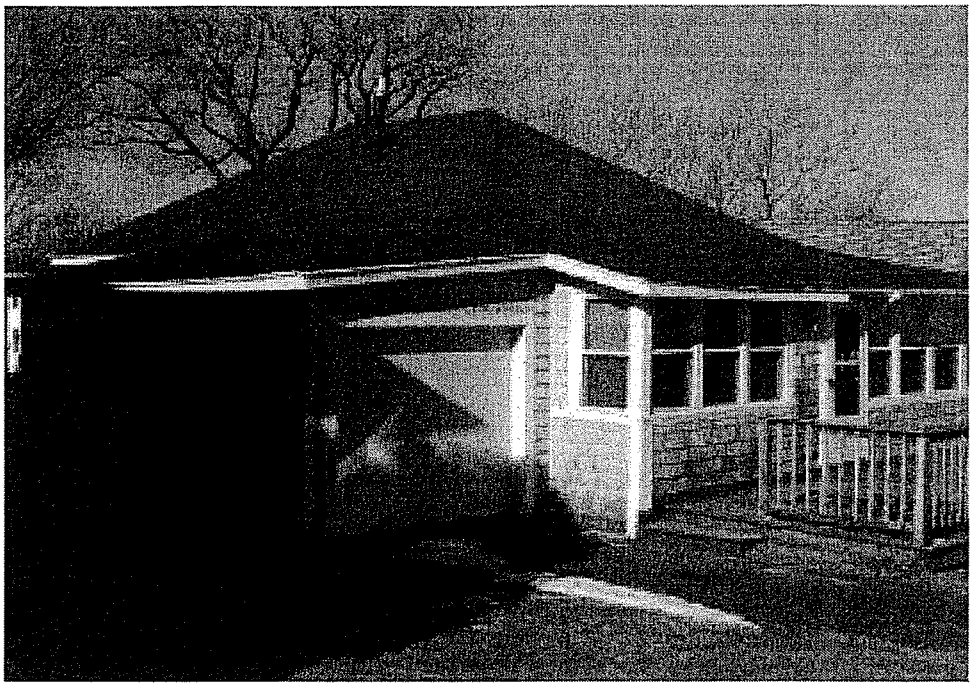
Sale Price: **$250,000**
Sale Date: **05/31/02**
Grantor: **Geoffrey Weiler**
Grantee:
Financing:
Deed Reference:

LAND DATA:

Land Area: 3,000 SF
Assessor's Ref.: Map 24C, Block 69, Lot 101A
Zoning: RRB

COMMENTS:

This cottage has panoramic views of Plum Island Sound. It was completely renovated prior to sale and has heat and central air conditioning.



COMPARABLE SALES DATA

SALE NO.7

Location: 24 Baycrest Road
Municipality: Ipswich
State: Massachusetts

SALE DATA:

Sale Price: **$255,000**
Sale Date: **07/23/01**
Grantor:
Grantee:
Financing:
Deed Reference:

RESIDENCE DESCRIPTION:

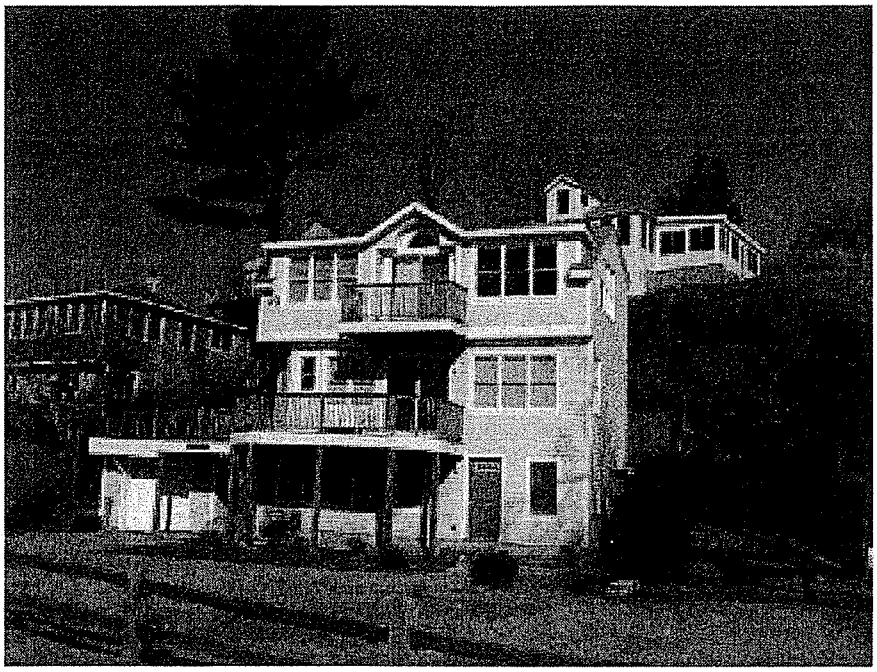
Type: Single Family
Style: Cottage
Total S.F.: 863
Mechanical Systems: Electric baseboard
Utilities: Public water, Private sewer
Exterior Wall: Wood shingle
Roof Covering: Asphalt shingle
Stories: 1
Age (actual): 74 years
Quality: Average
Special Features: Deeded beach rights. Seasonal.

LAND DATA:

Land Area: 3,000 SF
Assessor's Ref.: Map 24C, Block 69, Lot 95
Zoning: RRB

COMMENTS:

This cottage has views of Ipswich Bay and was recently renovated. It has two decks and a screened porch.



COMPARABLE SALES DATA

SALE NO.8

Location: 39 River Road
Municipality: Ipswich
State: Massachusetts

RESIDENCE DESCRIPTION:

Type: Single Family
Style: Cottage
Total S.F.: 1,450
Mechanical Systems: Electric baseboard.
Utilities: Public water, Private sewer
Exterior Wall: Wood shingle
Roof Covering: Asphalt shingle
Stories: 2
Age (actual): 3 years
Quality: Average
Special Features: Deeded beach rights. Seasonal.

SALE DATA:

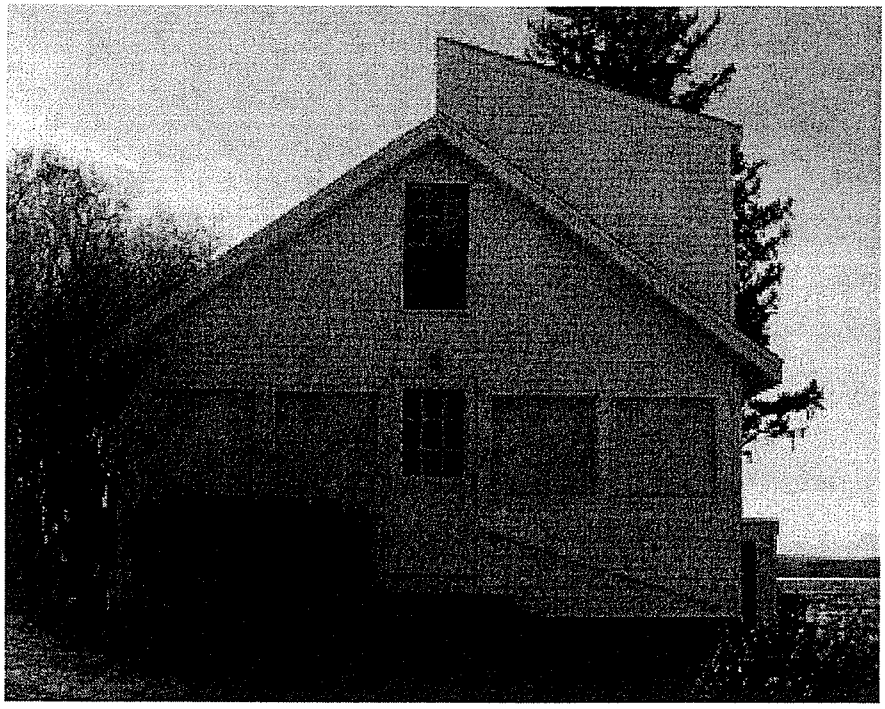
Sale Price: **$240,000**
Sale Date: **11/30/01**
Grantor:
Grantee:
Financing:
Deed Reference:

LAND DATA:

Land Area: 2,400 SF
Assessor's Ref.: Map 24C, Block 69, Lot 16
Zoning: RRB

COMMENTS:

This property has direct views of the Ipswich River and Crane Beach. It has electric baseboard heat and a 1 car attached garage.



COMPARABLE SALES DATA

SALE NO.9

Location: 15 Hilltop Road
Municipality: Ipswich
State: Massachusetts

RESIDENCE DESCRIPTION:

Type: Single Family
Style: Cottage
Total S.F.: 2,029
Mechanical Systems: FHA/Oil
Utilities: Public water, Private sewer
Exterior Wall: Vinyl siding
Roof Covering: Asphalt shingle
Stories: 1
Age (actual): 84 years
Quality: Average
Special Features: Deeded beach rights. Year-round dwelling.

SALE DATA:

Sale Price: **$280,000**
Sale Date: **09/12/03**
Grantor:
Grantee:
Financing:
Deed Reference:

LAND DATA:

Land Area: 3,950 SF
Assessor's Ref.: Map 24C, Block 69, Lot 53
Zoning: RRB

COMMENTS:

This property has river and beach views. It was in need of updating at the time of sale.



COMPARABLE SALES DATA

SALE NO.10

Location: 21 River Road
Municipality: Ipswich
State: Massachusetts

RESIDENCE DESCRIPTION:

Type: Single Family
Style: Ranch
Total S.F.: 1,080
Mechanical Systems: Floor furnace/gas
Utilities: Public water, Private sewer
Exterior Wall: Clapboard
Roof Covering: Asphalt shingle
Stories: 1
Age (actual): 74 years
Quality: Average
Special Features: Deeded beach rights. Seasonal..

SALE DATA:

Sale Price: **$375,000**
Sale Date: **04/17/02**
Grantor:
Grantee:
Financing:
Deed Reference:

LAND DATA:

Land Area: 3,000 SF
Assessor's Ref.: Map 24C, Block 69, Lot 153
Zoning: RRB

COMMENTS:

This property has direct views of the Ipswich River and Crane Beach. It was in good condition at the time of sale.

As outlined above, the median residential home price in Ipswich increased approximately 10.9% on 2001; 5.8% in 2002; and, 18.3% in 2003. **The 3-year total appreciation amount to approximately 38.9%.**

A comparison of market appreciation rates and assessed value increases over the same 3-year time period is summarized as follows:

Market Appreciation (12/99-12-02):	47.64%
Assessed Value Increase (1/1/00-1/1/03):	61.38%

Accordingly, there is a 13.8%+ discrepancy between appreciation rates by both measures.

Sales volume dropped dramatically in 2001 and leveled off at 145± sales annually through 2003. Record low interest rates in the past 18 months have fueled the residential market, but the average marketing period prior to sale is growing, as the regional buyer pool is considerably shallower than it was 2-3 years ago.

a. Little Neck Sales Activity

The sales data sheets on the following pages of this report provide photographs and transaction information regarding each of the Little Neck Cottage sales documented between June 1, 2001 and February 9, 2004. It should be noted that this information does not account for several intra-family transfers occurring within the update.

These 10 sales occurred between 7/23/01 and 11/4/03 and indicate sale prices ranging between $240,000 and $405,000. The average sale price is $306,700 and the indicated median price is $302,750. Prices per square foot of gross building area exhibit a wide range of value between $138.00 and $369.05.

The 10-sale average selling price of $306,700 indicates a 55.2% increase from the 10-sale average indicated by sales from 1998-2000 (outlined in LandVest's previous update report). Interestingly, this rate marks the numerical mid-point between the town-wide *market* appreciation rate and the *assessed* value increase noted above.

Based on a review of ~~apportionment of~~ *assessed* land/building value, indicate a range of land value (*as though held in fee simple*) ranges between $98,000 and $200,000.

Seasonal rental rates in July and August currently range from $850 per week to $4,000 for the month. Most rentals require at least a 2 week minimum stay.

When cottages are rented on a weekly basis, typical rents range from $750 - $850 per week for a 2 or 3 bedroom cottage.

An example of an typical off-season rental is 27 Kings Way, which is rented from September through June for $750 per month.

Although increased ground rents and higher assessed values have caused some owners to consider raising rents, it does not appear likely that the market will bear substantially higher rents in the foreseeable future.

b. Market Value Estimate - Condominium Conversion

As outlined in LandVest's 1997 report and 2000 update, *Planning Option C* assumes condominium ownership of the land underlying the existing cottages. All land outside the individual building "footprints" would be considered common land and the property's would be assessed as units with apportioned association dues. Under this planning option, the 168 unit density would be made legal and eligible for bank financing without the need for any formal approval at the state of local level.

Based on a review of local and real estate market trends since 2000 and with specific reference to the 12 value tiers delineated in LandVest's original 1997 report, land unit pricing has been appreciated at a rate of 45% over the 3-year update period. The indicated rate is slightly below the indicated town-wide median residential rate for the period.

The initial financial analysis of the subject property as a condominium conversion assumes outside sale to a third party buyer. **Based on an updated Discounted Cash Flow Analysis with unit pricing ranging from $70,000 - $200,000, it is my opinion that the Market Value of the subject property (assuming condominium conversion) to a third party buyer as of February 13, 2004 was:**

$10,700,000

(TEN MILLION SEVEN HUNDRED THOUSAND DOLLARS)

c. Value Estimate - *Investment Value* to Current Tenancy

The second updated valuation of the subject property assumes a sale to the existing tenancy. In this *investment value* analysis, developer profit allowances and cost of resale allowances have been reduced to reflect a largely internal buyer pool and control over the property's disposition. All unit pricing, internal absorption and line item development expenses remain the same.

In accordance with this analysis, it is my opinion the Investment Value of the subject property to the current tenancy as of February 13, 2004 was:

$13,800,000

(THIRTEEN MILLION EIGHT HUNDRED THOUSAND DOLLARS)

d. Land Rental Analysis

An evaluation of *current* land rental rates levied by the Feoffees relative to "market-rate" rents requires careful consideration of real market value gains and the extent to which these gains may be offset, or tempered by escalating carrying costs. Given the indicated range of underlying land (parcel) values of $98,000 - $200,000, when capitalized at a "safe" return rate of 6.5% (i.e. prime plus 2.5), the indicated market-rate land rent ranges between $6,370 - $13,000. The mid-point parcel value of $150,000 indicates an annual land rate of $9,750.

It is important to note that these market rental rates are derived from arm's length transactions where the fee interest in the underlying land is not transferred. Perhaps as notable as the upward trend in values on Little Neck is the continued trend whereby the market continues to function or behave as a fee simple market. In other words, buyers continue to pay, (and sellers continue to receive) *significant* value for the right to perpetuate the tenancy-at-will land leases with full knowledge that the Feoffees are bringing rents into alignment with the market.

However, the next incremental land rent increase should account for the relative instability in the local market caused by the on-going sewage disposal debate and lack of any apparent long-term engineering solution. The state-mandated installation of tight tanks poses significant economic, safety and aesthetic risks both to the community and the *Little Neck* sub-market. Collectively, these issues and attendant costs may lead to a higher sale rate and alter new buyers' perceptions of investment security on Little Neck.

For example, if certain tenants opt to pass septic pump fees through to sub-tenants, this could damage even the high season rental market. If absorbed by the tenants, these fees may, together with escalating taxes, tend to provide tenants with negotiating leverage against aggressive rent increases, as the sewage issue calls into questions the basic suitability of the land for residential use.

APPENDIX

Certification, James E. Monahan

Qualifications, James E. Monahan

CERTIFICATION OF VALUE

I hereby certify that:

1. I have made a personal inspection of the property that is the subject of this report.

2. To the best of my knowledge and belief, the statements of fact and the opinions contained in this report are true and correct.

3. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.

4. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.

5. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

6. This appraisal was not based on a requested minimum valuation, specific valuation or approval of a loan.

7. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of The Appraisal Institute, as well as the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation. I am currently licensed as a Certified General Appraiser in **Massachusetts (CG #3481),** Vermont (CG #80-212), Maine (CG #1289) and New York (CG #46000042014).

8. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

9. No one provided significant professional assistance to the person(s) signing this report.

Appraiser: _____ Date: _____
James E. Monahan

LandVest®

JAMES E. MONAHAN

Senior Advisor **- Real Estate Consulting Group, LandVest, Inc.**

James E. Monahan is a *Senior Advisor* with the Real Estate Consulting Group of LandVest, a broad-based real estate company involved in all aspects of land planning, real estate brokerage, broad-scope consulting, development, and conservation planning. As Senior Advisor, he is responsible for oversight and management of residential and commercial real property appraisals, development feasibility studies, land use planning and design, conservation planning and implementation of limited development projects. Mr. Monahan's specific area of expertise involves the design, valuation and implementation of multi-use disposition plans for privately-held land in the context of generational asset/estate planning.

Prior to joining the firm in 1989, Mr. Monahan was Project Manager with the Massachusetts Department of Environmental Management where his responsibilities included design and engineering studies, contract documents, and construction management on a variety of projects including site design for the restoration of Walden Pond Reservation in Concord, acquisition and site planning for Halibut Point State Park, and site design and contract administration for the expansion of Ashland State Park. Additionally, as co-founder of Landforms, Inc., he has worked as a design/build consultant on various residential and commercial design projects throughout Boston's North Shore.

Mr. Monahan received a Bachelor of Arts degree in Liberal Studies from St. Anselm's College, Manchester, New Hampshire in 1982 and a Master of Arts degree in Landscape Design from the Conway School of Design in 1985. He is a Certified General Appraiser in the state of Massachusetts (CG-#3481), Vermont (CG #080-212), Maine (CG #1289) and New York (CG #46000042014) and is an Affiliate Member of the Appraisal Institute.

LandVest®

APPRAISAL REPORT

35± Acres of Residentially-Zoned Land Known as
Little Neck Estate

***Located*:**
Ipswich, Essex County, Massachusetts

***Report Date*:**
October 25, 2010

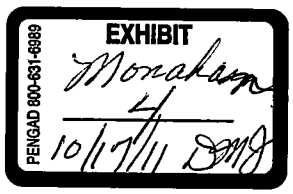
***Effective Valuation Date*:**
September 11, 2010

***Owned by*:**
The Feoffees of the Grammar School

***Requested By*:**
William H. Sheehan, III
MacLean Holloway Doherty Ardiff & Morse, PC
8 Essex Center Drive
Peabody, MA 01960

***Prepared by*:**
James E. Monahan, *Senior Advisor*
Real Estate Consulting Group
LandVest, Inc.
Ten Post Office Square
Boston, MA 02109

Report #8954



LandVest®

Distinctive Properties ♦ Real Estate Consulting & Appraisal ♦ Forestry Consulting
TEN POST OFFICE SQUARE, BOSTON, MASSACHUSETTS 02109

REGIONAL OFFICES

Two Monument Square
Portland, ME 04101
Telephone 207 774-8518
Fax 207 774-5845

22 Bayview Street
P.O. Box 1262
Camden, ME 04843
Telephone 207 236-3543
Fax 207 236-2172

4A Tracy Road
P.O. Box 1068
Northeast Harbor, ME 04662
Telephone 207 276-3840
Fax 207 276-3837

186 College Street
Burlington, VT 05401
Telephone 802 660-2900
Fax 802 660-2543

One The Green
Woodstock, VT 05091
Telephone 802 457-4977
Fax 802 457-9021

19 South Summer Street
P.O. Box 1056
Martha's Vineyard
Edgartown, MA 02539
Telephone 508 627-3757
Fax 508 627-8617

16 Centre Street, First Floor
Concord, NH 03301
Telephone 603 228-2020
Fax 603 226-4391

October 25, 2010

William H. Sheehan, III
MacLean Holloway Doherty Ardiff & Morse, PC
8 Essex Center Drive
Peabody, MA 01960

RE: Appraisal Report
35± Acres of Residential Land Known as
Little Neck Estate, Ipswich, MA

Dear Attorney Sheehan:

Per your request, we have prepared the following market value opinion of a 35± acre oceanfront property known as *Little Neck Estate* in the Town of Ipswich, Essex County, Massachusetts (hereafter referred to as the "subject property"), held by the *Feoffees of the Grammar School*. I understand that the intended use of this report is to provide you with a current market value estimate for financing purposes and for possible submission to the Essex County Probate and Family Court in connection with the Feoffees' complaint for deviation. The effective valuation date is September 11, 2010, the date of my most recent re-inspection of the subject property.

Our opinions of value presented herein include Market Value to a third party buyer assuming a condominium conversion and the third party value as though vacant. It is important to note that the owner of the subject land does not own the existing cottages which have been built over the years by tenants of the owner and there can be no condominium conversion without the participation of the cottage owners.

This report does not address the property's Investment Value to the current tenancy in accordance with a pending agreement between the *Little Neck Legal Action Committee* and the *Feoffees*. The *Agreement* is currently in litigation and has not been ratified as of the effective date of this appraisal. All opinions of market value assume transfer of condominium and fee simple interests in the subject property, unencumbered by any liens, restrictions, or limitations on title, other than those noted in this report. Opinions of market value rendered herein are based on terms of cash or of financing terms equivalent to cash.

TELEPHONE: 617 723-1800
FAX: 617 482-5376
WEB: www.landvest.com

LandVest®

As agreed, this valuation is reported in a narrative report format in full compliance with the *Uniform Standards of Professional Appraisal Practice (USPAP)* Rule 2-2a as promulgated by *The Appraisal Foundation.* This appraisal constitutes a re-appraisal of the subject property. *LandVest's* previous appraisals with effective valuation dates of April 15, 1997, December 1, 2000, February 13, 2004 and December 16, 2005 are incorporated herein by reference.

The subject property consists of approximately 35± acres of coastal upland and is identified by the Ipswich Assessor's Office as Map 24C, conceptually subdivided as a total of 210 individually-assessed lots. Of this total, 171 lots (167 improved and 4 vacant lots) are occupied by cottage owners, some of whom lease the "lots" from the owners and some of whom pay use and occupancy fees for the "lots." The remaining 39 lots are occupied by *The Feoffees of the Grammar School.*

In accordance with our inspections, research and analyses, it is our opinion that as of September 11, 2010, the subject property's market value under two alternative disposition assumptions were as follows:

- ***Market Value to Third Party Buyer:*** ***$25,400,000***
- ***Market Value as Though Vacant:*** ***$7,220,000***

Additional documentation in support of the above-outlined market value estimates is provided in the attached narrative appraisal report, respectfully submitted for your review.

Thank you for this opportunity to provide professional planning and valuation services, and please do not hesitate to call if you have any questions.

Respectfully submitted,



James E. Monahan, *Senior Advisor*
LandVest, Inc. - Real Estate Consulting Group
(Mass. Gen. Cert. #3481)

LandVest®

TABLE OF CONTENTS

SPECIAL ASSUMPTIONS i

STANDARD LIMITING CONDITIONS i

SUMMARY OF IMPORTANT FACTS AND PROPERTY DATA iv

I. SCOPE OF APPRAISAL AND DEFINITIONS 1

A. PURPOSE OF APPRAISAL 1
B. INTENDED USE AND USER 1
C. EFFECTIVE VALUATION DATE 1
D. DEFINITIONS 1
E. APPRAISAL PROBLEM 3
F. SCOPE OF APPRAISAL AND ANALYSIS 3

II. PROPERTY DATA 4

A. OWNERSHIP AND SALES HISTORY 4
B. AREA, CITY AND NEIGHBORHOOD DATA 4
C. PROPERTY DESCRIPTION 10
D. PARCEL INVENTORY AND TAX ASSESSMENT SUMMARY 12

III. REGULATORY ANALYSIS 31

A. ZONING – TOWN OF IPSWICH 31
B. OPEN SPACE PRESERVATION (CLUSTER) ZONING 32
C. SUBDIVISION REGULATIONS 32
D. WETLANDS PROTECTION ACT AND LOCAL WETLANDS BYLAW 33
E. SOILS ANALYSIS 34
F. FLOOD ZONES 34

IV. REAL ESTATE MARKET ANALYSIS 36

VI. HIGHEST AND BEST USE ANALYSIS 39

A. AS IMPROVED - CONDOMINIUM CONVERSION 39
B. LAND AS THOUGH VACANT – RESIDENTIAL SUBDIVISON 41

VII. VALUATION 43

A. APPRAISAL METHODOLOGY 43
B. VALUATION OF *PLAN A* – CONDOMINIUM CONVERSION 44
C. VALUATION OF *PLAN B* – LAND AS THOUGH VACANT 64

APPENDIX 1

Appraiser Certification
Qualifications of the Appraiser
Sales Exhibit A
Current and Expired Listing Sheets – Little Neck
Sales Exhibit B
Sales Exhibit C

SPECIAL ASSUMPTIONS

1. The most recently promulgated Rules and Regulations governing allowable uses on *Little Neck* stipulate that cottages are available for occupancy between April 1st and December 31st of each year. Only those cottages grandfathered from Board of Health regulations in 1966 (24 in total) were excluded from this seasonal limitation and the *Feoffees* reserved the right to assess fines of $1,000 for each week that a seasonal cottage is used from January 1st and March 31st.

   In the context of on-going purchase and sales negotiations, the *Feoffees* have requested for the purposes of this appraisal that the seasonal limitation on cottage use is no longer in effect.

   All other Rules and Regulations are assumed to be enforceable.

2. This appraisal incorporates a highest and best use assertion first outlined in LandVest's 1997 appraisal that calls for "*the initiation of preliminary purchase and sales negotiations toward a tenant purchase and (land) condominium conversion.*" Alternative use options such as a legal "approval not required" division of the leasehold "lots" or a cluster subdivision (assuming the site as though vacant) have been effectively discounted as not legally-viable and/or maximally productive planning options for the subject property. Hence, a condominium conversion is judged to be the most readily-defensible highest and best use model in the property's current valuation, but is so only if and when the cottage owners agree to participate in the creation of a legal condominium because in Massachusetts a condominium can be created only from land and buildings.

   An alternative use assuming the 35± acre coastal site *as though vacant*, calls for a conventional subdivision of 24 single family residential building lots. The design of this plan does not incorporate any special assumption regarding regulatory relief but the plan has not received any specific feedback from local or State approval authorities. Despite this lack of exposure, the 24-lot conventional plan is seen to be a reasonably reliable planning model for the subject property *as though vacant.*

3. The sunk and remaining costs associated with on-going litigation and conflict resolution have not been calculated or considered in this analysis, nor has any market stigma associated with the as yet unresolved and *highly* politicized nature of the proposed sale to the tenancy.

STANDARD LIMITING CONDITIONS

1. The appraiser(s) assume(s) no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does (do) the appraiser(s) render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.

2. Sketches, maps, plans, and exhibits in the report may show approximate dimensions and are included to assist the reader in visualizing this property. The appraiser(s) has (have) made no survey of the property. Data relative to size and area were taken from sources considered reliable. It is assumed that no encroachments exist.

3. The appraiser(s), by reason of this appraisal, is (are) not required to give further consultation, testimony, or attend court with reference to the property that is the subject of this appraisal, unless arrangements have otherwise been made.

4. Any distribution of the valuation in the report between land and the improvements applies only under the existing program of utilization. The separate valuations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

5. The appraiser(s) assumes (assume) there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraiser(s) assumes (assume) no responsibility for such conditions or for engineering which might be required to discover such factors.

6. Information, estimates, and opinions furnished to the appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for the accuracy of such items furnished can be assumed by the appraiser(s).

7. Neither all, nor any part of the content of the report, or copy thereof, including conclusions as to the property value, the identity of the appraiser(s), professional designations, reference to any professional appraisal organizations, or the firm with which the appraiser(s) is (are) connected, shall be used for any purposes by anyone but the client specified in the report, the borrower if appraisal fee paid by same, mortgage insurers, or professional appraisal organizations, without the previous written consent of the appraiser(s); nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent and approval of the appraiser(s).

8. On all appraisals subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusions are contingent upon completion of the improvements in a workman-like manner.

9. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the subject property, was not observed by the appraiser(s). The appraiser(s) has (have) no knowledge of the existence of such materials on or in the property. The appraiser(s), however, is (are) not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the subject. The value estimate is predicated on the assumption that there is no such material on or in the subject property that would have an impact on value. No responsibility is assumed for any such

conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

10. The date of value is expressed within this report. Any forecasts included in this report are based on existing market conditions and expectations. The appraiser(s) takes (take) no responsibility for any events, conditions, economic factors, physical factors, or other circumstances occurring after the date of value that would affect the opinions expressed in this report.

11. Except as otherwise noted, it is assumed that there are no encroachments, building violations, code violations, or zoning violations affecting the subject property.

12. Responsible ownership and competent property management are assumed.

13. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.

14. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a non-conformity has been stated, defined, and considered in the appraisal report.

15. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

SUMMARY OF IMPORTANT FACTS AND PROPERTY DATA

Subject Property:	35± acres of residentially-zoned, oceanfront property
Property Location:	*Little Neck Estate*, Ipswich, Massachusetts
Record Owners:	*The Feoffees of the Grammar School*
Purpose & Intended Use of Appraisal:	This appraisal report is intended for use by the *Feoffees of the Grammar School* and authorized assigns to provide a current estimate of Market Value for mortgage financing purposes or for submission to the Essex County Probate and Family Court in connection with the Feoffees' complaint for deviation.
Inspection Date:	The subject property has been inspected numerous times since 1997 by the appraiser, most recently on September 11, 2010. This date serves as the effective valuation date of this report.
Effective Valuation Date:	This document represents a re-appraisal of the subject property. LandVest's original summary-format appraisal report with an effective valuation date of April 15, 1997 and Restricted-Use update reports with effective valuation dates of December 1, 2000, February 13, 2004, and December 16, 2005 are incorporated herein by reference. The effective valuation date of this appraisal is September 11, 2010, the most recent inspection date.
Property Rights Appraised:	Fee Simple Estate and Condominium
Property Identification:	The entire property is identified by the Town of Ipswich Assessor as Parcel ID 24C 069. The property has been conceptually divided by the assessor into 210 lots for individual taxation purposes, and these lots are identified as Parcels 24C 069 through 24C 069 173.
Property Description:	The subject property is commonly referred to as the *Little Neck Estate*, located in the eastern portion of the Town of Ipswich at the end of Jeffrey's Neck Road. *Little Neck* is an oceanfront cottage community consisting of 167 privately-owned cottages whose owners pay the Feoffees rent or use and occupancy fees, as well as common areas used for roadways, a lodge, pump house, pier, playgrounds, and community beach. The 35± acres of coastal upland are surrounded by the *Ipswich River, Plum Island Sound* and *Neck Cove*.

Improvements: This appraisal considers the land value of the subject property's 210 lots as well as the common area improvements, including the road infrastructure, lodge, pump house, pier, and infrastructure, but not the contributory value of the privately-owned cottage improvements.

Zoning: Rural Residence B (RRB)

- *Minimum Lot Size:* *1 acre*
- *Minimum Lot Frontage:* *150 feet*

Utilities: Electricity, telephone, public water supply, communal waste water holding tanks

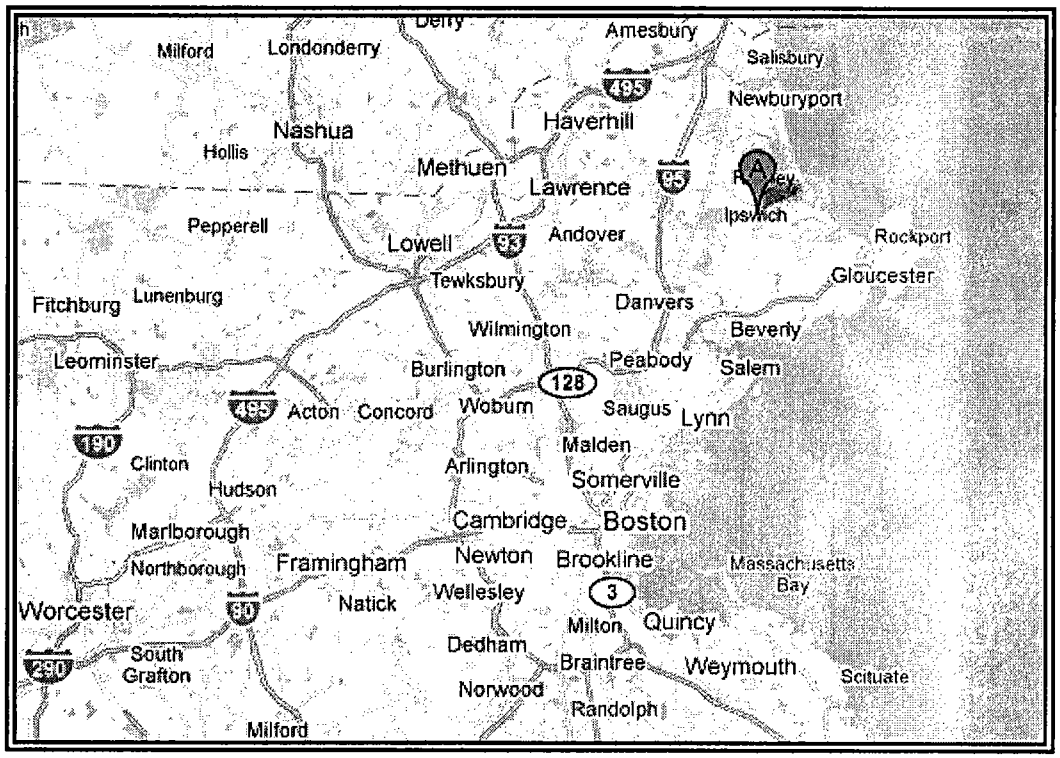
Existing Easements/ Encumbrances: None recorded.

Highest and Best Use as Improved: 167-Unit Condominium Conversion

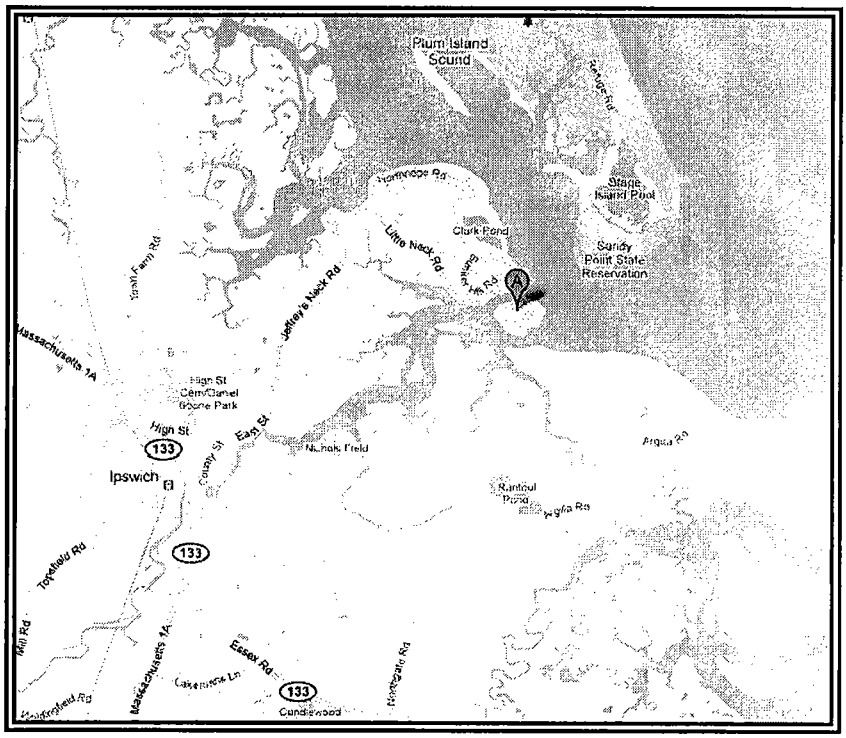
Highest and Best Use as Vacant: 24-Lot Residential Subdivision

Opinions of Value:

- **Market Value to Third Party Buyer:** **$25,400,000**
- **Market Value as Though Vacant:** **$7,220,000**



Regional Locus



Neighborhood Locus

I. SCOPE OF APPRAISAL AND DEFINITIONS

A. PURPOSE OF APPRAISAL

The purpose of this appraisal is to estimate the current Market Value of the subject property as of the effective date of value.

B. INTENDED USE AND USER

This appraisal is intended for use by the *Feoffees of the Grammar School* to document the subject property's market value for financing purposes or for submission to the Essex County Probate and Family Court in connection with the Feoffees' complaint for deviation.

C. EFFECTIVE VALUATION DATE

The effective valuation date is September 11, 2010, the date of the appraiser's most recent inspection of the subject property.

D. DEFINITIONS

1. Market Value

The opinion of value estimate set forth herein is ***Market Value***, defined as:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit to this definition is the consummation of the sale as of a specified date and passing of title from seller to buyer under conditions whereby:

1. *Buyer and Seller are typically motivated;*
2. *Both parties are well informed or well advised and acting in what they consider their best interests;*
3. *Reasonable time is allowed for exposure to the open market;*
4. *Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and,*
5. *The price represents the normal consideration for the property sold unaffected by specially created financing or sales concessions granted by anyone associated with the sale.*[1]

---

[1] The Appraisal Foundation, *Uniform Standards of Professional Appraisal Practice*, United States of America, 1990, pp.i-7.

This appraisal report *does not* address the Investment Value of the subject property to the current tenancy.

2. Fee Simple Estate

One of the ownership interests appraised herein is that of Fee Simple Estate.

Fee Simple Estate is defined as:

Absolute ownership unencumbered by any other interest or estate; subject only to the limitations of eminent domain, escheat, police power, and taxation.[2]

2. Condominium

A building or complex in which units of property, such as apartments, are owned by individuals and common parts of the property, such as the grounds and building structure, are owned jointly by the unit owners.

3. Highest and Best Use

The subject property is valued in accordance with the appraiser's conclusion of Highest and Best Use under current regulatory and market conditions.

The ***Highest and Best Use*** of real estate is defined as:

The reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and results in the highest value.[3]

In consideration of this definition, a potential use for a site must pass the following tests:

1. *The use must be physically and legally permissible;*
2. *The legal use must be probable, not speculative;*
3. *The use must be in demand;*
4. *The use must be profitable;*
5. *The use must return to the land the highest return possible; and*
6. *The use must provide the highest return for the longest period of time.*

The Highest and Best Use analysis involves consideration of existing land use regulations, any *reasonably probable* modifications to those regulations, the

[2]The Dictionary of Real Estate. American Institute of Real Estate Appraisers, 1984, Page 123.

[3]Dictionary of Real Estate Appraisal, American Institute of Real Estate Appraisers, Chicago, Illinois, 3rd printing, 1987; Page 152.

subject property's physical adaptability, and economic demand for the physically and legally permissible uses of the subject property type. This analysis also accounts for prevailing market trends, established neighborhood development patterns, and physical/aesthetic issues influencing market demand.

E. APPRAISAL PROBLEM

The appraisal problems to be resolved include:

- *Determine the Highest and Best Use of the land as though vacant, if other than the current use;*
- *Value the underlying land for conversion to a condominium or cooperative form of ownership.*

F. SCOPE OF APPRAISAL AND ANALYSIS

In developing opinions of value of the defined subject property rights, we reviewed and inspected the subject property and comparable sale properties. We reviewed sales and property information published by *The Warren Group*, the *Multiple Listing Service*, and the Ipswich Board of Assessors' records.

LandVest's GIS Department utilized USGS Topographic maps, NRCS Soils Conservation Service maps, Town of Ipswich GIS data layers and available survey plans to provide a broad range of illustrative maps included in this appraisal report. We reviewed recent sales of residential homes and residential lots in coastal locations in Ipswich and surrounding *North Shore* communities. Other market characteristics such as absorption, price and sales volume trends were also considered. The regulatory factors affecting the highest and best use of the subject property were also taken into account.

This appraisal is documented in a self-contained narrative report format, prepared in full compliance with the reporting requirements set forth under Standards Rule 2-2(c.) of the *Uniform Standards of Professional Appraisal Practice (USPAP)* as promulgated by *The Appraisal Foundation* and *The Appraisal Standards Board (ASB)*. As such, the report presents full discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the opinions of market value rendered. We have employed the Sales Comparison Approach to value in the retail valuation of condominium ownership (land only) interests to be conveyed and the Cost of Development Approach in the estimation of the property's "as is" value to a third party buyer assuming a 167-unit condominium conversion. A summary application of the Cost Approach was also used in the extraction of underlying land values from several comparable sales.

II. PROPERTY DATA

A. OWNERSHIP AND SALES HISTORY

The subject property was acquired by the *Feoffees of the Grammar School* through a bequest of William Paine on November 14, 1650. The property has been held in *Feoffees'* ownership since the original bequest, qualifying it as the longest-held private trust property in the United States. A Town meeting vote established a 4-member committee (the Feoffees) to hold the land granted by the Town and " *to receive, all such sums of money, parcels of land, rents or annuities*" for the support of a grammar school in Ipswich.

Since the late 19th century, the *Feoffees* have rented and leased a variable number of undivided lots, upon which tenants have been allowed to own and maintain a current total of 167 privately-owned seasonal and year-round cottages. The *Feoffees* currently lease or make available for use and occupancy charges a total of 167 improved lots and 4 vacant lots.

There have been no sales transactions involving the bulk property over the past five years. A purchase agreement between the Feoffees and the *Little Neck Legal Action Committee* is in litigation and pending as of the effective valuation date of this report. Specific terms outlined in the proposed purchase agreement have not been considered in this appraisal.

B. AREA, CITY AND NEIGHBORHOOD DATA

1. Regional Overview

The subject property is generally situated in a regional real estate market context generally referred to as Boston's "*North Shore*," an area commonly defined as those communities along the shoreline between Boston and New Hampshire. Regional access is very good to these communities, and the area is considered one of the more attractive residential regions in the Commonwealth. The area is served by three major highways, including State Route (SR) 128, I-95 and U.S. Route 1. Together with SR 1A, this highway system provides convenient access from the North Shore to Boston, southern New Hampshire and points north. The *M.B.T.A.* commuter rail system provides access to Boston's North Station from Ipswich and the neighboring towns of Hamilton and Rowley. Ipswich is approximately 28 miles north of Boston Logan International Airport, 45 miles southeast of Manchester Airport in NH, and 35 miles south of Portsmouth International Airport. Ipswich is about 30 miles northeast of Boston and about 247 miles from New York City.

2. Town of Ipswich

Colonized in 1633, the Town of Ipswich is a rural, coastal community in central Essex County. Hamilton borders Ipswich to the south, Rowley to the north, Essex to the east, and Topsfield and Boxford to the west. Ipswich is a traditional New England town with a highly developed town center, with more than 50 First Period Colonial homes dating from 1624 to 1725, surrounded by rural landscape and residential neighborhoods.

The town covers approximately 33 square miles of forests, fields, farmland, marshes, dunes and beaches. Approximately one-third of the town's land mass is protected salt marsh and estuaries, and about 10% of the town's land area is agricultural land. The town has a high proportion of protected land including *Willowdale State Forest*, the *Parker River Wildlife Refuge, Sandy Point State Reservation* and the *Crane Estate*. In addition, the town approved a $10 million Open Space Bond in 2000, and to date the program has permanently preserved a total of approximately 700 acres of land.

There are four general Character Areas in Ipswich, as identified by the Planning Board's Town Character Statement: The mostly commercial *Town Center Area* and the *Inner Residential Area* are densely built and contain the town's early settlement area; while the *Outer Residential Area* covers nearly two thirds of the town's land area to the north, east and south; and the *Eastern Coastal area* encompasses the eastern third of the town, including Jeffrey's Neck and Argilla Roads and their surrounding saltwater marshes and estuaries.

In 2000 the population numbered 12,987, with a median age of 42 years, a median household income of $57,284, and 98% of the population listed as white. The average household size was 2.42, and the population density was 398.6 people per square mile.

The town is governed by Open Town Meeting, with an elected Board of Selectmen and a Town Administrator. Students in Ipswich are educated by the Ipswich School District, which has two elementary schools, a middle school and a high school.

3. Little Neck and Great Neck Neighborhoods

Little Neck and neighboring *Great Neck* are part of the previously-mentioned *Eastern Coastal Area* of Ipswich. The area is located at the town's far eastern shore, three miles from the center of town, at the end of Jeffrey's Neck Road. Jeffrey's Neck Road follows a northeasterly course from the Town Wharf through a medium density residential area, at which point the road narrows to a causeway across the salt marshes and terminates at the entrance to Great Neck. Little Neck Road then runs along the western and southern edge of Great Neck, leading to a coastal causeway that terminates at the entrance of Little Neck.

Little Neck

Dramatic, extended water views and tidal river access are arguably the greatest assets of the *Little Neck* neighborhood context. The property's 90± foot peak elevation and its causeway-accessed, "island" configuration afford spectacular views in all directions, with many views taking in pristine, protected landscapes and seascapes.

To the south and east across the *Ipswich River* lie the beaches, woodlands, dunes and marshes of the *Crane Estate*, a 2,000± acre conservation property owned and managed by *The Trustees of Reservations*. To the north, across *Ipswich Bay*, lies the southern tip of *Plum Island*, with State and Federally-owned lands of the *Sandy Point State Reservation* and the *Parker River National Wildlife Sanctuary*. Views to the northwest extend up the Parker River towards Newburyport and New Hampshire, and views to the southwest include the river, tidal marshland and Great Neck. The marsh and estuarine system comprising the Parker River Wildlife Sanctuary are part of the Great Marsh, a 20,000 acre area of tidal marsh, barrier beaches, tidal rivers, mudflats and upland islands extending from Gloucester to Salisbury. The *Great Marsh* is the largest marsh system in New England and the largest contiguous marsh north of Long Island on the Eastern Seaboard of the United States. In 1979, the Parker River/Essex Bay area (now "Great Marsh") was designated an "Area of Critical Environmental Concern (ACEC)." This designation carries more stringent environmental/regulatory oversight of coastal projects within ACEC areas – the implications of which for the subject property will be discussed in greater detail in Section III of this report.

The relative location of Little Neck in the context of the Great Marsh ACEC is illustrated on the Conservation Context Plan on the following page of this report.



Legend

- Subject Property
- Great Marsh - ACEC
- Protected Open Space

Conservation Context Plan	Project Number: 8954	Scale: 0 0.45 0.9 1.8 Miles
	Date: September 29, 2010	
Little Neck Ipswich, Massachusetts	*This plan is conceptual only and is not represented as an engineered plan.*	LandVest Ten Post Office Square, Boston, MA 02109

Little Neck is currently a seasonal-use, oceanfront cottage community, though up to 24 of the 167 cottages on Little Neck may be used as year-round residences. The property constitutes a single legal parcel of 35± acres improved with cottages of widely varying size and quality on individually-referenced and taxed parcels. The "lots" are not legally divided, recorded or separately transferable – they are simply drafted for tax reference purposes.

The land is held by the *Feoffees of the Grammar School*, with lots historically rented on a tenancy-at-will basis to residents who maintain privately-owned cottages on leased land. Individual tax parcels range in size from approximately 1,780 sf to 3,300 sf and average approximately 3,300 sf.

The tenant-owned cottages range considerably in terms of location on the parcels, architectural styles and quality of design and at least half of the cottages are fairly rustic in terms of finish.

Neighborhood amenities on *Little Neck* include a community house, basketball court, private beach, an association wharf with pier and float moorings. A state mandated common septic disposal system was installed in 2006, at a total cost in excess of $6,000,000. The system's holding tanks require daily pumping via septic removal trucks.

The historically stable and close-knit nature of this seaside community is another of its distinct assets. It is physically self-contained, as it is surrounded by water and accessed by a single point of entry which is often staffed by a security guard in the summer to limit entry to residents and their guests. Many families have owned cottages for generations, and a strong multi-generational, communal atmosphere prevails.

Great Neck

Great Neck is located to the west of *Little Neck* and is essentially a larger version of the same basic coastal feature – an elevated drumlin offering extended bay, estuary and ocean views in several directions. *Great Neck* is a year-round waterfront neighborhood on a 350 acre tract of bluff, hill, upland, and beach, surrounded on three sides by the Plum Island Sound, Ipswich River and Eagle Hill River, and on the fourth side by salt water marshland. It has two main hills, known as *North Ridge* and *Plover Hill*, which contain densely populated residential areas as well as areas of open land. There are currently 472 occupied residential lots on *Great Neck* and they range in size from .07± acres to 5.2± acres. The average lot size is approximately .34± acres. Of the total improved lot tally, only 15 include two-or three-family homes. The remaining lots are improved with largely owner-occupied, single family homes. The roads are publicly-owned and maintained. Sewer service is not available and lots are served by Town water and private septic systems.

Beginning in 1951, residential lots, which had previously been leased lots, were sold by the *Proprietors of Great Neck,* descendents of a single owner of the entirety of *Great Neck.* As of this writing, *The Proprietors of Great Neck* have sold all of their holdings with the exception of three parcels: two, half-acre parcels and a 46 acre wooded site on Skytop Road that is currently leased by the United States Air Force for use as a radar research center. Other undeveloped but protected parcels on *Great Neck* include a 64-acre undeveloped parcel in the center of North Ridge as well as 16 other pocket parcels totaling 22 acres, as well as Pavilion Beach and Playground. Finally, *The Association of Great Neck*, a voluntary home-owner's association ($30 annual fee), owns and maintains a 66.6 acre parcel containing *Clark Pond* and *Clark Beach.* Development potential for any remaining vacant lots is very limited due to the town's zoning regulations and septic requirements. All lots are served by private septic systems or tight tank systems.

While much of the housing stock on *Great Neck* dates from the mid century and was built for seasonal use, the area has seen a surge of development in recent years. Many of the camp-style residences have been upgraded or replaced with contemporary, year-round homes. Demand for waterfront and water view properties remains fairly high, and *Great Neck* has evolved from a working class summer community in the 1950s to a more upscale, year-round neighborhood today.

Great Neck serves as a highly comparable fee-simple coastal sub-market relative to Little Neck.

4. Favorable and Unfavorable Factors

Favorable factors of *Little Neck* include its excellent market appeal as a very scenic coastal neighborhood and relatively convenient second home market. The *Little Neck* neighborhood generates buyers from the Boston, Hartford and Springfield areas as well as many local residents who use their cottages sporadically during the summer months. The traditionally stable character of the neighborhood, its private status and wide-range of children's activities, beach, boating and summer functions all contribute to its appeal.

Historically, the most significant unfavorable factors affecting the *Little Neck* market include the lack of security in the leasehold land and difficulty in obtaining traditional bank financing. Currently, conveyances are documented via a bill of sale which accounts for the value of improvements and the implied leasehold value of the underlying land/lot.

By far, the most significant factor affecting the market for *Little Neck* Real estate is the unresolved status of protracted litigation between the *Feoffees* and the *Little Neck Action Committee.* Since the 1997-98 increase in annual market rents imposed by the *Feoffees*, tension between the tenants and the *Feoffees* has

escalated to the point where *Little Neck* property values – or at least market appeal and sales volume - have suffered. This is due to a combination of diminished market demand, high listed inventory and a still aggressive pricing structure. It is clear that once the pending litigation is resolved and a new, more stable ownership and management structure is implemented, *Little Neck* will very likely thrive as a high amenity-value residential submarket, but as of the effective date of this report, the property's conflicted status is considered an unfavorable market factor.

C. PROPERTY DESCRIPTION

The subject of this analysis is a 35± -acre, coastal peninsula commonly known as "*Little Neck Estate*," located in the east-central portion of the Town of Ipswich, southern Essex County, Massachusetts. The property is situated on the northerly bank of the Ipswich River at its confluence with *Plum Island Sound* and *Ipswich Bay*. The property is bordered to the east by *Plum Island Sound/Ipswich Bay*; southerly and westerly by the *Ipswich River*; and northerly by *Neck Cove*, an enclosed tidal tributary of the Ipswich River.

There is no recorded perimeter survey or legal subdivision plan of the property. In the absence of a record plan, Town assessor's maps have been used for general reference and area calculation purposes. Assuming fee ownership extends to mean low water, planimetric area calculations performed by LandVest from the scaled assessor's map 24C, indicates a gross land area of between 35-36± acres. Of this total and based on DEP wetlands mapping, the total tidal wetland area amounts to approximately 7± acres (19% of gross area), indicating a contiguous upland area of approximately 28± acres.

Geologically, the property represents a coastal drumlin with a regular oval shape and single point of access via Little Neck Road. The primary access road paralleling Pavilion Beach is a flood-prone, filled "causeway" between *Ipswich Bay* and *Neck Cove*. This causeway has a history of tidal overwash during major storm events. In fact, *Pavilion Beach* is named for a pavilion that was demolished during the Blizzard of 1978.

The property's overall (extreme) dimensions are approximately 1,900± feet (east/west) by 1,200± feet (north/south), and the total navigable shore frontage on *Plum Island Sound* and the *Ipswich River* amounts to approximately 3,400± feet (.64± miles). Additional tidal frontage along *Neck Cove*, measured from Plum Sound Road to the community dock, totals approximately 1,220± feet. The south-central portion of the Ipswich River frontage is sandy beach available to residents and guests. This frontage also provides excellent access to a large number of seasonal, deepwater moorings in the Ipswich River, just a ¼ mile from the open waters of *Ipswich Bay* (*Atlantic Ocean*).

The property ranges in elevation from mean sea level to a high point elevation of approximately 90± feet and although quite steep in areas, the side slopes of the hill are generally quite smooth and regular. A combination of the site's conical/oval shape and substantial elevation allows for a dramatic, 360-degree view perspective from the central

upland portion of the site. Perhaps the most dramatic best view perspective is generally to the east/southeast across the mouth of the *Ipswich River* to *Steep Hill, Crane Beach* and down the coastline to *Halibut Point* at Rockport. North-northeasterly views are nearly as dramatic and extend up the length of Plum Island - a pristine barrier beach and bird sanctuary – and Plum Island Sound. *Mount Agamenticus*, located some 50+ miles to the north in Maine, is clearly visible from mid-higher elevations. Additionally, extended views up the Ipswich River, Neck Creek and tidal marshes are also available from the westerly aspect of the property. There are a few *natural* impediments to off-site views from the property's interior, though the high density of existing cottages limits views from several interior portions of the site. The most severe slopes are found in the northeast portion of the property facing *Plum Island Sound.* In fact, nearly the entire east and northeast-facing slope is composed of dramatic headlands that rise approximately 50 feet from mean sea level at an average gradient of 50%. This portion of the shoreline is partially retained by a boulder revetment and riprap and the upper portion of the coastal bank is generally well-vegetated. However, on the day of our inspection we noticed several areas where recent storms had resulted in erosion and gullying. Given the severe slope and direct northeasterly exposure of this bank, additional retention measures may be necessary to stabilize the slope and reduce the rate of erosion.

The property is traversed by a grid network of interior private roads totaling approximately 9,700± feet (1.84± miles). Traveled surfaces include both bituminous pavement and gravel and the roads generally range in paved width from approximately 10 to 14± feet. They are improved with underground (conduit) utilities, municipal water service, surface storm drainage and a recently-completed sewage collection system consisting of holding tanks and a series of trunk lines and collection laterals. The entire interior road network is privately owned and monitored by the *Feoffees of the Grammar School*, but the Town of Ipswich plows the roads during the winter months.

In September of 2000, the *Feoffees* complied with an Administrative Consent Order from the Massachusetts Department of Environmental Protection (DEP) to bring the existing sewage disposal facilities on Little Neck into compliance with the Commonwealth's sanitary disposal regulations (Title V). Specifically, it required that any existing cottage not served by a satisfactory drip irrigation system should be refitted with a so-called "tight tank" no later than November 30, 2003. In May of 2001, the Consent Order was delayed while the Town evaluated the feasibility of extending municipal sewer service to Little Neck and Great Neck. That option was found to be infeasible

In March of 2005, DEP issued an approval to construct a new collection system consisting of four, 30,000 gallon holding tanks (installed beneath the current ball field); a 2,000 gallon spill containment tank; an MIS emergency power building; and, a 75 KW emergency generator and fuel tank. The stated design capacity of the collection system was capped at 50,000 gallons per day based on the existing aggregate bedroom count of 462 bedrooms (110 gallons per bedroom/per day per then-current Title V). It is very clear that the final approval includes no provision for any increase in design flow – hence, the property's bedroom capacity is effectively capped at 462 bedrooms.

It should be noted that "tight tanks" are not considered an allowable engineering "solution" to residential sewage disposal under Title V and it is evident that the property's grandfathered (e.g. pre-dates disposal regulations) unit density would not be feasible under current environmental regulations.

The single lot property is currently improved with a total of 167 cottages, 24 of which have current approval for year-round use. The remaining lots are restricted to seasonal use in accordance with the use terms outlined in the Feoffees' most recently-promulgated Rules and Regulations. No seasonal restrictions are imposed by the Town of Ipswich or by DEP.

There are total of approximately 39 unimproved lots and four with accessory improvements on them. Cottages range in size from roughly 490± square feet to nearly 3,000± square feet and assessor's lots range in size from 1,780± square feet (.04 acres) to 7,820± square feet.

Community buildings and structures include: a c. 1930s lodge building with roughly 1,665+ s.f. of finished area (interior not inspected); a timber-framed, fixed pier and float; a gravel launch on the Ipswich River; and, interior roads and utility infrastructure.

Common amenities include a sandy beach and upland gathering area, a grass ball field with backstop and a single, paved basketball court.

D. PARCEL INVENTORY AND TAX ASSESSMENT SUMMARY

Based on a review of Town of Ipswich Assessors' records and parcel mapping, the subject property as currently referenced for taxation purposes has a total of 210 individually-taxed parcels. Of this total, approximately 167 are improved with privately owned, seasonal and year-round dwellings, one is semi-improved with a detached utility shed, and approximately 42 parcels are vacant or marginally improved and owned by the *Feoffees of the Grammar School.*

A comprehensive tabulation and assessment summary for the *improved leasehold parcels* is included in ***Table I*** on the following pages of this report, followed by a tabulation of *vacant leased parcels* shown in ***Table II***, and a listing of *non-leased lots under Feoffee's Ownership* in ***Table III***.

A compiled plan entitled "***Current Use Plan***" (following ***Tables I, II*** and ***III***) provides a color-coded summary of seasonal and year-round cottage lots, vacant parcels, open space and roads.

Table I

LITTLE NECK ESTATE PARCEL INVENTORY

Improved Leased Parcel Inventory/Assessments – Fiscal Year 2010

Ipswich Assessor's Map 24C, Block 69, and Lots as shown

Lot	Address	Lot Area (sf)	2010 Assessments			
			Land Value	Building Value	Yard Value	Total Value
1	63 River Road	3,060	$316,700	$113,200	$0	$429,900
2	61 River Road	2,843	$294,300	$70,800	$0	$365,100
3	59 River Road	3,327	$344,300	$70,400	$0	$414,700
4	57 River Road	3,400	$351,900	$86,700	$0	$438,600
5	55 River Road	3,210	$332,200	$80,200	$0	$412,400
6	53 River Road	3,458	$357,900	$159,100	$0	$517,000
7	49 River Road	2,400	$248,400	$106,000	$0	$354,400
8	47 River Road	1,980	$147,000	$56,900	$0	$203,900
9	44 River Road	2,860	$296,000	$113,300	$0	$409,300
10	46 River Road	5,160	$350,000	$124,200	$0	$474,200
11	48 River Road	3,720	$363,500	$208,200	$0	$571,700
12	50 River Road	3,360	$347,800	$84,500	$0	$432,300
13	45 River Road	2,600	$193,100	$55,600	$0	$248,700
14	43 River Road	2,340	$242,200	$172,400	$0	$414,600
15	41 River Road	2,350	$243,200	$169,000	$0	$412,200
16	39 River Road	2,400	$248,400	$177,700	$5,400	$431,500
17	37 River Road	2,600	$269,100	$81,400	$0	$350,500
18	35 River Road	2,500	$258,800	$38,000	$0	$296,800
20	31 River Road	3,000	$310,500	$107,800	$4,700	$423,000
21	29 River Road	3,250	$336,400	$71,900	$0	$408,300
22	27 River Road	2,770	$286,700	$95,700	$0	$382,400
23	25 River Road	2,400	$248,400	$116,400	$400	$365,200
24	6 Bay Crest Road	3,000	$222,800	$69,200	$0	$292,000
25	31 Middle Road	2,980	$221,300	$85,200	$0	$306,500
26	29 Middle Road	3,540	$260,300	$77,800	$0	$338,100
28	21 Middle Road	3,000	$222,800	$113,500	$0	$336,300
29	19 Middle Road	3,000	$222,800	$149,600	$0	$372,400
30	15 Middle Road	2,000	$14,900	$0	$13,300	$28,200
31	11 Middle Road	2,780	$206,400	$91,000	$0	$297,400
32	9 Middle Road	4,020	$261,500	$77,300	$0	$338,800
33	7 Middle Road	3,870	$261,100	$68,300	$0	$329,400
34	5 Middle Road	3,870	$261,100	$100,500	$0	$361,600
35	3 Middle Road	3,870	$261,100	$71,700	$0	$332,800

Lot	Address	Lot Area (sf)	2010 Assessments			
			Land Value	Building Value	Yard Value	Total Value
37	1 Hilltop Road	2,159	$126,800	$75,100	$0	$201,900
38	4 Middle Road	2,230	$145,500	$163,500	$0	$309,000
39	6 Middle Road	2,400	$156,600	$134,100	$0	$290,700
40	8 Middle Road	4,240	$230,300	$203,600	$0	$433,900
41	12 Middle Road	3,840	$229,400	$71,000	$0	$300,400
42	16 Middle Road	5,300	$232,600	$117,400	$0	$350,000
43	20 Middle Road	4,360	$230,600	$109,400	$0	$340,000
44	22 Middle Road	4,280	$230,400	$99,400	$0	$329,800
45	24 Middle Road	3,590	$228,900	$81,300	$0	$310,200
46	26 Middle Road	3,370	$219,900	$115,500	$0	$335,400
47	28 Middle Road	3,240	$211,400	$100,000	$0	$311,400
48	30 Middle Road	3,000	$195,800	$106,900	$0	$302,700
49	25 Hilltop Road	4,225	$230,300	$209,200	$0	$439,500
50	23 Hilltop Road	3,591	$228,900	$58,500	$0	$287,400
51	21 Hilltop Road	3,450	$225,100	$81,700	$400	$307,200
52	19 Hilltop Road	3,575	$228,800	$84,600	$0	$313,400
53	15 Hilltop Road	3,950	$229,700	$108,500	$0	$338,200
54	11 Hilltop Road	7,420	$237,200	$150,500	$0	$387,700
55	9 Hilltop Road	3,500	$228,400	$141,200	$500	$370,100
56	10 Middle Road	3,210	$199,000	$97,900	$0	$296,900
57	7 Hilltop Road	3,660	$229,000	$134,500	$600	$364,100
59	35 Bay Road	4,550	$262,800	$211,200	$500	$474,500
60	33 Bay Road	2,400	$178,200	$124,900	$500	$303,600
61	31 Bay Road	2,160	$160,400	$67,400	$0	$227,800
62	29 Bay Road	2,400	$178,200	$115,400	$500	$294,100
63	27 Bay Road	2,470	$183,400	$208,000	$600	$392,000
64	25 Bay Road	3,000	$222,800	$47,600	$600	$271,000
65	23 Bay Road	3,000	$222,800	$64,200	$0	$287,000
66	19 Bay Road	3,600	$260,500	$90,200	$0	$350,700
67	17 Bay Road	3,180	$236,100	$69,000	$0	$305,100
68	15 Bay Road	3,230	$239,800	$77,800	$0	$317,600
70	16 Bay Road	4,510	$230,900	$106,300	$0	$337,200
71	18 Bay Road	4,410	$230,700	$210,900	$300	$441,900
72	5 Gala Way	3,000	$195,800	$82,700	$0	$278,500
75	8 Hilltop Road	3,000	$195,800	$207,800	$0	$403,600
76	10 Hilltop Road	3,000	$195,800	$84,300	$0	$280,100
77	12 Hilltop Road	3,000	$195,800	$76,200	$0	$272,000
79	4 Cove Road	5,110	$232,200	$74,200	$0	$306,400

Lot	Address	Lot Area (sf)	2010 Assessments			
			Land Value	Building Value	Yard Value	Total Value
80	6 Cove Road	3,000	$195,800	$55,900	$0	$251,700
81	8 Cove Road	3,000	$195,800	$79,200	$0	$275,000
82	10 Cove Road	3,000	$195,800	$85,800	$500	$282,100
83	12 Cove Road	5,100	$232,200	$77,700	$0	$309,900
84	12 Bay Road	4,260	$230,300	$102,600	$0	$332,900
85	17 Cove Road	3,000	$195,800	$73,800	$0	$269,600
86	15 Cove Road	3,000	$195,800	$78,200	$1,800	$275,800
87	9 Cove Road	3,000	$195,800	$181,400	$0	$377,200
89	5 Cove Road	3,000	$195,800	$81,800	$0	$277,600
90	3 Cove Road	3,000	$195,800	$74,200	$0	$270,000
91	16 Hilltop Road	1,780	$116,100	$59,500	$0	$175,600
92	18 Hilltop Road	3,140	$204,900	$63,100	$0	$268,000
93	18 Bay Crest Raod	3,000	$195,800	$111,000	$0	$306,800
94	22 Bay Crest Road	3,000	$195,800	$61,500	$0	$257,300
95	24 Bay Crest Road	3,000	$195,800	$121,900	$0	$317,700
96	26 Bay Crest Road	3,000	$195,800	$88,800	$0	$284,600
97	28 Bay Crest Road	3,000	$195,800	$175,700	$0	$371,500
98	30 Bay Crest Road	3,870	$229,500	$140,400	$0	$369,900
99	8 Bay Road	3,750	$229,200	$91,100	$0	$320,300
100	27 Bay Crest Road	3,000	$195,800	$148,700	$0	$344,500
101	25 Bay Crest Road	3,000	$195,800	$93,500	$0	$289,300
102	21 Bay Crest Road	3,000	$195,800	$82,200	$0	$278,000
103	20 Hilltop Road	3,000	$195,800	$72,100	$0	$267,900
104	33 Hilltop Road	3,000	$195,800	$75,300	$0	$271,100
105	9 Bay Crest Road	3,000	$186,000	$55,000	$0	$241,000
106	32 Middle Road	3,000	$195,800	$104,000	$0	$299,800
107	35 Middle Road	3,000	$222,800	$104,800	$0	$327,600
108	3 Bay Crest Road	3,000	$310,500	$85,000	$0	$395,500
109	21 River Road	3,000	$310,500	$92,900	$0	$403,400
110	4 Kings Way	3,000	$222,800	$101,500	$0	$324,300
111	37 Middle Road	3,000	$222,800	$106,700	$0	$329,500
112	8 Kings Way	3,000	$195,800	$191,000	$0	$386,800
113	10 Kings Way	3,000	$186,000	$96,800	$0	$282,800
114	35 Hilltop Road	3,000	$195,800	$88,400	$0	$284,200
115	22 Hilltop Road	3,000	$195,800	$165,000	$0	$360,800
116	16 Kings Way	3,000	$195,800	$90,200	$0	$286,000
117	20 Kings Way	3,000	$195,800	$100,400	$0	$296,200
118	22 Kings Way	3,000	$195,800	$108,300	$0	$304,100

Lot	Address	Lot Area (sf)	2010 Assessments			
			Land Value	Building Value	Yard Value	Total Value
120	6 Bay Road	2,700	$176,200	$57,700	$0	$233,900
121	29 Kings Way	4,410	$230,700	$75,800	$0	$306,500
122	27 Kings Way	3,000	$195,800	$110,300	$0	$306,100
123	25 Kings Way	3,000	$195,800	$87,200	$0	$283,000
124	21 Kings Way	3,000	$195,800	$97,400	$0	$293,200
125	19 Kings Way	3,000	$195,800	$62,200	$0	$258,000
126	17 Kings Way	3,000	$195,800	$74,100	$0	$269,900
127	24 Hilltop Road	3,000	$195,800	$107,200	$0	$303,000
128	37 Hilltop Road	3,000	$195,800	$109,400	$0	$305,200
129	11 Kings Way	3,000	$186,000	$80,100	$0	$266,100
130	36 Middle Road	3,000	$195,800	$113,300	$0	$309,100
131	39 Middle Road	3,000	$222,800	$63,100	$0	$285,900
132	5 Kings Way	3,000	$222,800	$74,100	$0	$296,900
133	3 Kings Way	3,000	$310,500	$72,400	$0	$382,900
134	2 Plum Sound Road	3,000	$310,500	$124,400	$0	$434,900
135	4 Plum Sound Road	3,000	$222,800	$114,300	$0	$337,100
136	6 Plum Sound Road	3,000	$222,800	$106,600	$0	$329,400
137	41 Middle Road	3,000	$222,800	$104,100	$0	$326,900
138	38 Middle Road	3,000	$195,800	$138,600	$500	$334,900
139	12 Plum Sound Road	3,000	$195,800	$130,500	$0	$326,300
140	14 Plum Sound Road	3,000	$195,800	$63,500	$0	$259,300
141	26 Hilltop Road	3,000	$195,800	$83,100	$0	$278,900
142	20 Plum Sound Road	3,000	$195,800	$93,000	$1,900	$290,700
143	22 Plum Sound Road	3,000	$195,800	$86,600	$0	$282,400
144	24 Plum Sound Road	3,000	$195,800	$108,900	$0	$304,700
145	28 Plum Sound Road	3,000	$195,800	$109,300	$0	$305,100
146	30 Plum Sound Road	3,950	$229,700	$102,700	$0	$332,400
147	27 Plum Sound Road	4,490	$262,700	$98,300	$0	$361,000
148	25 Plum Sound Road	4,680	$366,800	$207,800	$0	$574,600
149	23 Plum Sound Road	3,000	$195,800	$105,800	$0	$301,600
150	21 Plum Sound Road	3,000	$195,800	$120,300	$0	$316,100
151	19 Plum Sound Road	3,750	$229,200	$71,000	$0	$300,200
152	15 Plum Sound Road	3,000	$195,800	$91,700	$0	$287,500
153	13 Plum Sound Road	3,000	$195,800	$130,500	$0	$326,300
154	40 Middle Road	3,000	$195,800	$116,800	$0	$312,600
155	43 Middle Road	3,000	$222,800	$115,200	$0	$338,000
156	5 Plum Sound Road	3,000	$222,800	$66,400	$0	$289,200
157	3 Plum Sound Road	3,000	$310,500	$101,900	$0	$412,400

Lot	Address	Lot Area (sf)	2010 Assessments			
			Land Value	Building Value	Yard Value	Total Value
158	15 River Road	3,000	$310,500	$81,200	$0	$391,700
159	11 River Road	3,000	$310,500	$114,500	$0	$425,000
160	45 Middle Road	3,000	$222,800	$123,500	$0	$346,300
161	42 Middle Road	3,000	$195,800	$139,000	$0	$334,800
162	3 River Road	3,000	$195,800	$69,400	$0	$265,200
163	43 Hilltop Road	3,000	$222,800	$208,900	$0	$431,700
164	2 River Road	3,500	$362,300	$197,200	$0	$559,500
165	6 River Road	2,470	$255,600	$188,700	$0	$444,300
166	10 River Road	3,325	$344,100	$134,200	$0	$478,300
167	12 River Road	3,000	$310,500	$108,700	$0	$419,200
168	16 River Road	7,280	$377,600	$130,800	$400	$508,800
169	2 Cliff Road	3,020	$312,600	$170,900	$0	$483,500
170	4 Cliff Road	4,790	$367,200	$141,800	$0	$509,000
171	6 Cliff Road	3,520	$362,800	$104,300	$0	$467,100
172	8 Cliff Road	3,700	$363,400	$72,400	$0	$435,800
173	10 Cliff Road	2,430	$251,500	$69,100	$0	$320,600
101A	23 Bay Crest Road	3,000	$195,800	$82,000	$0	$277,800
102A	17 Bay Crest Road	3,000	$195,800	$159,600	$0	$355,400
116A	18 Kings Way	3,000	$195,800	$90,400	$0	$286,200
118A	24 Kings Way	3,000	$195,800	$78,100	$0	$273,900
41A	14 Middle Road	4,900	$231,700	$130,000	$0	$361,700
Totals		**12.52 acre**	**$38,763,000**	**$17,761,100**	**$33,400**	**$56,557,500**

Table II

LITTLE NECK ESTATE PARCEL INVENTORY

Vacant Leased Parcels – Fiscal Year 2010

Ipswich Assessor's Map 24C, Block 69, and Lots as shown

Lot	Address	Lot Area	2010 Assessments			
			Land Value	Building Value	Yard Value	Total Value
78	2 Cove Road	2,410	$15,700	$0	$0	$15,700
159A	9 River Road	3,000	$31,100	$0	$0	$31,100
29A	17 Middle Road	3,000	$22,300	$0	$0	$22,300
66A	21 Bay Road	3,600	$26,000	$0	$0	$26,000
Totals		**.28 acre**	**$95,100**	**$0**	**$0**	**$95,100**

Table III

LITTLE NECK ESTATE PARCEL INVENTORY

Non-Leased Parcels Under Feoffee's Ownership – Fiscal Year 2010

Ipswich Assessor's Map 24C, Block 69, and Lots as shown

Lot	Address	Lot Area	2010 Assessments			
			Land Value	Building Value	Yard Value	Total Value
0	39 Bay Road	11 acres	$658,400	$84,900	$72,900	$816,200
19	33 River Road	2,200	$22,800	$0	$4,800	$27,600
36	1 Middle Road	3,960	$26,100	$0	$0	$26,100
58	5 Hilltop Road	2,190	$14,300	$0	$0	$14,300
73	7 Gala Way	6,000	$23,400	$0	$0	$23,400
74	3 Gala Way	3,000	$19,600	$0	$0	$19,600
88	7 Cove Road	3,000	$19,600	$0	$0	$19,600
119	28 Kings Way	3,000	$19,600	$0	$0	$19,600
101B	26 Kings Way	3,000	$19,600	$0	$0	$19,600
102B	19 Bay Crest Road	3,000	$19,600	$0	$0	$19,600
103A	15 Bay Crest Road	3,000	$19,600	$0	$0	$19,600
109A	23 River Road	1,500	$15,500	$0	$0	$15,500
124A	23 Kings Way	3,000	$19,600	$0	$0	$19,600
134A	19 River Road	1,500	$15,500	$0	$0	$15,500
141A	18 Plum Sound Road	3,000	$19,600	$0	$2,300	$21,900
144A	26 Plum Sound Road	3,000	$19,600	$0	$0	$19,600
152A	17 Plum Sound Road	3,000	$19,600	$0	$0	$19,600
153A	11 Plum Sound Road	3,000	$19,600	$0	$0	$19,600
158A	13 River Road	1,250	$12,900	$0	$0	$12,900
165A	4 River Road	2,000	$20,700	$0	$0	$20,700
166A	8 River Road	3,000	$31,100	$0	$0	$31,100

Lot	Address	Lot Area	2010 Assessments			
			Land Value	Building Value	Yard Value	Total Value
166B	14 River Road	3,700	$36,300	$0	$0	$36,300
169A	30 Hilltop Road	3,000	$22,300	$0	$0	$22,300
23A	4 Bay Crest Road	3,000	$31,100	$0	$0	$31,100
25A	33 Middle Road	3,000	$22,300	$0	$0	$22,300
27A	23 Middle Road	3,000	$22,300	$0	$0	$22,300
27B	25 Middle Road	3,380	$25,100	$0	$0	$25,100
27C	27 Middle Road	3,360	$24,900	$0	$0	$24,900
43A	18 Middle Road	4,360	$23,100	$0	$0	$23,100
49A	27 Hilltop Road	2,915	$19,000	$0	$0	$19,000
52A	17 Hilltop Road	3,875	$22,900	$0	$0	$22,900
6A	51 River Road	1,728	$17,900	$0	$0	$17,900
70A	11 Gala Way	3,000	$19,600	$0	$0	$19,600
71A	9 Gala Way	3,000	$19,600	$0	$0	$19,600
75A	1 Gala Way	4,120	$23,000	$0	$0	$23,000
87A	11 Cove Road	3,000	$19,600	$0	$0	$19,600
92A	16 Bay Crest Road	3,000	$19,600	$0	$0	$19,600
93A	20 Bay Crest Road	3,000	$19,600	$0	$0	$19,600
Totals		**13.55 acres**	**$1,444,500**	**$84,900**	**$80,000**	**$1,609,400**
Total - Tables I, II and III		**26.37 acres**	**$40,302,600**	**$17,846,000**	**$113,400**	**$58,262,000**

The parcel inventory by lot type/use and ownership is further consolidated as follows:

Table IV
Consolidated Lot Assessment Data – Fiscal Year 2010

Property Component	Number	Approx. Acreage	2010 Assessments	
			Land Value	Total Value
Improved Leasehold Lots	167	12.495	$38,748,100	$56,529,300
Semi-Improved Leasehold Lots*	1	.045	$14,900	$28,200
Vacant Parcels/Leased	4	.28	$95,100	$95,100
Improved Parcels/Feoffee Owned**	1	11	$658,400	$816,200
Vacant Parcels/Feoffee Owned	37	2.55	$786,100	$793,200
Total Parcels	**210**	**26.37**	**$40,302,600**	**$58,262,000**

* Parcel 30 at 15 Middle Road – total value includes $14,900 in land and $13,300 in accessory improvements.
**Community Center and common land.

This analysis indicates that the total *land* assessment for the property amounts to $40,302,600, or approximately $1,528,622 per taxable acre and 69.2% of the *gross* valuation of $58,262,000.

The total assessed land value for the 167 leasehold parcels of $38,748,100 (cottage-improved only) indicates values of approximately $3,091,982 per rentable (improved) acre and approximately $232,024 per parcel.

It should be noted that undivided land is rarely taxed as though legally divided and fully transferrable. Undivided leasehold properties are typically assigned reference numbers, but the assessments typically reflect some level of discount for lack of fee simple property rights and seasonal use restrictions. No such discounts are evident in the current per parcel land assessment.

The location and configuration of both improved and vacant leasehold parcels and common parcels leased is illustrated on the Current Use Plan on the following page of this report.



Legend

- Remaining Land - Feoffees Ownership
- Lease Hold Parcels
- Vacant - Non-Leased Parcels
- Vacant - Leased Parcels
- Building Footprints
- Contours
- Wetlands
- Open Water

Little Neck
Ipswich, Massachusetts

Project Number: 8954

Date: September 29, 2010

This plan is conceptual only and is not represented as an engineered plan

Scale: 1" = 200'
0 100 200 400 Feet

LandVest
Two Post Office Square, Boston, MA 02109

Current Use Plan

Compiled Neighborhood Context and Base Plans of the subject property using parcel data from the Town's assessor's maps are provided on the following pages of this report.

Representative photos of the subject property follow the Base Plan.



Legend

Subject Property

Little Neck
Ipswich, Massachusetts

Project Number: 8954

Date: September 29, 2010

This plan is conceptual only and is not represented as an engineered plan.

Scale: 0 0.35 0.7 1.4 Miles

LandVest

Ten Post Office Square, Boston, MA 02109

Town Location Plan



Legend

Subject Property

Little Neck
Ipswich, Massachusetts

Project Number: 8954

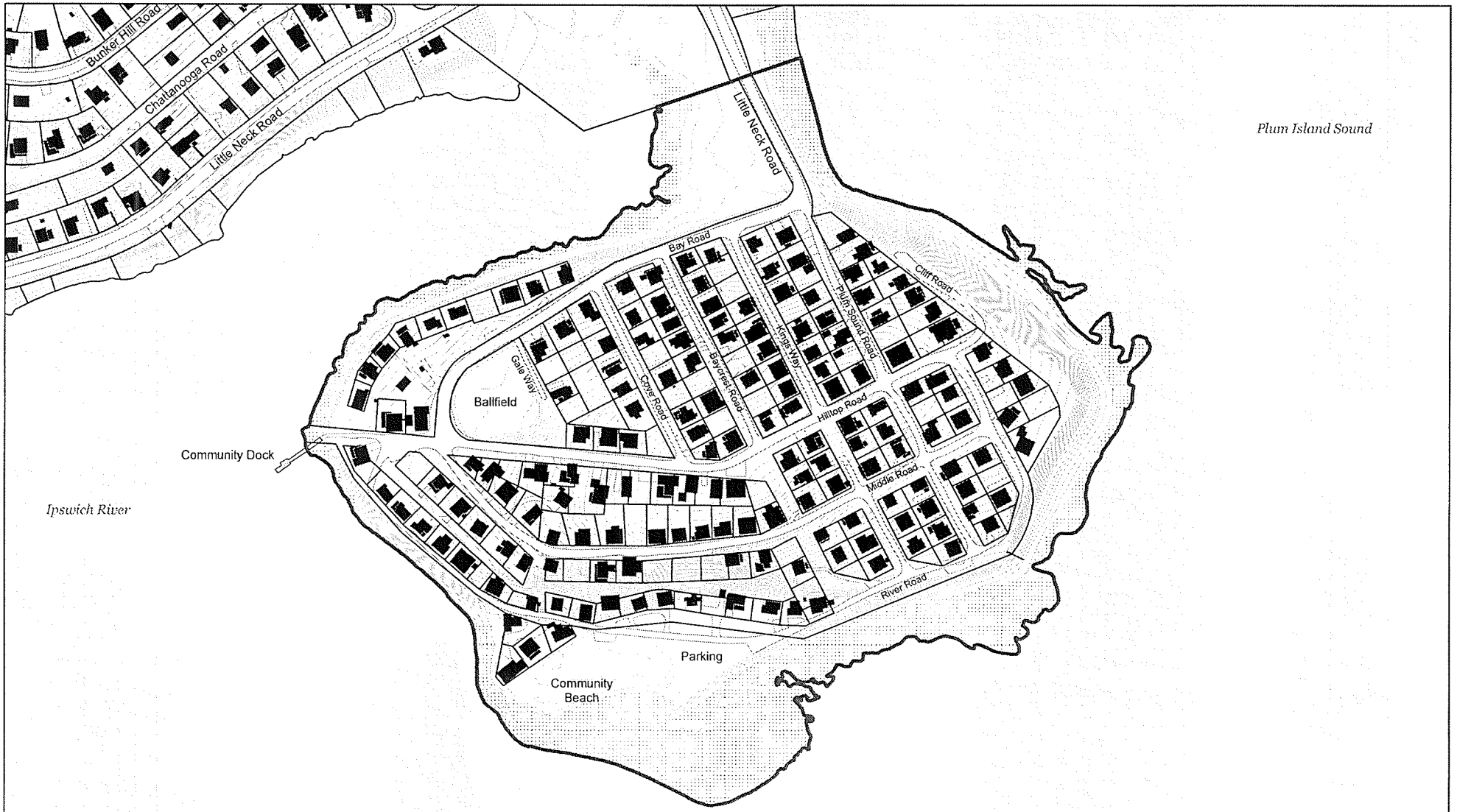
Date: September 29, 2010

This plan is conceptual only and is not represented as an engineered plan

Scale: 1" = 200'
0 100 200 400 Feet

LandVest
Ten Post Office Square, Boston, MA 02109

Base Plan
Orthophotograph



Legend

- Subject Property
- Building Footprints
- Contours
- Wetlands
- Open Water

Little Neck
Ipswich, Massachusetts

Project Number: 8954

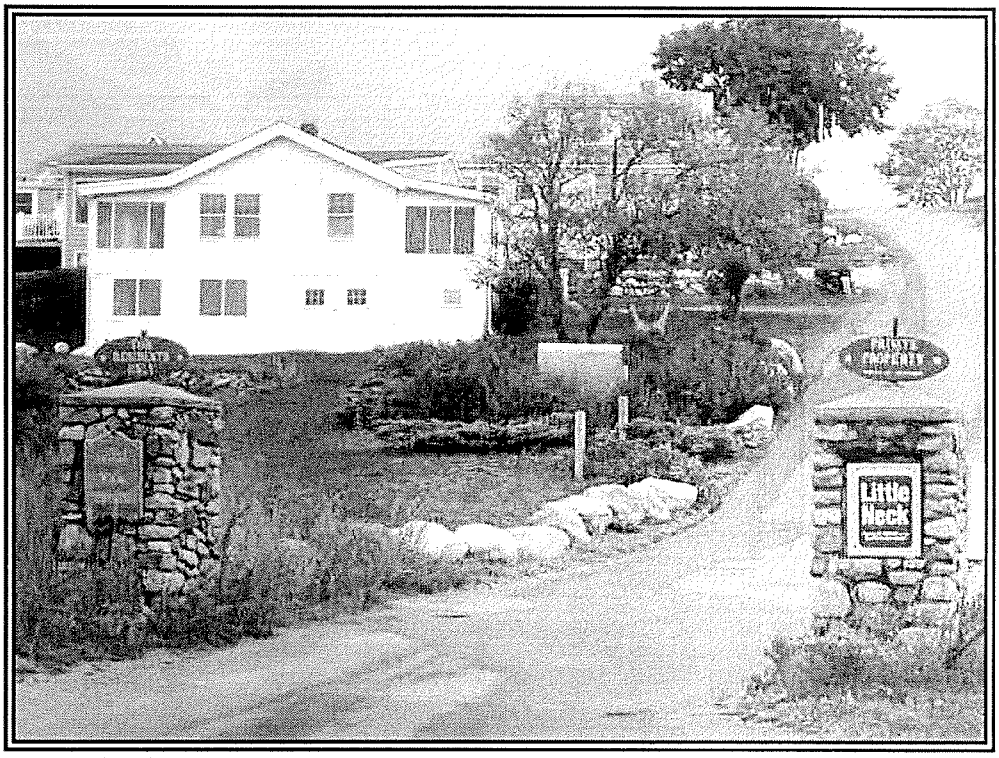
Date: September 29, 2010

This plan is conceptual only and is not represented as an engineered plan

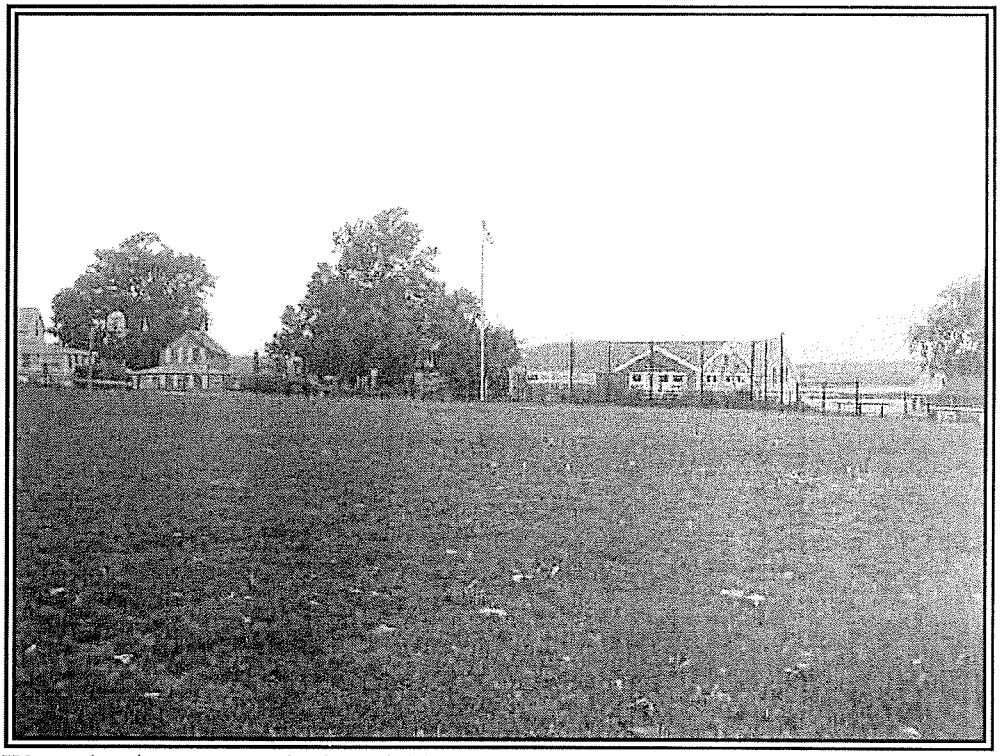
Scale: 1" = 200'
0 100 200 400 Feet

LandVest
Ten Post Office Square, Boston, MA 02109

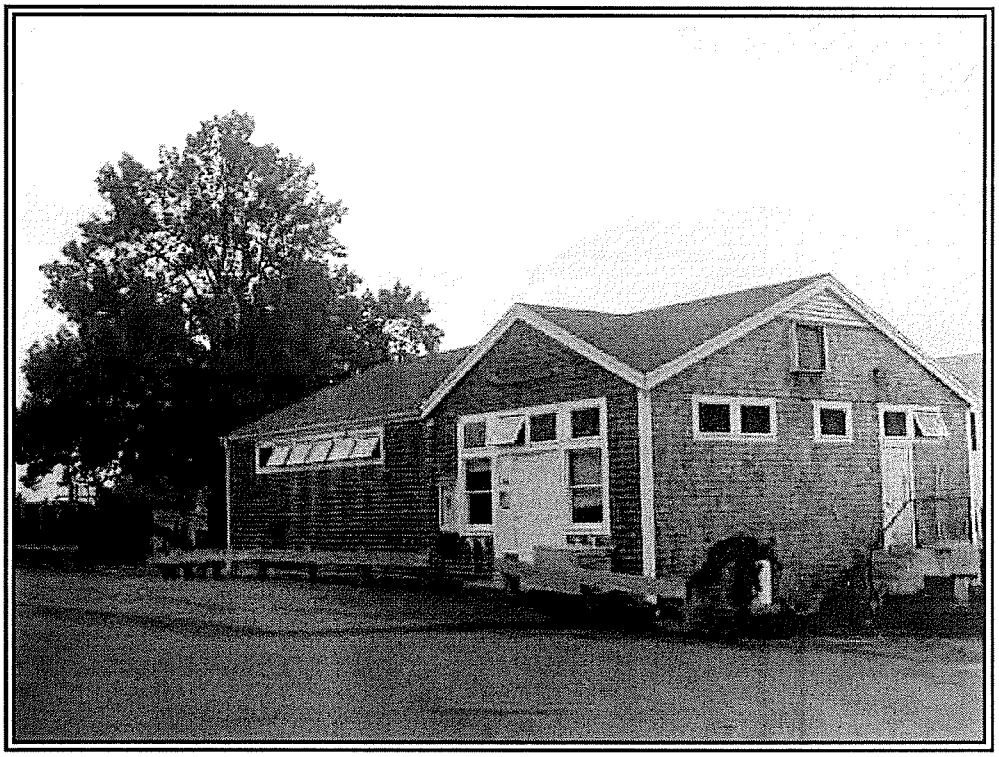
Base Plan



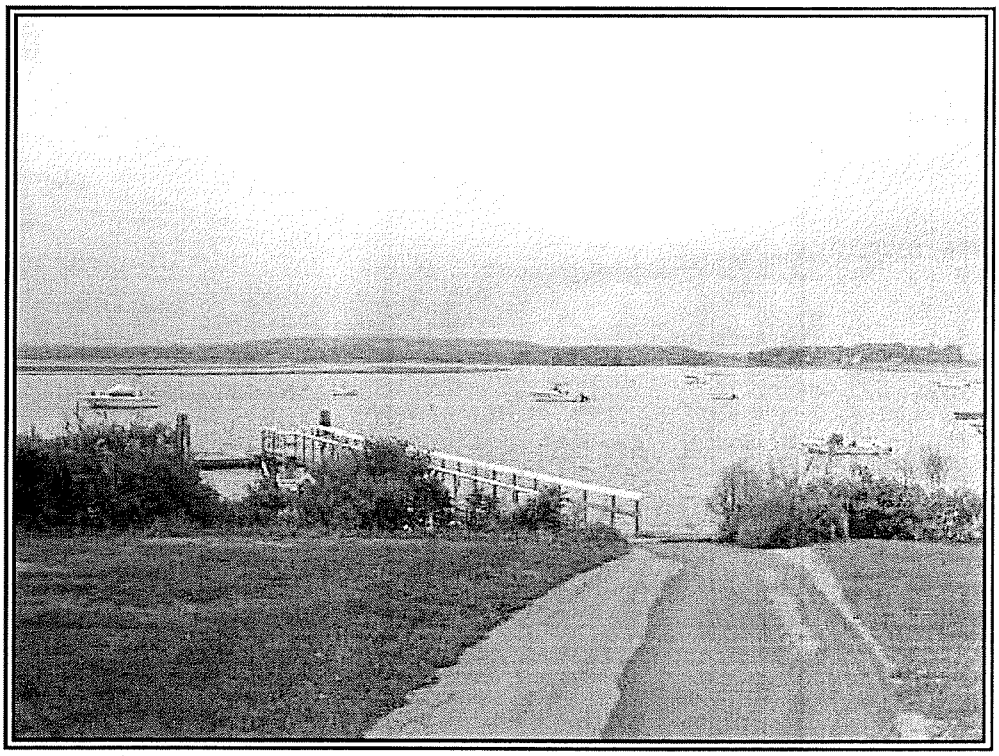
Southeasterly view of Entrance to Little Neck Estates from terminus of Little Neck Road.



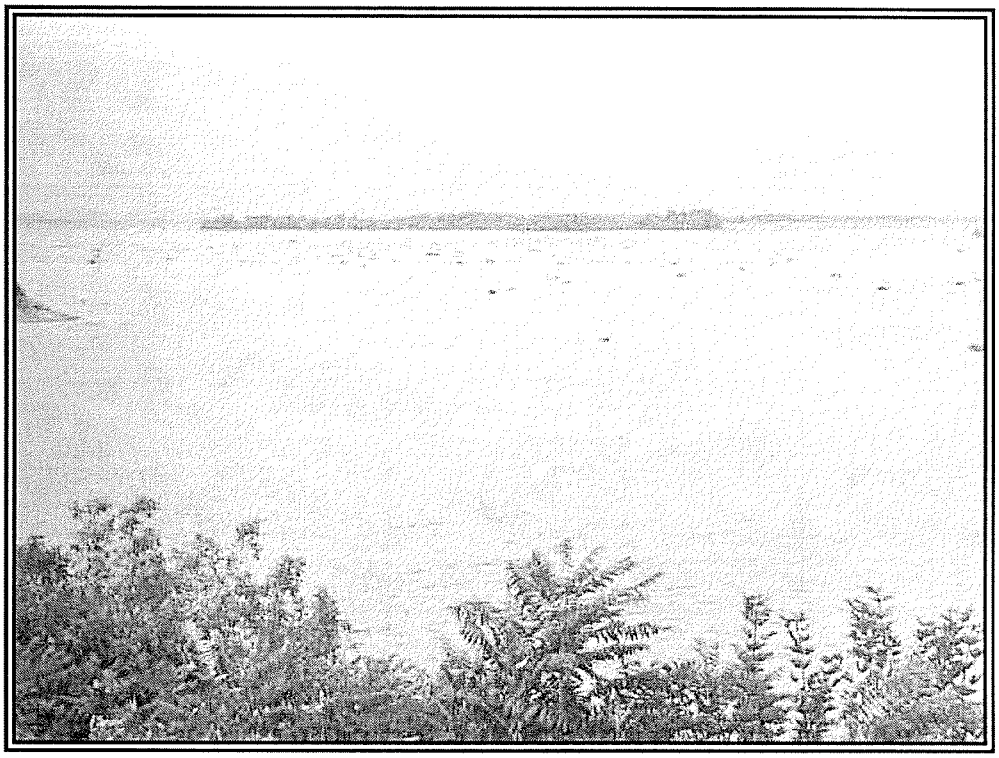
Westerly view across Playing Fields towards Community Center, from Gala Way.



Easterly elevation of Community Center, from Bay Road.



Westerly view to Community Dock on the Ipswich River from base of Hilltop Road.



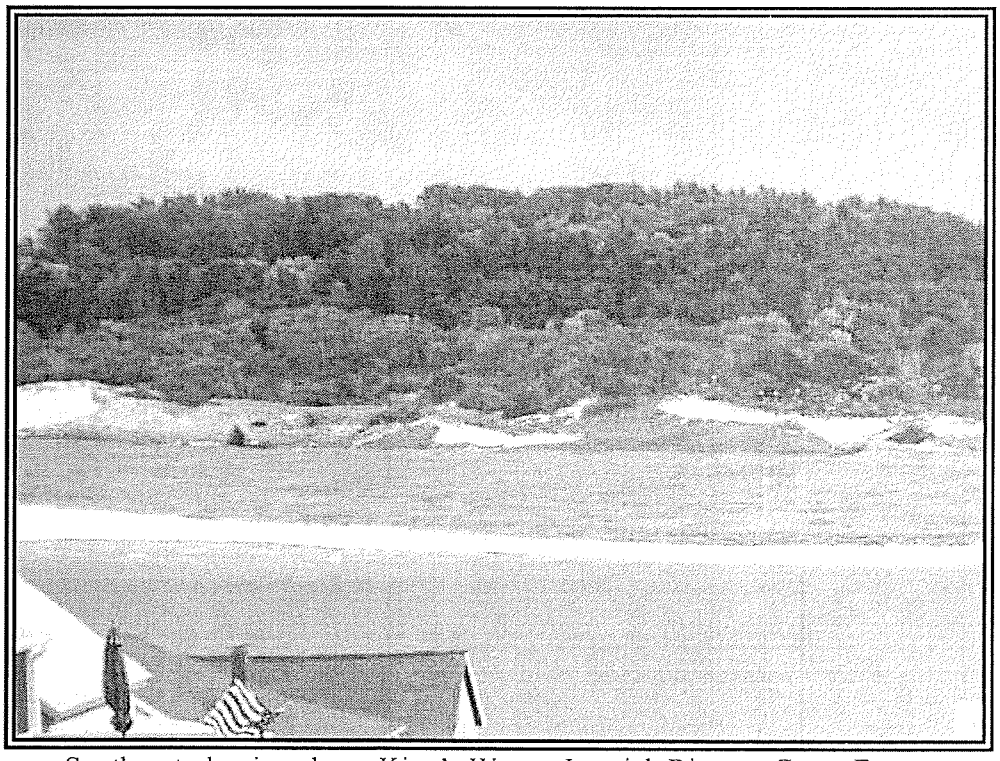
Northerly view from Cliff Road Ipswich Bay, Parker River and Plum Island.



Easterly view from Cliff Road towards Crane Estate.



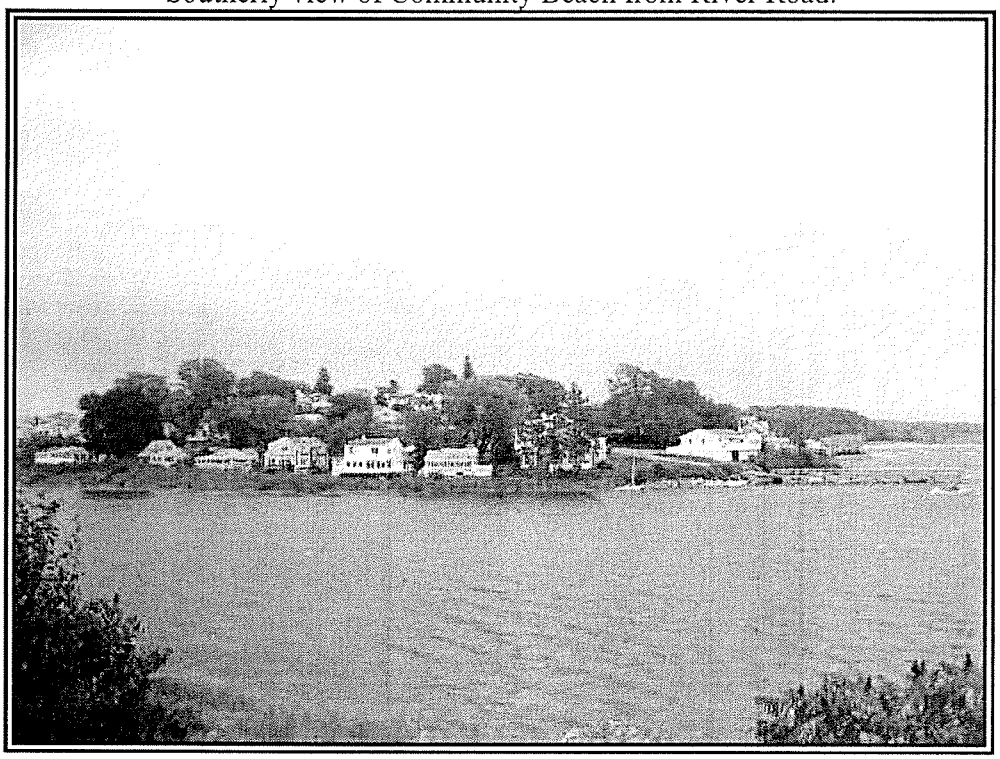
Northeasterly view from River Road bluff to Ipswich Bay and Plum Island.



Southeasterly view down King's Way to Ipswich River to Crane Estate.



Southerly view of Community Beach from River Road.



Southeasterly view from Great Neck (Little Neck Road) to northwestern shore of Little Neck Estates, dock at right, Crane Estate in background.

III. REGULATORY ANALYSIS

A. Zoning – Town of Ipswich

The entire subject property is located within the Town's Rural Residence B (RRB) Zoning District. Relevant "as-of-right" uses within the RRA District include single-family detached dwellings, church and religious uses, educational uses, child care facilities, outdoor recreational facilities, charitable uses and general conservation/agricultural uses. Uses which may be allowed following the issuance of a special permit from the Board of Appeals and Planning Board include open space preservation (cluster development), two-family dwellings, private clubs, rest home and private waste water treatment plants.

Standard	Newly Created Lots*	Conforming Lots (in existence as of October 2006)
Minimum Lot Area:	87,120 square feet (2 acres)	43,560 square feet (1 acre)
Minimum Lot Width:	175 feet (minimum width of 125 feet between the street frontage and the front of the principle building)	175 feet
Minimum Lot Frontage:	150 feet	150 feet
Minimum Front Yard Setback:	20 feet	20 feet
Minimum Side Yard Setback:	20 feet	20 feet
Minimum Rear Yard Setback:	20 feet	20 feet
Maximum Building Area:	20% of lot area (includes building area of primary and permanent accessory structures)	20% of lot area (includes building area of primary and permanent accessory structures)
Maximum Floor Area:	30% of lot area	30% of lot area
Minimum Open Space:	50% of lot area	50% of lot area

*If a residential development obtains a special permit, waiver or other local approval that increases the density or intensity of use beyond what is allowed by this requirement, said development shall conform to Section IX. I. (Inclusionary Housing Requirements).

Utilities

The Town of Ipswich requires underground installation of all utility systems including domestic water; sanitary sewerage; and electrical, telephone and cable television service. Overhead electric, telephone and cable television service is available along the Little Neck frontage and throughout the existing roadways of Little Neck.

B. Open Space Preservation (Cluster) Zoning

A cluster development is not a permitted use in the RRB District but has been included in this analysis as an alternative to conventional subdivision. It is assumed that the site may either be re-zoned to RRA or RRC to make the property eligible for Special Permit approval of a cluster development.

The following is a brief overview of performance standards enforced under the cluster bylaw. The Planning Board may by special permit waive any of the dimensional requirements below if it determines that such action would not be inconsistent with the purpose of the zoning intent.

Standard	Requirement
Minimum Tract Size:	At least 5 times the minimum lot area within the District
Maximum Lot Density:	It cannot exceed density by "conventional" subdivision
Wetlands/Coastal Exclusion:	50% of wetlands/coastal flood plain may be included in lot area calculations
Minimum Open Space:	50% of total parcel
Maximum Site Coverage:	20% (impervious)
Minimum Lot Area:	None
Minimum Lot Width:	75 feet
Minimum Lot Frontage:	50 feet
Minimum Front Yard Setback:	20 feet
Minimum Side Yard Setback:	10 feet
Minimum Rear Yard Setback:	25 feet

C. Subdivision Regulations

Any subdivision of land within the Town of Ipswich is subject to the regulations enacted under the Subdivision Control Law (enacted February 18, 1954). These regulations dictate the manner in which subdivisions are implemented, specifically with regard to public health and safety issues such as road construction standards, utility installation, and septic system design and construction.

In the Town of Ipswich, there are two types of subdivision review:

- ***"Approval Not Required"***
  This process allows for the subdivision of land for properties that can provide the proposed lot or lots with adequate street frontage, lot area, and meet all the minimum requirements of zoning. When submitted to the Planning Board, the Board must make the determination that the plan meets or exceeds the minimum requirements defined in the Zoning Bylaw. Once a positive determination has been made, the plan is endorsed without requiring approval from the Board, hence the nomenclature, "Approval Not Required." This process does not involve a public hearing and

Planning Board endorsement is typically obtainable following a single review by the Board.

- ***Definitive Subdivision***
  If a subdivision of land containing less than the minimum-required street frontage is proposed, a standard, definitive subdivision is necessary. This type of development requires extensive review and approval of engineering issues related to the proposal. The approval process of a definitive subdivision is longer than that of an ANR and involves a public hearing prior to final approval.

Pertinent Road Design Standards

The following design standards apply to new roads (Lanes and Local Streets) proposed under a Definitive Subdivision approval.

Standard	Lanes (serving up to 5 lots)	Local Street
Design Speed:	25 miles per hour	30 miles per hour
Minimum ROW Width:	40 feet	50 feet
Minimum Paved Width:	20 feet	24 feet
Maximum Grade:	10%	8%
Minimum Sight Distance:	160 feet	200 feet
Maximum Length of Cul-de-sac:	450 feet	600 feet
Cul-de-sac Diameter:	120 feet (100 feet paved)	120 feet (100 feet paved)

D. Wetlands Protection Act and Local Wetlands Bylaw

The Ipswich Wetlands Protection Bylaw provides for the protection of wetland resources in the Town of Ipswich under the *Massachusetts Wetlands Protection Act* (310 CMR). The local Conservation Commission has jurisdiction over wetlands resources and a 100-foot landward buffer zone extending from a delineated wetland edge. The regulations specify a 25-foot "no disturbance zone" and an additional 15-foot "no build zone" beyond the "no disturbance zone." No alteration is permitted in the "no disturbance zone" and no new structures are permitted in the "no build zone."

Great Marsh Area of Critical Environmental Concern (ACEC)

In addition to Wetlands Act regulations outlined above, the Ipswich Conservation Commission enforces protection within the *Great Marsh Area of Critical Environmental Concern (ACEC)*, which is generally delineated by a coastal elevation contour of 10 feet along the barrier beaches, salt marshes and water bodies in Gloucester, Essex, Ipswich, Rowley and Newbury. The regulations also apply to property within 100 feet of the ocean, a stream, wetland, dune, bank, or vernal pool; within 200 feet of a river or perennial stream; and **within 150 feet horizontally outward from the ACEC itself.**

All land located at or below the 10-foot contour circling the subject property falls within

the ACEC and the buffer zone subject to Conservation Commission jurisdiction extends 150 landward from the 10-foot contour.

Among other restrictions, new in-ground septic systems are not permitted within the ACEC buffer zone and any proposed work within ACEC jurisdiction generally comes under closer review and scrutiny than non-ACEC resource areas.

E. Soils Analysis

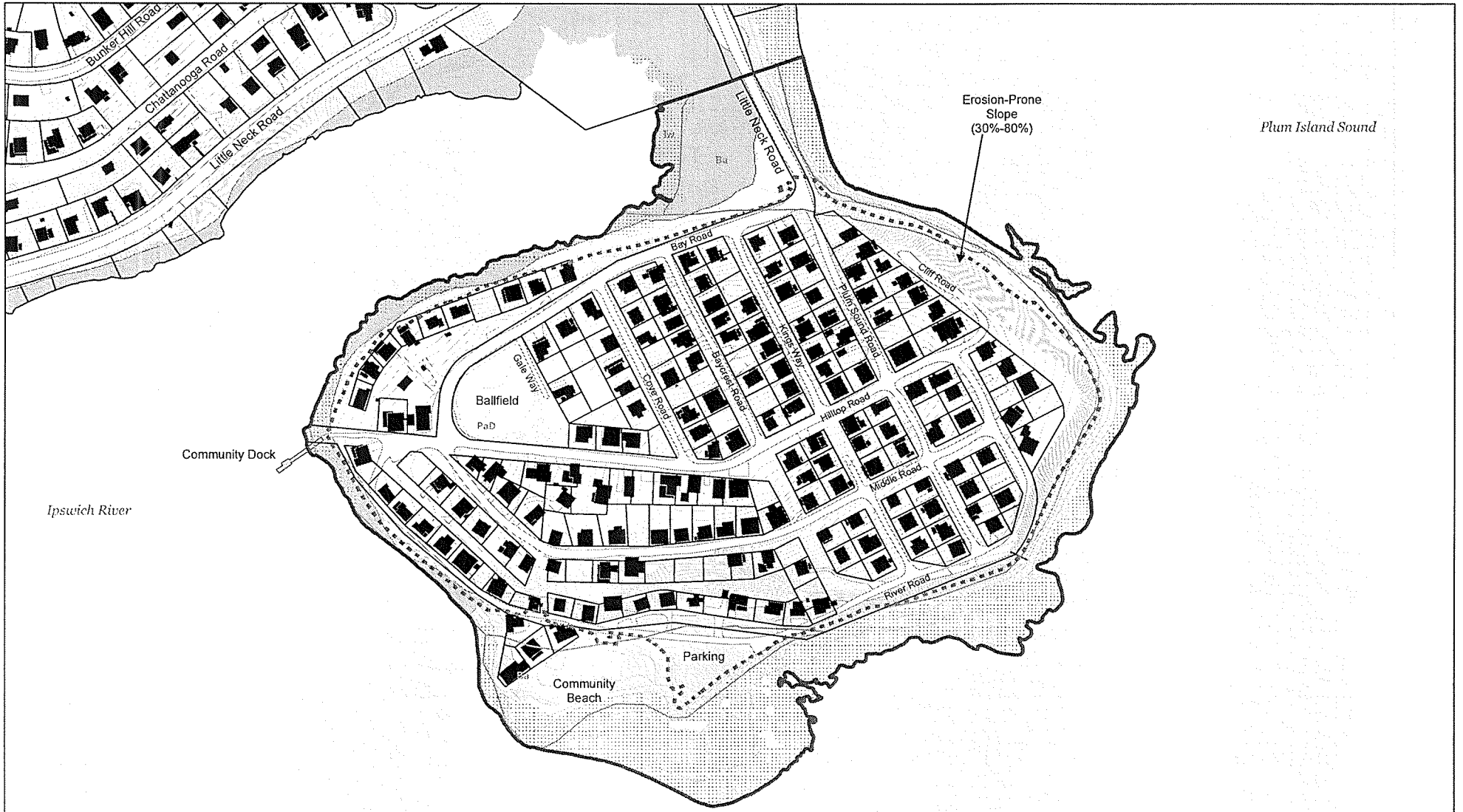
A review of N.R.C.S. Soil mapping indicates that the entire upland portion of the property is comprised of Paxton fine sandy loam with an overall slope gradient range of 15-25%. These soils are deep, moderately steep and are found mainly on the upper sides of hills. The subsoil consists of fine sandy loam about 14 inches in depth. The substratum is very firm and brittle, extending to a depth of 60" or more. The permeability of the substratum soils is slow to very slow and a high water table is perched above the substratum for brief periods in late winter and early spring. Paxton soils are rated as being *severely* constrained in terms of on-site sewage disposal due to slope and slow permeability.

F. Flood Zones

Based on our review of Federal Insurance Rate Maps of the property (per FEMA), the subject property falls within several classifications of 100-year frequency coastal flood plain areas. These include Zone AO and Velocity zones V2 and V3. Upland areas fall within zone C – outside any coastal flood threat.

The southerly aspects of the property, located along the flowed portion of the Ipswich River, are most susceptible to coastal flooding. Portions of River Road, the community beach, the parking area and approximately 8-9 existing cottages fall within a designated Velocity Zone along the southern shore.

A compiled Site Analysis Plan on the following page of this report illustrates the most pertinent regulatory and physical planning constraints affecting the subject property.



Legend

- Subject Property
- Building Footprints
- Contours
- Wetlands
- Open Water
- 10' Contour - ACEC Line
- Soil Type Boundaries
- 100 Year Flood Zone
- Velocity Zone

Little Neck
Ipswich, Massachusetts

Project Number: 8954

Date: September 29, 2010

This plan is conceptual only and is not represented as an engineered plan

Scale: 1" = 200'
0 100 200 400 Feet

LandVest
Two Post Office Square, Boston, MA 02109

Site Analysis Plan

IV. REAL ESTATE MARKET ANALYSIS

Real Estate Market Conditions

Ipswich has a broad mix of neighborhoods and housing stock, including in-town starter homes, First Period historic homes, newer homes on two-acre zoning in the outlying areas, country-club communities with attached and detached residences, and a mix of new and older waterfront or water view homes. This mix of low end and extremely high-valued sales results in median values that can appear somewhat erratic on a year-to-year basis.

The ***Median Sales Price Table*** on the following page shows residential sales trends for *North Shore* communities, including the Town of Ipswich, over the past five years. While Ipswich *averaged* 92 single family sales per year (from 2005 to 2009), the number of home sales fell steadily from 2005 to 2008, from a high of 121 sales to a low of 69, with 2009 showing a partial rebound with a total of 79 sales. While median values fluctuated from year to year, the trend over the past five years shows a drop in values averaging 20%, to $410,000 in 2009. However, according to *The Warren Group*, 75 single family homes sold in Ipswich between January and August 2010 with a median value of $390,000, which shows a 31.58% increase in volume and a 1.39% decrease in value over figures for the same period in 2009.

Another good indicator of residential market health is the number of new residential building permits issued by the town. The following table illustrates the recent trend in single-family building permits through July of 2010. Interestingly, there have been ten permits issued in the first seven months of 2010, which suggests an uptick in building activity over rates of the last two years.

Single Family Residential Building Permit Trends

Year	No. of Permits
1999	69
2000	36
2001	39
2002	43
2003	20
2004	17
2005	66
2006	21
2007	17
2008	13
2009	13
2010	10 (thru July)

Table I

Calendar Year Single Family Median Sales Price Changes
North Shore Regional Market Overview
2005-2009

Town	2005		2006			2007			2008			2009			05 - 09 Four Year Median Value Trend
	Median Price	No. Sales	Median Price	No. Sales	Median Price Change	Median Price	No. Sales	Median Price Change	Median Price	No. Sales	Median Price Change	Median Price	No. Sales	Median Price Change	
Boxford	$650,000	97	$585,000	95	-10.0%	$607,450	94	3.8%	$544,450	76	-10.1%	$510,000	72	-6.3%	-21.5%
Essex	$485,000	29	$516,000	28	6.4%	$449,000	23	-13.0%	$407,500	16	-9.2%	$439,500	18	7.85%	-9.4%
Georgetown	$450,000	86	$415,000	70	-7.8%	$415,000	79	0.0%	$368,750	64	-11.1%	$365,450	78	-0.9%	-18.8%
Gloucester	$389,000	235	$364,500	162	-6.3%	$381,000	156	4.53%	$340,000	141	-10.76	$316,500	142	-6.91	-18.6%
Hamilton	$525,000	69	$496,000	76	-5.5%	$426,250	74	-14.1%	$480,000	61	12.6%	$388,000	68	-19.2%	-26.1%
Ipswich	**$512,500**	**121**	**$451,000**	**98**	**-12.9%**	**$502,430**	**95**	**11.4%**	**$415,000**	**69**	**-17.4%**	**$410,000**	**79**	**-1.2%**	**-20.0%**
Middleton	$582,500	78	$551,000	69	-5.4%	$450,000	64	-18.3%	$417,500	46	-7.2%	$485,000	49	16.2%	-16.7%
N. Andover	$581,250	318	$514,000	291	-11.6%	$476,900	241	-7.2%	$502,750	186	5.4%	$410,500	224	-18.4%	-29.4%
Rowley	$466,250	76	$481,895	54	3.4%	$479,500	52	-0.5%	$440,000	45	-8.2%	$420,000	31	-4.6%	-9.9%
Topsfield	$531,240	66	$557,500	54	4.9%	$507,800	51	-8.9%	$479,000	44	-5.7%	$440,000	49	-8.1%	-17.2%
Wenham	$521,950	40	$722,500	36	38.4%	$496,000	47	-31.4%	$453,500	30	-8.6%	$550,000	21	21.3%	5.4%

Source: The Warren Group

Little Neck Submarket

While *Little Neck* is in many ways an ideal summer community, ongoing discussions and issues between the leasing parties has created an uneasy real estate market in this neighborhood in recent years. First, after many years of below-market lot rent arrangements, lot rents were significantly increased in 1998 to more closely align with current market rates. Further, the expense of design and installation of a State-mandated communal waste collection taxed the resources and relations of the owner and the tenants. And finally, the security of the land-lease arrangement itself has been challenged in recent years in widely publicized tenant-owner disputes. These factors have contributed to the historical challenge of buying and selling real estate on *Little Neck* – namely, that the buyer purchases the residential improvements in fee simple along with the ability to commence a tenancy-at-will, or recently a lease, relationship with the Feoffees. Because the property is not legally subdivided nor is it a legal condominium form of ownership, fee simple ownership rights do not extend to the land. Additionally, the absence of a recorded lease affords buyers none of the investment security typically found in traditional leasehold property.

These factors, both positive and negative, firmly qualify *Little Neck* as a true sub-market within the broader context of the Ipswich real estate market. The neighborhood's unique characteristics render any direct comparison with broad market data somewhat unreliable. *Great Neck* is considered a physically comparable coastal neighborhood, though considerable adjustments are required for fee simple vs. leasehold or condominium ownership rights.

Comparable Seasonal Leasehold Properties

The only local example of a comparable seasonal leasehold property is the 113± lot *Conomo Point* neighborhood in Essex. This 22± acre Town-owned tract was the subject of a long-term land lease at similarly submarket rates. At the 2001 Town Meeting, leases were renewed for one ten-year renewal option, which is due to expire in December of 2011. While there were rumors about a possible tenant buyout, and extensive septic system upgrades would be required, any action would have to be approved at Town Meeting in May, and to my knowledge it is not yet on the warrant for discussion. Therefore, while *Conomo Point* does not provide any useful measure of value for *Little Neck*, its eventual disposition, value and condition of sale may add insight to the subject analysis.

In lieu of an adequate comparable leasehold example, and because of its proximity and similarities to *Little Neck*, we consider the *Great Neck* neighborhood the most comparable area for discussion of relative value.

VI. HIGHEST AND BEST USE ANALYSIS

A. AS IMPROVED - CONDOMINIUM CONVERSION

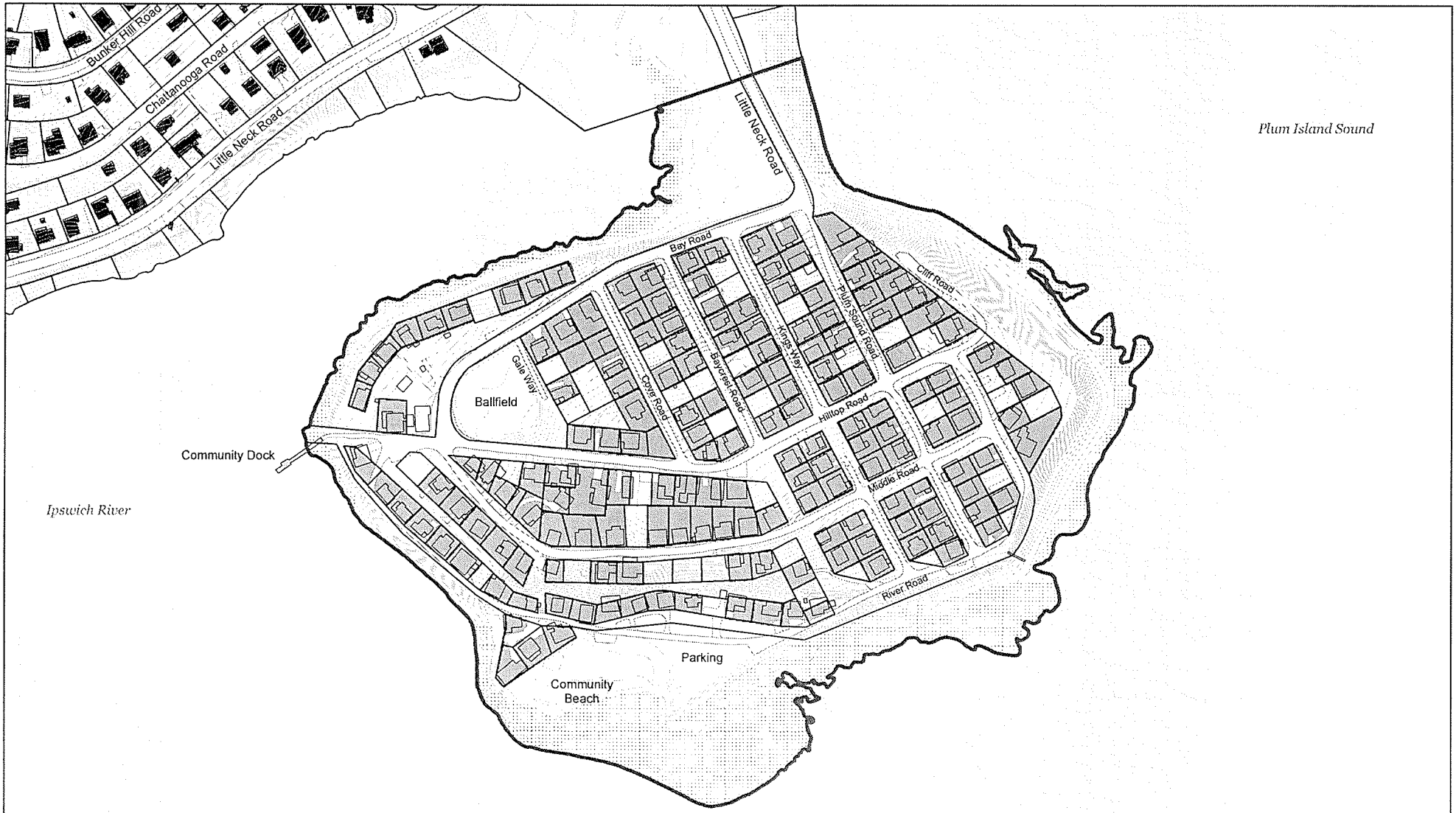
In accordance with *M.G.L. Chapter 183A, Section 8*, this planning option assumes a conversion to a legal condominium form of ownership of the land and existing cottages. All land outside of the individual building "footprints" would be considered common land and properties would be assessed as units with apportioned Homeowner's Association dues.

This plan would not require any municipal or state subdivision review/approval and the key advantage to this planning option is that the existing unit density would be rendered "legal" and units would be made eligible for bank financing.

Additionally, this conversion would infuse needed stability to Little Neck as a real estate sub-market and a healthier supply/demand balance would, over time, encourage price appreciation.

It should be noted that Massachusetts condominium law requires that a condominium consist of both underlying land and improvements. Hence, a condominium conversion of the underlying land only by the Feoffees is not legally feasible. This factor is important: the Feoffees , owners of the underlying land only, cannot create a condominium without a cooperative effort on the part of both the Feoffees and the current tenants.

The actual configuration of a condominium use of the subject property is consistent with the current tax-parcel platting, illustrated as ***Plan A*** on the following page of this report.



Legend

167 Condominium Units
Common Area
Contours
Wetlands
Open Water

Little Neck
Ipswich, Massachusetts

Project Number: 8954

Date: October 28, 2010

This plan is conceptual only and is not represented as an engineered plan

Scale 1" = 200'
0 100 200 400 Feet

LandVest
Ten Post Office Square, Boston, MA 02109

Plan A-
Condominium Conversion Plan

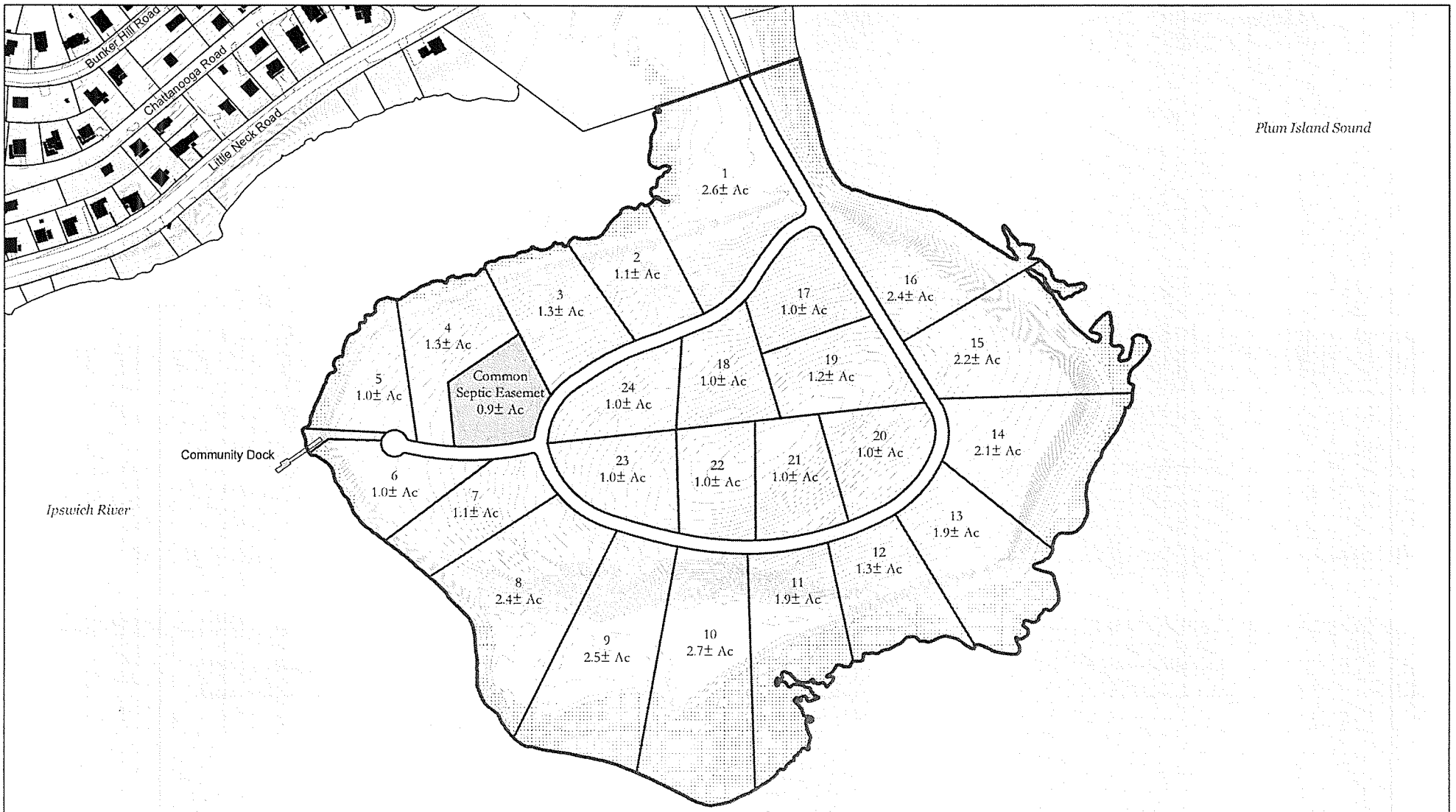
B. LAND AS THOUGH VACANT – RESIDENTIAL SUBDIVISON

Concept Plan B on the following page of this report depicts our opinion as to the subject property's Highest and Best Use *as though vacant*. This analysis is undertaken as a means of understanding the allowable lot/unit density under current zoning regulations if the 35± acre subject site were vacant and available for development.

In conformance with the spatial requirements of RRB zoning and incorporating a reasonable set of assumptions about road design waivers, *Plan B* calls for the division of a total of 24 residential building lots, including 16 prime waterfront lots and 8 interior lots with excellent off-site views. The lots range in size from 1 to 1.75± acres, and they are accessed by a total of 2,900± linear feet of interior subdivision road configured in a broad loop. This lot density assumes a high level of spatial efficiency in the layout of roads and lots. The 24-lot density is roughly 14.4% of the current cottage density, or a net density decrease of 143± lots.

The most aggressive assumption incorporated in this conceptual development analysis is re-use of the recently-constructed sewage collection system. Based on our review of prevailing soil conditions and in the absence of any on-site percolation and groundwater test data, it appears highly unlikely that the site as though vacant could accommodate 24 new in-ground septic systems in full conformance with all local and State sanitary disposal regulations – particularly adjacent to the *Great Marsh ACEC*. Hence, this buildout does assume adaptive re-use of the existing infrastructure, but assuming an average 4-bedroom residence under *Plan B*, the 24-lot density results in only 96 bedrooms and does not approach the approved design flow of 462 bedrooms per the current DEP Disposal Permit. Hence, this assumption appears supportable under a broader assumption that the existing cottages would be razed or relocated.

The plan is designed to appeal to the upper middle-high end market as a private, year-round neighborhood.



Legend

- Buildable Lots
- Common Septic Easement
- Public Dock Easement
- Contours
- Wetlands
- Open Water

Little Neck
Ipswich, Massachusetts

Project Number: 8954

Date: October 28, 2010

This plan is conceptual only and is not represented as an engineered plan

Scale 1" = 200'
0 100 200 400 Feet

LandVest
Ten Post Office Square, Boston, MA 02109

Plan B - Definitive Subdivision Plan
(Land As Though Vacant)

VII. VALUATION

A. APPRAISAL METHODOLOGY

There are three basic, traditional approaches to the valuation of real estate. These include the Sales Comparison, Income Capitalization, Cost Approaches to value. These approaches are briefly described as follows:

1. Sales Comparison Approach

The Sales Comparison Approach relies on the principle of substitution. The typical, market buyer is assumed to base an offering purchase price for a given property on sale prices or offering prices for substitute properties of "similar utility and desirability" (*The Appraisal of Real Estate*; page 312).

This approach entails direct comparison of the subject property components with sales and offerings of other properties of similar location, physical characteristics and utility. No two properties are ever identical in all respects, and therefore, adjustments are made for key factors influencing value, such as financing, market conditions, location, size, physical characteristics and overall utility.

2. Income Capitalization Approach

The Income Capitalization Approach is an appraisal technique that values property according to its capacity to generate net operating income. This approach simulates the criteria of the investor, whose main concern is the earning power of the investment asset in relation to the investment cost of that asset. Income capitalization is a technique for converting an estimated future income stream into value by application of appropriate investment return criteria. These criteria are estimated and supported by analysis of the local market indications of income potential and yield requirements for the subject property type and market area.

3. Cost Approach

This approach is also based on the principle of substitution, recognizing that a typical buyer will pay no more for an existing improved property than the cost of buying land and building a substitute property with a utility level comparable to the subject. It is assumed that the buyer will consider the alternative of constructing a new substitute competing property, as opposed to buying the subject property. The dollar cost of a substitute structure, less the depreciation of the subject (and after adjustments for varying levels of utility), is then taken as a measure of value for the improvements.

The Cost of Development Approach, also known as the Land Residual Technique, is a subset to the Income approach and is aimed at estimating a multi-component property's "bulk," or wholesale value, to a single purchaser. The Cost of

Development analysis accounts for all buyer/developer-borne costs associated with a particular project, both direct and indirect, including all profit and carrying costs. As such, this method simulates the criteria of a buyer that purchases property for development and re-sale of the excess land.

4. Subject Methodology

Whenever there is a sufficient quantity of recent comparable sales in the local market, the *Sales Comparison Approach* is the most reliable and preferred valuation method in the valuation of "retail" property components such as market-ready lots and condominium units. In researching the subject market for appropriate sales, we were able to gather a sufficient number of comparable transactions in order to justify well-supported valuation of the subject property via the sales comparison approach.

The cost and income approached were deemed inappropriate due to the average age of the existing cottage improvements and the lack of a long-term investor market for the subject property type.

B. VALUATION OF *PLAN A* – CONDOMINIUM CONVERSION

The following section of this report summarizes our application of the Sales Comparison Approach in the valuation of the 167 condominium units (underlying land only) created in accordance with the previously described ***Concept Plan A***.

This analysis includes the application of a set of lot-quality grading criteria, followed by a comparable sales analysis and summation of "retail" level parcel values for the 167 condominium units.

1. Condo Conversion – Value Tier Analysis

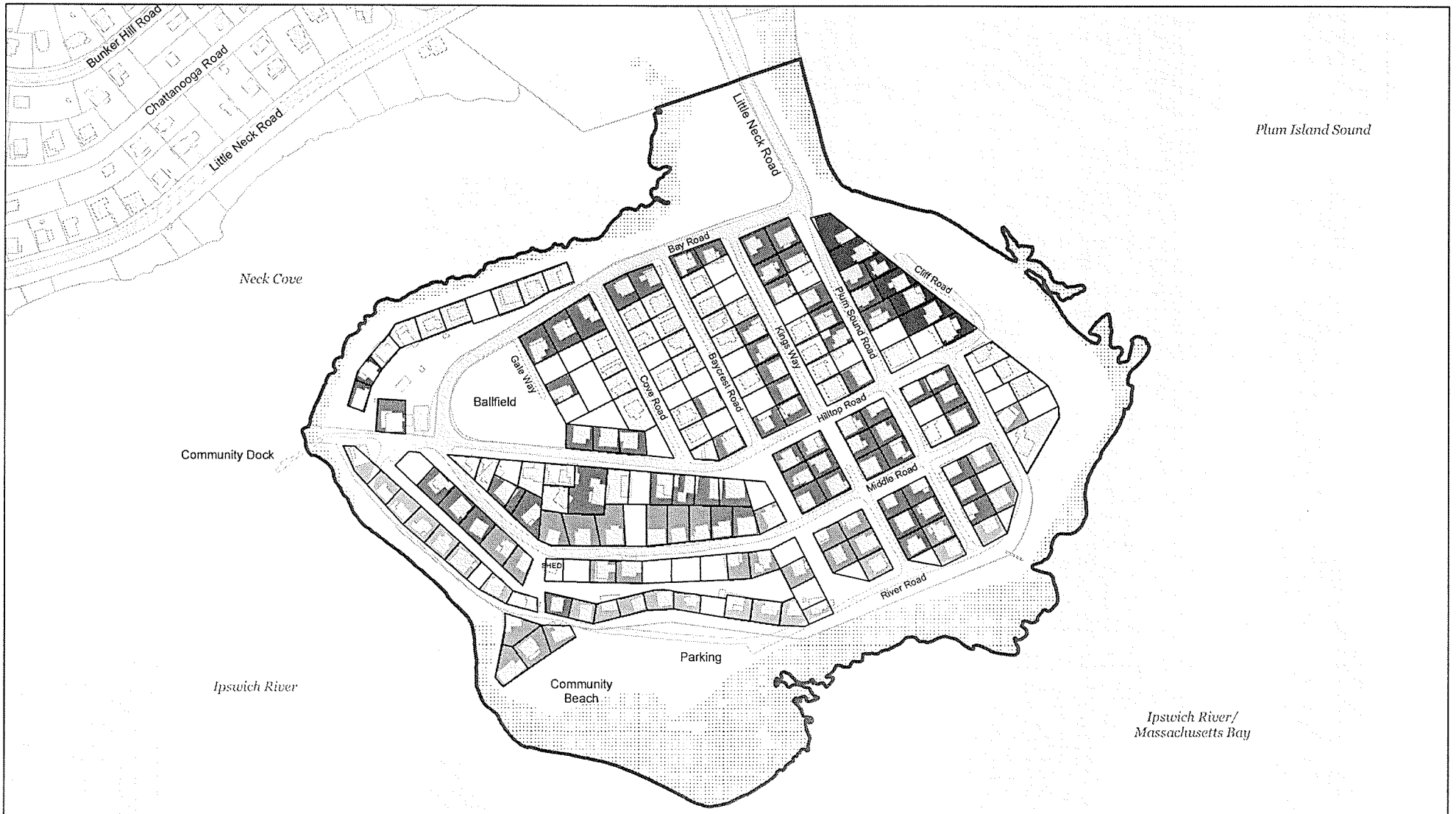
As depicted on the *Base Plans*, the physical configuration of the *Little Neck* land form and the road and tax-parcel layout which evolved in a relatively piecemeal fashion over many decades has resulted in an extremely wide variety of parcel types. For example, view perspectives have an overall range of 360 degrees and include a wide array of seascapes. Additionally, the quality and extent of each individual view perspective ranges considerably based on elevation. The range of a due easterly view from the 10-foot contour is vastly different from the same view at the 80-foot contour.

The grading of individual lot types is further complicated by the existing development pattern and specific location of grandfathered building footprints. For example, two adjoining lots may share a comparable off-site view to the Ipswich River, but one cottage may be sited directly up against the paved edge of the road with dense, view-thwarting development across the street and the adjacent cottage may be sited 8-10 feet higher toward the back of its lot with clear views over the nearby cottages.

Some cottages are sited on lots with a moderate slope and offer excellent lot utility and on-site parking and still others are perched on sites with 20-30% slopes with limited street-front parking.

In short, there may be as many as 50 sub-categories of comparable lot types on Little Neck and even more if one considers the fact that the size, siting and overall quality of specific, non-conforming improvements may affect underlying land value either positively or negatively.

In an effort to minimize the range of lot/unit types while still addressing the major factors influencing value – namely, location, utility, orientation and view – the ***Lot Value Tier Plan*** on the following page of this report provides a color-coded summary of a total of nine specific value tiers.



Legend

- Subject Property
- #1 - Exceptional View/Frontage (4)
- #2 - Front Row/Plum Island Sound (7)
- #3 - Front Row/Neck Cove - Prime (2)
- #4 - Front Row/Neck Cove - Average (7)
- #5 - Front Row/Ipswich River - Prime (4)
- #6 - Front Row/Ipswich River - Average (19)
- #7 - Interior - Excellent (22)
- #8 - Interior - Average/Good View (69)
- #9 - Interior - Marginal View (33)
- Vacant Parcels

Little Neck
Ipswich, Massachusetts

Project Number: 8954
Date: September 22, 2010
This plan is conceptual only and is not represented as an engineered plan

Scale 1" = 200'
0 100 200 400 Feet

LandVest
Ten Post Office Square, Boston, MA 02109

Value Tiers Plan

The drafting of the ***Lot Value Tier Plan*** was based on a lot-by-lot review of general site conditions and are summarized briefly as follows:

Lot Tier Descriptions and Tallies

Lot Type	Lot Count	Description
Exceptional View/ Frontage	4	Elevated headland with 270 degree view scope to Plum Island and open water. Longest views on Little Neck due to elevation. No road or cottage obstructions.
Front Row/Plum Island Sound	7	Lower elevation with same view orientation as Tier 1. Bluff lots with no road or cottage obstructions.
Front Row/Neck Cove/ Prime Quality	2	Neck Cove-frontage with extended northerly view up Ipswich River. Very limited road impacts. Prime sunset location.
Front Row/Neck Cove/ Average Quality	7	Neck Cove-frontage with largely contained view to opposing shore of Cove and Great Neck. Limited view scope up Ipswich River.
Front Row/Ipswich River/Prime Quality	4	Part of 4-parcel grouping with direct, walkout shore access to sand beach at Ipswich River. Values partially offset by close road proximity, limited privacy and flooding threat.
Front Row/Ipswich River/Average Quality	19	Generally lower elevation River Road-front lots with otherwise unobstructed views to Ipswich River and Crane Beach and dunes.
Interior/Excellent View	22	Upper elevation with nominally-obstructed water views, south-southeasterly orientation and average lot utility.
Interior/Average/Good View	69	Upper elevation, interior location with obstructed but off-site views to the NW or SE. Limited privacy and moderately road-impacted with average lot utility.
Interior/Marginal View	33	Upper elevation, interior location with very limited off-site views. Typically oriented toward north.
Total:	***167***	

Again, while the above-outlined lot value tiers could be further refined, in my opinion, these nine classifications provide a reasonable consolidation of primary aesthetic and locational factors influencing value on Little Neck.

2. Parcel Valuation - Comparable Sales Overview

In order to value the 167 condominium land units, we have compiled comparable sales and listing information for use in valuing the subject property, based on information gathered from *The Warren Group*, the *Multiple Listing Service*, the Ipswich Assessor's Office, and referencing recorded deeds and documents at the Essex County Registry of Deeds.

Individual ***Sales Data Sheets*** on the following pages of this report summarize information regarding six closed sales on Little Neck occurring since 2007.

As an additional set of value reference points, information regarding a total of 9 currently-listed (MLS) or expired properties on Little Neck is included in the *Appendix* of this report. Of the six *closed* sales, only five were exposed to the

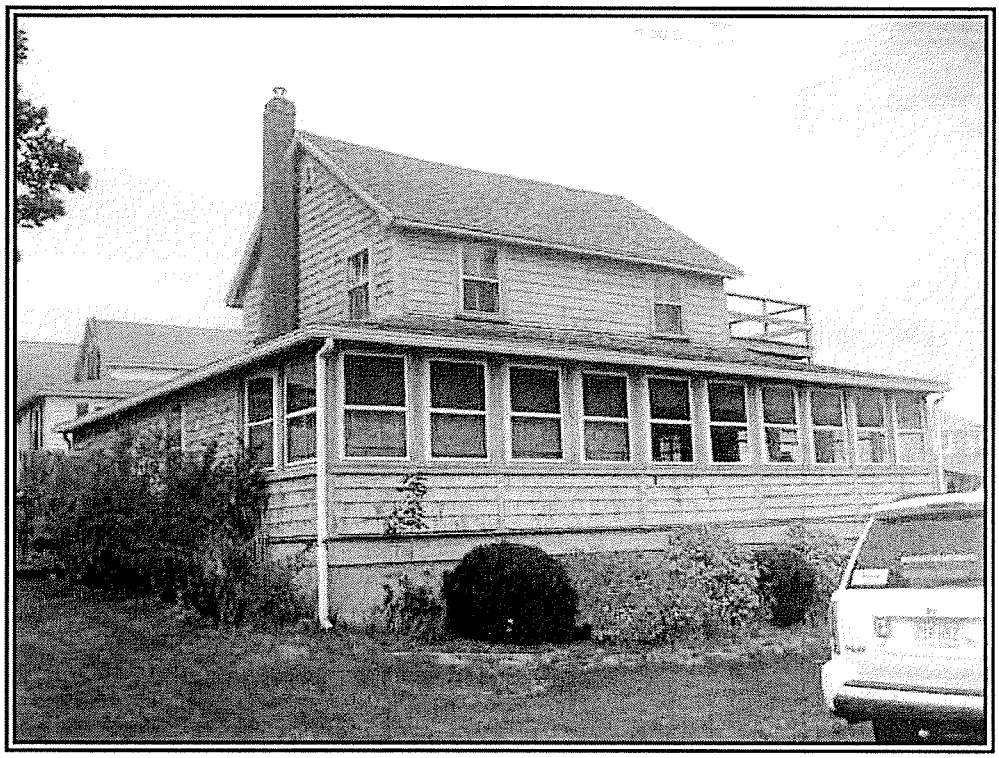
open market and sold for an average of $383,000 after an average of **474 days** (1.3± years) on market. By comparison, MLS data indicate 319 town-wide sales during that time with an average sale price of $484,416 and an average market exposure of **167 days**. The average sales price difference (a 21% discount) can be partially attributed to the lack of fee ownership of the underlying land on Little Neck, but we believe the extended market exposure is due to the polarized and unresolved status of the current litigation.

The average value of currently-listed and expired properties (see *Appendix*) is $468,533 and the current list price is $442,380 with no contracts or offers pending as of the date of this report. Assuming an average sale price of 15% below list, the average (imputed) sale price would be $376,000. At 65% of the total sales price, the average underlying lot value would be approximately $245,000.

Residential sales on Great Neck have been fairly steady in recent years. ***Exhibit B*** (following *Exhibit A* in *Appendix*) provides tabular information on 34 closed sales since 2007. All but eight of those sales were listed on the Multiple Listing Service, and the average price for those sales was $499,956 with a market exposure of 165 days, which is comparable to the average sales value and exposure time of all single family home sales throughout the town during that period. The average is roughly 30% higher than the median value of $384,000 indicated by the 6 most recent sales on Little Neck.

Exhibit C (following *Exhibit B* in *Appendix*) summarizes five closed vacant land sales on Great Neck since 2004, as well as six recent or current land listings, which together form a database of reasonably current land values on Great Neck.

The goal of this comparable sales overview is to extract underlying land values for properties with similar attributes to the nine lot types outlined in the previous section of this report.



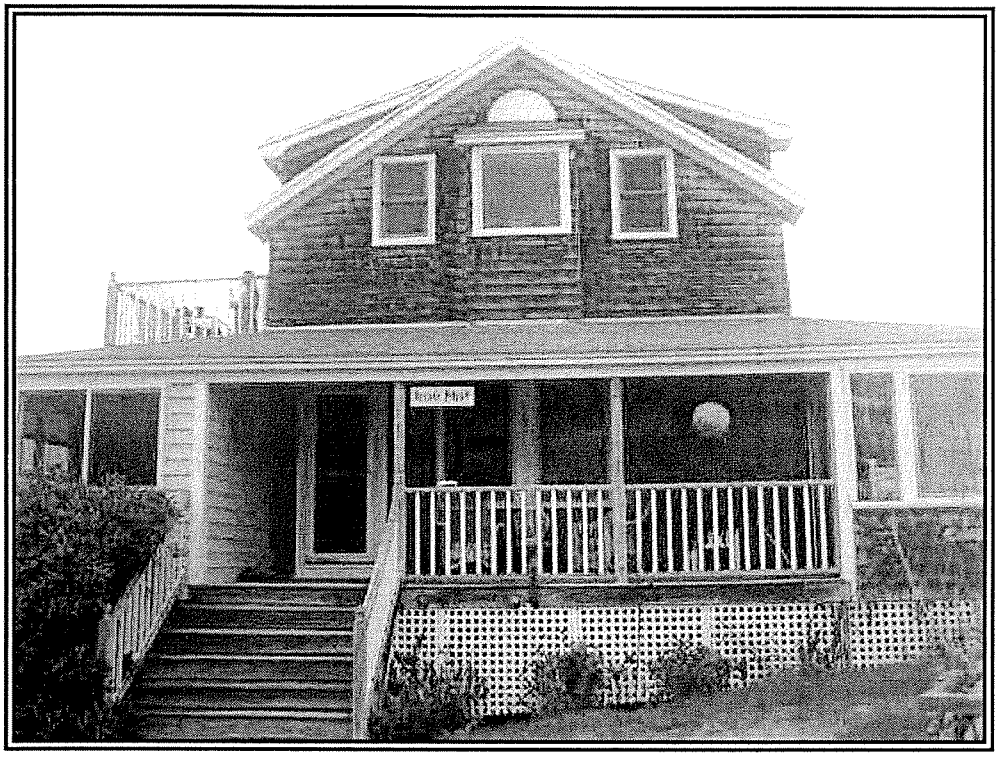
Residence Sale #: A1

Transaction Data:			
Address:	**42 Middle Road**	*Sale Date:*	**8/31/07**
Community:	**Little Neck, Ipswich**	*Sale Price:*	**$550,000**
Assessor's Reference:	**24C 069 161**	*Grantor:*	**Not Available**
Conditions of Sale:	**Arm's Length**	*Grantee:*	**Daniel Leonard**

Property Data:			
Land Area:	**3,000 square feet**	*Mechanical Systems:*	**Electric Heat**
Residence:	**Seasonal Cottage**	*Utilities:*	**Common Sewer, Town Water**
Year Built:	**1910**	*Accessories:*	**None**
Bedrooms/Baths:	**4 / 1 ½**	*Amenities:*	**Roof deck**
Effective Living Area:	**1,378 square feet**	*Overall Condition:*	**Average**

Comments:
Listed at $575,000, sold after 852 days on market. Assessment at sale date: $345,500 ($132,200 building, $213,300 land).

Extracted Land Value:						
G.L.A.	*Condition*	*Replacement Cost New*	*Depreciation*	*Value of Improvements*	*Landscape @ 10%*	*Extracted Land Value*
1,378 s.f.	Average	$275,600	25%	$206,700	$20,670	***$322,630***



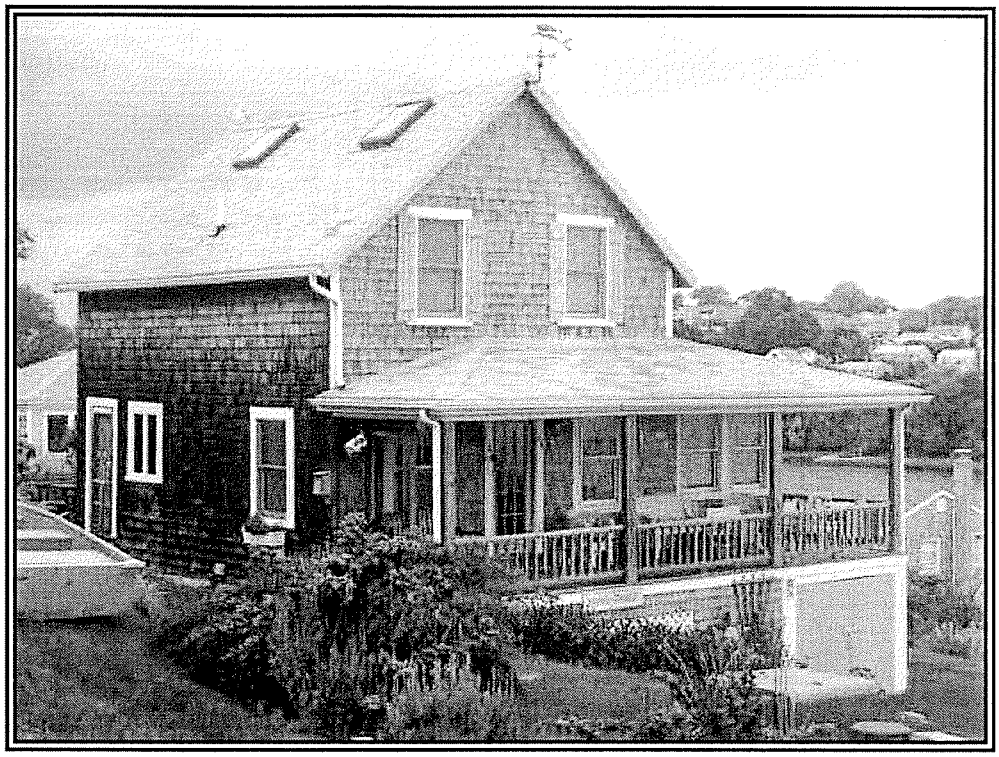
Residence Sale #: A2

Transaction Data:			
Address:	**9 Cove Road**	*Sale Date:*	**10/12/07**
Community:	**Little Neck, Ipswich**	*Sale Price:*	**$339,000**
Assessor's Reference:	**24C 069 87**	*Grantor:*	**Not Available**
Conditions of Sale:	**Arm's Length**	*Grantee:*	**George P. Sousa**

Property Data:			
Land Area:	**3,000 square feet**	*Mechanical Systems:*	**Gas Heat**
Residence:	**Seasonal Cottage**	*Utilities:*	**Common Sewer, Town Water**
Year Built:	**1910**	*Accessories:*	**None**
Bedrooms/Baths:	**2 / 1 ½**	*Amenities:*	**Upper deck, porch**
Effective Living Area:	**1,473 square feet**	*Overall Condition:*	**Very Good**

Comments:
Sold fully furnished at full asking price after 15 days on market. Assessment at sale date: $423,800 ($210,500 building, $213,300 land).

Extracted Land Value:						
Improvements G.L.A.	*Condition*	*Replacement Cost New*	*Depreciation*	*Value of Improvements*	*Landscape @ 10%*	*Extracted Land Value*
1,473 s.f.	V. Good	$257,775	30%	$180,442	$18,044	***$140,225***



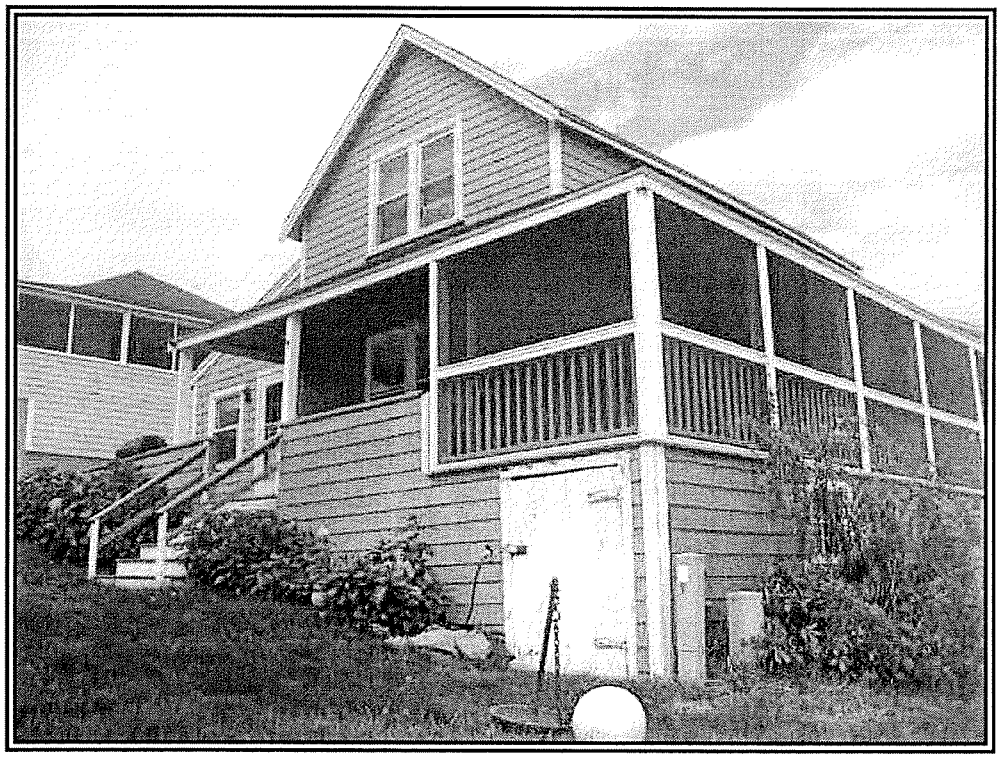
Residence Sale #: A3

Transaction Data:			
Address:	**24 Plum Sound Road**	*Sale Date:*	**4/14/08**
Community:	**Little Neck, Ipswich**	*Sale Price:*	**$400,000**
Assessor's Reference:	**24C 069 144**	*Grantor:*	**Stephen H. Moore**
Conditions of Sale:	**Arm's Length**	*Grantee:*	**Kerri McDonald-Shaub**

Property Data:			
Land Area:	**3,000 square feet**	*Mechanical Systems:*	**Gas Heat**
Residence:	**Seasonal Cottage**	*Utilities:*	**Common Sewer, Town Water**
Year Built:	**1910**	*Accessories:*	**None**
Bedrooms/Baths:	**3 / 1 ½**	*Amenities:*	**Wrap around porch**
Effective Living Area:	**1,392 square feet**	*Overall Condition:*	**Average - Good**

Comments:
Recently renovated and well maintained, sold fully furnished. Listed at $445,000. Sold after 185 days on market. Assessment at sale date: $291,400 ($105,900 building, $185,500 land).

Extracted Land Value:						
Improvements G.L.A.	*Condition*	*Replacement Cost New*	*Depreciation*	*Value of Improvements*	*Landscape @ 10%*	*Extracted Land Value*
1,392 s.f.	Avg./Good	$208,600	25%	$156,450	$15,645	***$227,905***



Residence Sale #: A4

Transaction Data:			
Address:	**3 King's Way**	*Sale Date:*	**11/6/08**
Community:	**Little Neck, Ipswich**	*Sale Price:*	**$465,000**
Assessor's Reference:	**24C 069 133**	*Grantor:*	**Julia Collins**
Conditions of Sale:	**Unknown**	*Grantee:*	**Michael Torrisi**

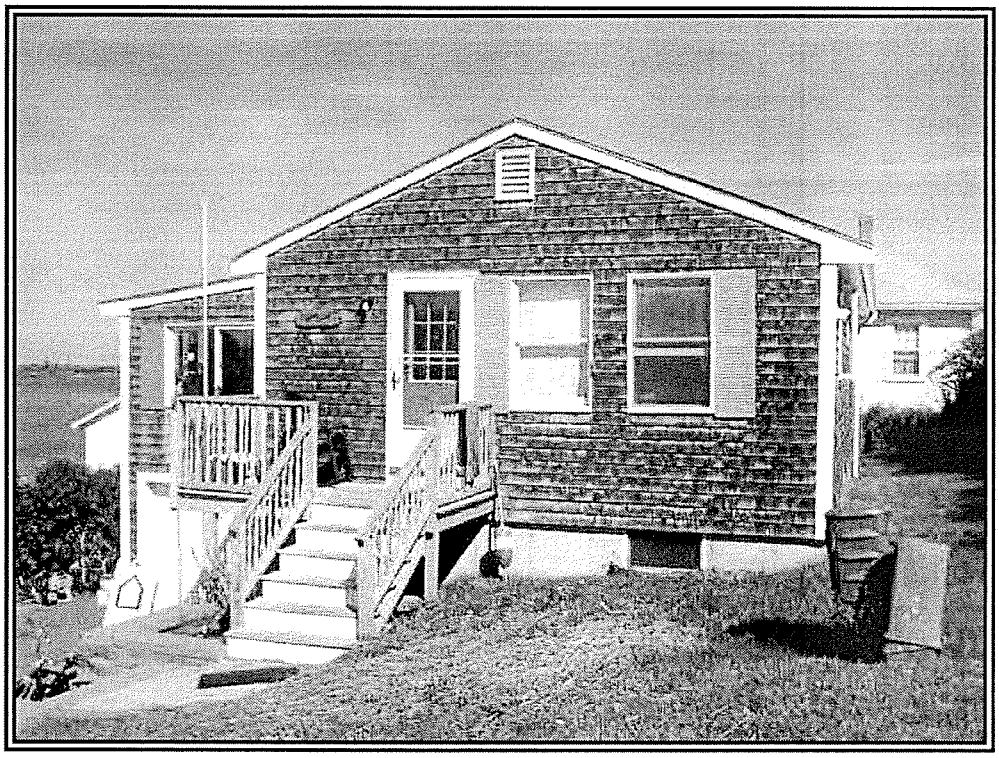
Property Data:			
Land Area:	**3,000 square feet**	*Mechanical Systems:*	**None**
Residence:	**Seasonal Cottage**	*Utilities:*	**Common Sewer, Town Water**
Year Built:	**1920**	*Accessories:*	**None**
Bedrooms/Baths:	**3 / 1**	*Amenities:*	**Screened porch**
Effective Living Area:	**912 square feet**	*Overall Condition:*	**Average - Good**

Comments:

Assessment at sale date: $362,700 ($72,400 building, $290,300 land). House includes inordinate ratio of Gross building area to effective living area (G.B.A.: 2,200 s.f.). Accounted for in replacement cost analysis.

Extracted Land Value:

G.L.A.	*Condition*	*Replacement Cost New*	*Depreciation*	*Value of Improvements*	*Landscape @ 10%*	*Extracted Land Value*
912 s.f. 1,308 (semi finished)	Avg./Good	$225,000	20%	$180,000	$18,000	***$267,000***



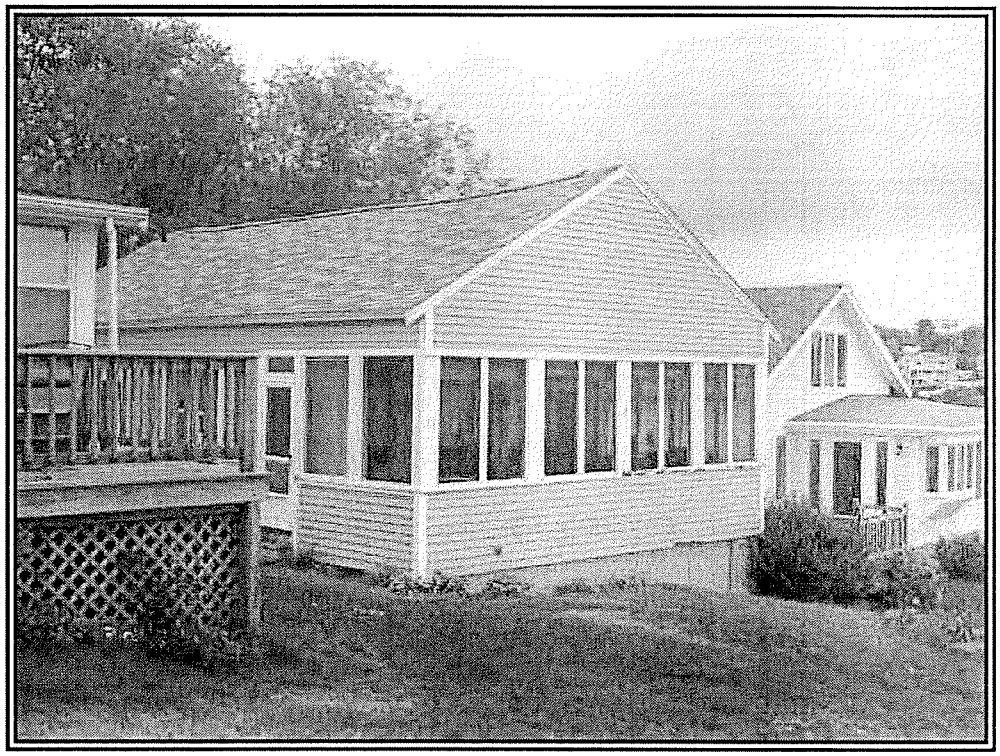
Residence Sale #: A5

Transaction Data:			
Address:	**27 King's Way**	*Sale Date:*	**7/23/08**
Community:	**Little Neck, Ipswich**	*Sale Price:*	**$335,000**
Assessor's Reference:	**24C 069 122**	*Grantor:*	**John Cook**
Conditions of Sale:	**Unknown**	*Grantee:*	**Karl Ruhland**

Property Data:			
Land Area:	**3,000 square feet**	*Mechanical Systems:*	**Oil Heat**
Residence:	**Seasonal Cottage**	*Utilities:*	**Common Sewer, Town Water**
Year Built:	**1936**	*Accessories:*	**None**
Bedrooms/Baths:	**2 / 1**	*Amenities:*	**Screened porch**
Effective Living Area:	**892 square feet**	*Overall Condition:*	**Very Good**

Comments:
Assessment at sale date: $284,600 ($104,500 building, $180,100 land).

Extracted Land Value:						
Improvements G.L.A.	*Condition*	*Replacement Cost New*	*Depreciation*	*Value of Improvements*	*Landscape @ 10%*	*Extracted Land Value*
892 s.f.	V. Good	$142,720	20%	$114,176	$11,417	***$209,407***



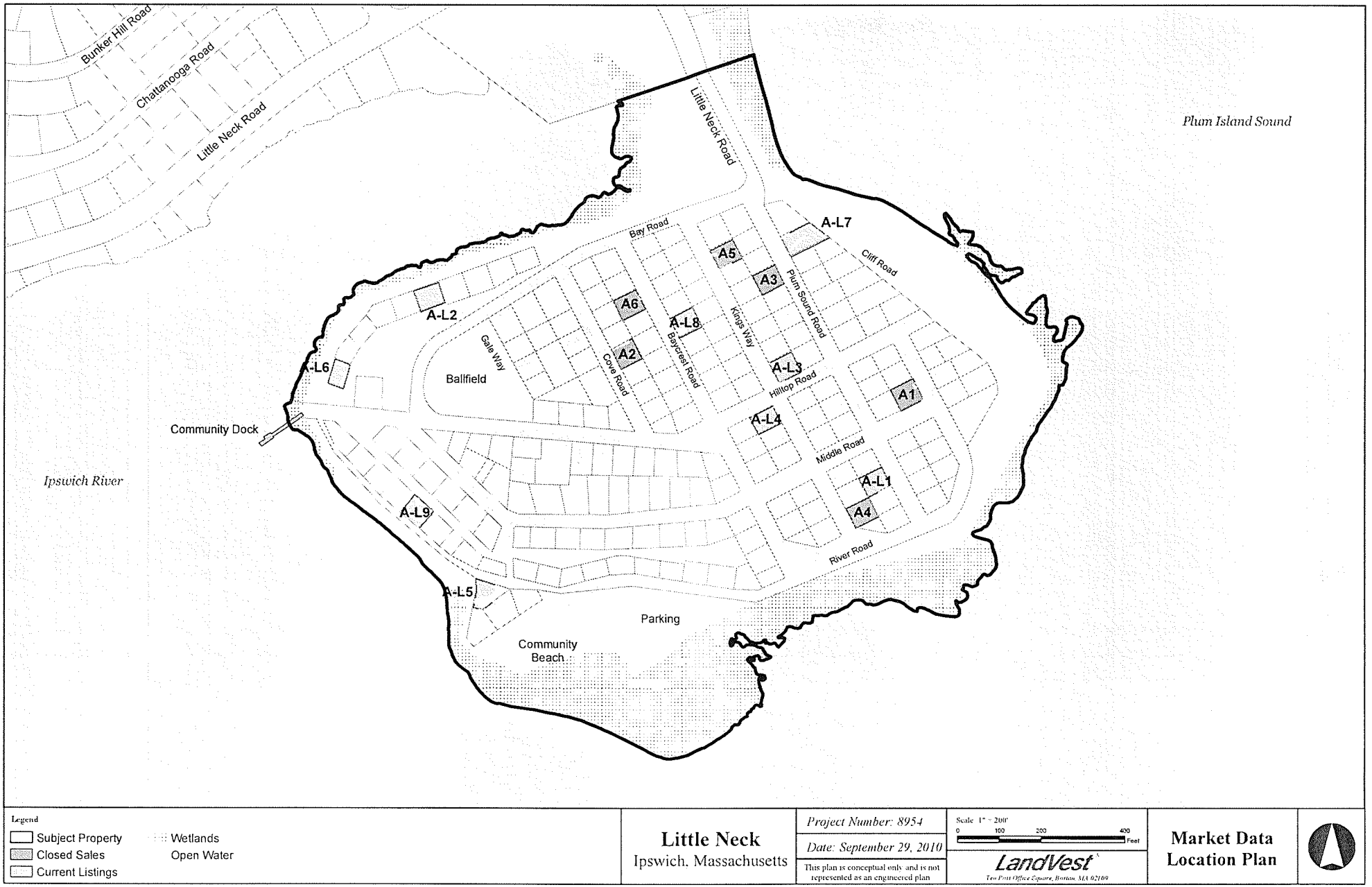
Residence Sale #: A6

Transaction Data:			
Address:	**26 Baycrest Road**	*Sale Date:*	**12/16/09**
Community:	**Little Neck, Ipswich**	*Sale Price:*	**$165,000**
Assessor's Reference:	**24C 069 96**	*Grantor:*	**Not Available**
Conditions of Sale:	**Unknown**	*Grantee:*	**Not Available**

Property Data:			
Land Area:	**3,000 square feet**	*Mechanical Systems:*	**None**
Residence:	**Seasonal Cottage**	*Utilities:*	**Common Sewer, Town Water**
Year Built:	**1930**	*Accessories:*	**None**
Bedrooms/Baths:	**3 / 1**	*Amenities:*	**Screened porch**
Effective Living Area:	**892 square feet**	*Overall Condition:*	**Very Good**

Comments:
Listed at $319,000, reduced six times, sold after 541 days on market. Assessment at sale date: $255,000 ($74,900 building, $180,100 land).

Extracted Land Value:						
Improvements G.L.A.	*Condition*	*Replacement Cost New*	*Depreciation*	*Value of Improvements*	*Landscape @ 10%*	*Extracted Land Value*
892 s.f.	V. Good	$124,880	20%	$99,904	$9,990	***$109,729***



Legend

- Subject Property
- Closed Sales
- Current Listings
- Wetlands
- Open Water

Little Neck
Ipswich, Massachusetts

Project Number: 8954
Date: September 29, 2010
This plan is conceptual only and is not represented as an engineered plan

Scale 1" = 200'
0 100 200 400 Feet

LandVest
Two Post Office Square, Boston, MA 02109

Market Data Location Plan

3. Extracted Lot/Land Value Analysis – Little Neck Closed Sales

The table below summarizes pre-adjusted, extracted lot/land rights values from each of the six closed sales on *Little Neck*. This method is deemed reliable as it utilizes the most accurate value estimates for the improvements value. This process also begins to clarify approximate value levels for various lot types in the neighborhood. These values will be considered in fee simple and condominium conversion options for the property.

Extracted Land/Lot Values – Little Neck Sales

Sale #	Price	Sale Date	Lot Type	Extracted Lot / Land Value*
A1 – 42 Middle Road	$550,000	8/31/07	Interior – Avg.- Good View	***$320,000***
A2 – 9 Cove Road	$339,000	10/12/07	Interior – Marginal View	***$140,000***
A3 – 24 Plum Sound Rd	$400,000	4/14/08	Interior – Avg.-Good View	***$230,000***
A4 – 3 King's Way	$465,000	11/6/08	Interior – Avg. - Good View	***$265,000***
A5 – 27 King's Way	$335,000	7/23/08	Interior – Avg. – Good View	***$210,000***
A6 – 26 Baycrest Road	$165,000	12/16/09	Interior – Marginal View	***$110,000***

* Pre-adjusted, rounded totals.

Based on Ipswich median residential value trends from 2007, sales occurring in 2007 have been adjusted downward some 19%. Sales in 2008 warrant a downward adjustment of only 1.3% and sales in 2009 do not require any adjustment for time/market conditions.

The time-adjusted, extracted lot values from the *Little Neck* sales are summarized as follows:

Sale #	Sale Date	Time Adjustment	Adjusted Lot/Land Value
A1	8/31/07	***-19%***	***$260,000***
A2	10/12/07	***-19%***	***$115,000***
A3	4/14/08	***-1.3%***	***$225,000***
A4	11/6/08	***-1.3%***	***$260,000***
A5	7/23/08	***-1.3%***	***$210,000***
A6	12/16/09	***0***	***$110,000***

This extraction analysis indicates an average lot value of approximately $196,666; an average of $238,750 for average-good view lots and $112,500 for marginal view lots. In my opinion, sales *A3* and *A5* provide the best indication of current value for average-good view lots as they are relatively current and solidly classified in the lot tier gradation. They indicate an average value of $217,500, rounded up to $220,000.

The marginal view lots indicate an average value of $112,500. These lower end sales reflect aggressive seller motivations and Sale A6 was completed in the depth of the current market cycle and litigation. I would adjust these sales upward 20% to reflect stabilized market conditions, resulting in an adjusted, stabilized value of $135,000, rounded.

4. Land Value Analysis – Great Neck Sales

A total of 34 closed sales occurring on Great Neck from 1/31/07 to 10/14/10 are profiled in ***Exhibit B*** (in *Appendix*). The data are analyzed and various median and unit values are then tabulated at the end of the sales table.

All sales occurring from 1/1/ 2009 through October 14, 2010 were analyzed in similar fashion to the closed Little Neck sales and underlying land values, net of the contributory value of existing residential and site improvements, were extracted. As mentioned earlier, Great Neck is an excellent comparables sales reference in Ipswich – perhaps even more reliable that Little Neck – represents a less volatile submarket with highly comparable amenity value. As fee simple sales, Great Neck transactions do require a significant adjustment for property rights conveyed (i.e. fee simple vs. condominium).

The 34 sales indicate a median sale price of $492,000 and extracted lot values for non-waterfront, improved sales occurring since 2009 average $285,000. The median inland lot/land value amounts to $282,000. The direct water front sales analyzed indicated an average lot value of $462,500. Virtually all of the Great Neck lots reviewed offer off-site water views to the north or more interior but still extended southerly views that include the Ipswich River estuary and marsh. Hence, this sales data base provides a reliable cross section of fairly wide-ranging lot types – generally quite similar to Little Neck.

Time adjustments are not warranted but because a condominium form of ownership is vastly different than fee simple, a significant adjustment for property rights conveyed is warranted.

Fee Simple vs. Condominium Rights

Support for a fee simple/condominium adjustment was derived from recent sales data for detached single family and condominium properties in the North Shore communities of Beverly, Ipswich, Marblehead, Salem and Swampscott over the past 12 months. The sales search was specifically limited to 3-bedroom units under both categories. Based on MLS data, a total of 86 3-bedroom **condo units sold at an average sale price of $323,422** following average market exposure of 116 days. The average list price was $339,969 and the average price per square foot was $119. The indicated sale/list ratio is .951.

Over the same period, the same market area saw a total of **380 3-bedroom single family residential sales indicating an average sale price of $378,598** with average market exposure of 106 days. The average list price was $395,599, indicating a sale/list ratio of .957.

This analysis indicates a discount of approximately 17% for condo ownership rights relative to detached single family ownership. I have rounded this premium down to 15% due to the highly consistent market setting and amenity value of Great Neck and Little Neck. Property rights adjustments to the extracted values for inland and direct water front lot/land sale on *Great Neck* are summarized as follows:

Lot/Land Type	Average Fee Value	Condo Adjustment	Adjusted Value*
Inland/Waterview	$285,000	-15%	*$240,000*
Waterfront	$462,500	-15%	*$395,000*

*Rounded totals

The above-outlined adjusted lot value estimates derived from Great Neck sales are generally aligned with the condominium land rights derived from Little Neck sales. Direct shore front lots indicate a premium of nearly 65% over the average inland view lot.

Sales ***Exhibit C*** in the *Appendix* of this report includes a summary of five closed sales occurring on Great Neck from 11/5/04 to 6/4/08 and seven current listings – six of which are located on Great Neck proper or off Jeffrey's Neck Road.

The average lot size of the closed sales is .84± acres and the average sales price (not time-adjusted) is $270,000. The indicated median sale price is $249,333. Time adjustments for declining market conditions (15-20% for pre-2009 sales) would bring these totals into a bracketed value range of $215,000 - $230,000.

The above-outlined analysis of extracted land values from improved sales and a small sampling of closed lot sales provides fairly consistent indications that the baseline value for the subject land condominium rights, assuming an average/good view is approximately $220,000. The overall range of value is quite wide from the low end (i.e. marginal view condo rights) to the high end (i.e. direct waterfront condo rights). This range is roughly $135,000 to $395,000, or 190%. While this range seems inordinately broad, it is important to consider the fact that the basic reason why Little Neck has essentially functioned as a fee simple market with no real security in the underlying land is the extremely high level of value subjective buyers assign to site amenities and spectacular views. Buyers trend to pay up for prime views while disregarding, at least to some extent some of the liabilities associated with lack of land ownership, Feoffee conflicts, etc.

Likewise, in cases where a "lot's" amenity value is not quite as compelling, buyers tend to pay closer attention to the liabilities and uncertainties that run with

Little Neck ownership. Given these somewhat peculiar market dynamics, I believe a value range of 190% is supportable.

Using these three "benchmark" unit values for low end, middle and high end value points (i.e. marginal view, average/good quality and direct waterfront) I have applied additional, interim adjustments to the remaining lot tiers to arrive at a schedule of final, "retail' unit value estimates. Most of the adjustments are subjective in nature and include consideration of varying quality of view, orientation and impacts from roads and public access points.

5. Retail Value Estimates – Land Condominium Rights

The table below summarizes retail value estimates for each of the Lot Tiers outlined in the previous section of this report.

Retail Unit Value Estimates – Tiers 1-9

Lot Tier/Type	# Lots	Market Value Of Land Condo Rights
#1 - Exceptional View/Frontage	4	*$420,000*
#2 - Front Row - Plum Island Sound	7	*$325,000*
#3 - Front Row - Neck Cove/Prime	2	*$240,000*
#4 - Front Row - Neck Cove/Average	7	*$230,000*
#5 - Front Row - Ipswich River/Prime	4	*$365,000*
#6 - Front Row - Ipswich River/Average	19	*$265,000*
#7 - Interior - Excellent View	22	*$250,000*
#8 - Interior – Average/Good View	69	*$220,000*
#9 - Interior - Marginal View	33	*$135,000*
Totals:	*167*	*$37,675,000**

*Note – Total is within 3% of 2010 aggregate assessed value.

As a very general "check" on the above-outlined aggregate retail value of $37,765,000, when capitalized at a "safe" rate range of .0425 - .0525 (current prime of 3.25% plus 1 and 2), the indicated total rental value of the subject property ranges between $1,605,012 and $1,982,662, or $9,610 to $11,872 per land unit. The midpoint of this range is $10,741 - slightly lower but well-reconciled with the current average year round rental rate of $10,800 per unit.

6. Cost of Development Approach – Market Value to Third Party Investor

The financial analysis of ***Concept Plan A*** (Condominium Conversion) assumes a sale to a profit-minded third party investor who would convert the land to a

condominium ownership and resell land interests to both current tenants and, presumably, some new buyers.

The basic line-item expenses accounted for in our discounted cash flow analysis of the third party sale scenario include:

- *Legal, Survey and Architectural expenses associated with completing a condominium declaration (estimated at $400,000);*
- *Legal fees for individual unit closings ($700/unit paid at closing);*
- *Transfer stamps (.456% of sale revenue);*
- *Capital reserves for erosion mitigation (estimated at $900,000 by Vine Associates);*
- *Project Management and O.H. (2% of sales revenue);*
- *Developer profit (see discussion below).*

According to the ***Korpacz Real Investor Survey***, for land development profit requirements for Q2 2010, survey participants quoted free and clear discount rates of 15%-30% for all-cash transactions including develop profit. They quoted a tighter range of 18%-24% for unleveraged single family projects of 1-5 year duration and 50-760 acres in size. Most of the respondents were preparing discounted cash flowing analyses free and clear of debt; rates include developer's profit (a blended discount rate) and are applicable to entitled projects only.

After reviewing *Korpacz* and other real estate publications, with consideration for the subject property's excellent location and lack of direct market competition, we have applied a 15% Discount Rate to account for the effect of time value on money and "Entrepreneurial Profit", which is also known as "Incentive Profit", or the investment return required to attract an investor to the project. The actual return may be higher or lower than the expected rate. The risk portion of the discount rate is the more volatile component of the rate, especially considering the all-cash, unleveraged nature of the investment. A higher-than-anticipated tenant attrition rate would add considerable risk that might warrant a discount rate of 20-30%. However, an outside investor would essentially be seen as a deal facilitator with a relatively captive pool of self-interested buyers. However, the level of initial equity investment required to secure the subject property is quite *considerable* – warranting a fair return over a somewhat aggressive projected absorption period of 4 years.

The discounted cash flow (*Table I - DCF*) statement on the following page provides a summary of pricing, absorption and cost assumptions incorporated in a projected 4-year sellout of the project.

In accordance with the analyses performed, the estimated Market Value (rounded) of the 35± acre subject property assuming a 167 unit condominium conversion as of September 11, 2010 was:

$25,400,000

(TWENTY FIVE MILLION FOUR HUNDRED THOUSAND DOLLARS)

The above-outlined Market Value estimate indicates average unit values of $725,714 per gross acre and $152,095 per condominium unit (land only).

Table I - Discounted Cash Flow Analysis

Little Neck Estate - Ipswich, Massachusetts - Market value to Third Party Buyer

LandVest®

ESTIMATED PRESENT VALUE:	**$25,412,208**
LESS MORTGAGE BALANCE:	
Market Value (Rounded)	**$25,400,000**

Indicated Average Unit Value: ***$152,095***

ASSUMPTIONS:		**# Units**		**Unit Value**	**Description**
Tax Rate/$1,000 of Value @ 100% Valuation	**$11.54**	**4**	**@**	**$420,000**	**Tier 1: Exceptional view/frontage**
Market & Advertising Cost	**0%**	**7**	**@**	**$325,000**	**Tier 2: Front Row/Plum Island Sound (values consider erosion)**
CPI (Costs)	**3.0%**	**2**	**@**	**$240,000**	**Tier 3: Front Row/Neck Cove/Prime**
Appreciation Rate	**0.0%**	**7**	**@**	**$230,000**	**Tier 4: Front Row/Neck Cove/Average**
		4	**@**	**$365,000**	**Tier 5: Front Row - Ipswich River/Prime**
Discount Rate:	**15.00%**	**19**	**@**	**$265,000**	**Tier 6: Front Row/Ipswich River/Avg.**
(Unleveraged IRR)		**22**	**@**	**$250,000**	**Tier 7: Interior-Excellent View**
		69	**@**	**$220,000**	**Tier 8: Interior-Average-Good View**
		33	**@**	**$135,000**	**Tier 9: Interior-Marginal View**
		167		**$37,675,000**	**(TOTAL RETAIL VALUE)**

NUMBER SALES/YEAR	YEARS	0	1	2	3	4	5	6	7	8	9	10	TOTAL
Tier 1: Exceptional view/frontage		0	4	0	0	0	0	0	0	0	0	0	4
Tier 2: Front Row/Plum Island Sound (values consider erosion)		0	4	3	0	0	0	0	0	0	0	0	7
Tier 3: Front Row/Neck Cove/Prime		0	2	0	0	0	0	0	0	0	0	0	2
Tier 4: Front Row/Neck Cove/Average		0	3	4	0	0	0	0	0	0	0	0	7
Tier 5: Front Row - Ipswich River/Prime		0	2	2	0	0	0	0	0	0	0	0	4
Tier 6: Front Row/Ipswich River/Avg.		0	6	5	4	4	0	0	0	0	0	0	19
Tier 7: Interior-Excellent View		0	8	8	6	0	0	0	0	0	0	0	22
Tier 8: Interior-Average-Good View		0	8	15	25	21	0	0	0	0	0	0	69
Tier 9: Interior-Marginal View		0	5	13	10	5	0	0	0	0	0	0	33
TOTAL SALES/YR		0	42	50	45	30	0	0	0	0	0	0	167
	APPRECIATION	0.0%	0.0%	0.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
PROJECTED REVENUES ($000)													
Tier 1: Exceptional view/frontage		$0	$1,680	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1,680
Tier 2: Front Row/Plum Island Sound (values consider erosion)		$0	$1,300	$975	$0	$0	$0	$0	$0	$0	$0	$0	$2,275
Tier 3: Front Row/Neck Cove/Prime		$0	$480	$0	$0	$0	$0	$0	$0	$0	$0	$0	$480
Tier 4: Front Row/Neck Cove/Average		$0	$690	$920	$0	$0	$0	$0	$0	$0	$0	$0	$1,610
Tier 5: Front Row - Ipswich River/Prime		$0	$730	$730	$0	$0	$0	$0	$0	$0	$0	$0	$1,460
Tier 6: Front Row/Ipswich River/Avg.		$0	$1,590	$1,325	$1,060	$1,060	$0	$0	$0	$0	$0	$0	$5,035
Tier 7: Interior-Excellent View		$0	$2,000	$2,000	$1,500	$0	$0	$0	$0	$0	$0	$0	$5,500
Tier 8: Interior-Average-Good View		$0	$1,760	$3,300	$5,500	$4,620	$0	$0	$0	$0	$0	$0	$15,180
Tier 9: Interior-Marginal View		$0	$675	$1,755	$1,350	$675	$0	$0	$0	$0	$0	$0	$4,455
TOTAL ANNUAL GROSS REVENUES ($000)		$0	$10,905	$11,005	$9,410	$6,355	$0	$0	$0	$0	$0	$0	$37,675
	Ann. Gross Rev w/Appreciation		$10,905	$11,005	$9,598	$6,612	$0	$0	$0	$0	$0	$0	
	Cummulative Gross Revenues		$10,905	$21,910	$31,508	$38,120	$38,120	$38,120	$38,120	$38,120	$38,120	$38,120	
	Remaining Gross Retail Value	$37,675	$26,770	$15,770	$6,490	$10	$10	$10	$10	$10	$10	$10	
DIRECT COSTS	Length/Unit / Unit Cost												
Soil Testing/Septic Designs	0 $0.00		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Erosion Control/Mitigation	1 $900,000.00		$300	$309	$318	$0	$0	$0	$0	$0	$0	$0	$927
Streetscape	0 $0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	DIRECT SUBTOTAL X CPI		$309	$328	$347	$0	$0	$0	$0	$0	$0	$0	$984
INDIRECT COSTS													
Marketing & Advertising	0.00%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Condominium Declaration	$400,000		$400	$0	$0	$0	$0	$0	$0	$0	$0	$0	$400
Legal - Lot Sales (Title/Deed/Recording)	$700 /Lot		$29	$35	$31	$21	$0	$0	$0	$0	$0	$0	$116
Survey/Subdivision Plan and Approval	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Demolition/Site Restoration	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$15
			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Interest on Direct Costs	0.00%		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
R.E. Taxes (Actual)	$11.54		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Property Maintenance	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Transfer Tax	0.460%		$50	$51	$44	$30	$0	$0	$0	$0	$0	$0	$175
Project Management & Overhead	2.00%		$218	$220	$192	$132	$0	$0	$0	$0	$0	$0	$762
Contingency(%Dir+Indir Costs)	0.00%		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	INDIRECT SUBTOTAL X CPI	$0	$718	$324	$292	$207	$0	$0	$0	$0	$0	$0	$1,469
Profit as % of Gross Sales	0.00%		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TOTAL COSTS ($000)		$0	$1,245	$872	$831	$339	$0	$0	$0	$0	$0	$0	$3,288
NET REVENUES ($000)		$0	$9,660	$10,133	$8,767	$6,273	$0	$0	$0	$0	$0	$0	$34,832
Discount Factor		1.00	0.87	0.76	0.66	0.57	0.50	0.43	0.38	0.33	0.28	0.25	
Present Value of Annual Receipts		**$0**	**$8,400**	**$7,662**	**$5,764**	**$3,586**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	
CURRENT MARKET VALUE ESTIMATE ($000)		>>>>>>>	>>>>>>>	>>>>>>>>>	>>>>>>>>>	>>>>>>>>

7. Direct Capitalization – Summary Analysis

The following summary application of the income approach is intended as a basic "check" on the third party market value of $25,400,000. While the last few years of operation are not considered stabilized, I have attempted to disseminate average fixed and variable expenses from the Feoffees' 2009 operating statement in the calculation of a reasonably accurate Net Operating Income (NOI). I have also assumed an average year-round market rental rate of $10,800, as provided by the Feoffees. Direct Capitalization involves the analysis of a single year's income and expenses where the resulting net operating income is capitalized by an overall rate to derive value. It is most applicable in cases where income and expenses are not expected to fluctuate greatly from year to year.

A summary application of Direct Capitalization is summarized as follows:

Potential Gross Income: (167 units x $10,800)	**$1,803,600**
Less Vacancy/Collection Loss: (Assumed at 4%)	($72,252)
Effective Gross Income:	**$1,731,348**

Less operating Expenses:

- Taxes:	$18,572
- General Legal Fees:	$120,000
- Management Fees:	$44,000
- Repairs:	$74,575
- Utilities:	$18,658
- Accounting:	$10,000
- Billing:	$10,653
- Police Details:	$5,983
- Engineering:	$6,490
- Insurance:	$5,668
- Office Expense:	$4,303
- Dock Removal/Storage:	$2,057
- State Fees:	$1,570
Total Expenses:	**($285,385)**

Net Operating Income:	**$1,428,035**
Cap Rate Range; .0525 - .0625 (Prime plus 2 and 3)	($1,428,035/.0525 & .0635)
Indicated Market Value Range:	**$22,848,560 - $27,200,666**
Rounded Range:	**$22,850,000 - $27,200,000**

The mid-point of the above outlined value range is $25,025,000. The technical accuracy of this analysis is diminished, to some extent, by the absence of market-derived capitalization rates from comparable sales and the lack of any published market index of rates for the subject property type. However, though it was not employed as a primary valuation method, the direct capitalization analysis provides a reasonable measure of support for the third party fee value of $25,400,000.

C. VALUATION OF *PLAN B* – LAND AS THOUGH VACANT

Concept Plan B illustrates our opinion as to the potential carrying capacity of the subject property as though vacant and available for conforming development to highest and best use. The conceptual subdivision plan assumes an overall density of 24 conventional lots accessed by a 2,900 l.f. interior subdivision road laid out to either Lane or Local Street standards. Road gradient waivers would be required as several areas of the new road (partially laid out over the existing road network) would exceed 10%. Hence, the approval of Plan B is considered *quite speculative* and the valuation of the subject property as though vacant is largely intended to illustrate the approximate value premium associated with the non-conforming density of 167 units on 35± gross acres (28± upland acres).

Retail Lot Valuation

Unlike the preceding condo analysis, the 24 subject lots per ***Plan B*** would include fee simple ownership. There are no directly comparable, 1+ acre waterfront comparables in the recent market. Accordingly, I have applied gross positive adjustments to the previously applied base waterfront unit value ($395,000) of 15% (for fee simple ownership) and 20% for increased lot size and privacy. The resulting retail value estimate for the average waterfront lot amounts to $535,000. Interior lots offering exceptional offsite views are valued based on a similar set of positive adjustments to Tier 7 – Excellent view units ($250,000) from the condominium analysis, though I have applied a more significant positive adjustment of 25% for view enhancement at the lesser density at the top of the hill. The resulting average retail value estimate for the interior view lots per concept ***Plan B*** amounts to $400,000, rounded.

The discounted cash flow statement (*Table II – DCF* - two pages forward) provides a tabular summary of all pricing, absorption, cost and profit assumptions incorporated over a projected four-year project duration.

Based on this analysis, it is my opinion that the Market Value (rounded) of the subject property as though vacant as of September 11, 2010 assuming speculative approval of a 24-lot conventional subdivision was:

$7,220,000

(SEVEN MILLION TWO HUNDRED TWENTY THOUSAND DOLLARS)

The above-outlined market value estimate indicates unit values of $206,285 per gross acre and $300,833 per approved residential building lot. These net unit values reflect an overall discount of approximately 71.7% from the Condominium Conversion option outlined under ***Plan A***.

TABLE II - DISCOUNTED CASH FLOW ANALYSIS
Third Party Buyer - Value as Though Vacant

LandVest®

ESTIMATED PV OF LAND:	$7,223,610
Blank	$0
Total Market Value of Subject Property:	$7,223,610

$300,984 Price Per Approved Lot
Rounded: $7,220,000 15.00% IRR
25.48% Profit as % of Appreciated Gross Sales

ASSUMPTIONS:		# Units		Unit Value	Description
Tax Rate/$1,000 of Value @ 100% Valuation	$11.54	16	@	$535,000	Category 1: Waterfront Lots
Market & Advertising Cost	5%	8	@	$400,000	Category 2: Interior View Lots
CPI (Costs)	3.0%	0	@	$0	Category 3:
Appreciation Rate	3.0%	0	@	$0	Category 4:
		0	@	$0	Category 5:
Discount Rate:	15.00%	0	@	$0	Category 6:
		0	@	0	Category 9:
		24		$11,760,000	(TOTAL RETAIL VALUE)

NUMBER SALES/YEAR	YEARS	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	TOTAL
Category 1: Waterfront Lots		0	4	4	4	4	0	0	0	0	0	0	16
Category 2: Interior View Lots		0	2	2	2	2	0	0	0	0	0	0	8
Category 3:		0	0	0	0	0	0	0	0	0	0	0	0
Category 4:		0	0	0	0	0	0	0	0	0	0	0	0
Category 5:		0	0	0	0	0	0	0	0	0	0	0	0
Category 6:		0	0	0	0	0	0	0	0	0	0	0	0
Category 9:		0	0	0	0	0	0	0	0	0	0	0	0
TOTAL SALES/YR		0	6	6	6	6	0	0	0	0	0	0	24
	APPRECIATION	0.0%	0.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
PROJECTED REVENUES ($000)													
Category 1: Waterfront Lots		$0	$2,140	$2,140	$2,140	$2,140	$0	$0	$0	$0	$0	$0	$8,560
Category 2: Interior View Lots		$0	$800	$800	$800	$800	$0	$0	$0	$0	$0	$0	$3,200
Category 3:		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Category 4:		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Category 5:		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Category 6:		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Category 9:		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TOTAL ANNUAL GROSS REVENUES ($000)		$0	$2,940	$2,940	$2,940	$2,940	$0	$0	$0	$0	$0	$0	$11,760
	Ann. Gross Rev w/Appreciation		$2,940	$3,028	$3,119	$3,213	$0	$0	$0	$0	$0	$0	
	Cummulative Gross Revenues		$2,940	$5,968	$9,087	$12,300	$12,300	$12,300	$12,300	$12,300	$12,300	$12,300	
	Remaining Gross Retail Value	$11,760	$8,820	$6,060	$3,120	$0	$0	$0	$0	$0	$0	$0	
DIRECT COSTS	Length/Unit Unit Cost												
Wetland Crossing	1 $50,000 /LS		$50	$0	$0	$0	$0	$0	$0	$0	$0	$0	$50
New Road Construction	2900 $250 /LS		$365	$374		$0	$0	$0	$0	$0	$0	$0	$739
Site Clean-up & House Demo	1 $75,000 /LS		$75	$0	$0	$0	$0	$0	$0	$0	$0	$0	$75
Sewer Connection Fees	1 $5,000 /Lot		$5	$0	$0	$0	$0	$0	$0	$0	$0	$0	$5
	0 $0 /Lot		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	DIRECT SUBTOTAL X CPI		$510	$397	$0	$0	$0	$0	$0	$0	$0	$0	$907
INDIRECT COSTS													
Marketing & Advertising	5.00%	$0	$147	$147	$147	$147	$0	$0	$0	$0	$0	$0	$588
Legal Services (Permitting)	$25,000 /LS		$25	$0	$0	$0	$0	$0	$0	$0	$0	$0	$25
Legal - Lot Sales (Title/Deed/Recording)	$700 /Lot		$4	$4	$4	$4	$0	$0	$0	$0	$0	$0	$17
Filing & Inspection Fees (Town, Utilities, Services)	$10,000 /LS		$10	$0	$0	$0	$0	$0	$0	$0	$0	$0	$10
Surveying & Engineering	$2,500 /Lot		$60	$0	$0	$0	$0	$0	$0	$0	$0	$0	$60
Wetland Delineation & Lot Surveys	$1,000 /Lot		$24	$0	$0	$0	$0	$0	$0	$0	$0	$0	$15
Security Bond Carrying Cost @ Prime+2%	0.00%		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Interest on Direct Costs	0.00%		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
R.E. Taxes (Actual)	$11.54		$81	$59	$37	$13	$0	$0	$0	$0	$0	$0	$190
Property Maintenance	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Transfer Tax	0.460%		$14	$14	$14	$15	$0	$0	$0	$0	$0	$0	$57
Project Management & Overhead	0.00%		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Contingency(%Dir+Indir Costs)	0.00%		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	INDIRECT SUBTOTAL X CPI	$0	$375	$238	$221	$201	$0	$0	$0	$0	$0	$0	$1,036
Profit as % of Gross Sales	0.00%		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TOTAL COSTS ($000)		$0	$885	$635	$221	$201	$0	$0	$0	$0	$0	$0	$1,942
NET REVENUES ($000)		$0	$2,055	$2,393	$2,898	$3,012	$0	$0	$0	$0	$0	$0	$10,357
Discount Factor		1.00	0.87	0.76	0.66	0.57	0.50	0.43	0.38	0.33	0.28	0.25	
Present Value of Annual Receipts		$0	$1,787	$1,810	$1,905	$1,722	$0	$0	$0	$0	$0	$0	
CURRENT MARKET VALUE ESTIMATE ($000)		>>>>>>>>>	>>>>>>>>

LandVest®

APPENDIX

Appraiser Certification

Qualifications of the Appraiser

Sales *Exhibit A*

Current and Expired Listing Sheets – Little Neck

Sales *Exhibit B*

Sales *Exhibit C*

LandVest®

Appraiser Certification

LandVest®

CERTIFICATION OF VALUE

I hereby certify that:

1. I have made a personal inspection of the property that is the subject of this report.

2. To the best of my knowledge and belief, the statements of fact and the opinions contained in this report are true and correct.

3. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and my personal, unbiased professional analyses, opinions, and conclusions.

4. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.

5. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

6. This appraisal was not based on a requested minimum valuation, specific valuation or approval of a loan.

7. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of The Appraisal Institute, as well as the Uniform Standards of Professional Appraisal Practice of the Appraisal Institute. I am currently licensed as a Certified General Appraiser in Massachusetts (CG #3481), Vermont (C.G.#0000212), and New Hampshire (C.G.#669).

8. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

9. No one provided significant professional assistance to the person(s) signing this report.



Appraiser: _____ Date: 10/25/10

James E. Monahan

LandVest®

Qualifications of the Appraiser

LandVest®

JAMES E. MONAHAN

Senior Advisor, Real Estate Consulting Group, LandVest, Inc.

James E. Monahan is a *Senior Advisor* with the Real Estate Consulting Group of LandVest, a broad-based real estate company involved in all aspects of land planning, real estate brokerage, broad-scope consulting, development, and conservation planning. As Senior Advisor, he is responsible for oversight and management of residential and commercial real property appraisals, development feasibility studies, land use planning and design, conservation planning and implementation of limited development projects. Mr. Monahan's specific area of expertise involves the design, valuation and implementation of multi-use disposition plans for privately-held land in the context of generational asset/estate planning.

Prior to joining the firm in 1989, Mr. Monahan was Project Manager with the Massachusetts Department of Environmental Management where his responsibilities included design and engineering studies, contract documents, and construction management on a variety of projects including site design for the restoration of Walden Pond Reservation in Concord, acquisition and site planning for Halibut Point State Park, and site design and contract administration for the expansion of Ashland State Park. Additionally, as co-founder of Landforms, Inc., he has worked as a design/build consultant on various residential and commercial design projects throughout Boston's North Shore.

Mr. Monahan received a Bachelor of Arts degree in Liberal Studies from St. Anselm's College, Manchester, New Hampshire in 1982 and a Master of Arts degree in Landscape Design from the Conway School of Design in 1985. He is a Certified General Appraiser in the state of Massachusetts (CG-#3481), Vermont (CG #080-212), Virginia (CG #4001008676) and New Hampshire (CG #669) and is an *Affiliate Member* of *The Appraisal Institute.*

Sales *Exhibit A*

LandVest®

EXHIBIT A
Little Neck Sales and Listings Overview
2007 - Present

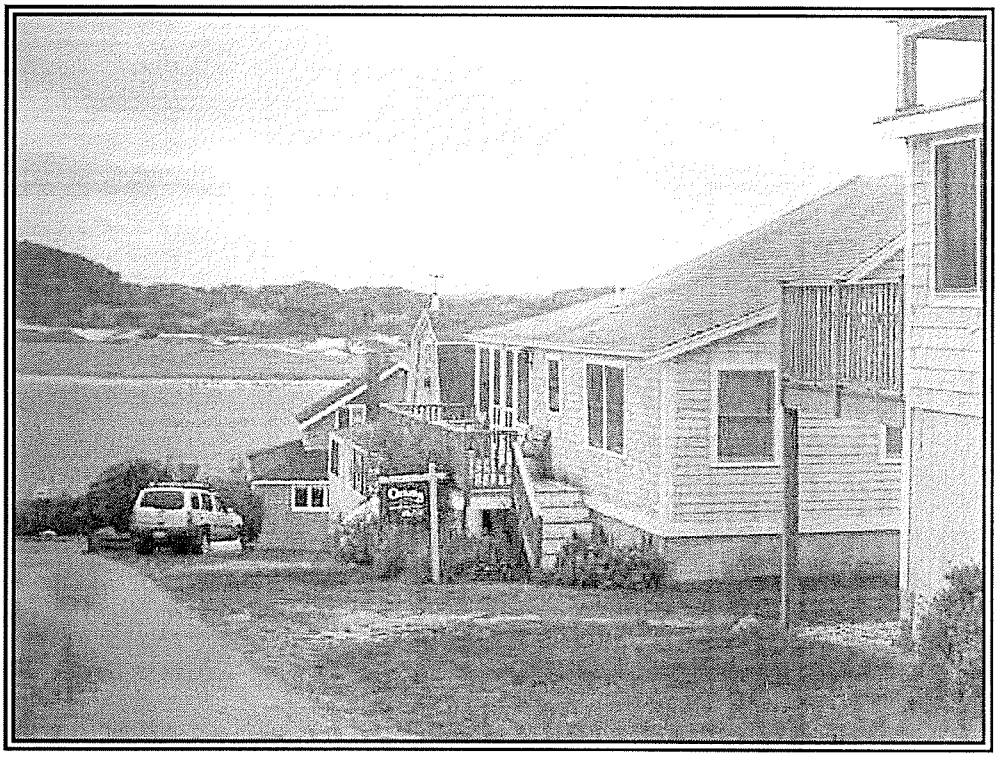
Sale No.	Location	Date of Sale	Sale Price	Lot Size	Indicated Lot Price / sf	Living Area	Owner	Tax Parcel ID	Assessed Value at Sale Date (Building/ Land)	Comments
SALES										
A1	42 Middle Road Ipswich	8/31/07	***$550,000***	3,000 sf	$183/sf	1,378 sf	Daniel Leonard	Map 24C, Block 69, Lot 161	$345,500 ($132,200 / $213,300)	C1910 seasonal cottage in good condition with four bedrooms and one and a half baths. Listed at $575,000, sold after 852 days on market.
A2	9 Cove Road Ipswich	10/12/07	***$339,000***	3,000 sf	$113/sf	1,354 sf	George P. Sousa	Map 24C, Block 69, Lot 87	$423,800 ($210,500 / $213,300)	C1910 summer cottage, rebuilt in 1998, with two bedrooms and one and a half baths. Sold fully furnished, after 15 days on market.
A3	24 Plum Sound Road Ipswich	4/14/08	***$400,000***	3,000 sf	$133/sf	1,392 sf	Kerri McDonald-Shaub	Map 24C, Block 69, Lot 144	$291,400 ($105,900 / $185,500)	C1910 cottage, fully renovated and well maintained, with three bedrooms and one and a half bathrooms. Listed at $445,000. Sold fully furnished, after 185 days on market.
A4	3 King's Way Ipswich	11/6/08	***$465,000***	3,000 sf	$155/sf	912 sf	Michael Torrisi	Map 24C, Block 69, Lot 133	$362,700 ($72,400 / $290,300)	C1920 Seasonal camp with three bedrooms and one bath in 912 sf living area.
A5	27 King's Way Ipswich	7/23/08	***$335,000***	3,000 sf	$112/sf	892 sf	John Cook	Map 24C. Block 69, Lot 122	$284,600 ($104,500 / $180,100)	C1936 summer cottage, updated in 1989, with two bedrooms and one bath. Originally listed at $425,000, price reduced five times, sold after 778 days on market.

Sale No.	Location	Date of Sale	Sale Price	Lot Size	Indicated Lot Price / sf	Living Area	Owner	Tax Parcel ID	Assessed Value at Sale Date (Building/ Land)	Comments
A6	26 Baycrest Road Ipswich	12/16/09	***$165,000***	3,000 sf	$55/sf	1,032 sf	Not Available	Map 24C, Block 69, Lot 96	$255,000 ($74,900 / $180,100)	C1930 seasonal cottage with three bedrooms and one bath, and large screened porch. Listed at $319,000, reduced six times, sold after 541 days on market.
LISTINGS – Current and Recently Ended										
A-L1	6 Plum Sound Road Ipswich	Current Listing, 110 days on market	$375,000	3,000 sf	$125/sf	1,160 sf	Not Available	Map 24C, Block 69, Lot 136	$329,400 ($106,600 / $222,800) FY2010	C1920 two-story seasonal cottage with interior and exterior updates. Includes three bedrooms, one bath and a screened-in porch. Views of the Ipswich River towards Fox Creek.
A-L2	23 Bay Road Ipswich	Current Listing, 368 days on market	$259,000	3,000 sf	$86/sf	800 sf	Not Available	Map 24C, Block 69, Lot 65	$287,000 ($64,200 / $222,800) FY2010	C1910 two-story seasonal cottage with two bedrooms, an updated kitchen and bath, and a screened-in porch.
A-L3	24 Hilltop Road Ipswich	Current Listing, 80 days on market	$399,000	3,000 sf	$133/sf	1,408 sf	Not Available	Map 24C, Block 69, Lot 127	$303,000 ($107,200 / $195,800) FY2010	C1930 summer cottage with three bedrooms, one bath, a stone fireplace and wrap-around porch. Reduced from asking price of $415,000.
A-L4	35 Hilltop Road Ipswich	Current Listing, 551 days on market	$579,900	3,000 sf	$193/sf	852 sf	Not Available	Map 24C, Block 69, Lot 114	$284,200 ($88,400 / $195,800) FY2010	C1935 summer cottage with four bedrooms, one bath, a fireplace, wrap-around porch, and second-level deck.
A-L5	50 River Road Ipswich	Current Listing, 437 days on market	$599,000	3,360 sf	$178/sf	1,779 sf	Not Available	Map 24C, Block 69, Lot 12	$432,300 ($84,500 / $347,800) FY2010	C1910 waterfront summer cottage with nine rooms, including five bedrooms, one bathroom, a living room with fireplace, an enclosed and an open porch. Reduced twice from original asking price of $625,000.

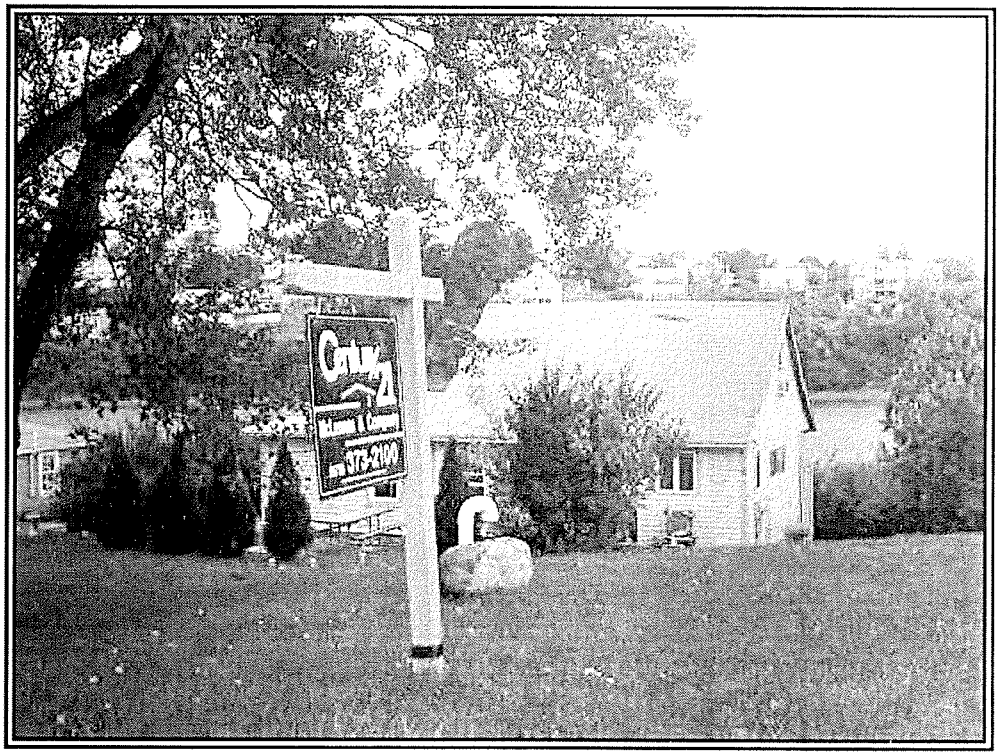
Sale No.	Location	Date of Sale	Sale Price	Lot Size	Indicated Lot Price / sf	Living Area	Owner	Tax Parcel ID	Assessed Value at Sale Date (Building/ Land)	Comments
A-L6	33 Bay Road Ipswich	Expired 8/30/10, 920 days on market	$585,000	2400 sf	$244/sf	1,318 sf	Not Available	Map 24C, Block 69, Lot 60	$303,600 ($125,400 / $178,200) FY2010	C1930 waterfront summer cottage with three bedrooms, one bath, a living room with fireplace, an enclosed porch, and a separate storage shed. To be sold partially furnished. Reduced from original asking price of $625,000.
A-L7	25 Plum Sound Road Ipswich	Cancelled 9/3/10, 218 days on market	$595,000	4680 sf	$127/sf	2,265 sf	Not Available	Map 24C, Block 69, Lot 148	$574,600 ($207,800 / $366,800) FY2010	C2005 waterfront Contemporary includes three bedrooms, two bathrooms and a lavatory. Cottage was last sold in 2004 for $370,000, and the buyers built a new home in 2005.
A-L8	21 Bay Crest Road Ipswich	Cancelled 8/19/10, 870 days on market	$339,900	3000 sf	$113/sf	926 sf	Not Available	Map 24C, Block 69, Lot 102	$278,000 ($82,200 / $195,800) FY2010	C1935 seasonal cottage with two bedrooms and one bath.
A-L9	55 River Road Ipswich	Expired 9/6/10, 193 days on market	$425,000	3000 sf	$142/sf	1,018 sf	Not Available	Map 24C, Block 69, Lot 005	$412,400 ($80,200 / $332,200) FY2010	C1910 seasonal cottage, with two bedrooms and one bathroom. Property listed for sale on and off (974 days total) since March 2006, with listing price ranging from a high of $575,000 to a low of $425,000.

LandVest®

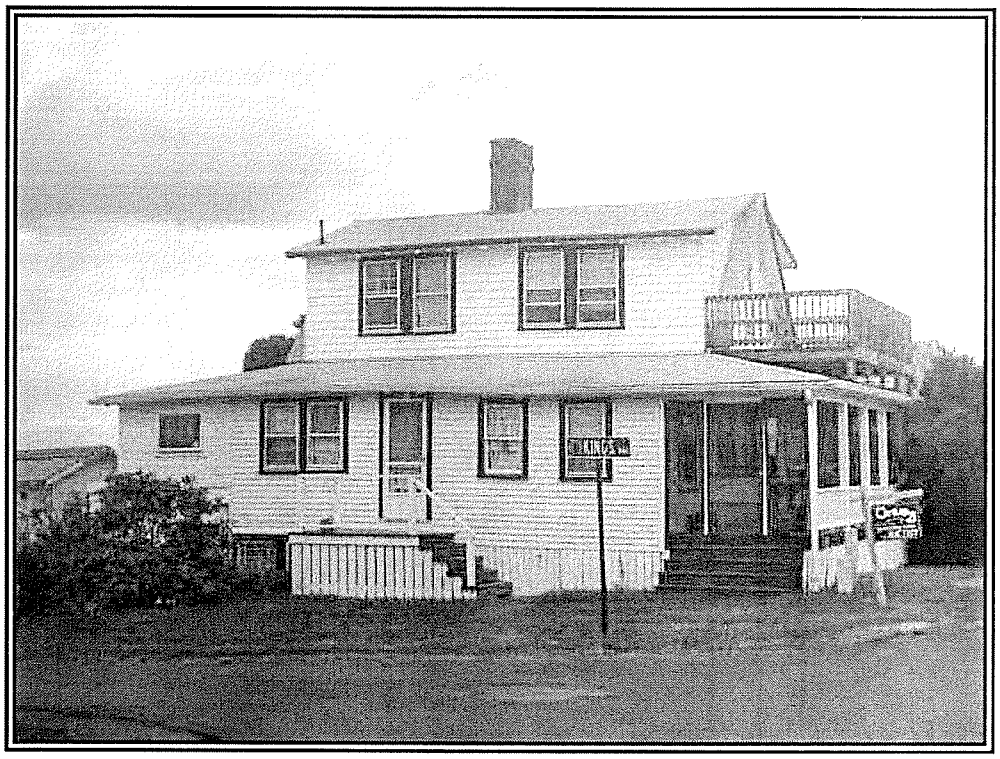
Current and Expired Listing Sheets – Little Neck



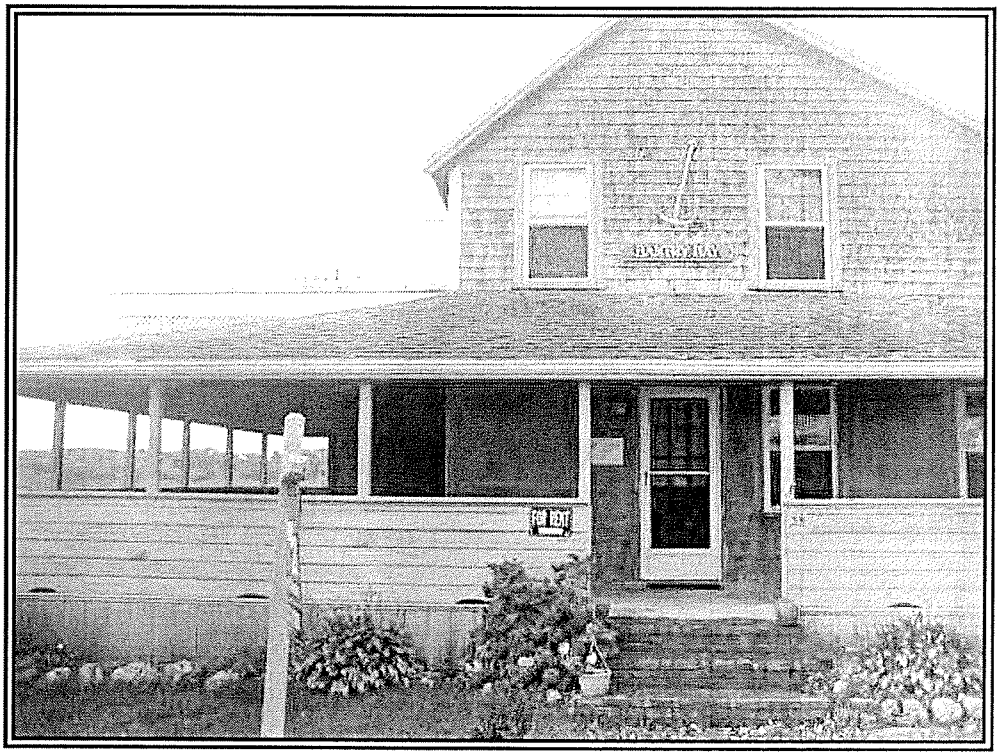
L1: 6 Plum Sound Road. Listed at $375,000, 110 days on market.



L2: 23 Bay Road. Listed at $259,000, 368 days on market.



L3: 24 Hilltop Road. Listed at $399,000, 80 days on market.



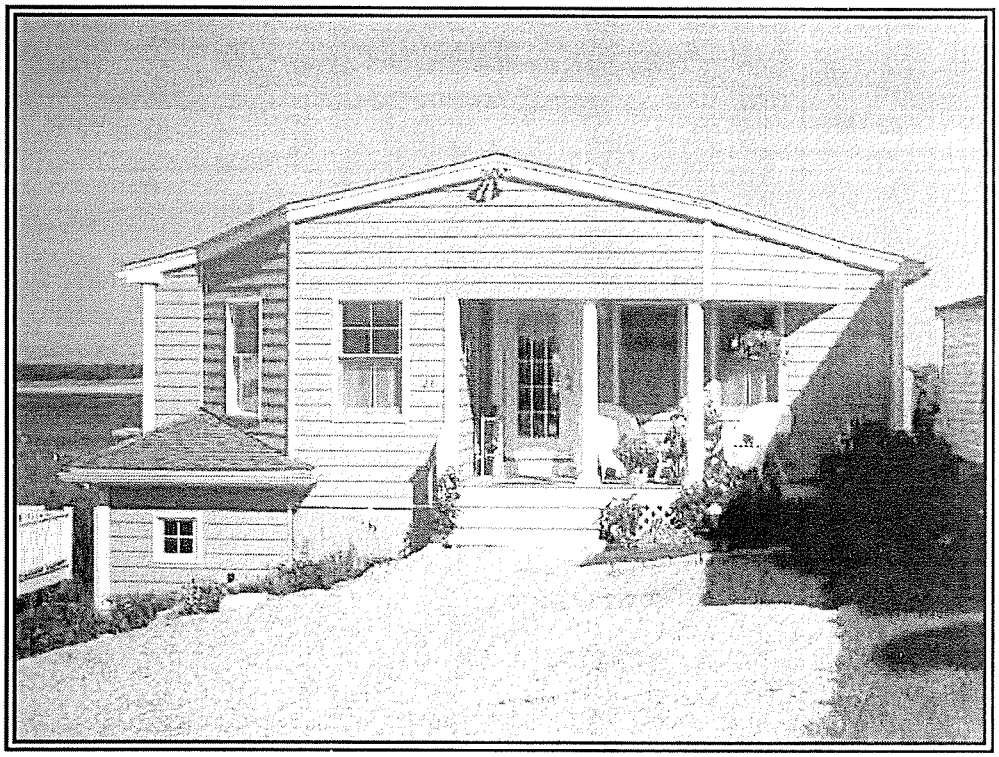
L4: 35 Hilltop Road. Listed at $579,900, 551 days on market.



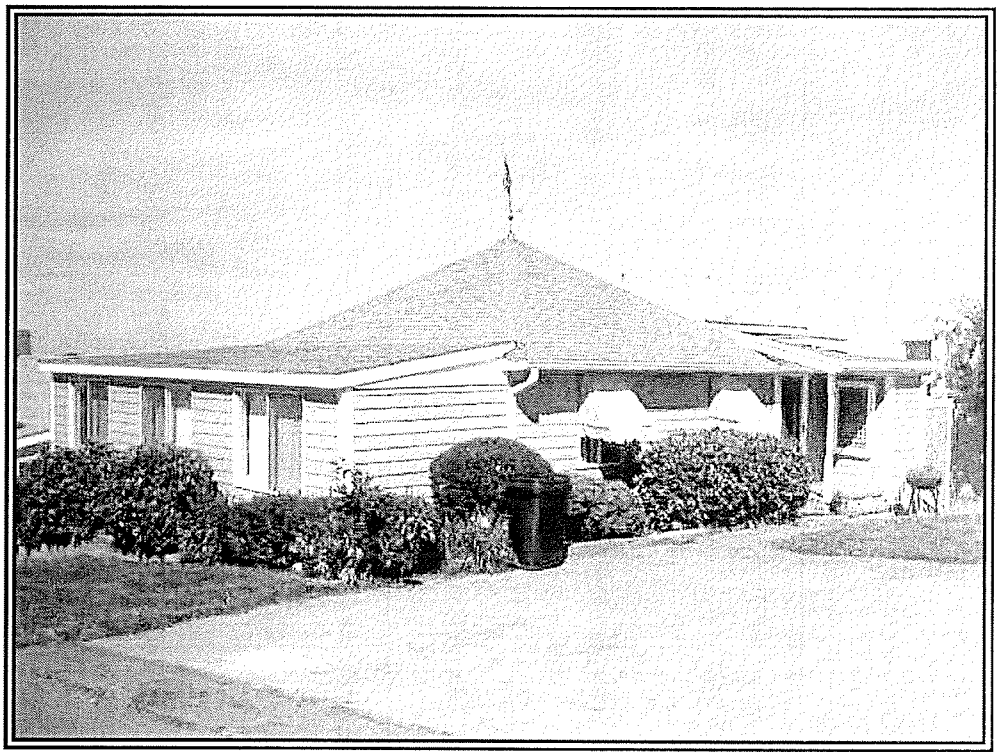
L5: 50 River Road. Listed at $599,000, 437 days on market.



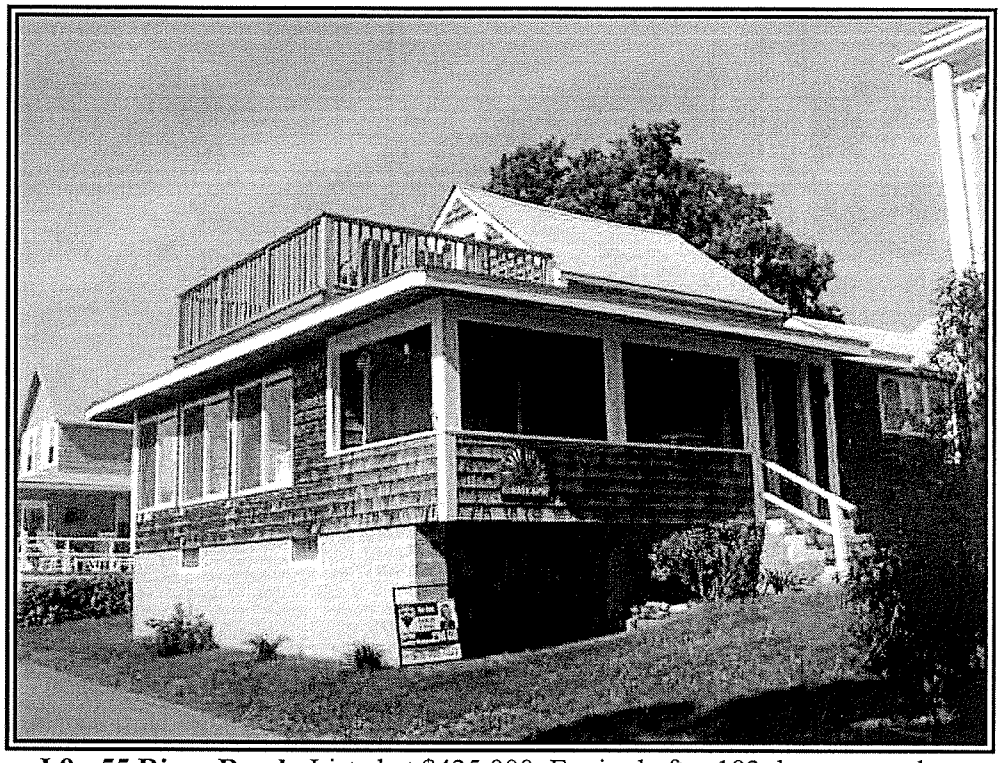
L6: 33 Bay Road. Listed at $585,000, Expired after 920 days on market.



L7: 25 Plum Sound Road. Listed at $595,000, Cancelled after 218 days on market.



L8: 21 Bay Crest Road. Listed at $399,900, Cancelled after 870 days on market.



L9: 55 River Road. Listed at $425,000, Expired after 193 days on market.

Sales *Exhibit B*

LandVest®

EXHIBIT B
Residential Estate Sales Overview
Great Neck Market
2007-Present

Sale No.	Location	Date of Sale	Sale Price	Lot Size (Acres)	Indicated Price / Acre	Grantor / Grantee	Book / Page	Comments
B1	22 Bay View Road Ipswich	1/31/07	***$630,000***	.083	$7,590,361	Derek Carroll, Tr. / Kathleen Marie Guay	26529 / 10 Map 24A, Lot 64	C2004 Colonial with three bedrooms, one bathroom and one lavatory in 1,658 sf living area. Located at the corner of Bayview and Clark Roads, this elevated site offers partially-obstructed but panoramic water views of Ipswich Bay, Plum Island, and Crane Beach. Assessed at $684,800 ($242,800 building, $442,000 land). Listed for $709,000, reduced twice and sold after 276 days on market.
B2	69 Skytop Road Ipswich	2/1/07	***$370,000***	.306	$1,209,150	William Stobbs / Cynthia B. Brown	26532 / 281 Map 15C, Lot 77	C1967 Ranch with three bedrooms, two bathrooms and a lavatory in 2,764 sf living area. The house abuts conservation land and has elevated, unobstructed marsh views to the southeast and limited distant water views towards Gloucester. Includes a prepared 4-bedroom septic design, to be installed by purchaser. Assessed at $638,100 ($224,200 building, $413,900 land). Listed at $500,000, sold after 196 days on market.
B3	25 North Ridge Road Ipswich	2/5/07	***$499,900***	.189	$2,644,974	Arthur H. Leslie, Jr., Tr., / Ann B. McMenemy	26541 / 147 Map 15C, Lot 10	C1940 Raised Ranch with 1,750 sf living area in three levels, including two bedrooms, one bathroom a family room with wood stove, an updated kitchen and open living dining room. Located on the south side of North Ridge road, the site has northwesterly views of the Eagle Hill River towards the Parker River. Assessed at $546,700 ($156,100 improvements, $390,600 land). Reduced twice from $579,000, sold after 487 days on market.
B4	100 Little Neck Road Ipswich	5/21/07	***$575,000***	.138	$4,166,667	Thomas P. Fuller / Bart Lawrence, Tr.	26884 / 555 Map 23D, Lot 13	C1927 Camp style building with two bedrooms and one bath in 1,479 sf living area. Assessed at $503,500 ($116,000 building, $387,500 land).

Sale No.	Location	Date of Sale	Sale Price	Lot Size (Acres)	Indicated Price / Acre	Grantor / Grantee	Book / Page	Comments
B5	81 North Ridge Road Ipswich	5/31/07	***$473,000***	.632	$748,418	Charles R. Richey, Tr. / Joseph R. Doyle	26888 / 149 Map 15B, Lot 33, and Map 15D, Lot 113	C1947 Ranch with two bedrooms and one bath in 1,092 sf living area. Irregularly-shaped, rolling parcel has 160 sf frontage on North Ridge Road and 100 sf frontage on Skytop Road. Assessed at $602,700 ($113,900 building, $488,800 land).
B6	19 Skytop Road Ipswich	6/29/07	***$400,000***	.238	$1,680,672	Paul. R. VanAlmkerk / Peter M. Tisevich	26981 / 270 Map 15D, Lot 118	C1950 Contemporary, completely renovated in 1990, with three bedrooms and two baths in 2,042 sf living area. Located at the corner of Skytop and Merganser roads, across from the US Naval Radar Station, and with obstructed northerly views to Ipswich Bay. Assessed at $561,000 ($112,400 building, $448,600 land). Reduced six times from original list of $587,000, sold after 287 days on market.
B7	10 Appomattox Road Ipswich	8/10/07	***$400,000***	.294	$1,360,544	Cynthia M. Dooley / Gregory J. Smith, Tr.	27094 / 510 Map 23D, Lot 51A	C1960 Ranch with three bedrooms and one bathroom in 1,440 sf living area. Assessed at $549,900 ($137,900 building, $412,000 land).
B8	41 Island Park Road Ipswich	8/23/07	***$417,000***	.229	$1,820,961	Brent A. Bagley / Ian Guarino, Tr.	27129 / 179 Map 23C, Lot 31A	C1953 Conventional style home with three bedrooms and one bath in 2,164 sf living area. Assessed at $492,000 ($257,700 building, $234,400 land). Reduced twice from $459,000, sold after 152 days on market.
B9	1 Bunker Hill Road Ipswich	8/23/07	***$477,000***	.284	$1,679,577	Ronald F. Lennon, Tr. / Robert D. Hill	28102 / 51 Map 24A, Lot 4	C1945 Contemporary, fully modernized in recent years, with two bedrooms and two baths, a 24x24 great room, office, den, loft and new kitchen in 2,556 sf living area. Elevated, corner lot on Stage Hill and Bunker Hill Roads, with distant views to Plum Island sound. Assessed at $597,800 ($187,400 building, $410,400 land). Reduced eight times from original list of $725,000, sold after 444 days on market.

Sale No.	Location	Date of Sale	Sale Price	Lot Size (Acres)	Indicated Price / Acre	Grantor / Grantee	Book / Page	Comments
B10	47 North Ridge Road Ipswich	9/13/07	***$360,000***	.119	$3,025,210	James O'Donohoe, Tr. / Gerard A. Beauchamp, Tr.	27181 / 539 Map 15C, Lot 1	C1960 ranch with two bedrooms and one bathroom in 1,016 sf living area. Corner lot on the south side of Northridge and the west side of Goldfinch. Assessed at $561,000 ($112,400 building, $448,600 land). Listed at $539,000, reduced to $349,000, sold after 76 days on market.
B11	2 Alamo Road Ipswich	10/5/07	***$375,000***	.23	$1,630,435	Robert P. Riley / Michael Mroz	27236 / 125 Map 24A, Lot 52	C1935 Camp style building with one bedroom and one bathroom in 988 sf living area. House may have one or two allowable bedrooms, depending on final septic inspection. Views to south end of Plum Island, Crane Beach and Cape Ann. Assessed at $569,300 ($100,400 building, $468,900 land). Listed at $519,900, sold after 105 days on market.
B12	121 Littleneck Road Ipswich	11/26/07	***$750,000***	.499	$1,503,006	Prudential Relocation Inc. / Anthony Lochtefeld, Tr.	27350 / 187 Map 24C, Lot 195	C1987 Cape with three bedrooms and two baths in 2,351 sf living area. Road-bisected lot has direct tidal access to Ipswich River and house has southerly views to Little Neck, the Ipswich River and marshes. Living room and dining room with cathedral ceiling and fireplace, new granite kitchen, wrap around deck with enclosed 3-season porch, landscaped lot with in-ground irrigation system. Assessed at $658,100 ($190,100 improvements, $458,000 land). Listed at $789,000, sold after 124 days on market.
B13	106 North Ridge Road Ipswich	12/19/07	***$775,000***	.172	$4,505,814	Gerald E. Smith, Tr / Charles A. Laughton, Tr	27402 / 305 Map 15B, Lot 24	C1943 Cape, recently updated, with two bedrooms and three baths, screened porch, hardwood floors, marble fireplace, and central air in 2,363 sf living area. Elevated location on north side of the road offers views distant panoramic views from the Maine Coast to Cape Ann. Assessed at $665,100 ($229,600 building, $435,500 land). Listed at $875,300, sold after 94 days on market.
B14	66 North Ridge Road Ipswich	1/8/08	***$1,000,000***	.337	$2,967,359	John T. Beagan / Richard B. Fairbanks Tr.	27444 / 414 Map 15A, Lot 11	C1981 Colonial with 2,911 sf living area. Direct waterfront access and expansive views of Plum Island and the Atlantic Ocean from this steeply sloping site. Assessed at $881,000 ($270,400 improvements, $610,600 land). Purchasers built a new house in 2008.

Sale No.	Location	Date of Sale	Sale Price	Lot Size (Acres)	Indicated Price / Acre	Grantor / Grantee	Book / Page	Comments
B15	104 Little Neck Road Ipswich	1/25/08	***$300,000***	.133	$2,255,639	Catherine M. Breaker / Benhamin M. Gorniewicz	27478 / 364 Map 23D, Lot 15	C1940 Camp style home with two bedrooms and one bath in 1,485 sf living area. Located at the "back" of Great Neck, with views towards the Ipswich River and marshes. Assessed at $349,400 ($40,000 building, $309,400 land).
B16	65 Skytop Road Ipswich	3/14/08	***$515,000***	.306	$1,683,007	Richard S. Emery, Tr / Skytop Realty LLC	27607 / 413 Map 15C, Lot 75	C1970 Conventional home with three bedrooms and two and a half baths in 2,302 sf living area. House built into side of sloping site, with southerly views towards the marshes, and westerly views to Eagle Hill River. Assessed at $536,000 ($205,500 improvements, $331,000 land). Reduced three times from $649,000, sold after 253 days on market.
B17	3 Chattanooga Road Ipswich	4/15/08	***$334,000***	.096	$3,479,167	Pamela W. Carlson / John F. Mara	27694 / 220 Map 24C, Lot 186	C1946 Bungalow with one bedroom and one bath in 1,288 sf living area, with southeasterly views towards Pavilion Beach and Little Neck. Assessed at $373,600 ($96,100 building, $277,500 land). Listed at $369,000, sold after 154 days on market.
B18	32 Appomattox Road Ipswich	6/11/08	***$430,000***	.16	$2,687,500	Wayne A. Sanborn / Elizabeth Raycroft	27843 / 362 Map 23B, Lot 21A	C1940 Ranch with two bedrooms and one bath in 1,330 sf living area, located on an elevated site with frontage on Plover Hill Road and Appomattox Road. Northerly views to Clark Pond and Beach, Ipswich Bay and Plum Island. Seller to provide approved septic design. Assessed at $442,700 ($129,000 building, $312,800 land) at time of sale. Listed at $469,000; sold after 171 days on market.
B19	39 Bay View Road Ipswich	1/29/09	***$486,000***	.171	$2,842,105	Albert J. Howes, Tr. / Charles J. Badavas, Tr.	28277 / 535 Map 24A, Lot 82	C1945 Cape with two four bedrooms and two bathrooms in 1,650 sf living area. Distant panoramic views to the Parker River, Clark Pond and Beach, Plum Island and beyond. Assessed at $562,000 ($144,700 building, $417,300 land). Listed at $590,000, sold after 190 days on market. ***Extracted Land Value: $340,000.***

Sale No.	Location	Date of Sale	Sale Price	Lot Size (Acres)	Indicated Price / Acre	Grantor / Grantee	Book / Page	Comments
B20	116 Little Neck Road Ipswich	3/17/09	***$252,500***	.227	$1,112,335	Edward R. Herling / Robert Thomson Smith, Tr.	28410 / 178 Map 24C, Lot 178	C1935 Camp style building with one bedroom and one bath in 952 sf living area. House gutted and partially renovated at time of sale. Southerly views to Little Neck, Ipswich River and marshlands. Assessed at $370,600 ($59,200 improvement, $307,800 land). Listed at $305,500, sold after three days on market. ***Extracted Land Value: $200,000.***
B21	11 Bunker Hill Road Ipswich	3/24/09	***$320,000***	.239	$1,338,912	Robert R. Sweet, Sr., Tr. / Kathleen D. Schildbach, Tr.	28430 / 3 Map 23D, Lot 45	C1952 Camp style building with three bedrooms and two bathrooms in 1,402 sf living area. Lot has frontage on both Appomattox and Bunker Hill Roads, and offers distant marsh views. 3-Bedroom septic system installed in 2006. Assessed at $396,900 ($$87,700 building, $309,200 land). Listed at $349,000, sold after 65 days on market. ***Extracted Land Value: $240,000.***
B22	3 Island Park Road Ipswich	3/31/09	***$430,000***	.501	$858,283	Meredith C. McMorrow / Bruce M. Barker	27655 / 338 Map 23C, Lot 41	C1962 Ranch with two bedrooms and two baths in 1,204 sf living area. Located at the south side of Island Park Road, with little, if any, view of the marshes. Assessed at $373,500 ($134,600 improvements, $238,900 land). ***Extracted Land Value: $270,000.***
B23	4 North Ridge Road Ipswich	7/31/09	***$595,000***	.183	$3,251,366	Elizabeth M. Graves / Susan M. McGrath	28830 / 400 Map 15C, Lot 25	C1999 waterfront Bungalow with two bedrooms, one bath, one lavatory, a living room with fireplace and cathedral ceilings and deck, in a single level with 1,262 sf living area. Unobstructed, northerly panoramic views to Plum Island from this low-elevation, direct water frontage lot. Assessed at $708,400 ($132,900 building, $575,500 land). Listed at $699,000, sold after 134 days on market. ***Extracted Land Value: $475,000.***
B24	26 Bay View Road Ipswich	12/7/09	***$645,000***	.165	$3,909,091	David H. Bryant / Julanne Phillips	29126 / 572 Map 24A, Lot 66	Northerly views over neighboring houses to the sand bars of Clark Beach, the Ipswich Bay, Plum Island and the Atlantic ocean beyond. Ipswich 120 feet of frontage on Bay View Road. Assessed at $629,100 ($212,800 Improvements, $416,300 land). Reduced three times f rom $749,900, sold after 236 days on market. ***Extracted Land Value: $410,000.***

Sale No.	Location	Date of Sale	Sale Price	Lot Size (Acres)	Indicated Price / Acre	Grantor / Grantee	Book / Page	Comments
B25	112 Little Neck Road Ipswich	1/15/10	***$330,000***	.184	$1,793,478	Mary J. Putur / Keith W. Iwanicki	29216 / 418 Map 23D, Lot 19	C1939 Ranch, with four bedrooms and two baths in 1,546 sf living area. The property has southerly views across the street and a town-owned waterfront strip parcel towards the Ipswich River and the dunes and marshes of the Crane Estate. Parcel has 100 feet frontage on Little Neck Road and 80 feet of frontage on an undeveloped paper road known as Ironside Way. Assessed at $444,600 ($173,200 Improvements, $271,400 Land). Reduced four times from $495,000, sold after 152 days on market. ***Extracted Land Value: $190,000.***
B26	29 Chattanooga Road Ipswich	1/22/10	***$395,000***	.175	$2,257,143	Joseph F. Nixon / Edward Sullivan	29232 / 357 Map 23D, Lot 26	C1989 Split Entry home with two bedrooms and two baths in 1,700 sf living area. 100 feet road frontage. Assessed at $425,300 ($168,400 building, $256,900 land). ***Extracted Land Value: $230,000.***
B27	10 Goldfinch Way Ipswich	3/19/10	***$385,000***	.308	$1,250,000	The 10 Goldfinch Way Trust / Raymond D. Moore	29341 / 510 Map 15D, Lot 129	C1966 Ranch with 100 feet of road frontage on a cul-de-sac, abutting conservation land. The 1,066 sf house has two bedrooms, one bathroom and a fireplace, as well as limited distant marsh views from a wrap-around deck. Installation of new 3-bedroom septic system included in purchase price. Assessed at 405,500 at time of sale ($120,800 building, $284,700 land). Sold at $10,000 above asking price after 3 days on market. ***Extracted Land Value: $265,000.***
B28	15 Bunker Hill Road Ipswich	4/26/10	***$551,000***	.287	$1,919,861	Cheryl Henderson / Robert A. Imlach	29423 / 490 Map 23D, Lot 44	C1997 Colonial with three bedrooms and three baths in 2,080 sf of living area. Elevated site, with southerly views to the Essex River. Little Neck and tidal marshland. 60 feet of frontage on Appomattox Road and 90 feet of frontage on Bunker Hill Road. Assessed at $572,300 ($318,100 improvements, $254,200 land). Listed at $595,500, sold after 145 days on market. ***Extracted Land Value: $240,000.***

Sale No.	Location	Date of Sale	Sale Price	Lot Size (Acres)	Indicated Price / Acre	Grantor / Grantee	Book / Page	Comments
B29	24 North Ridge Road Ipswich	5/18/10	***$612,500***	.262	$2,337,786	Geraldine E. Sotiropoulos, TR / Patricia H. Bodenstab	29469 / 192 Map 15C, Lot 35	C1940 Ranch with water frontage on Plum Island Sound and northwest views to hundreds of acres of marchland and Plum Island. The updated two-bedroom, two-bath home has 2,309 sf living area. Buyer to pay for 2-bedroom septic installation. Assessed at $697,900 ($163,700 improvements, $534,200 land). Listed at $699,900, sold after 217 days on market. ***Extracted Land Value: $450,000.***
B30	86 Little Neck Road Ipswich	6/15/10	***$558,600***	.143	$3,906,294	George E. Perkins / Stephen D. Kelleher	29530 / 331 23D, Lot 7 and Map 23D, Lot 52A	C1940 updated home with two bedrooms and two baths in 2,613 sf living area. Sale includes two land parcels: a .143 acre parcel with improvements on the north side of Little Neck road, and a vacant, .147 acre unbuildable strip parcel on the south side of the road, with nearly 100 feet of frontage on the Great Neck Creek and unobstructed views of the Ipswich River and marshes. The improved parcel is assessed at $438,300 ($171,400 improvements, $266,900 land) and the strip parcel is assessed at $5,100. Listed at $599,900, sold after 78 days on market. ***Extracted Land Value: $335,000.***
B31	16 Chattanooga Road Ipswich	7/2/10	***$290,000***	.242	$1,198,347	Kenneth J. Torok, Sr. / Gjyl Mustafa	29581 / 147 Map 23D, Lot 16	C1952 Seasonal Camp in average condition with one bedroom and one bathroom in 480 sf living area. The parcel has 160 feet road frontage and is approximately 60 feet deep. Subject to slope easement rights and a notice of restriction. Assessed at $299,600 ($49,700 improvements, $249,900 land). ***Extracted Land Value: $230,000.***
B32	4 Alamo Road Ipswich	8/6/10	***$637,000***	.199	$3,201,005	Edward J. Pineault / Julie Bellet	29663 / 397 Map 24A, Lot 53	C2002 Contemporary with two bedrooms and two bathrooms in a two-level home with 2,320 sf of living area. Property has 65 feet of frontage on Alamo Road and 74 feet of frontage on Hillside Road. Set on an elevated site, the property has northeast views across the top of other properties toward the Ipswich Bay and Plum Island. Assessed at $507,200 ($234,200 building, $273,000 land). Property last sold in October 2004 for $695,000. Listed for $699,000, sold after 51 days on market. ***Extracted Land Value: $335,000.***

Sale No.	Location	Date of Sale	Sale Price	Lot Size (Acres)	Indicated Price / Acre	Grantor / Grantee	Book / Page	Comments
B33	46 Skytop Road Ipswich	8/12/10	***$880,000***	.457	$1,925,602	Donald E. Bowen, Jr. / Thomas Paul Hamilton	29677 / 237 Map 15C, Lot 82	C1965 home, completely renovated and updated, with three bedrooms, two and a half baths, radiant heat, central vacuum, two fireplaces and hardwood floors throughout the 3,156 sf of living area. Elevated site at the top of Skytop Road, with northerly views to Plum Island Sound, Plum Island, and the Atlantic ocean. Energy-efficient home with solar collectors. 100 feet of road frontage. Assessed at $621,700 ($320,800 building, $300,900 land). Listed at $925,000, sold after 134 days on market. ***Extracted Land Value: $395,000.***
B34	59 Skytop Road Ipswich	10/14/20	***$550,000***	.34	$1,617,647	Not Yet Recorded	Map 15C, Lot 70	C1986 Contemporary with two bedrooms and two baths in 1,410 sf living area. Features a wall of windows facing Plum Island Sound. Title V approved system in 2010. Assessed at $492,600 ($204,600 building, $288 land). Reduced from $629,900 to $550,000, under agreement after 73 days on market. ***Extracted Land Value: $315,000.***

LandVest®

Sales *Exhibit C*

LandVest®

EXHIBIT C
Residential Lot Sales and Listings Overview
Ipswich Waterfront Market
2004-Present

Sale No.	Location	Date of Sale	Sale Price	Lot Size (Acres)	Indicated Price / Acre	Grantor / Grantee	Book / Page	Comments
SALES								
C1	40 and 42 Chattanooga Road Ipswich	11/5/04	$248,000	1.5	$165,333	Sara Carpenter, Tr / Eric L. Primack	23595 / 489 Map 23B, Lot 75 and 75A	Two parcel assemblage of wooded, elevated, sloped site on Great Neck with views to the Great Marsh. Lot has frontage on both Chattanooga and Little Neck Roads. Purchased as a foreclosure sale, with a then-current assessment of $442,000. Property has subsequently been marketed for more than three years with an asking price reduced from a high of $425,000 to the current listing at 389,000.
C2	7 Egret Court Ipswich	4/14/06	$440,000	1.67	$263,473	Proprietors of Great Neck / Michael J. Hoey	25569 / 107 Map 15C, Lot 69	Sloping, hilltop site overlooking Plum Island sound and Great Marsh. Three bedroom septic installed, land cleared. Subject to easements. 628 DOM.
C3	11 Mulholland Drive Ipswich	5/4/06	250,000	.47	$531,914	Estelle B. Bolles, Tr / Hugh F. O'Flynn, Tr	Map 23B, Parcel 107	Elevated parcel with 125 feet of road frontage on Mulholland Drive, purchased by abutter at Map 23A, Parcel 20. Property not exposed to open market.
C4	9 Mulholland Drive Ipswich	5/4/06	250,000	.47	$531,914	Estelle B. Bolles, Tr / Hugh F. O'Flynn, Tr	25636 / 481 Map 23A, Lot 22	Elevated parcel with 125 feet of road frontage on Mulholland Drive, purchased by abutter at Parcel 20. Property not exposed to open market.

Sale No.	Location	Date of Sale	Sale Price	Lot Size (Acres)	Indicated Price / Acre	Grantor / Grantee	Book / Page	Comments
C5	26 Hillside Road Ipswich	6/4/08	$164,160	.116	$1,415,172	Town of Ipswich / Paul Gilligan, TR	27826 / 316 Map 23B, Lot 33	Vacant, level, parcel located at the southwest corner of Hillside and Capeview Roads. The subject of a 1989 tax taking by the town, the property sold at public auction, at which time it was assessed at $307,300. Purchasers installed a mounded septic system and built a new home in 2009 with two bedrooms and two baths.
LISTINGS								
C-L1	50 Labor in Vain Road Ipswich	6/25/08 List Date	$450,000	2	$225,000	Not Available	Map 44, Lot 9	Irregularly-shaped field and forest lot with seasonal views to the Ipswich River across the adjacent, town-owned Nichols Field conservation property. 322 feet of frontage on quiet, dead-end country road near Labor in Vain Creek and Ipswich River. Property perked in 2008. Reduced from $495,000. May be purchased with adjacent riverfront single family house at 46 Labor in Vain Road.
C-L2	75 Jeffreys Neck Road Ipswich	2/19/09 List Date	$75,000	.13	$576,923	Not Available	Map 22D, Lot 4	Vacant lot with 60 feet of road frontage. Buyer to assume all engineering, permitting and testing fees. Listing price reduced from $150,000.
C-L2	53 Island Park Road Ipswich	4/25/09 List Date	$175,000	1.22	$143,443	Not Available	Map 23C, Lot 39A	Private, wooded and wetland lot at the end of a dead end street, surrounded by protected marshland. Road extension to the site is the responsibility of the buyer. Plans are available for road and building site.
C-L3	85 North Ridge Road Ipswich	8/28/09 List Date	$365,000	.21	$1,738,095	Not Available	Map 15D, Lot 79A	Level lot with 100 feet of road frontage and views to the Ipswich Bay and Plum Island. Two good perk tests on file with the Ipswich Board of Health. Reduced from $395,000; listing expired in September 2010 after 369 days on market. Property had previously been listed but not sold in November 2007 and cancelled in September 2008 with an asking price of $350,000.
C-L4	40 Chattanooga Road Ipswich	9/16/09 List Date	$374,900	1.26	$297,540	Not Available	Map 23B, Lot 75	Two-tax parcel assemblage of wooded, elevated, sloping site on Great Neck with views across the Ipswich marsh to the Eagle Hill River. Located on unpaved road. Lot has frontage on both Chattanooga and Little Neck Roads. Reduced from $389,000; listing expired in August 2010 after 319 days on market.

Sale No.	Location	Date of Sale	Sale Price	Lot Size (Acres)	Indicated Price / Acre	Grantor / Grantee	Book / Page	Comments
C-L5	118 North Ridge Road Ipswich	2/16/2010 List Date	$375,000	.19	$1,974,648	Not Available	Map 15D, Lot 5	Water views from cleared, sloping lot with 60 feet of road frontage. Price includes an approved three-bedroom septic design, building permit, and a set of cape-style house plans. Assessed at $378,300. Asking price reduced from $398,500.
C-L6	51 North Ridge Road Ipswich	3/2/10 List Date	$399,000	.28	$1,425,000	Not Available	Map 15A, Lot 16	Elevated, sloping, corner lot with views of Plum Island Sound. Property contains a C1950 single family home in average condition, although the property value resides in the underlying land. Reduced from original price of $420,000; assessed in 2010 at 476,100 (393,800 for land portion).

LandVest®
Slater Anderson

About Slater Anderson

Slater Anderson is a Senior Advisor and Appraiser with the Real Estate Consulting Group at LandVest. As Senior Advisor and Appraiser, he is responsible for residential and commercial appraisals, development feasibility studies, land use planning and design, implementation of development and conservation projects, and brokerage services. Mr. Anderson has been with LandVest since August 1999.

Significant Sales:

- Fieldstone Farm
- South Wharf
- Cragmere
- Quok Meadows
- Forbes Woods
- Dedham Hill top Estate
- Horseshoe Lane
- Codman Point
- 50 Common Street
- Cannon Hill
- Kenmore Road
- Marion Waterfront Compound
- Governor McCall House
- Lake Pahagaco

Prior Experience: Prior to joining LandVest, Mr. Anderson was GIS Manager and Planner with the Metropolitan Area Planning Council where his responsibilities included management of GIS mapping projects, proposal writing, and public outreach. The Metropolitan Area Planning Council serves 101 cities and towns surrounding Boston, Massachusetts. From 1992 to 1994, Mr. Anderson worked for an architectural firm in Jackson, Wyoming assisting in the design of residential homes.

Education:

- Undergraduate Studies: Connecticut College Bachelor of Arts, Liberal Arts / 1992
- Graduate Studies: University of Massachusetts – Amherst, Master of Regional Planning / 1996

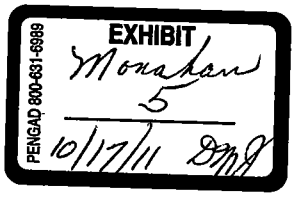
Organizations and Activities:

- Master Senior Appraiser, National Association of Master Appraisers
- Certified Planner (Inactive), American Institute of Certified Planners
- Associated Member, City of Cambridge, MA, Board of Zoning Appeals
- Member, Town of Gosnold, MA, Long Range Planning Committee

Licenses/Certifications:

- **Certified General Real Estate Appraiser -**
  - Massachusetts (LIC # 70909)
  - Connecticut (LIC # 0001089)
  - Rhode Island (LIC # A013335G)
  - California
- **Real Estate Salesperson Licenses –**
  - Massachusetts (#9034418)
  - Rhode Island (#S33130)
- **Expert Witness, Massachusetts Appellate Tax Board and local jurisdictions**

View all Current Listings



LandVest®

APPRAISAL REPORT

Feoffees Of The Grammar School Property
Ipswich, Massachusetts

Located at:
Little Neck Estate
Ipswich, Massachusetts 01938

Effective Valuation Date:
December 16, 2005

Report Date:
January 6, 2006

Requested by:
Alexander B. C. Mulholland, Jr., Chairman
Feoffees of the Grammar School
PO Box 790
Ipswich, MA 01938

Prepared by:
Slater W. Anderson, Project Manager
Real Estate Consulting Group
LandVest, Inc.
Ten Post Office Square
Boston, MA 02109

Report #4539



LandVest®
Distinctive Properties • Real Estate Consulting & Appraisal • Forestry Consulting
TEN POST OFFICE SQUARE, BOSTON, MASSACHUSETTS 02109

REGIONAL OFFICES

148 Middle Street
Portland, ME 04101
Telephone 207 774-8518
Fax 207 774-5845

22 Bayview Street
P.O. Box 1262
Camden, ME 04843
Telephone 207 236-3543
Fax 207 236-2172

4A Tracy Road
P.O. Box 1068
Northeast Harbor, ME 04662
Telephone 207 276-3840
Fax 207 276-3837

126 College Street
Burlington, VT 05401
Telephone 802 660-2900
Fax 802 660-2543

One The Green
Woodstock, VT 05091
Telephone 802 457-4977
Fax 802 457-9021

19 South Summer Street
P.O. Box 459
Martha's Vineyard
Edgartown, MA 02539
Telephone 508 627-4400
Fax 508 627-7044

16 Centre Street
Concord, NH 03301
Telephone 603 228-2020
Fax 603 226-4391

January 6, 2006

Alexander B. C. Mulholland, Jr., Chairman
Feoffees of the Grammar School
PO Box 790
Ipswich, MA 01938

RE: Appraisal Report Update
"Little Neck Estate" - Ipswich, Massachusetts

Dear Mr. Mulholland:

In accordance with your request, we have re-inspected the above-referenced real property generally known as the *Little Neck Estate* in Ipswich, southern Essex County, Massachusetts for the purposes of providing the Feoffees of the Grammar School in Ipswich with an updated opinion of the property's *Market Value.*

The attached document represents a "complete appraisal" within a USPAP-compliant Restricted Use Report format. The attached report includes updated opinions regarding the subject property's market value to a third party buyer and investment value assuming purchase by the currant tenancy. The attached appraisal constitutes an update of LandVest's original real estate advisory report dated April 15, 1997 and update reports as of December 1, 2000 and February 13, 2004. The previous reports are included herein by reference.

Based on our inspections, research and analyses, it is our opinion that as of December 16, 2004 (date of most recent inspection) that the market value of a fee simple interest in the subject property, assuming a condominium conversion of the underlying land was:

Market Value - Third Party Buyer:	$10,800,000
Investment Value - To Current Tenancy:	$13,400,000

TELEPHONE: 617 723-1800
FAX: 617 482-7957
WEB: www.landvest.com

Additional documentation in support of the above-outlined value opinions is provided within the attached report, respectfully submitted for your review.

Sincerely,

Slater W. Anderson
Project Manager
Real Estate Consulting Group
LandVest, Inc.
(MA Gen. Cert. #70909)

APPRAISAL REPORT

1. **Report Type**:

USPAP-complaint, *Restricted-Use* appraisal report intended for Client use only.

2. **Intended Use of Appraisal**:

This appraisal report is intended for use by the Feoffees of the Grammar School in Ipswich, Massachusetts and authorized assigns to facilitate an internal accounting of Market Value and a review on-going management/disposition options.

3. **Property Identification:**

The subject property is *generally* located at the end of Jeffrey's Neck Road in the easterly portion of the Town of Ipswich. The address is commonly referred to as the *Little Neck Estate* (Ipswich Assessor's Map 24C). As of the effective valuation date, Fee Simple Title of the subject property vested in The Feoffees of the Grammar School in Ipswich, c/o Donald Whiston.

4. **Property Interest Appraised:**

Fee Simple Estate

Fee Simple Estate is defined as:

Absolute ownership unencumbered by any other interest or estate; subject only to the limitations of eminent domain, escheat, police power, and taxation.[1]

5. **Purpose of Appraisal:**

The purpose of this appraisal is to provide the Client with updated opinions regarding the *Highest and Best Use* and *Market Value* to a third party buyer. The property's *Investment Value* to the current tenancy is included. *Highest and Best Use, Market Value* and *Investment Value* are defined as follows.

---

[1] The Dictionary of Real Estate Appraisal: The Appraisal Institute, 1993.

Highest and Best Use of real estate is defined as:

The reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and results in the highest value.[2]

Market Value is defined as follows:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

(1)Buyer and seller are typically motivated;
(2) Both parties are well-informed or well-advised, and acting in what they consider their best interests;
(3) A reasonable time is allowed for exposure to the open market;
(4) Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
(5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.[3]

Investment Value is defined as:

The specific value of an investment to a particular investor or class of investors based on individual investment requirements; distinguished from market value, which is impersonal and detached.4

This document represents a re-appraisal of the subject property. LandVest's original summary-format appraisal report with an effective valuation date of April 15, 1997 and Restricted-Use update reports with effective valuation dates of December 1, 2000 and February 13, 2004 are incorporated herein by reference. As of February 13, 2004, the subject property's *Market Value* to a third party buyer was estimated at $10,700,000 and its *Investment Value* to the

---

[2]Dictionary of Real Estate Appraisal, American Institute of Real Estate Appraisers, Chicago, Illinois, 3rd printing, 1987; Page 152.

[3]The Uniform Standards of Professional Appraisal Practice (USPAP): The Appraisal Foundation, 1997.

current tenancy was estimated at $13,800,000.

6. **Effective Valuation Date:**

The subject property was most recently inspected by Slater W. Anderson on December 16, 2005. The inspection date serves as the effective valuation date of this re-appraisal.

7. **Report Date:**

January 6, 2006

8. **Scope of Analysis:**

In consideration of the intended use/users of the report and in accordance with our agreement, LandVest's *Market Value* opinion is set forth in a ***Restricted Use Appraisal Report*** prepared and delivered in full conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) Standards Rule 2-2(c) and 8-2(c). This appraisal is intended for client use only and the full extent of the valuation process cannot be fully understood without a review of additional documentation contained in LandVest's original/previous appraisal reports and the appraiser's current working file. This report is not intended for third party use and the appraiser is not responsible for unauthorized use of this report.

The specific scope of analysis involved a review of: The subject property's title ownership and history; Pertinent land use regulations governing legal use; Consideration of the subject property's local and regional market position; Real estate market supply/demand trends and pricing as of the effective valuation date; and, updated information regarding sewage disposal solution.

9. **Property Identification and Description:**

The subject property comprises a total of approximately 211 individually-assessed parcels of land with leasehold improvements occupying 35 to 36± acres of coastal upland surrounded by the Ipswich River, Plum Island Sound and Neck Cove in the easterly portion of Massachusetts. Approximately 172 of the total parcels (168 improved and 4 vacant) are the subject of an annual land lease (tenancy at will) dating back to the 1760's. The remaining 39± mostly vacant parcels (one improved) are retained by the Feoffees.

Table I on the following page of this report summarizes the current parcel inventory and Fiscal 2005 assessed values for the parcels comprising the subject property.

Table I
PARCEL INVENTORY
Little Neck Estate - Ipswich, Massachusetts

I. Leased Parcel Inventory/Assessments - F.Y. 2005:

			Assessments		
Parcel #	Address	Lot Area	Land	Bldg.	Total
1	63 River Road	3,060 SF	$203,800	$126,900	$330,700
2	61 River Road	2,843 SF	$202,100	$66,700	$268,800
3	59 River Road	3,327 SF	$205,900	$83,400	$289,300
4	57 River Road	3,400 SF	$206,400	$83,400	$289,800
5	55 River Road	3,210 SF	$205,000	$85,600	$290,600
6	53 River Road	3,458 SF	$206,900	$203,300	$410,200
7	49 River Road	2,400 SF	$198,700	$123,500	$322,200
8	47 River Road	1,980 SF	$179,200	$64,900	$244,100
9	44 River Road	2,860 SF	$202,300	$136,200	$338,500
10	46 River Road	5,160 SF	$220,000	$127,300	$347,300
11	48 River Road	3,720 SF	$208,900	$278,100	$487,000
12	50 River Road	3,360 SF	$206,100	$98,000	$304,100
13	45 River Road	2,600 SF	$183,600	$53,600	$237,200
14	43 River Road	2,340 SF	$198,200	$198,400	$396,600
15	41 River Road	2,350 SF	$198,300	$180,100	$378,400
16	39 River Road	2,400 SF	$198,700	$225,500	$424,200
17	37 River Road	2,600 SF	$200,300	$93,100	$293,400
18	35 River Road	2,500 SF	$199,500	$44,200	$243,700
20	31 River Road	3,000 SF	$203,300	$135,700	$339,000
21	29 River Road	3,250 SF	$205,300	$77,200	$282,500
22	27 River Road	2,770 SF	$201,600	$111,200	$312,800

Parcel #	Address	Lot Area	Assessments Land	Bldg.	Total
23	25 River Road	2,400 SF	$198,700	$119,500	$318,200
24	6 Bay Crest Rd.	3,000 SF	$186,400	$75,400	$261,800
25	31 Middle Road	2,980 SF	$186,300	$92,300	$278,600
26	29 Middle Road	3,540 SF	$190,200	$80,400	$270,600
28	21 Middle Road	3,000 SF	$186,400	$129,500	$315,900
29	19 Middle Road	3,000 SF	$186,400	$166,200	$352,600
30	15 Middle Road	2,000 SF	$35,900	$0	$35,900
31	11 Middle Road	2,780 SF	$184,800	$119,000	$303,800
32	9 Middle Road	4,020 SF	$193,600	$88,100	$281,700
33	7 Middle Road	3,870 SF	$192,600	$67,400	$260,000
34	5 Middle Road	3,870 SF	$192,600	$120,100	$312,700
35	3 Middle Road	3,870 SF	$192,600	$67,000	$259,600
37	1 Hilltop Road	2,159 SF	$136,300	$90,400	$226,700
38	4 Middle Road	2,230 SF	$151,800	$201,400	$353,200
39	6 Middle Road	2,400 SF	$152,900	$156,100	$309,000
40	8 Hilltop Road	4,240 SF	$156,400	$275,700	$432,100
41	12 Hilltop Road	3,840 SF	$156,400	$90,500	$246,900
42	16 Hilltop Road	5,300 SF	$149,200	$69,700	$218,900
43	20 Hilltop Road	4,360 SF	$156,400	$78,600	$235,000
44	22 Hilltop Road	4,280 SF	$156,400	$175,900	$332,300
45	24 Hilltop Road	3,590 SF	$156,400	$126,200	$282,600
46	26 Hilltop Road	3,370 SF	$156,400	$90,400	$246,800
47	28 Middle Road	3,240 SF	$157,800	$117,900	$275,700
48	30 Middle Road	3,000 SF	$156,400	$127,300	$283,700
49	25 Hilltop Road	4,225 SF	$163,700	$265,200	$428,900
50	23 Hilltop Road	3,591 SF	$159,900	$61,700	$221,600
51	21 Hilltop Road	3,450 SF	$159,100	$87,100	$246,200

Parcel #	Address	Lot Area	Assessments		
			Land	Bldg.	Total
52	19 Hilltop Road	3,575 SF	$159,800	$97,000	$256,800
53	15 Hilltop Road	3,950 SF	$162,100	$134,600	$296,700
54	11 Hilltop Road	7,420 SF	$182,700	$165,700	$348,400
55	9 Hilltop Road	3,500 SF	$159,400	$173,100	$332,500
56	10 Middle Road	3,210 SF	$149,800	$122,300	$272,100
57	7 Hilltop Road	3,660 SF	$160,300	$155,000	$315,300
59	35 Bay Road	4,550 SF	$197,400	$228,700	$426,100
60	33 Bay Road	2,400 SF	$182,200	$150,000	$332,200
61	31 Bay Road	2,160 SF	$180,500	$71,200	$251,700
62	29 Bay Road	2,400 SF	$182,200	$128,100	$310,300
63	27 Bay Road	2,470 SF	$182,600	$243,500	$426,100
64	25 Bay Road	3,000 SF	$186,400	$51,500	$237,900
65	23 Bay Road	3,000 SF	$186,400	$68,800	$255,200
66	19 Bay Road	3,600 SF	$190,600	$107,900	$298,500
67	17 Bay Road	3,180 SF	$187,700	$75,200	$262,900
68	15 Bay Road	3,230 SF	$188,000	$90,000	$278,000
70	16 Bay Road	4,510 SF	$165,400	$125,200	$290,600
71	18 Bay Road	4,410 SF	$164,800	$222,300	$387,100
72	5 Gala Way	3,000 SF	$156,400	$100,100	$256,500
75	8 Hilltop Road	3,000 SF	$156,400	$275,700	$432,100
76	10 Hilltop Road	3,000 SF	$156,400	$92,600	$249,000
77	12 Hilltop Road	3,000 SF	$156,400	$86,200	$242,600
79	4 Cove Road	5,110 SF	$169,000	$88,700	$257,700
80	6 Cove Road	3,000 SF	$156,400	$62,800	$219,200
81	8 Cove Road	3,000 SF	$156,400	$95,600	$252,000
82	10 Cove Road	3,000 SF	$156,400	$106,000	$262,400
83	12 Cove Road	5,100 SF	$168,900	$94,200	$263,100
84	12 Bay Road	4,260 SF	$163,900	$125,400	$289,300
85	17 Cove Road	3,000 SF	$156,400	$77,400	$233,800
86	15 Cove Road	3,000 SF	$156,400	$97,500	$253,900
87	9 Cove Road	3,000 SF	$156,400	$180,100	$336,500
89	5 Cove Road	3,000 SF	$156,400	$92,100	$248,500

Parcel #	Address	Lot Area	Assessments Land	Bldg.	Total
90	3 Cove Road	3,000 SF	$156,400	$88,600	$245,000
91	16 Hilltop Road	1,786 SF	$149,200	$66,600	$215,800
92	18 Hilltop Road	3,140 SF	$157,300	$72,900	$230,200
93	18 Baycrest Rd.	3,000 SF	$156,400	$110,900	$267,300
94	22 Baycrest Rd.	3,000 SF	$156,400	$67,100	$223,500
95	24 Baycrest Rd.	3,000 SF	$156,400	$125,100	$281,500
96	26 Baycrest Rd.	3,000 SF	$156,400	$81,500	$237,900
97	28 Baycrest Rd.	3,000 SF	$156,400	$215,300	$371,700
98	30 Baycrest Rd.	3,870 SF	$161,600	$150,500	$312,100
99	8 Bay Road	3,750 SF	$160,900	$106,800	$267,700
100	27 Baycrest Rd.	3,000 SF	$156,400	$78,200	$234,600
101	25 Baycrest Rd.	3,000 SF	$156,400	$96,400	$252,800
102	21 Baycrest Rd.	3,000 SF	$156,400	$88,700	$245,100
103	20 Hilltop Road	3,000 SF	$156,400	$78,600	$235,000
104	33 Hilltop Road	3,000 SF	$156,400	$91,500	$247,900
105	9 Baycrest Rd.	3,000 SF	$148,600	$63,800	$212,400
106	32 Middle Road	3,000 SF	$156,400	$100,600	$257,000
107	35 Middle Road	3,000 SF	$186,400	$93,600	$280,000
108	3 Baycrest Rd.	3,000 SF	$203,300	$89,600	$292,900
109	21 River Road	3,000 SF	$203,300	$95,100	$298,400
110	4 Kings Way	3,000 SF	$186,400	$103,000	$289,400
111	37 Middle Road	3,000 SF	$186,400	$126,900	$313,300
112	8 Kings Way	3,000 SF	$156,400	$176,100	$332,500
113	10 Kings Way	3,000 SF	$148,600	$114,300	$262,900
114	35 Hilltop Road	3,000 SF	$156,400	$105,100	$261,500
115	22 Hilltop Road	3,000 SF	$156,400	$195,000	$351,400
116	16 Kings Way	3,000 SF	$156,400	$107,800	$264,200
117	20 Kings Way	3,000 SF	$156,400	$120,500	$276,900
118	22 Kings Way	3,000 SF	$156,400	$100,800	$257,200
120	6 Bay Road	2,700 SF	$154,600	$61,700	$216,300

Parcel #	Address	Lot Area	Assessments Land	Bldg.	Total
121	29 Kings Way	4,410 SF	$164,800	$70,800	$235,600
122	27 Kings Way	3,000 SF	$156,400	$126,000	$282,400
123	25 Kings Way	3,000 SF	$156,400	$94,200	$250,600
124	21 Kings Way	3,000 SF	$156,400	$117,400	$273,800
125	19 Kings Way	3,000 SF	$156,400	$60,500	$216,900
126	17 Kings Way	3,000 SF	$156,400	$86,600	$243,000
127	24 Hilltop Road	3,000 SF	$156,400	$120,400	$276,800
128	37 Hilltop Road	3,000 SF	$156,400	$126,700	$283,100
129	11 Kings Way	3,000 SF	$148,600	$95,400	$244,000
130	36 Middle Road	3,000 SF	$156,400	$134,200	$290,600
131	39 Middle Road	3,000 SF	$186,400	$71,800	$258,200
132	5 Kings Way	3,000 SF	$186,400	$87,700	$274,100
133	3 Kings Way	3,000 SF	$203,300	$78,100	$281,400
134	2 Plum Sound Rd.	3,000 SF	$203,300	$158,700	$362,000
135	4 Plum Sound Rd.	3,000 SF	$186,400	$132,900	$319,300
136	6 Plum Sound Rd.	3,000 SF	$186,400	$102,700	$289,100
137	41 Middle Road	3,000 SF	$186 ,400	$104,500	$104,686
138	38 Middle Road	3,000 SF	$156,400	$174,900	$331,300
139	12 Plum Sound Rd.	3,000 SF	$156,400	$135,300	$291,700
140	14 Plum Sound Rd.	3,000 SF	$156,400	$75,300	$231,700
141	26 Hilltop Road	3,000 SF	$156,400	$90,400	$246,800
142	20 Plum Sound Rd.	3,000 SF	$156,400	$113,100	$269,500
143	22 Plum Sound Rd.	3,000 SF	$156,400	$92,400	$248,800
144	24 Plum Sound Rd.	3,000 SF	$156,400	$120,300	$276,700
145	28 Plum Sound Rd.	3,000 SF	$156,400	$105,900	$262,300
146	30 Plum Sound Rd.	3,950 SF	$162,100	$122,600	$284,700
147	27 Plum Sound Rd.	4,490 SF	$196,900	$62,400	$259,300
148	25 Plum Sound Rd.	4,680 SF	$198,300	$100,200	$298,500
149	23 Plum Sound Rd.	3,000 SF	$156,400	$124,800	$281,200

Parcel #	Address	Lot Area	Assessments Land	Bldg.	Total
150	21 Plum Sound Rd.	3,000 SF	$156,400	$122,800	$279,200
151	19 Plum Sound Rd.	3,750 SF	$160,900	$72,900	$233,800
152	15 Plum Sound Rd.	3,000 SF	$156,400	$108,600	$265,000
153	13 Plum Sound Rd.	3,000 SF	$156,400	$125,300	$281,700
154	40 Middle Road	3,000 SF	$156,400	$133,800	$290,200
155	43 Middle Road	3,000 SF	$186,400	$138,700	$325,100
156	5 Plum Sound Rd.	3,000 SF	$186,400	$72,000	$258,400
157	3 Plum Sound Rd.	3,000 SF	$203,300	$129,300	$332,600
158	15 River Road	3,000 SF	$203,300	$98,000	$301,300
159	11 River Road	3,000 SF	$203,300	$132,800	$336,100
160	45 Middle Road	3,000 SF	$186,400	$127,500	$313,900
161	42 Middle Road	3,000 SF	$156,400	$149,100	$305,500
162	3 River Road	3,000 SF	$156,400	$75,600	$232,000
163	43 Hilltop Road	3,000 SF	$186,400	$255,800	$442,200
164	2 River Road	3,500 SF	$207,200	$211,300	$418,500
165	6 River Road	2,470 SF	$199,300	$199,700	$399,000
166	10 River Road	3,325 SF	$205,900	$157,800	$363,700
167	12 River Road	3,000 SF	$203,300	$125,500	$328,800
168	16 River Road	7,820 SF	$240,600	$159,400	$400,000
169	2 Cliff Road	3,020 SF	$203,500	$205,800	$409,300
170	4 Cliff Road	4,790 SF	$217,200	$128,000	$345,200
171	6 Cliff Road	3,520 SF	$207,400	$130,700	$338,100
172	8 Cliff Road	3,700 SF	$208,800	$82,500	$291,300
173	10 Cliff Road	2,430 SF	$198,900	$83,800	$282,700
101A	23 Baycrest Rd.	3,000 SF	$156,400	$78,800	$235,200
102A	17 Baycrest Rd.	3,000 SF	$156,400	$175,900	$332,300
116A	18 Kings Way	3,000 SF	$156,400	$97,000	$253,400
118A	24 Kings Way	3,000 SF	$156,400	$88,200	$244,600
41A	14 Middle Road	4,900 SF	$167,700	$163,700	$331,400
	TOTALS:	12.53± ac.	$28,960,486	$19,808,900	$48,769,386

II. Leased Parcels - Vacant

Parcel #	Address	Lot Area	Assessments Land	Yard	Bldg.	Total
29A	Middle Road	3,000 SF	$37,300	0	0	$37,300
66A	21 Bay Road	3,400 SF	$38,100	0	0	$38,100
78	Middle/Cove Road	2,400 SF	$30,600	0	0	$30,600
159A	River Road	3,000 SF	$40,700	0	0	$40,700
	TOTALS:		**$146,700**	**0**	**0**	**$146,700**

Table II

LOT INVENTORY/ASSESSMENT UNDER FEOFFEE'S OWNERSHIP

Parcel #	Lot Area	Assessments Land	Bldg.	Total
69	11 acres	$582,600	$106,100	$688,700
6A	.4 acres	$38,700	0	$38,700
19	2,200 SF	$39,400	0	$39,400
36	3,960 SF	$38,600	0	$38,600
58	2,190 SF	$151,600	0	$151,600
73	6,000 SF	$17,400	0	$17,400
74	3,000 SF	$31,300	0	$31,300
88	3,000 SF	$31,300	0	$31,300
119	3,000 SF	$31,300	0	$31,300
101B	3,000 SF	$31,300	0	$31,300
102B	3,000 SF	$31,300	0	$31,300
103A	3,000 SF	$31,300	0	$31,300
109A	1,500 SF	$38,400	0	$38,400
124A	3,000 SF	$31,300	0	$31,300
134A	1,500 SF	$38,400	0	$38,400

Parcel #	Lot Area	Assessments		
		Land	Bldg.	Total
141A	3,000 SF	$31,300	0	$31,300
144A	3,000 SF	$31,300	0	$31,300
152A	3,000 SF	$31,300	0	$31,300
153A	3,000 SF	$31,300	0	$31,300
158A	1,250 SF	$38,000	0	$38,000
165A	2,000 SF	$39,100	0	$39,100
166A	3,000 SF	$40,700	0	$40,700
166B	3,700 SF	$41,800	0	$41,800
169A	3,000 SF	$37,300	0	$37,300
23A	3,000 SF	$40,700	0	$40,700
25A	3,000 SF	$37,300	0	$37,300
27A	3,000 SF	$37,300	0	$37,300
27B	3,380 SF	$37,800	0	$37,800
27C	3,360 SF	$37,800	0	$37,800
43A	4,360 SF	$32,900	0	$32,900
49A	2,915 SF	$31,200	0	$31,200
52A	3,875 SF	$32,300	0	$32,300
70A	3,000 SF	$15,600	0	$15,600
71A	3,000 SF	$31,300	0	$31,300
75A	4,120 SF	$16,300	0	$16,300
87A	3,000 SF	$31,300	0	$31,300
92A	3,000 SF	$31,300	0	$31,300
93A	3,000 SF	$31,300	0	$31,300
72	3,000 SF	$156,400	$103,800	$156,400
Totals		**$2,087,100**	**$106,100**	**$2,193,200**

Tabulation - F.Y. 2005 Assessment

Total Assessed Value - Leased Parcels With Improvements:	$ 48,769,386
Total Assessed Value - Leased Parcels - Vacant:	$ 146,700
Total Assessed Value - Feoffee's Ownership:	$ 2,193,200
TOTAL ASSESSED VALUE - SUBJECT PROPERTY:	*$51,109,286*

Based on the F.Y. 2005 mill rate of $9.35, the total annual tax liability owing to the subject property amounts to approximately $477,871.82. It should be noted that the effective valuation date for F.Y. 2005 taxation is June 30, 2005.

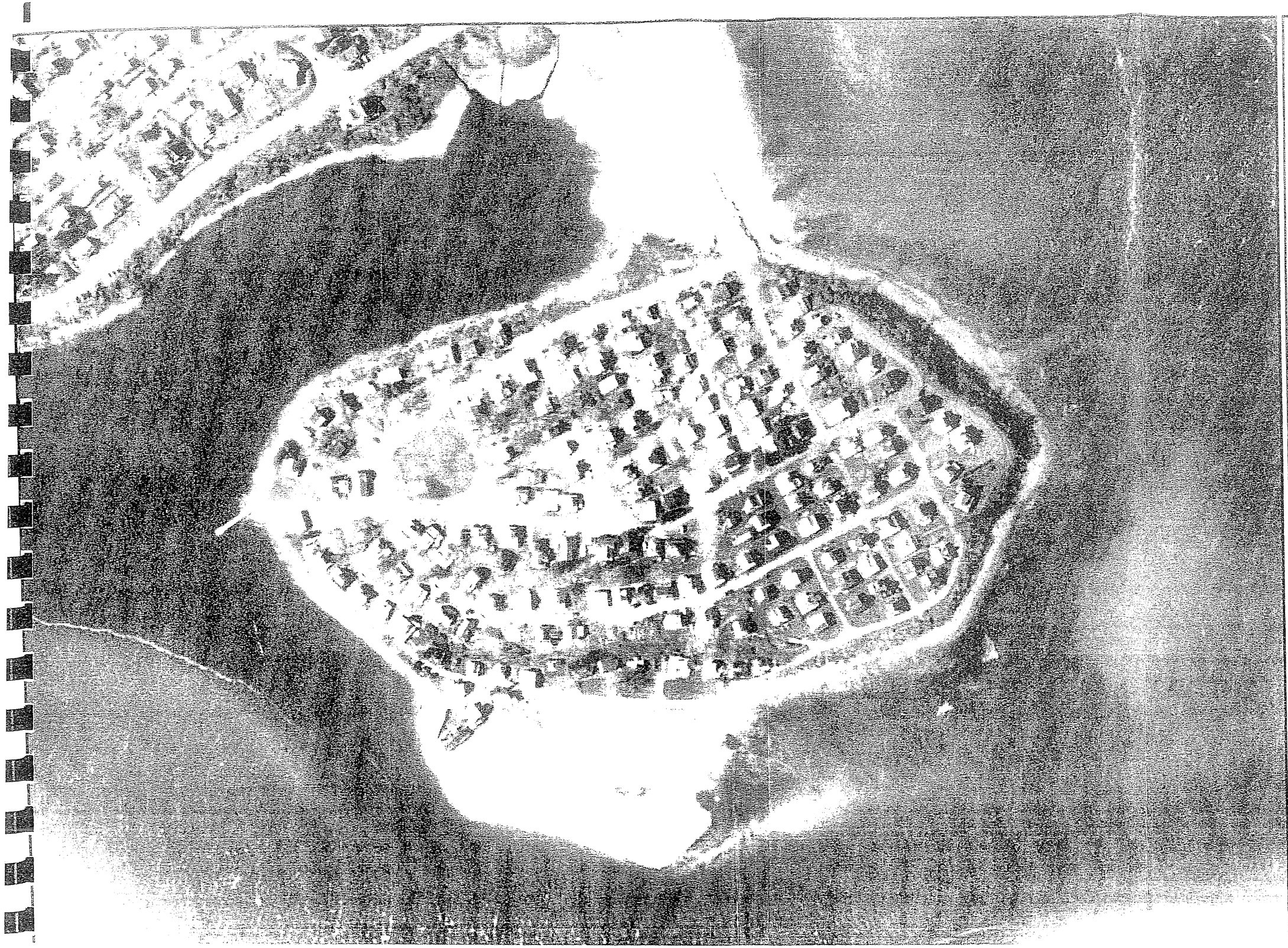
The above-outlined valuation of the entire subject property indicates a 13.98% increase since F.Y. 2004. The valuation of the land comprising the 168 leased parcels increased from $23,348,934 to $28,960,486 (24.03%) over the one-year assessment update period and the privately-owned improvements increased from $18,943,700 to $19,808,900 (4.57%). **The updated assessment indicates an *average* per parcel (land and improvements) value of approximately $290,294 per *improved* lease parcel and an *average* annual tax liability of $2,714.25.** The average annual tax burden for the underlying land only (paid by tenants) amounts to $1,611.79 based on an average assessed parcel value of $172,384.

Site Description

Based on our re-inspection of the subject land, the most significant physical changes to the property are related to the new community sewer system being installed.

The issue of on-site sewage disposal is the single greatest issue presently effecting the subject property. The implemented solution of a common tank field serviced by frequent pump-out truck visits in the high season has both supports and detractors. The supporters applaud the environmental benefits of the project while detractors dislike the added costs ($1,800 annual fee plus a $40,000 betterment fee payable at $3,500 per year over 20 years) and the impact from the increased truck traffic. Abutters to the pump-out facility are especially upset about the impact of the site on the market value of their properties. The combined effects of these issues are considered in the current valuation of the subject property.

Compiled Base Plans of the subject property are included on the following pages of this report.



Legend:

Notes:

Project Number: 3962

Date: March 15, 2004

Base Plan
Orthophotograph

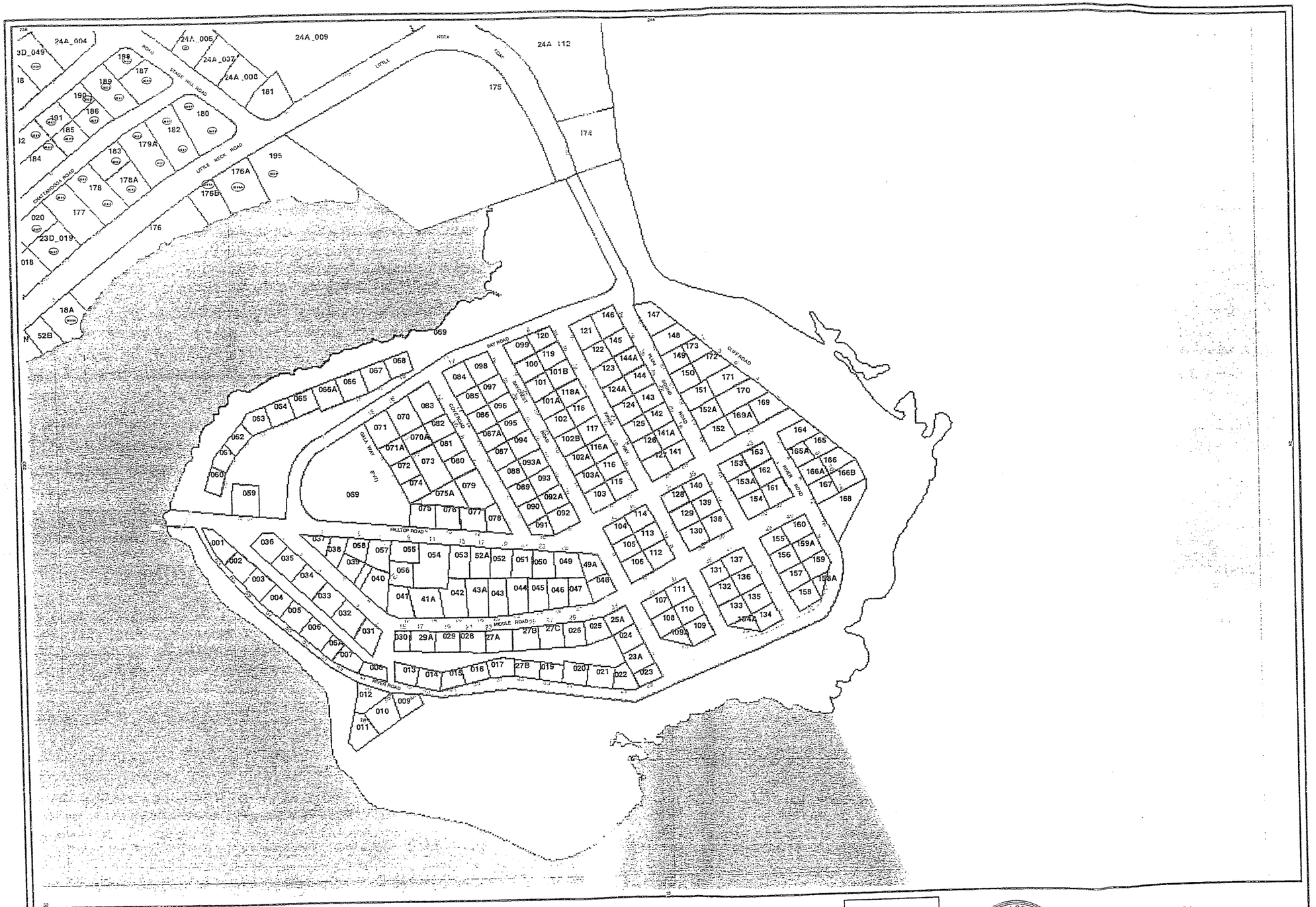
Little Neck Estate
Ipswich, Massachusetts

Scale: 1" = 200'

100 0 100 200 Feet

This plan is conceptual only and is not represented as an engineered plan.

Landvest
Ten Post Office Square, Boston, MA 02109


24A_004
3D_049
24A_005
24A_007
24A_008
24A_009
24A_112
STAGE HILL ROAD
LITTLE NECK ROAD
CHATTANOOGA ROAD
23D_019
BAY ROAD
BAY WEST ROAD
CLIFF ROAD
GULL WAY
PLUM POINT ROAD
CLIFF ROAD
RIVER ROAD
HILLTOP ROAD
MIDDLE ROAD
RIVER ROAD
Index Grid
N
W
E
S
0 100 200
Feet
Town of Ipswich
Massachusetts
Legend
Easements
Lot Lines
Hooks
Map Grid
For Assessment Purposes Only
Not For Property Conveyances
The Town of Ipswich makes no claims, representations or warranties, expressed or implied, concerning the validity, reliability, or accuracy of the GIS data / products as they relate to the configuration of the parcels on this map.
Revised 2003
Map Number
24C

10. Current Use - 20-Year Lease Agreement

As of 2005, a new lease agreement was in place providing for a 20-year rental term for cottage owners. With the exception of cottages grandfathered in 1966 and those recently permitted to allow for year-round occupancy, the balance of the cottages may be occupied only within the designated eight month season.

Under the new rental terms, individual *seasonal* parcel rents are assessed equally throughout the property with *year-round* parcels leased at a slightly higher rent. 144 tenants pay $5,000 annually for seasonal use and 24 year-round tenants pay $5,500. Thus, potential gross income (PGI) amounts to approximately $852,000. This indicates a 39.2% increase since 2004. Individual tenants (cottage owners) are responsible for the land rent, real estate taxes, insurance and all utilities. Additionally, tenants are now responsible for a $40,000 sewer betterment fee paid in one lump sum or over the 20-year lease period at $3,500 per year (principle plus debt service of 6.5%). The betterment fee covers the $6,483,000 loan for installation of the new sewer system. There is also a separate $1,800 annual sewer charge going forward for annual operation and maintenance.

11. Previous Valuation and Recent Purchase Offers

There are no pending purchase offers for the subject property and the property is not actively listed for sale.

12. Highest and Best Use:

The analysis of *Highest and Best Use* involves consideration of existing land use regulations, any *reasonably probable* modifications to those regulations, the subject property's physical adaptability, and economic demand for the physically and legally permissible uses of the subject property type. This analysis also accounts for prevailing market trends, established neighborhood development patterns and aesthetic issues affecting market demand.

1. Conceptual Development Analysis

As described in LandVest's original appraisal report in 1997 and 2000 and 2004 updates, the highest and best use of the subject property calls for continued seasonal and year-round residential use (168± parcel density) and conversion of the current tenancy at will land lease structure to a condominium form of ownership.

13. Real Estate Market Analysis

Table II on the following page summarizes market trends in real estate sales volume and median residential value in both Ipswich and surrounding communities from 2001 through November 2005.

Table II

Calendar Year Median Sales Price Chang
North Shore Regional Market Overvie
2001-2005

Town	2001		2002			2003			20		Through November 2005			01 - 05 Four Year Median Value Trend
	Median Price	No. Sales	Median Price	No. Sales	Median Price Change	Median Price	No. Sales	Median Price Change	Median Price	No Price Sa nge	Median Price	No. Sales	Median Price Change	
Ipswich	$325,000	149	$344,000	143	5.8%	$408,000	159	18.6%	$455,000	165%	$480,500	130	5.3%	47.8%
Beverly	$285,000	364	$316,000	340	10.9%	$345,000	370	9.2%	$375,000	42(%	$384,000	339	2.3%	34.7%
Essex	$273,500	22	$363,200	35	32.8%	$359,000	33	-1.2%	$495,000	339%	$435,000	36	-13.8%	59.0%
Topsfield	$411,000	66	$482,500	62	17.4%	$527,500	68	9.3%	$532,250	76(%	$531,240	68	-0.2%	29.3%
Wenham	$533,000	53	$530,000	52	-.01%	$575,000	52	8.5%	$542,300	527%	$521,950	40	-3.9%	-2.1%
Hamilton	$330,750	78	$378,750	68	14.5%	$462,250	90	22.0%	$479,500	122%	$503,000	67	4.7%	52.1%
Rockport	$311,600	77	$375,000	69	20.3%	$390,000	71	4.0%	$445,000	911%	$420,000	79	-6.0%	34.8%
Rowley	$299,950	58	$313,500	48	4.5%	$409,425	54	30.6%	$378,300	53(%	$454,500	66	16.8%	51.5%
Gloucester	$249,000	235	$295,000	214	18.5%	$330,000	278	11.9%	$365,000	25(%	$382,500	230	4.6%	53.6%
Manchester	$520,000	79	$494,000	70	-5%	$602,500	58	22.0%	$554,000	61(%	$647,500	62	14.4%	24.5%

As outlined above, the median residential home price in Ipswich increased approximately 5.8% in 2002; 18.6% in 2003; 11.5% in 2004; and 5.3% through November 2005. **The 4-year total appreciation amount to approximately 47.8%.**

A comparison of market appreciation rates and assessed value increases over the same 3-year time period is summarized as follows:

Market Appreciation (12/01-11/05):	47.80%
Assessed Value Increase (FY01-FY05):	77.68%

Accordingly, there is a +29.88% discrepancy between appreciation rates by both measures.

Sales volumes is Ipswich have held relatively steady over the four year period within a range of 143 and 165 sales annually. 2005 totals are projected to be within this range. Rising interest rates and escalating home values have finally slowed the housing market in greater Boston. Overall annual appreciation was the lowest in three years in Ipswich and the surrounding North Shore communities.

a. <u>Little Neck Sales Activity</u>

We have reviewed sales activity on Little Neck between February 13, 2004 and December 16, 2005. There have been eight sales in the 22 month update period. There is presently one active listing. A table of these sales is included in the appendix to this report. It should be noted that this information does not account for intra-family transfers occurring within the update period.

These eight sales occurred between April 2004 and May 2005 and indicate sale prices ranging between $230,000 and $545,000. The average sale price is $420,000 and the indicated median price is $435,000. Prices per square foot of gross building area exhibit a wide range of value between $227 and $515. The two most recent sales sold between $460 and $560 per square foot of building area. Most importantly, these two sales occurred after the new land rents and sewer project were established giving modest support to the market viability of Little Neck properties under the updated carrying cost structure. However, there is clearly growing concern that increased carrying costs (taxes, land rents, and sewer fees) are limiting the marketability of Little Neck properties. We note that during the 22 month update period, there have been four properties that have been listed on MLS and have gone unsold. Three of these listings expired in the

past four months while only two of the eight sales occurred during 2005. These two facts support statements by local brokers that Little Neck properties are becoming increasingly unsaleable in the $400,000+ price range given the ownership structure, seasonal use, limited expansion potential, broader market softening, and increased carrying costs.

Based on a review of apportionment of *assessed* land-to-building value, and indicated range of land value (*as though held in fee simple*) amounts to between $140,000 and $330,000.

Seasonal rental rates in July and August currently range from $850 per week to $4,000 for the month. When cottages are rented on a weekly basis, typical rents range from $750 to $850 per week for a 2 or 3 bedroom cottage. Year-round rentals average $750 to $850 per month. Based on this information, owners of year-round cottages have the potential to capture an additional $3,000 to $3,400 (or 20% more) per year in rents compared to owners of seasonal homes.

Although increased ground rents, higher assessed values, and betterment fees have caused some owners to consider raising rents, it does not appear likely that the market will bear substantially higher rents in the foreseeable future.

b. **Market Value Estimate - Condominium Conversion**

As outlined in LandVest's 1997 report and 2000 and 2004 updates, *Planning Option C* assumes condominium ownership of the land underlying the existing cottages. All land outside the individual building "footprints" would be considered common land and the property's would be assessed as units with apportioned association dues. Under this planning option, the 168 unit density would be made legal and eligible for bank financing without the need for any formal approval at the state of local level.

Based on a review of local and real estate market trends since 2004 and with specific reference to the 12 value tiers delineated in LandVest's original 1997 report, land unit pricing has been appreciated at a rate of 6% over the 22-month update period. The indicated rate is consistent with the indicated town-wide median residential rate for the period adjusted for the softening broader market.

The initial financial analysis of the subject property as a condominium conversion assumes outside sale to a third party buyer. **Based on an updated Discounted Cash Flow Analysis with unit pricing ranging from $80,000 - $255,000, it is our opinion that the Market Value of the subject property (assuming condominium conversion) to a third party buyer as of December 16, 2005 was:**

$10,800,000

(TEN MILLION EIGHT HUNDRED THOUSAND DOLLARS)

c. Value Estimate - *Investment Value* to Current Tenancy

The second updated valuation of the subject property assumes a sale to the existing tenancy. In this *investment value* analysis, developer profit allowances and cost of resale allowances have been reduced to reflect a largely internal buyer pool and control over the property's disposition. All unit pricing, internal absorption and line item development expenses remain the same.

In accordance with this analysis, it is my opinion the Investment Value of the subject property to the current tenancy as of December 16, 2005 was:

$13,900,000

(THIRTEEN MILLION NINE HUNDRED THOUSAND DOLLARS)

d. Land Rental Analysis

An evaluation of *current* land rental rates levied by the Feoffees relative to "market-rate" rents requires careful consideration of real market value gains and the extent to which these gains may be offset, or tempered by escalating carrying costs. Given the indicated range of underlying land values of $80,000 - $255,000 per our appraisal, capitalized at an appropriate rate of 8.00%, the indicated market land rents range between $6,400 to $20,400. The capitalization rate selected is based on the average capitalization rate for residential land leases surveyed in the 3rd quarter 2005 by RealtyRates.com, an industry leader in providing investor surveys to industry professionals.

It is important to note that these market rental rates are derived from arm's length transactions where the fee interest in the underlying land is not transferred. Perhaps as notable as the upward trend in values on Little Neck is the continued trend whereby the market continues to function or behave as a fee simple market. In other words, buyers continue to pay, (and sellers continue to receive) *significant* value for the right to assume the long-term land leases (20 years) with full knowledge that the Feoffees are bringing rents into alignment with the market.

The 2004-2005 annual land rents of $5,000 to $5,500 were intended to account for the instability and uncertainty caused by the implementation of the community sewage disposal solution. During this period the land rents have remained constant. During this period the sales market has cooled on Little Neck largely due to this instability and uncertainty. Additionally, the newly added special sewer fees along with increased property taxes (a condition of the lease agreement) amount to an additional $8,000 per tenant. This *doubling* of carrying costs will certainly diminish the appeal of Little Neck relative to other fee simple, Title V-compliant seasonal investment options on the North Shore and is seen to offset the marginal stability associated with the new lease structure.

As previously noted, current indicated *market rents* derived from a stratified range in market value for the underlying land are between $6,400 to $20,400 with an average land rent of $11,600. Based on the continued uncertainty resulting from the physical and financial changes on Little Neck, it is recommend that the contract land rent for year-round tenancy be $6,400, the low end of the range in estimated market rents. Accordingly, the seasonal contract rent should amount to $5,300 based on a shorter annual rental period.

CASH FLOW ANALYSIS - PLAN B - LITTLE NECK ESTATE
RESALES ANALYSIS

Project: Little Neck Estate - Ipswich, MA
Date: December 2005

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Totals
SALES PROCEEDS :									
Total Lots (Beginning of Year)	168	114	59	15	0	0	0	0	
Lots/Unit Sold	54	55	44	15	0	0	0	0	168
Gross Sales Price	$6,874,400	$6,978,400	$4,940,000	$1,872,000	$0	$0	$0	$0	20,664,800
Cum. Gross Sales Price	$6,874,400	$13,852,800	$18,792,800	$20,664,800	$20,664,800	$20,664,800	$20,664,800	$20,664,800	
DEVELOPMENT COSTS :									
DIRECT COSTS :									
Engineering/Survey	$122,304	$0	$0	$0	$0	$0	$0	$0	$122,304
Legal Fees	$72,800	$0	$0	$0	$0	$0	$0	$0	$72,800
Soil Testing/Septic	$314,496	$222,412	$119,056	$31,485	$0	$0	$0	$0	$687,448
Wetland Delineations	$0	$0	$0	$0	$0	$0	$0	$0	$0
Road Improvements	$131,144	$0	$0	$0	$0	$0	$0	$0	$131,144
Septic Upgraces	$611,520	$432,467	$231,497	$61,221	$0	$0	$0	$0	$1,336,705
Contingency	$32,037	$11,121	$5,953	$1,574	$0	$0	$0	$0	$50,685
Total Direct Costs	$1,284,301	$665,999	$356,505	$94,280	$0	$0	$0	$0	$2,401,086
INDIRECT COSTS :									
Construction Loan Fee	$26,315	$0	$0	$0	$0	$0	$0	$0	$26,315
Developer's Overhead	343,720	348,920	247,000	93,600	0	0	0	0	$1,033,240
Real Estate Taxes	118,458	62,258	45,038	17,257	0	0	0	0	$243,011
Transfer Taxes	31,966	32,450	22,971	8,705	0	0	0	0	$96,091
Sales Commission	0	0	0	0	0	0	0	0	$0
Advertising Expense	0	0	0	0	0	0	0	0	$0
Interest Charges	62,540	29,350	0	0	0	0	0	0	187,286
Contingency	29,150	12,281	318	275	0	0	0	0	$42,024
Total Indirect Costs	$612,149	$485,259	$315,327	$119,837	$0	$0	$0	$0	$1,532,571
TOTAL COSTS :	$1,896,450	$1,151,258	$671,832	$214,117	$0	$0	$0	$0	$3,933,657
NET CASH PROCEEDS	$4,977,950	$5,827,142	$4,268,168	$1,657,883	$0	$0	$0	$0	$16,731,143
DISCOUNT FACTOR (PW @ 9.25%)	0.9153	0.8378	0.7669	0.7020	0.6425	0.5881	0.5383	0.4928	
PRESENT VALUE	$4,556,476	$4,882,168	$3,273,235	$1,163,772	$0	$0	$0	$0	

CUMULATIVE PRESENT VALUE $13,875,651 SAY: $13,900,000 ($83,000/Unit)

Exhibit

DISCOUNTED CASH FLOW ANALYSIS
Condominium Conversion - 168 Unit Density (Tenant Sale)

Project : *Little Neck Estate - Ipswich, MA*
Date: December 2005

SALES ASSUMPTIONS		# Units	Unit Value	Subtotal (*)	*SALES SCHEDULE (UNIT)* YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8	TOTAL
Tier 1 :	Exceptional view/frontage	4	255,000	$1,020,000	2	2	0	0	0	0	0	0	4
Tier 2 :	Front Row - Plum Island Sound	7	195,000	$1,365,000	2	2	2	1	0	0	0	0	7
Tier 3 :	Front Row - Neck Cove/Prime	2	190,000	$380,000	1	1	0	0	0	0	0	0	2
Tier 4 :	Front Row - Neck Cove/Average	7	140,000	$980,000	2	2	2	1	0	0	0	0	7
Tier 5 :	Front Row - Ipswich River/Prime	4	150,000	$600,000	1	1	1	1	0	0	0	0	4
Tier 6 :	Front Row - Ipswich River/Average	19	160,000	$3,040,000	8	8	1	2	0	0	0	0	19
Tier 7:	Interior - Excellent view	24	120,000	$2,880,000	8	8	6	2	0	0	0	0	24
Tier 8:	Interior - Good view	33	105,000	$3,465,000	10	10	10	3	0	0	0	0	33
Tier 9:	Interior - Avg. view	35	100,000	$3,500,000	10	11	12	2	0	0	0	0	35
Tier 10:	Interior - Marginal view	33	80,000	$2,640,000	10	10	10	3	0	0	0	0	33
Tier 11:		0	0	$0	0	0	0	0	0	0	0	0	0
Tier 12:		0	0	$0	0	0	0	0	0	0	0	0	0
				$0	0	0	0	0	0	0	0	0	0
					0	0	0	0	0	0	0	0	0
	TOTAL	168		$19,870,000	54	55	44	15	0	0	0	0	168
				Appreciation:	4%	4%	4%	4%	4%	4%	4%	4%	

COST ASSUMPTIONS	Size/Length	Unit Cost	Subtotal (*)	*COST SCHEDULE (%)* 1YR	2YR	3YR	4YR	5YR	6YR	7YR	8YR	TOTAL
DIRECT COSTS												
Engineering/Survey/Plan Prep ($700/lot)	168	$700	117,600	100%	0%	0%	0%	0%	0%	0%	0%	100%
Legal Fees/Condo Declaration	1	$70,000	70,000	100%	0%	0%	0%	0%	0%	0%	0%	100%
Sewer Assessment	168	$1,800	302,400	100%	68%	35%	9%	0%	0%	0%	0%	212%
Wetland Delineations/Coastal Bank/NOI	0	$0	0	90%	10%	0%	0%	0%	0%	0%	0%	100%
Road Improvements	9,700	$13	126,100	100%	0%	0%	0%	0%	0%	0%	0%	100%
Sewer Betterment	168	$3,500	588,000	100%	68%	35%	9%	0%	0%	0%	0%	212%
Contingency (% of Direct Costs)		5.00%	60,205									
CPI				4%	4%	4%	4%	4%	4%	4%	4%	
INDIRECT COSTS												
Developer Overhead Allowance		5.00%	$993,500									
Real Estate Taxes (Per Unsold Lot @50%)		1,150	216,200									
Transfer Taxes ($/1000)		0.47%	92,396									
Sales Commission (% of Gross Sales)		0.00%	0									
Advertising Expense (% of Gross Sales)		0.00%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%
Contingency (% of Indirect Costs)		5.00%	65,105									
CPI				0%	3%	3%	3%	3%	3%	3%	3%	
	TOTAL :		$2,631,505									

LITTLE NECK ESTATE - IPSWICH

BANK FINANCING	
Prime Rate	7.3%
Interest Rate - Prime + 2.50%	9.8%
% Land Costs	0.0%
% Development Costs (Direct & Indirect)	100.0%
Annual Drawdown Rate (Ave. outstanding loan balance)	50.0%
Construction Loan Fee	1.0%
Discount Rate:	9.25%

LandVest

CASH FLOW ANALYSIS - PLAN B - LITTLE NECK ESTATE
RESALES ANALYSIS

Project: Little Neck Estate - Ipswich, MA
Date: December 2005

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Totals
SALES PROCEEDS :									
Total Lots (Beginning of Year)	168	114	59	15	0	0	0	0	
Lots/Unit Sold	54	55	44	15	0	0	0	0	168
Gross Sales Price	$6,874,400	$6,978,400	$4,940,000	$1,872,000	$0	$0	$0	$0	20,564,800
Cum. Gross Sales Price	$6,874,400	$13,852,800	$18,792,800	$20,664,800	$20,664,800	$20,664,800	$20,664,800	$20,664,800	
DEVELOPMENT COSTS :									
DIRECT COSTS :									
Engineering/Survey	$122,304	$0	$0	$0	$0	$0	$0	$0	$122,304
Legal Fees	$72,800	$0	$0	$0	$0	$0	$0	$0	$72,800
Soil Testing/Septic	$314,496	$222,412	$119,056	$31,485	$0	$0	$0	$0	$687,448
Wetland Delineations	$0	$0	$0	$0	$0	$0	$0	$0	$0
Road Improvements	$131,144	$0	$0	$0	$0	$0	$0	$0	$131,144
Septic Upgrades	$611,520	$432,467	$231,497	$61,221	$0	$0	$0	$0	$1,336,705
Contingency	$32,037	$11,121	$5,953	$1,574	$0	$0	$0	$0	$50,685
Total Direct Costs	$1,284,301	$665,999	$356,505	$94,280	$0	$0	$0	$0	$2,401,086
INDIRECT COSTS :									
Construction Loan Fee	$62,826	$0	$0	$0	$0	$0	$0	$0	$62,826
Developer's Overhead	1,374,880	1,395,680	988,000	374,400	0	0	0	0	$4,132,960
Real Estate Taxes	118,458	62,258	45,038	17,257	0	0	0	0	$243,011
Transfer Taxes	31,966	32,450	22,971	8,705	0	0	0	0	$96,091
Sales Commission	171,860	174,460	123,500	46,800	0	0	0	0	$516,620
Advertising Expense	0	0	0	0	0	0	0	0	$0
Interest Charges	62,540	29,350	0	0	0	0	0	0	366,384
Contingency	91,127	12,281	318	275	0	0	0	0	$104,001
Total Indirect Costs	$1,913,657	$1,706,479	$1,179,827	$447,437	$0	$0	$0	$0	$5,247,399
TOTAL COSTS :	$3,197,958	$2,372,478	$1,536,332	$541,717	$0	$0	$0	$0	$7,648,485
NET CASH PROCEEDS	$3,676,442	$4,605,922	$3,403,668	$1,330,283	$0	$0	$0	$0	$13,016,315
DISCOUNT FACTOR (PW @ 9.25%)	0.9153	0.8378	0.7669	0.7020	0.6425	0.5881	0.5383	0.4928	
PRESENT VALUE	$3,365,164	$3,858,991	$2,610,254	$933,809	$0	$0	$0	$0	
CUMULATIVE PRESENT VALUE $10,768,219			SAY:	$10,800,000	($64,000/Unit)				

Exhibit 8

DISCOUNTED CASH FLOW ANALYSIS — Project: *Little Neck Estate - Ipswich, MA*
Condominium Conversion - 168 Unit Density — Date: December 2005

SALES ASSUMPTIONS		# Units	Unit Value	Subtotal (*)	SALES SCHEDULE (UNIT) YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8	TOTAL
Tier 1:	Exceptional view/frontage	4	255,000	$1,020,000	2	2	0	0	0	0	0	0	4
Tier 2:	Front Row - Plum Island Sound	7	195,000	$1,365,000	2	2	2	1	0	0	0	0	7
Tier 3:	Front Row - Neck Cove/Prime	2	190,000	$380,000	1	1	0	0	0	0	0	0	2
Tier 4:	Front Row - Neck Cove/Average	7	140,000	$980,000	2	2	2	1	0	0	0	0	7
Tier 5:	Front Row - Ipswich River/Prime	4	150,000	$600,000	1	1	1	1	0	0	0	0	4
Tier 6:	Front Row - Ipswich River/Average	19	160,000	$3,040,000	8	8	1	2	0	0	0	0	19
Tier 7:	Interior - Excellent view	24	120,000	$2,880,000	8	8	6	2	0	0	0	0	24
Tier 8:	Interior - Good view	33	105,000	$3,465,000	10	10	10	3	0	0	0	0	33
Tier 9:	Interior - Avg. view	35	100,000	$3,500,000	10	11	12	2	0	0	0	0	35
Tier 10:	Interior - Marginal view	33	80,000	$2,640,000	10	10	10	3	0	0	0	0	33
Tier 11:		0	0	$0	0	0	0	0	0	0	0	0	0
Tier 12:		0	0	$0	0	0	0	0	0	0	0	0	0
				$0	0	0	0	0	0	0	0	0	0
					0	0	0	0	0	0	0	0	0
	TOTAL	168		$19,870,000	54	55	44	15	0	0	0	0	168
				Appreciation:	4%	4%	4%	4%	4%	4%	4%	4%	

COST ASSUMPTIONS	Size/Length	Unit Cost	Subtotal (*)	COST SCHEDULE (%) 1YR	2YR	3YR	4YR	5YR	6YR	7YR	8YR	TOTAL
DIRECT COSTS												
Engineering/Survey/Plan Prep ($700/lot)	168	$700	117,600	100%	0%	0%	0%	0%	0%	0%	0%	100%
Legal Fees/Condo Declaration	1	$70,000	70,000	100%	0%	0%	0%	0%	0%	0%	0%	100%
Sewer Assessment	168	$1,800	302,400	100%	68%	35%	9%	0%	0%	0%	0%	212%
Wetland Delineations/Coastal Bank/NOI	0	$0	0	90%	10%	0%	0%	0%	0%	0%	0%	100%
Road Improvements	9,700	$13	126,100	100%	0%	0%	0%	0%	0%	0%	0%	100%
Sewer Betterment	168	$3,500	588,000	100%	68%	35%	9%	0%	0%	0%	0%	212%
Contingency (% of Direct Costs)		5.00%	60,205									
CPI				4%	4%	4%	4%	4%	4%	4%	4%	
INDIRECT COSTS												
Developer Overhead Allowance		20.00%	$3,974,000									
Real Estate Taxes (Per Unsold Lot @50%)		1,150	216,200									
Transfer Taxes ($/1000)		0.47%	92,396									
Sales Commission (% of Gross Sales)		2.50%	496,750									
Advertising Expense (% of Gross Sales)		0.00%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%
Contingency (% of Indirect Costs)		5.00%	238,967									
CPI				0%	3%	3%	3%	3%	3%	3%	3%	
	TOTAL:		$6,282,618									

BANK FINANCING

Prime Rate	7.3%
Interest Rate - Prime + 2.50%	9.8%
% Land Costs	0.0%
% Development Costs (Direct & Indirect)	100.0%
Annual Drawdown Rate (Ave. outstanding loan balance)	50.0%
Construction Loan Fee	1.0%
Discount Rate:	9.25%

Landvest

APPENDIX

Certification: Slater W. Anderson

Qualifications: Slater W. Anderson

Comparable Sales

LandVest®

CERTIFICATION OF VALUE

I hereby certify that:

1. I have made a personal inspection of the property that is the subject of this report.

2. To the best of my knowledge and belief, the statements of fact and the opinions contained in this report are true and correct.

3. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.

4. I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.

5. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

6. This appraisal was not based on a requested minimum valuation, specific valuation or approval of a loan.

7. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

8. No one provided significant professional assistance to the person(s) signing this report.

Appraiser: _____ Date: 1/9/06
Slater W. Anderson

LandVest

SLATER W. ANDERSON

Project Manager, Real Estate Consulting Group, LandVest, Inc.

Slater W. Anderson is a Project Manager and the GIS Coordinator with the Real Estate Consulting Group of LandVest, a broad-based real estate company involved in all aspects of land planning, real estate brokerage, consulting, development, and conservation planning. As Project Manager, he is responsible for residential and commercial appraisals, development feasibility studies, land use planning and design, and implementation of development and conservation projects. As GIS Coordinator, he is responsible for overseeing the utilization of digital mapping technologies for land planning on LandVest consulting projects. Mr. Anderson has been with LandVest since August 1999.

Prior to joining the firm, Mr. Anderson was GIS Manager and Planner with the Metropolitan Area Planning Council where his responsibilities included management of GIS mapping projects, proposal writing, and public outreach. The Metropolitan Area Planning Council serves 101 cities and towns surrounding Boston, Massachusetts. From 1992 to 1994, Mr. Anderson worked for an architectural firm in Jackson, Wyoming assisting in the design of residential homes.

Mr. Anderson received a Bachelor of Arts degree in Liberal Arts from Connecticut College, New London, Connecticut in 1992 and a Master of Regional Planning degree from the University of Massachusetts - Amherst in 1996. He is a licensed Certified General Real Estate Appraiser in Massachusetts (LIC # 70909), a licensed Real Estate Salesperson in Massachusetts (LIC. # 9034418) and is a Certified Planner with the American Institute of Certified Planners (AICP - #106307).

Comparable Sales Report

01/10/2006

1

Address:	Map-Lot Number:	Property Status:	Sale Price:	Sale Date:	Current/Final Price:	Total Acres:	Water Orientation:	Vacant:	GLA:
42 Middle Road	24C/0068/161	Available			$575,000	0.07	Water View	No	1378
Village/Neighborhood:			**Seller:**		**Orig. List Price:**	**Rooms:**	**Bedrooms:**	**Baths:**	**1/2 Baths:**
					$575,000	6	3	1	1
City:			**Buyer:**		**Days on Market:**	**Year Built:**	**Effective Age:**	**Deeded Rights:**	
Ipswich					248	1910			

Property Description:

Idyllic island called Little Neck, great views of Ipswich Bay, Crane Beach. Plum Island. Attractive, meticulous cottage. Private beach, boat mooring available, community house and dock.

2

Address:	Map-Lot Number:	Property Status:	Sale Price:	Sale Date:	Current/Final Price:	Total Acres:	Water Orientation:	Vacant:	GLA:
6 Cliff Road	24C/69	Sold	$545,000	08/05/2004	$550,000	0.08	Water Front	No	1396
Village/Neighborhood:			**Seller:**		**Orig. List Price:**	**Rooms:**	**Bedrooms:**	**Baths:**	**1/2 Baths:**
					$550,000	5	3	1	
City:			**Buyer:**		**Days on Market:**	**Year Built:**	**Effective Age:**	**Deeded Rights:**	
Ispswich					83	1967			

Property Description:

Panoramic views from Maine to Cape Ann. Mint condition ranch. Private beach, wharf, boat mooring available. Seasonal use 4/1 to 12/1.

3

Address:	Map-Lot Number:	Property Status:	Sale Price:	Sale Date:	Current/Final Price:	Total Acres:	Water Orientation:	Vacant:	GLA:
27 Baycrest	24C/69/100	Sold	$230,000	09/15/2004	$255,000	0.06	Water View	No	1014
Village/Neighborhood:			**Seller:**		**Orig. List Price:**	**Rooms:**	**Bedrooms:**	**Baths:**	**1/2 Baths:**
					$255,000	4	2	1	
City:			**Buyer:**		**Days on Market:**	**Year Built:**	**Effective Age:**	**Deeded Rights:**	
Ispswich					11	1935			

Property Description:

Occupancy from April 1 thru November 30th. Area amenities: public transportation, shopping, swimming pool, tennis court, park, walk/jog trails, stables, golf course, laundromat.

Appraisal

Comparable Sales Report

01/10/2006

4

Address:	Map-Lot Number:	Property Status:	Sale Price:	Sale Date:	Current/Final Price:	Total Acres:	Water Orientation:	Vacant:	GLA:
16 Hilltop Road	24C-91	Sold	$308,000	05/13/2005	$335,000	0.03	Water View	Nc	598
Village/Neighborhood:			**Seller:**		**Orig. List Price:**	**Rooms:**	**Bedrooms:**	**Baths:**	**1/2 Baths:**
					$335,000	4	2	1	
City:			**Buyer:**		**Days on Market:**	**Year Built:**	**Effective Age:**	**Deeded Rights:**	
Ipswich					131	1950			

Property Description:

Cottage is being sold furnished. Great views of the water and Little Neck Pier. Summer only. Occupancy from April 1 - Nov 30. P ayground, community center and pier close by.

5

Address:	Map-Lot Number:	Property Status:	Sale Price:	Sale Date:	Current/Final Price:	Total Acres:	Water Orientation:	Vacant:	GLA:
25 Plum Sound	24C/148	Sold	$370,000	05/07/2004	$415,000	0.10	Water Front	No	784
Village/Neighborhood:			**Seller:**		**Orig. List Price:**	**Rooms:**	**Bedrooms:**	**Baths:**	**1/2 Baths:**
					$415,000	5	3	1	
City:			**Buyer:**		**Days on Market:**	**Year Built:**	**Effective Age:**	**Deeded Rights:**	
Ipswich					24	1920			

Property Description:

Direct waterfront to the Atlantic Ocean and Plum Island Sound. Three season home in exclusive summer community. Three bedrooms, hardwood floors, newly renovated bath and fireplace inside or enjoy porch, deck or enclosed porch. Use of Pavillion Beach and mooring.

6

Address:	Map-Lot Number:	Property Status:	Sale Price:	Sale Date:	Current/Final Price:	Total Acres:	Water Orientation:	Vacant:	GLA:
16 Kings Way		Sold	$420,000	06/30/2004	$425,000	0.06	Water View	No	1097
Village/Neighborhood:			**Seller:**		**Orig. List Price:**	**Rooms:**	**Bedrooms:**	**Baths:**	**1/2 Baths:**
					$425,000	6	3	1	
City:			**Buyer:**		**Days on Market:**	**Year Built:**	**Effective Age:**	**Deeded Rights:**	
Ipswich					47	1930			

Property Description:

Cottage on Little Neck. This vacation community offers private beach, dock. Boat mooring available. Seasonal use April 1 to December 1.

Appraisal

Comparable Sales Report

01/10/2006

7

Address:	Map-Lot Number:	Property Status:	Sale Price:	Sale Date:	Current/Final Price:	Total Acres:	Water Orientation:	Vacant:	GLA:
8 Hilltop Road		Sold	$450,000	05/27/2004	$449,900	0.07	Water View	No	1205
Village/Neighborhood:			**Seller:**		**Orig. List Price:**	**Rooms:**	**Bedrooms:**	**Baths:**	**1/2 Baths:**
					$449,900	6	3	1	
City:			**Buyer:**		**Days on Market:**	**Year Built:**	**Effective Age:**	**Deeded Rights:**	
Ipswich					6	2000			

Property Description:

3 yr old home at Little Neck Estates, 2-3 br, living rm, and dining area boasts F/P, French doors leading to deck, brazilian cherry floors, cabinet kitchen with d/w and compactor. Partially finished walk out basement.

8

Address:	Map-Lot Number:	Property Status:	Sale Price:	Sale Date:	Current/Final Price:	Total Acres:	Water Orientation:	Vacant:	GLA:
41 River Road	Lot 24C	Sold	$512,000	04/15/2004	$539,900	0.05	Water Front	No	2200
Village/Neighborhood:			**Seller:**		**Orig. List Price:**	**Rooms:**	**Bedrooms:**	**Baths:**	**1/2 Baths:**
					$539,900	6	3	1	1
City:			**Buyer:**		**Days on Market:**	**Year Built:**	**Effective Age:**	**Deeded Rights:**	
Ipswich					24	1930			

Property Description:

Views of Steep Hill and Crane's Beach. Pristine seasonal (April 1-Dec 1) 3 bedroom home in Little Neck Estates. Living/Dining Room w/fireplace open to enclosed wrap around porch. Steps to Little Neck's own private beach and dock.

9

Address:	Map-Lot Number:	Property Status:	Sale Price:	Sale Date:	Current/Final Price:	Total Acres:	Water Orientation:	Vacant:	GLA:
31 River Road	24C/20	Sold	$525,000	05/31/2005	$565,000	0.06	Water Front	No	1224
Village/Neighborhood:			**Seller:**		**Orig. List Price:**	**Rooms:**	**Bedrooms:**	**Baths:**	**1/2 Baths:**
					$565,000	6	3	1	1
City:			**Buyer:**		**Days on Market:**	**Year Built:**	**Effective Age:**	**Deeded Rights:**	
Ipswich					73	1980			

Property Description:

Views of Crane Beach, Cape Ann, and Ipswich River. Summer only. Private resident beach is directly across the street. Playground, ball field, community house and pier. Land rent $5,000. Special assessment for new septic system.

LandVest

Exhibit G - Price List by Unit

Lot #	Road	Parcel ID	Price
6	BAY RD	24C 069 120	$ 160,710
8	BAY RD	24C 069 099	$ 163,490
12	BAY RD	24C 069 084	$ 164,843
15	BAY RD	24C 069 068	$ 178,517
16	BAY RD	24C 069 070	$ 165,519
17	BAY RD	24C 069 067	$ 178,367
18	BAY RD	24C 069 071	$ 165,256
19	BAY RD	24C 069 066	$ 179,719
23	BAY RD	24C 069 065	$ 177,766
25	BAY RD	24C 069 064	$ 177,766
27	BAY RD	24C 069 063	$ 176,038
29	BAY RD	24C 069 062	$ 175,812
31	BAY RD	24C 069 061	$ 175,024
33	BAY RD	24C 069 060	$ 175,812
35	BAY RD	24C 069 059	$ 182,837
3	BAYCREST RD	24C 069 108	$ 200,907
6	BAYCREST RD	24C 069 024	$ 177,766
9	BAYCREST RD	24C 069 105	$ 158,043
17	BAYCREST RD	24C 069 102A	$ 161,537
18	BAYCREST RD	24C 069 093	$ 161,537
21	BAYCREST RD	24C 069 102	$ 161,537
22	BAYCREST RD	24C 069 094	$ 161,537
23	BAYCREST RD	24C 069 101A	$ 161,537
24	BAYCREST RD	24C 069 095	$ 161,537
25	BAYCREST RD	24C 069 101	$ 161,537
26	BAYCREST RD	24C 069 096	$ 161,537
27	BAYCREST RD	24C 069 100	$ 161,537
28	BAYCREST RD	24C 069 097	$ 161,537
30	BAYCREST RD	24C 069 098	$ 163,829
2	CLIFF RD	24C 069 169	$ 200,982
4	CLIFF RD	24C 069 170	$ 208,346
6	CLIFF RD	24C 069 171	$ 203,086
8	CLIFF RD	24C 069 172	$ 203,800
10	CLIFF RD	24C 069 173	$ 198,541
3	COVE RD	24C 069 090	$ 161,537
4	COVE RD	24C 069 079	$ 167,097
5	COVE RD	24C 069 089	$ 161,537
6	COVE RD	24C 069 080	$ 161,537
8	COVE RD	24C 069 081	$ 161,537
9	COVE RD	24C 069 087	$ 161,537
10	COVE RD	24C 069 082	$ 161,537
12	COVE RD	24C 069 083	$ 167,059
15	COVE RD	24C 069 086	$ 161,537
17	COVE RD	24C 069 085	$ 161,537
5	GALA WY	24C 069 072	$ 161,537
1	HILLTOP RD	24C 069 037	$ 152,558
7	HILLTOP RD	24C 069 057	$ 163,265
8	HILLTOP RD	24C 069 075	$ 161,537
9	HILLTOP RD	24C 069 055	$ 162,852
10	HILLTOP RD	24C 069 076	$ 161,537
11	HILLTOP RD	24C 069 054	$ 173,220
12	HILLTOP RD	24C 069 077	$ 161,537
15	HILLTOP RD	24C 069 053	$ 164,016
16	HILLTOP RD	24C 069 091	$ 158,306
18	HILLTOP RD	24C 069 092	$ 161,875
19	HILLTOP RD	24C 069 052	$ 163,040
20	HILLTOP RD	24C 069 103	$ 161,537
21	HILLTOP RD	24C 069 051	$ 162,702
22	HILLTOP RD	24C 069 115	$ 161,537
23	HILLTOP RD	24C 069 050	$ 163,077
24	HILLTOP RD	24C 069 127	$ 161,537
25	HILLTOP RD	24C 069 049	$ 164,768
26	HILLTOP RD	24C 069 141	$ 161,537
33	HILLTOP RD	24C 069 104	$ 161,537
35	HILLTOP RD	24C 069 114	$ 161,537
37	HILLTOP RD	24C 069 128	$ 161,537

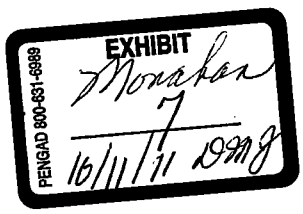


Exhibit G - Price List by Unit

Lot #	Road	Parcel ID	Price
43	HILLTOP RD	24C 069 163	$ 177,766
3	KINGS WY	24C 069 133	$ 200,907
4	KINGS WY	24C 069 110	$ 177,766
5	KINGS WY	24C 069 132	$ 177,766
8	KINGS WY	24C 069 112	$ 161,537
10	KINGS WY	24C 069 113	$ 158,043
11	KINGS WY	24C 069 129	$ 158,043
16	KINGS WY	24C 069 116	$ 161,537
17	KINGS WY	24C 069 126	$ 161,537
18	KINGS WY	24C 069 116A	$ 161,537
19	KINGS WY	24C 069 125	$ 161,537
20	KINGS WY	24C 069 117	$ 161,537
21	KINGS WY	24C 069 124	$ 161,537
22	KINGS WY	24C 069 118	$ 161,537
24	KINGS WY	24C 069 118A	$ 161,537
25	KINGS WY	24C 069 123	$ 161,537
27	KINGS WY	24C 069 122	$ 161,537
29	KINGS WY	24C 069 121	$ 165,256
3	MIDDLE RD	24C 069 035	$ 180,621
4	MIDDLE RD	24C 069 038	$ 159,471
5	MIDDLE RD	24C 069 034	$ 180,621
6	MIDDLE RD	24C 069 039	$ 159,922
7	MIDDLE RD	24C 069 033	$ 180,621
8	MIDDLE RD	24C 069 040	$ 164,805
9	MIDDLE RD	24C 069 032	$ 181,109
10	MIDDLE RD	24C 069 056	$ 158,569
11	MIDDLE RD	24C 069 031	$ 177,052
12	MIDDLE RD	24C 069 041	$ 163,753
14	MIDDLE RD	24C 069 041A	$ 166,533
16	MIDDLE RD	24C 069 042	$ 167,623
18	MIDDLE RD	24C 069 029	$ 177,766
20	MIDDLE RD	24C 069 043	$ 165,106
21	MIDDLE RD	24C 069 028	$ 177,766
22	MIDDLE RD	24C 069 044	$ 164,918
24	MIDDLE RD	24C 069 045	$ 163,077
26	MIDDLE RD	24C 069 046	$ 162,514
28	MIDDLE RD	24C 069 047	$ 162,138
29	MIDDLE RD	24C 069 026	$ 179,532
30	MIDDLE RD	24C 069 048	$ 161,537
31	MIDDLE RD	24C 069 025	$ 177,691
32	MIDDLE RD	24C 069 106	$ 161,537
35	MIDDLE RD	24C 069 107	$ 177,766
36	MIDDLE RD	24C 069 130	$ 161,537
37	MIDDLE RD	24C 069 111	$ 177,766
38	MIDDLE RD	24C 069 138	$ 161,537
39	MIDDLE RD	24C 069 131	$ 177,766
40	MIDDLE RD	24C 069 154	$ 161,537
41	MIDDLE RD	24C 069 137	$ 177,766
42	MIDDLE RD	24C 069 161	$ 161,537
43	MIDDLE RD	24C 069 155	$ 177,766
45	MIDDLE RD	24C 069 160	$ 177,766
2	PLUM SOUND RD	24C 069 134	$ 200,907
3	PLUM SOUND RD	24C 069 157	$ 200,907
4	PLUM SOUND RD	24C 069 135	$ 177,766
5	PLUM SOUND RD	24C 069 156	$ 177,766
6	PLUM SOUND RD	24C 069 136	$ 177,766
12	PLUM SOUND RD	24C 069 139	$ 161,537
13	PLUM SOUND RD	24C 069 153	$ 161,537
14	PLUM SOUND RD	24C 069 140	$ 161,537
15	PLUM SOUND RD	24C 069 152	$ 161,537
19	PLUM SOUND RD	24C 069 151	$ 163,490
20	PLUM SOUND RD	24C 069 142	$ 161,537
21	PLUM SOUND RD	24C 069 150	$ 161,537
22	PLUM SOUND RD	24C 069 143	$ 161,537
23	PLUM SOUND RD	24C 069 149	$ 161,537

Exhibit G - Price List by Unit

Lot #	Road	Parcel ID	Price
24	PLUM SOUND RD	24C 069 144	$ 161,537
25	PLUM SOUND RD	24C 069 148	$ 207,857
27	PLUM SOUND RD	24C 069 147	$ 182,612
28	PLUM SOUND RD	24C 069 145	$ 161,537
30	PLUM SOUND RD	24C 069 146	$ 164,016
2	RIVER RD	24C 069 164	$ 202,873
3	RIVER RD	24C 069 162	$ 161,537
6	RIVER RD	24C 069 165	$ 198,728
10	RIVER RD	24C 069 166	$ 202,260
11	RIVER RD	24C 069 159	$ 200,907
12	RIVER RD	24C 069 167	$ 200,907
15	RIVER RD	24C 069 158	$ 200,907
16	RIVER RD	24C 069 168	$ 220,894
21	RIVER RD	24C 069 109	$ 200,907
25	RIVER RD	24C 069 023	$ 198,428
27	RIVER RD	24C 069 022	$ 199,968
29	RIVER RD	24C 069 021	$ 201,959
31	RIVER RD	24C 069 020	$ 200,907
35	RIVER RD	24C 069 018	$ 198,841
37	RIVER RD	24C 069 017	$ 199,254
39	RIVER RD	24C 069 016	$ 198,428
41	RIVER RD	24C 069 015	$ 198,240
43	RIVER RD	24C 069 014	$ 198,165
44	RIVER RD	24C 069 009	$ 200,344
45	RIVER RD	24C 069 013	$ 176,451
46	RIVER RD	24C 069 010	$ 209,848
47	RIVER RD	24C 069 008	$ 174,422
48	RIVER RD	24C 069 011	$ 203,913
49	RIVER RD	24C 069 007	$ 198,428
50	RIVER RD	24C 069 012	$ 202,410
53	RIVER RD	24C 069 006	$ 202,823
55	RIVER RD	24C 069 005	$ 201,771
57	RIVER RD	24C 069 004	$ 202,560
59	RIVER RD	24C 069 003	$ 202,260
61	RIVER RD	24C 069 002	$ 200,269
63	RIVER RD	24C 069 001	$ 201,170
	Total Purchase Price		$ 29,150,000

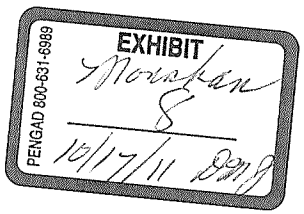
Manzi
43 Cliff

Exhibit A

Little Neck Sales and Listings Overview

2007 - Present

Sale No.	Location	Date of Sale	Sale Price	Lot Size	Indicated Lot Price / sf	Living Area	Owner	Tax Parcel ID	Assessed Value at Sale Date (Building/ Land)	Comments
SALES										
A1	42 Middle Road Ipswich	8/31/07	**$550,000**	3,000 sf	$183/sf	1,378 sf	Daniel Leonard	Map 24C, Block 69, Lot 161	$345,500 ($132,200 / $213,300)	C1910 seasonal cottage in good condition with four bedrooms and one and a half baths. Listed at $575,000, sold after 852 days on market.
A2	9 Cove Road Ipswich	10/12/07	**$339,000**	3,000 sf	$113/sf	1,354 sf	George P. Sousa	Map 24C, Block 69, Lot 87	$423,800 ($210,500 / $213,300)	C1910 summer cottage, rebuilt in 1998, with two bedrooms and one and a half baths. Sold fully furnished, after 15 days on market.
A3	24 Plum Sound Road Ipswich	4/14/08	**$400,000**	3,000 sf	$133/sf	1,392 sf	Kerri McDonald-Shaub	Map 24C, Block 69, Lot 144	$291,400 ($105,900 / $185,500)	C1910 cottage, fully renovated and well maintained, with three bedrooms and one and a half bathrooms. Listed at $445,000. Sold fully furnished, after 185 days on market.
A4	3 King's Way Ipswich	11/6/08	**$465,000**	3,000 sf	$155/sf	912 sf	Michael Torrisi	Map 24C, Block 69, Lot 133	$362,700 ($72,400 / $290,300)	C1920 Seasonal camp with three bedrooms and one bath in 912 sf living area.
A5	27 King's Way Ipswich	7/23/08	**$335,000**	3,000 sf	$112/sf	892 sf	John Cook	Map 24C. Block 69, Lot 122	$284,600 ($104,500 / $180,100)	C1936 summer cottage, updated in 1989, with two bedrooms and one bath. Originally listed at $425,000, price reduced five times, sold after 778 days on market.



new permits? King Way

Nature Study Road views for Pavilion

A6	26 Baycrest Road Ipswich	12/16/09	**$165,000**	3,000 sf	$55/sf	1,032 sf	Not Available	Map 24C, Block 69, Lot 96	$255,000 ($74,900 / $180,100)	C1930 seasonal cottage with three bedrooms and one bath, and large screened porch. Listed at $319,000, reduced six times, sold after 541 days on market.
CURRENT LISTINGS										
A-L1	6 Plum Sound Road Ipswich	110 days on market	L:$375,000	3,000 sf	$125/sf	1,160 sf	Not Available	Map 24C, Block 69, Lot 136	$329,400 FY2010	C1920 two-story seasonal cottage with interior and exterior updates. Includes three bedrooms, one bath and a screened-in porch. Views of the Ipswich River towards Fox Creek.
A-L2	23 Bay Road Ipswich	368 days on market	L:$259,000	3,000 sf	$86/sf	800 sf	Not Available	Map 24C, Block 69, Lot 65	$287,000 FY2010	C1910 two-story seasonal cottage with two bedrooms, an updated kitchen and bath, and a screened-in porch.
A-L3	24 Hilltop Road Ipswich	80 days on market	L:$399,000	3,000 sf	$133/sf	1,408 sf	Not Available	Map 24C, Block 69, Lot 127	$303,000 FY2010	C1930 summer cottage with three bedrooms, one bath, a stone fireplace and wrap-around porch. Reduced from asking price of $415,000.
A-L4	35 Hilltop Road Ipswich	551 days on market	L:$579,900	3,000 sf	$193/sf	852 sf	Not Available	Map 24C, Block 69, Lot 114	$284,200 FY2010	C1935 summer cottage with four bedrooms, one bath, a fireplace, wrap-around porch, and second-level deck.
A-L5	50 River Road Ipswich	437 days on market	L:$599,000	3,360 sf	$178/sf	1,779 sf	Not Available	Map 24C, Block 69, Lot 12	$432,300 FY2010	C1910 waterfront summer cottage with nine rooms, including five bedrooms, one bathroom, a living room with fireplace, an enclosed and an open porch. Reduced twice from original asking price of $625,000.

First living room

Cent. 21 on (R) Beech Point

Cent. 21 mls

Corners white clap. queen Anne

For rent Paper Hous

Meetings 9/11/09

50 River Rd

Kathryn Obrien 948.5333

33 ? Middle? next to Dock on (R) Seaward, blue w/ shutters

LandVest®

REAL ESTATE ADVISORY REPORT

FEOFFEES OF THE GRAMMAR SCHOOL PROPERTY
IPSWICH, MASSACHUSETTS

Located:
Little Neck Estate
Ipswich, Massachusetts 01938

Report Date:
April 15, 1997

Requested by:
Mr. Donald M. Greenough
Ipswich Cooperative Bank Building
Depot Square - P. O. Box 790
Ipswich, Massachusetts 01938-0790

Prepared by:
James E. Monahan, Associate Director
Real Estate Consulting Group
LandVest, Inc.
Ten Post Office Square
Boston, MA 02109

Report #2573

LandVest®

TABLE OF CONTENTS

I. INTRODUCTION/PURPOSE OF ANALYSIS 1

II. PROPERTY DESCRIPTION
- A. Site Description 2
- B. Parcel Inventory and Assessment 3
  - • Table I - Parcel Inventory 4
  - • Table II - Lot Inventory Under Feoffee's Ownership 10
- C. Current Use Analysis 13

III. REGULATORY ANALYSIS
- A. Zoning - Town of Ipswich 15
- B. Open Space Preservation (Cluster) Zoning 15
- C. Subdivision Regulations 16
- D. Wetlands Protection Act 17
- E. Soils Analysis 18
- G. Approval Issues 19

IV. REAL ESTATE MARKET ANALYSIS:
- A. Purchase and Sale Dynamics 21
- B. Comparable Sales Overview: 22
- C. Allocated Land Value Analysis 26
- D. Lot Value Tiers 30

V. HIGHEST AND BEST USE ANALYSIS
- A. Concept Plan A - Land as Though Vacant 34
- B. Concept Plan B - Definitive Subdivision at Existing Lot Density . 37
- C. Concept Plan C - Condominium Conversion 40
- D. Planning Option D - Conversion to Long-Term Lease 43

VI. SUMMARY AND RECOMMENDATIONS: 45

APPENDIX:

Certification, James E. Monahan
Qualifications, James E. Monahan

I. INTRODUCTION/PURPOSE OF ANALYSIS

This report constitutes a summary of work completed in accordance with LandVest's Real Estate Advisory Contract with the Feoffees of the Grammar School in Ipswich, Massachusetts. The findings and conclusions contained in this report are intended to serve as a basis for rendering informed decisions regarding continued management and/or the future disposition of Trust-held land known as Little Neck Estate.

The primary goals of this analysis include the following:

- Determine the Highest and Best Use of the land as though vacant, if other than the current use;

- Assuming the most valuable use of the property is its current use, analyze the existing land rental agreement and advise on strategies aimed at enhancing the property's value through stabilized management under the following land use/ownership options:

  - Legal subdivision and conversion to fee simple (land) ownership;
  - Restructure the current tenancy at will as a long term land lease;
  - Convert the land to a condominium or cooperative form of ownership.

This analysis will also evaluate the potential for a bulk sale of the property to a third party investor and provides preliminary estimates of value assuming this disposition option. Finally, the current assessment of the land by the town of Ipswich for taxation purposes will be evaluated relative to the property's market value.

This report includes an evaluation of a full range of use and ownership alternatives and provides preliminary estimates of market value under each option. The steps undertaken in this analysis include an inspection and inventory of physical site conditions; an overview of all pertinent local and state land use regulations; existing utilities and infrastructure; and the supply and demand balance of the local real estate market.

Preliminary market value estimates contained in this report are market-supported, and the appraisal methods employed are considered adequate for the purposes of evaluating the financial implications of a relatively wide range of individual property types and disposition options. However, all market value estimates may be subject to minor revision pending more refined master planning and appraisal efforts.

II. PROPERTY DESCRIPTION

A. SITE DESCRIPTION

The subject of this analysis is a coastal peninsula commonly known as "Little Neck Estate", located in the east-central portion of the Town of Ipswich, southern Essex County, Massachusetts. The property is situated on the northerly bank of the Ipswich River at its confluence with Plum Island Sound and Ipswich Bay. The property is bordered to the east by Plum Island Sound/Ipswich Bay; southerly and westerly by the Ipswich River; and northerly by Neck Cove, an enclosed tidal tributary of the Ipswich River. The property was originally part of a land grant made in trust by the Town of Ipswich in 1650 for the stated purpose of providing financial support for a free grammar school in Ipswich.

There is no recorded perimeter survey or legal subdivision plan of the property. In the absence of a record plan, Town assessor's maps have been used for reference and area calculations. Assuming fee ownership extends to mean low water, planimetric area calculations from the scaled assessor's map 24C, indicates between 35-36± acres.

Geologically, the property represents a coastal drumlin with a regular oval shape and single point of access via Little Neck Road. The primary access road paralleling Pavilion Beach constitutes a flood-prone, filled causeway between Ipswich Bay and Neck Cove. The property's overall (extreme) dimensions are approximately 1,900± feet (east/west) by 1,200± feet (north/south), and the total navigable shorefrontage on Plum Island Sound and the Ipswich River amounts to approximately 3,400± feet. Additional tidal frontage along Neck Cove (measured from Plum Sound Road to the community dock), totals approximately 1,220± feet. The south-central portion of the Ipswich 'River frontage is sandy beach available to residents and guests. This frontage also provides excellent access to seasonal moorings.

The property ranges in elevation from mean sea level to a high point elevation of approximately 90± feet and although quite steep in areas, the side slopes of the hill are generally quite smooth and regular. A combination of the site's conical/oval shape and substantial elevation allows for a dramatic, 360-degree view perspective from the central upland. The best view perspective is generally to the east/southeast across the mouth of the Ipswich River to Steep Hill, Crane Beach and down the coastline to Halibut Point at Rockport. Long southeasterly views to the Ipswich River, Neck Creek and tidal marshes are also available from the western half of the site. There are a few *natural* impediments to off-site views from the property's interior, though the high density of existing cottages limits views from several portions of the site. The most severe slopes are found in the northeast portion of the property facing Plum Island Sound. Nearly the entire east and northeast-facing slope is composed of dramatic headlands which rise approximately 50

feet from mean sea level at an average gradient of 50%. This portion of the shoreline is structurally retained by a boulder revetment and riprap and the upper portion of the coastal bank is generally well-vegetated and there is no evidence of active gullying, bank-slippage or erosion.

The property is traversed by a grid network of interior private (paved) roads totalling approximately 9,700± feet (184± acres). These roads range in paved width from approximately 10 to 14± feet and are generally improved with underground (conduit) utilities, municipal water and surface storm drainage. The entire interior road network is privately owned and monitored by the Feoffees of the Grammar School, but the Town of Ipswich plows the roads during the winter months.

A review of S.C.S. Soil Map indicate that the entire upland portion of the property is comprised of Paxton fine sandy loam with an overall slope gradient range of 15-25%. These soils are deep, moderately steep and are found mainly on the upper sides of hills. The subsoil consists of fine sandy loam about 14 inches in depth. The substratum is very firm and brittle, extending to a depth of 60" or more. The permeability of the substratum soils is slow to very slow and a high water table is perched above the substratum for brief periods in late winter and early spring. Paxton soils are rated as being severely constrained in terms of on-site sewage disposal due to slope and slow permeability.

B. PARCEL INVENTORY AND ASSESSMENT

Based on a review of Town of Ipswich Assessors' records and parcel mapping, the subject property as currently referenced for taxation purposes has a total of 210 individually-taxed parcels. Of this total, approximately 168 are improved with privately owned, seasonal and year-round dwellings with approximately 42 parcels vacant or marginally improved and owned by the Feoffees of the Grammar School.

A comprehensive tabulation and assessment summary for the improved leasehold parcels is included in **Table I** on the following pages of this report. A **Base Plan** of the property (following Table I) provides a color-coded summary of seasonal and year-round cottage lots, vacant parcels, open space and roads.

TABLE I

PARCEL INVENTORY
LITTLE NECK ESTATE - IPSWICH, MASSACHUSETTS

I. Leased Parcels with Existing Dwellings

Parcel #	Address	Owner	Lot Area	Tax Assessments - 1997			
				Land	Yard	Bldg.	Total
1	63 River Road	N. Munro	3,060 SF	$93,000	$0	$78,900	$171,900
2	61 River Road	C. Stevens	2,843 SF	$92,300	$0	$39,500	$131,800
3	59 River Road	N. Wilkey	3,327 SF	$94,000	$0	$38,700	$132,700
4	57 River Road	A. Anderson	3,400 SF	$94,200	$0	$50,900	$145,100
5	55 River Road	K. Rodman	3,210 SF	$93,600	$0	$50,300	$143,900
6	53 River Road	M. Sandberg	3,458 SF	$94,400	$0	$77,500	$171,900
7	49 River Road	W. Hough	2,400 SF	$90,700	$0	$50,300	$141,000
8	47 River Road	R. Saunders	1,980 SF	$81,600	$0	$37,900	$119,500
9	44 River Road	R. Aiello	2,860 SF	$92,300	$0	$68,400	$160,700
10	46 River Road	J. Cronin	5,160 SF	$100,400	$0	$73,600	$174,000
11	48 River Road	T. Ciolek	3,720 SF	$95,400	$900	$125,500	$221,800
12	50 River Road	J. Blake	3,360 SF	$94,100	$0	$57,800	$151,900
13	45 River Road	P. Saunders	2,600 SF	$83,600	$0	$38,600	$122,200
14	43 River Road	K. Rodman	2,340 SF	$90,500	$0	$87,500	$178,000
15	41 River Road	C. Hebel	2,350 SF	$90,500	$0	$69,200	$159,700
16	39 River Road	J. Foley	2,400 SF	$90,700	$4,200	$51,400	$146,300
17	37 River Road	J. Survilas	2,600 SF	$91,400	$0	$50,300	$141,700
18	35 River Road	M. Heinlein	2,500 SF	$91,100	$0	$30,700	$121,800
20	31 River Road	R. Melanson	3,000 SF	$92,800	$3,900	$65,100	$161,800
21	29 River Road	S. Lalikos	3,250 SF	$93,700	$0	$42,600	$136,300
22	27 River Road	R. Tetreault	2,770 SF	$92,000	$1,200	$51,900	$145,100
23	25 River Road	K. Tetreault	2,400 SF	$90,700	$500	$55,300	$146,500
24	6 Bay Crest Rd.	R. Watson	3,000 SF	$84,900	$0	$47,000	$131,900
25	31 Middle Road	R. Doherty	2,980 SF	$84,900	$0	$51,200	$136,100
26	29 Middle Road	C. Laughton	3,540 SF	$86,700	$0	$42,900	$129,600
28	21 Middle Road	M. Moylan	3,000 SF	$84,900	$0	$51,800	$136,700
29	19 Middle Road	E. Kain	3,000 SF	$84,900	$0	$102,800	$187,700

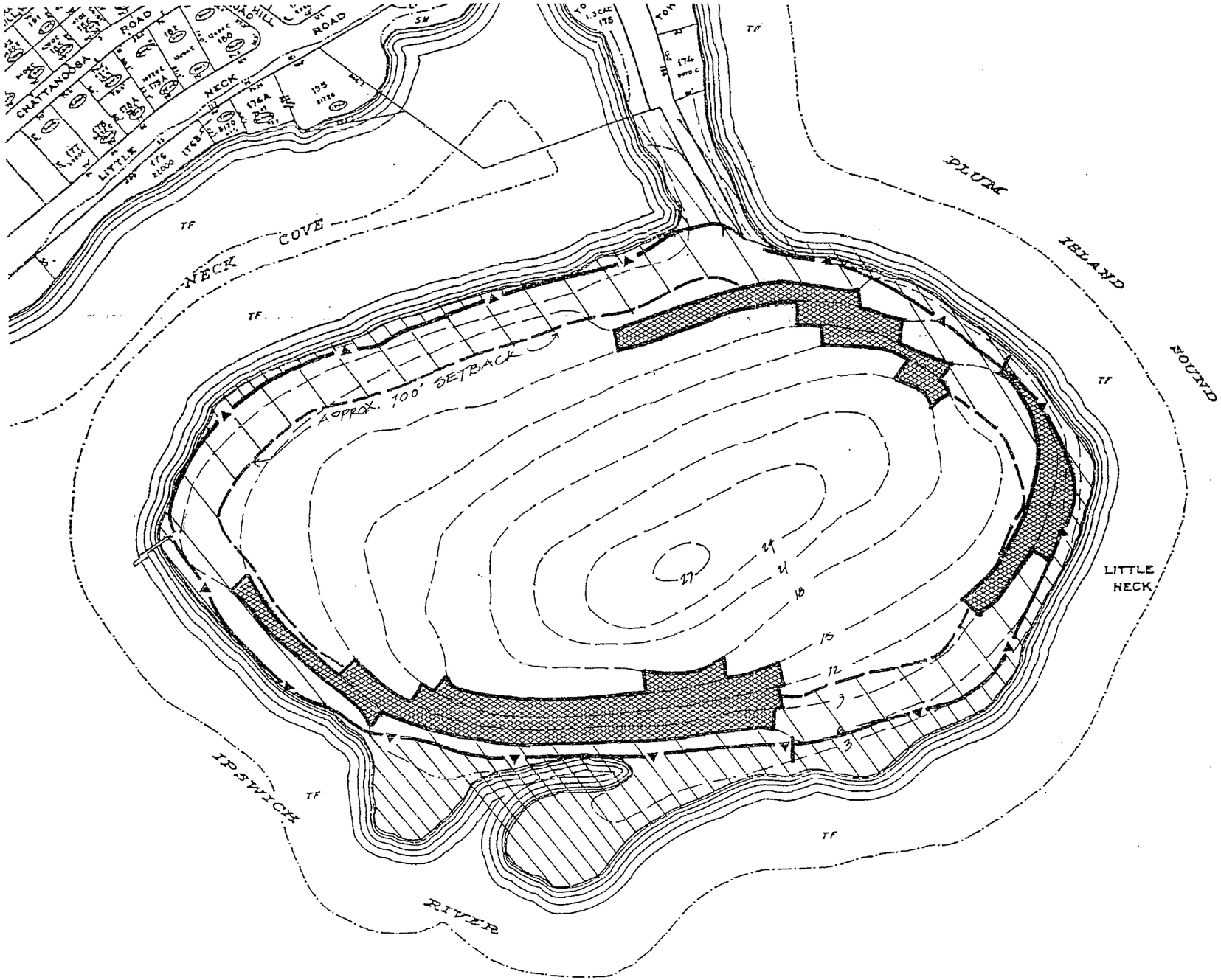
Parcel #	Address	Owner	Lot Area	Tax Assessments - 1997 Land	Yard	Bldg.	Total
30	15 Middle Road	D. Wallace	2,000 SF	$16,300	$5,700	$0	$22,000
31	11 Middle Road	D. Wallace	2,780 SF	$84,200	$7,700	$60,100	$152,000
32	9 Middle Road	R. Greenhalge	4,020 SF	$88,200	$0	$41,200	$129,400
33	7 Middle Road	M. Kelly	3,870 SF	$87,700	$0	$34,600	$122,300
34	5 Middle Road	R. Passarelli	3,870 SF	$87,700	$0	$55,300	$143,000
35	3 Middle Road	M. Kelly	3,870 SF	$87,700	$0	$34,800	$122,500
37	1 Hilltop Road	W. Russo	2,159 SF	$53,300	$0	$52,000	$105,300
38	4 Middle Road	D. Gresek	2,230 SF	$59,400	$0	$81,000	$140,400
39	6 Middle Road	M. Kelly	2,400 SF	$59,800	$0	$79,400	$139,200
40	8 Middle Road	R. Marchisio	4,240 SF	$64,100	$0	$110,600	$174,700
41	12 Middle Road	W. Hardy	3,840 SF	$63,200	$0	$44,200	$107,400
42	16 Middle Road	D. Berman	5,300 SF	$66,600	$0	$57,500	$124,100
43	20 Middle Road	J. Spinney	4,360 SF	$64,400	$0	$65,200	$129,600
44	22 Middle Road	H. Gerrish	4,280 SF	$64,200	$0	$57,300	$121,500
45	24 Middle Road	S. Lewis	3,590 SF	$62,600	$0	$46,900	$109,500
46	26 Middle Road	C. Devlin	3,370 SF	$62,100	$0	$49,500	$111,600
47	28 Middle Road	R. Benjamin	3,240 SF	$61,800	$0	$54,700	$116,500
48	30 Middle Road	A. Carroll	3,000 SF	$61,200	$0	$81,200	$142,400
49	25 Hilltop Road	R. Saunders	4,225 SF	$64,100	$0	$85,300	$149,400
50	23 Hilltop Road	V. Cutler	3,591 SF	$62,600	$0	$43,700	$106,300
51	21 Hilltop Road	R. Thorngren	3,450 SF	$62,300	$500	$46,000	$108,800
52	19 Hilltop Road	A. Donahoe	3,575 SF	$62,600	$0	$53,500	$116,100
53	15 Hilltop Road	W. Odenthal	3,950 SF	$63,400	$0	$68,800	$132,200
54	11 Hilltop Road	J. Reardon	7,420 SF	$71,500	$0	$82,800	$154,300
55	9 Hilltop Road	K. Kiley	3,500 SF	$62,400	$600	$71,000	$134,000
56	10 Middle Road	J. Duran	3,210 SF	$58,600	$0	$63,500	$122,100
57	7 Hilltop Road	D. Dieringer	3,660 SF	$62,800	$1,000	$72,900	$136,700
59	35 Bay Road	C. Bouvier	4,550 SF	$89,900	$800	$95,000	$185,700
60	33 Bay Road	C. Laughton	2,400 SF	$83,000	$0	$53,800	$136,800
61	31 Bay Road	H. Akerstrom	2,160 SF	$82,200	$0	$38,400	$120,600
62	29 Bay Road	V. Carbone	2,400 SF	$83,000	$0	$58,000	$141,000
63	27 Bay Road	A. Yemma	2,470 SF	$83,200	$500	$46,000	$129,700
64	25 Bay Road	J. Gallagher	3,000 SF	$84,900	$500	$33,100	$118,500

Parcel #	Address	Owner	Lot Area	Tax Assessments - 1997 Land	Yard	Bldg.	Total
65	23 Bay Road	C. Lichoulas	3,000 SF	$84,900	$0	$36,100	$121,000
66	19 Bay Road	H. Lyons	3,600 SF	$86,900	$0	$57,400	$144,300
67	17 Bay Road	M. Holden	3,180 SF	$85,500	$0	$52,700	$138,200
68	15 Bay Road	W. Moskowitz	3,230 SF	$85,700	$0	$47,800	$133,500
70	16 Bay Road	M. Donaldson	4,510 SF	$64,700	$0	$54,500	$119,200
71	18 Bay Road	T. Allen	4,410 SF	$64,500	$500	$47,900	$112,900
72	5 Gala Way	R. Hamlin	3,000 SF	$61,200	$0	$52,400	$113,600
75	8 Hilltop Road	R. Scioletti	3,000 SF	$61,200	$0	$37,600	$98,800
76	10 Hilltop Road	J. Dowling	3,000 SF	$61,200	$0	$41,000	$102,200
77	12 Hilltop Road	M. Casey	3,000 SF	$61,200	$0	$43,800	$105,000
79	4 Cove Road	B. Horsman	5,110 SF	$66,100	$0	$38,600	$104,700
80	6 Cove Road	S. Ruta	3,000 SF	$61,200	$0	$38,500	$99,700
81	8 Cove Road	C. Robinson	3,000 SF	$61,200	$0	$44,100	$105,300
82	10 Cove Road	N. Ball	3,000 SF	$61,200	$0	$51,000	$112,200
83	12 Cove Road	M. Anderson	5,100 SF	$66,100	$0	$49,200	$115,300
84	12 Bay Road	N. Fidrocki	4,260 SF	$64,200	$0	$53,200	$117,400
85	17 Cove Road	K. Gilletti	3,000 SF	$61,200	$0	$36,900	$98,100
86	15 Cove Road	R. Varney	3,000 SF	$61,200	$400	$44,400	$106,000
87	9 Cove Road	P. Mattson	3,000 SF	$61,200	$0	$56,900	$118,100
89	5 Cove Road	Rev. Mcaskill	3,000 SF	$61,200	$0	$43,200	$104,400
90	3 Cove Road	F. Parker	3,000 SF	$61,200	$0	$52,500	$113,700
91	16 Hilltop Road	V. Carbone	1,780 SF	$58,400	$0	$44,400	$102,800
92	18 Hilltop Road	R. Stocker	3,140 SF	$61,500	$0	$49,500	$111,000
93	18 Baycrest Rd.	J. Fogarty	3,000 SF	$61,200	$0	$48,000	$109,200
94	22 Baycrest Rd.	L. Fiske	3,000 SF	$61,200	$0	$37,600	$98,800
95	24 Baycrest Rd.	J. Lyon	3,000 SF	$61,200	$0	$46,400	$107,600
96	26 Baycrest Rd.	P. Bottomly	3,000 SF	$61,200	$0	$38,300	$99,500
97	28 Baycrest Rd.	G. Church	3,000 SF	$61,200	$0	$86,700	$147,900
98	30 Baycrest Rd.	C. McGilvary	3,870 SF	$63,200	$0	$51,100	$114,300
99	8 Bay Road	R. Attridge	3,750 SF	$63,000	$0	$48,700	$111,700
100	27 Baycrest Rd.	E. Williams	3,000 SF	$61,200	$0	$40,700	$101,900
101	25 Baycrest Rd.	J. Ferrino	3,000 SF	$61,200	$0	$41,900	$103,100
102	21 Baycrest Rd.	D. Carroll	3,000 SF	$61,200	$0	$43,200	$104,400

Parcel #	Address	Owner	Lot Area	Tax Assessments - 1997 Land	Yard	Bldg.	Total
103	20 Hilltop Road	J. Garvey	3,000 SF	$61,200	$0	$39,300	$100,500
104	33 Hilltop Road	R. Gilbert	3,000 SF	$61,200	$0	$48,500	$109,700
105	9 Baycrest Rd.	R. Betts	3,000 SF	$58,200	$0	$36,200	$94,400
106	32 Middle Road	R. Harrington	3,000 SF	$61,200	$0	$58,600	$119,800
107	35 Middle Road	P. Rhodes	3,000 SF	$84,900	$0	$50,700	$135,600
108	3 Baycrest Rd.	C. Moore	3,000 SF	$92,800	$0	$31,800	$124,600
109	21 River Road	E. Green	3,000 SF	$92,800	$0	$43,100	$135,900
110	4 Kings Way	P. Rowell	3,000 SF	$84,900	$0	$54,500	$139,400
111	37 Middle Road	R. Johnson	3,000 SF	$84,900	$0	$58,400	$143,300
112	8 Kings Way	R. Harrington	3,000 SF	$61,200	$0	$78,800	$140,000
113	10 Kings Way	B. Pulsford	3,000 SF	$58,200	$0	$52,500	$110,700
114	35 Hilltop Road	M. Obrion	3,000 SF	$61,200	$0	$51,800	$113,000
115	14 Kings Way	P. Surette	3,000 SF	$61,200	$0	$73,300	$134,500
116	16 Kings Way	M. Mathieson	3,000 SF	$61,200	$0	$46,400	$107,600
117	20 Kings Way	R. McHale	3,000 SF	$61,200	$0	$56,100	$117,300
118	22 Kings Way	P. Hull	3,000 SF	$61,200	$0	$50,200	$111,400
120	30 Kings Way	G. Donovan	2,700 SF	$60,500	$0	$37,200	$97,700
121	29 Kings Way	J. Kurnick	4,410 SF	$64,500	$0	$38,300	$102,800
122	27 Kings Way	J. Cook	3,000 SF	$61,200	$0	$46,200	$107,400
123	25 Kings Way	J. Sullivan	3,000 SF	$61,200	$0	$48,400	$109,600
124	21 Kings Way	L. Varney	3,000 SF	$61,200	$0	$50,200	$111,400
125	19 Kings Way	F. Phaneuf	3,000 SF	$61,200	$0	$40,300	$101,500
126	17 Kings Way	J. Spenser	3,000 SF	$61,200	$0	$42,000	$103,200
127	24 Hilltop Road	E. O'Keefe	3,000 SF	$61,200	$300	$61,200	$122,700
128	37 Hilltop Road	J. Gorman	3,000 SF	$61,200	$0	$49,100	$110,300
129	11 Kings Way	F. Kiley	3,000 SF	$58,200	$0	$43,200	$101,400
130	36 Middle Road	W. Lonergan	3,000 SF	$61,200	$0	$59,900	$121,100
131	39 Middle Road	R. Cole	3,000 SF	$84,900	$0	$49,100	$134,000
132	5 Kings Way	R. Barton	3,000 SF	$84,900	$0	$59,800	$144,700
133	3 Kings Way	D. Goodhue	3,000 SF	$92,800	$0	$55,200	$148,000
134	2 Plum Sound Rd.	R. Maloney	3,000 SF	$92,800	$0	$67,600	$160,400
135	4 Plum Sound Rd.	R. Maloney	3,000 SF	$84,900	$0	$64,400	$149,300
136	6 Plum Sound Rd.	C. Jannino	3,000 SF	$84,900	$0	$56,300	$141,200

Parcel #	Address	Owner	Lot Area	Tax Assessments - 1997 Land	Yard	Bldg.	Total
137	41 Middle Road	C. Huntley	3,000 SF	$84,900	$0	$54,100	$139,000
138	38 Middle Road	W. Carroll	3,000 SF	$61,200	$500	$68,900	$130,600
139	12 Plum Sound Rd.	C. Fogg	3,000 SF	$61,200	$0	$32,700	$93,900
140	14 Plum Sound Rd.	M. Green	3,000 SF	$61,200	$0	$38,500	$99,700
141	26 Hilltop Road	D. Greenwood	3,000 SF	$61,200	$0	$52,200	$113,400
142	20 Plum Sound Rd.	R. Hodgdon	3,000 SF	$61,200	$2,000	$50,300	$113,500
143	22 Plum Sound Rd.	S. Simkins	3,000 SF	$61,200	$0	$45,100	$106,300
144	24 Plum Sound Rd.	S. Moore	3,000 SF	$61,200	$0	$48,200	$109,400
145	28 Plum Sound Rd.	D. Rocco	3,000 SF	$61,200	$0	$54,900	$116,100
146	30 Plum Sound Rd.	F. Davis	3,950 SF	$63,400	$0	$53,300	$116,700
147	27 Plum Sound Rd.	D. Blum	4,490 SF	$89,700	$0	$31,600	$121,300
148	25 Plum Sound Rd.	J. Burkiewicz	4,680 SF	$90,300	$0	$52,400	$142,700
149	23 Plum Sound Rd.	E. Goodwin	3,000 SF	$61,200	$0	$54,300	$115,500
150	21 Plum Sound Rd.	L. Fidrocki	3,000 SF	$61,200	$0	$48,200	$109,400
151	19 Plum Sound Rd.	E. Raymond	3,750 SF	$63,000	$0	$40,500	$103,500
152	15 Plum Sound Rd.	I. Bettis	3,000 SF	$61,200	$0	$50,000	$111,200
153	13 Plum Sound Rd.	P. Lucas	3,000 SF	$61,200	$0	$64,400	$125,600
154	40 Middle Road	R. Veno	3,000 SF	$61,200	$0	$55,300	$116,500
155	43 Middle Road	A. Lowden	3,000 SF	$84,900	$0	$64,100	$149,000
156	5 Plum Sound Rd.	G. Boone	3,000 SF	$84,900	$0	$38,900	$123,800
157	3 Plum Sound Rd.	C. Story	3,000 SF	$92,800	$0	$63,500	$156,300
158	15 River Road	S. Tannahill	3,000 SF	$92,800	$0	$54,700	$147,500
159	11 River Road	E. Cowdrey	3,000 SF	$92,800	$0	$63,900	$156,700
160	45 Middle Road	R. Tomb	3,000 SF	$84,900	$0	$64,200	$149,100
161	42 Middle Road	J. Warnick	3,000 SF	$61,200	$0	$77,800	$139,000
162	3 River Road	R. MacRae	3,000 SF	$61,200	$0	$41,500	$102,700
163	43 Hilltop Road	E. Demers	3,000 SF	$84,900	$0	$86,300	$171,200
164	2 River Road	E. Dever	3,500 SF	$94,600	$0	$96,100	$190,700
165	6 River Road	J. Kurnick	2,470 SF	$90,900	$0	$89,700	$180,600
166	10 River Road	L. Eaton	3,325 SF	$94,000	$0	$80,300	$174,300
167	12 River Road	F. O'Malley	3,000 SF	$92,800	$0	$62,600	$155,400
168	16 River Road	P. Merlino	7,820 SF	$109,800	$500	$60,000	$170,300
169	2 Cliff Road	T. Amore	3,020 SF	$92,900	$0	$92,700	$185,600

Parcel #	Address	Owner	Lot Area	Tax Assessments - 1997 Land	Yard	Bldg.	Total
170	4 Cliff Road	J. Faria	4,790 SF	$99,200	$0	$54,900	$154,100
171	6 Cliff Road	A. Rice	3,520 SF	$94,700	$0	$57,100	$151,800
172	8 Cliff Road	Sullivan	3,700 SF	$95,300	$0	$44,900	$140,200
173	10 Cliff Road	J. Duran	2,430 SF	$90,800	$0	$36,600	$127,400
101A	23 Baycrest Rd.	G. Couturier	3,000 SF	$61,200	$0	$34,200	$95,400
102A	17 Baycrest Rd.	J. Buckley	3,000 SF	$61,200	$0	$87,300	$148,500
116A	18 Kings Way	J. Connor	3,000 SF	$61,200	$0	$46,800	$108,000
118A	24 Kings Way	L. Varney	3,000 SF	$61,200	$0	$51,400	$112,600
41A	14 Middle Road	H. Wills	4,900 SF	$65,700	$0	$93,700	$159,400
	TOTALS:		545,883 SF (12.53 ac.)	$12,357,300	$32,200	$9,197,800	$21,587,300



Key:

- Flood Plain
- 25%+ Slopes
- Approx. Buffer

Notes: Plan compiled from Town Assessor's Plats and is intended for planning purposes.

LandVest Project #2573

DATE: 3/97

Site Analysis

LITTLE NECK ESTATE IPSWICH, MA

PREPARED FOR:
FEOFFEES/GRAMMAR SCHOOL

PREPARED BY:
LANDVEST, INC.

Scale: 1" = 200'

0 100 200 300

LandVest
TEN POST OFFICE SQUARE, BOSTON, MA 02109

THIS PLAN IS CONCEPTUAL ONLY AND NOT REPRESENTED AS AN ENGINEERED PLAN.

2. Vacant Parcel Inventory - Feoffees Ownership

Table II provides an inventory and per parcel assessment of vacant or semi-improved (i.e., landscape improvements) parcels owned by the Feoffees.

TABLE II

LOT INVENTORY UNDER FEOFFEE'S OWNERSHIP

Parcel #	Lot Area	Assessments			
		Land	Yard	Bldg.	Total
0	11 acres	$295,700	$8,800	$72,800*	$377,300
19	2,200 SF	$18,000	$3,900	0	$21,900
36	3,960 SF	$17,600	0	0	$17,600
58	2,190 SF	$59,300	0	0	$59,300
73	6,000 SF	$6,800	0	0	$6,800
	3,000 SF	$12,200	0	0	$12,200
78	3,000 SF		0	0	$12,000
88	3,000 SF		0	0	$12,200
119	3,000 SF		0	0	$12,200
101B	3,000 SF	$12,200		0	$12,200
102B	3,000 SF			0	$12,200
103A	3,000 SF		0	0	$12,200
109A	1,500 SF	$17,500		0	$17,500
124A	3,000 SF	$12,200		0	$12,200
134A	1,500 SF	$17,500	0	0	$17,500
141A	3,000 SF	$12,200	$1,900	0	$14,100
144A	3,000 SF	$12,200	0	0	$12,200
152A	3,000 SF	$12,200	0	0	
153A	3,000 SF	$12,200	0	0	$12,...
158A	1,250 SF	$17,300	0	0	$17,300
159A	3,000 SF	$18,600	0	0	$18,600
165A	2,000 SF	$17,900	0	0	$17,900
166A	3,000 SF	$18,600	0	0	$18,600

Parcel #	Lot Area	Assessments			
		Land	Yard	Bldg.	Total
166B	3,700 SF	$19,100	0	0	$19,100
169A	3,000 SF	$17,000	0	0	$17,000
23A	3,000 SF	$18,600	0	0	$18,600
25A	3,000 SF	$17,000	0	0	$17,000
27A	3,000 SF	$17,000	0	0	$17,000
27B	3,380 SF	$17,200	0	0	$17,200
27C	3,360 SF	$17,200	0	0	$17,200
29A	3,000 SF	$17,000	0	0	$17,000
43A	4,360 SF	$12,900	0	0	$12,900
49A	2,915 SF	$12,200	0	0	$12,200
52A	3,875 SF	$12,600	0	0	$12,600
66A	3,600 SF	$17,400	0	0	$17,400
6A	1,728 SF	$17,700	0	0	$17,700
70A	3,000 SF	$6,100	0	0	$6,100
71A	3,000 SF	$12,200	0	0	$12,200
75A	4,120 SF	$6,400	0	0	$6,400
87A	3,000 SF	$12,200	0	0	$12,200
92A	3,000 SF	$12,200	0	0	$12,200
93A	3,000 SF	$12,200	0	0	$12,200
TOTALS:	**13.82 ac.**	**$925,200**	**$14,600**	**$72,800**	**$1,012,600**

3. Land Use/Assessment Analysis

The parcel inventory by lot type/use and ownership is further consolidated as follows:

Property Component	Number	Approx. Acreage	Assessed Value
Improved Parcels/Tenant-owned	168	12.53 ac.	$21,587,300
Improved Parcels/Feoffee-owned*	1	11.0 ac.	$377,300
Vacant Parcels/Feoffee-owned	41	2.82 ac.	$635,300
Total Parcels:	**210**	**26.35 ac.**	**$22,599,900**

* Community Center

This analysis indicates that the total *land* assessment for the property amounts to $13,282,500, or approximately $504,079 per taxable acre and 58.6% of the gross valuation of $22,599,900.

It is important to note that the total assessed land value for the 168 leasehold parcels of $12,357,300 indicates values of approximately $986,217 per rentable (improved) acre and approximately $73,555 per parcel.

These per unit values would be considered reasonably accurate if the 168 parcels were legally-divided, fee simple lots. However, no legal subdivision exists and the potential of obtaining subdivision approvals for this density is extremely speculative. While the assessed values of the privately owned cottages appear accurate (based on depreciated replacement cost), the near $1m per acre valuation of the 12.53 acres of improved land appears quite aggressive considering the property constitutes a single legal parcel and owners do not have the benefit of fee simple ownership rights. In fact, the $73,555 average cottage parcel valuation is closely aligned with current fee simple values for ***non-seasonal*** lots seen in the competing shorefront neighborhoods in Ipswich.

The question as to whether the per parcel assessments date back to the original terms of the land grant for the Town or subsequent statute is difficult to ascertain. If this is the case, then the property would represent a somewhat unique property in terms of assessment methodology in the Town. Undivided land is rarely taxed as though legally divided and fully transferrable. Undivided leasehold properties are typically assigned reference numbers, but the assessments typically reflect some level of discount for lack of fee simple property rights and seasonal use restrictions. No such discount is evident in the current per parcel land assessment.

Despite what appears to be an aggressive land assessment, I believe the current overall assessment (i.e., land and improvements) of the rentable properties is reasonably accurate. This opinion is based in part on the fact that 17 sales on Little Neck over the past 7± years have indicated an average value of approximately $133,525 (see Little Neck Sales Overview - Section IV). The current assessment of 168 improved parcels indicates an average value of $128,888. Thus, the overall sales/assessed value margin is approximately 3.5%. If Little Neck properties were taxed as a condominium where land value is accounted for in unit assessments as fractional shares of the whole, the individual parcels would not be assessed separately and there would be no question of over valuation. In summary, while I believe the current land assessment *methodology* results in inordinately high per parcel values, the overall assessed value is consistent with market value levels indicated by recent sales activity on Little Neck.

C. CURRENT USE ANALYSIS - TENANCY AT WILL

The Little Neck property is the subject of an annually-renewable land rental agreement which essentially dates back to circa 1650. The terms of this agreement permit each homeowner to occupy their cottages between April 1st and November 30th of each year. With the exception of 17 cottages which were grandfathered in 1966 to allow for year-round occupancy, the balance of the cottages may be occupied only within the designated eight month season, and the Feoffees may impose a fine of $1,000 per week for each period of illegal, out-of-season use. The seasonal use restriction is attributable to stringent sewage disposal limitations and state sanitary code restrictions.

Under current rental terms, individual parcel rents are assessed equally throughout the property. Seasonal parcels rent for $600 annually and year-round parcels rent for $800. Individual tenants (cottage owners) are responsible for a portion of land rent, real estate taxes, insurance and all utilities. Additionally, tenants are responsible for any necessary repair or replacement of in-ground sewage disposal systems in the event of a system failure.

Based on a review of provided financial statements for the years 1992, 1994, and 1995, the total cash receipts and average per-unit rents are summarized below:

TABLE III

	1992	1994	1995
Taxes	$283,561.54	$303,809.05	$312,857.25
Rental Income	$104,852.07	$118,834.45	$ 96,963.28
Total	$388,413.61	$422,643.40	$409,820.53

1. Potential Gross Rental Income

Assuming current rates at 100% occupancy and collection, the annual (stabilized) gross (land) rental income totals $104,200. Average fixed and variable spending expense over the three years of available data (prior to the allowance for school gifts) amounts to approximately $58,000 indicating a net operating income (NOI) of approximately $46,200. Capitalized at a relatively conservative rate of 10%, the property's value under the current income structure to an investor would amount to approximately $462,000 or only $2,750 per rental parcel. If the school gift allowances are accounted for in the NOI calculation, the property may have a value only slightly above zero.

III. REGULATORY ANALYSIS

The following section of this report provides an overview of the most pertinent land use and environmental regulations impacting the range of legal uses of the subject property.

A. ZONING - TOWN OF IPSWICH

The entire subject property is located within the Town's rural residence B (RRB) Zoning District.

As-of-right uses within this district include single-family detached dwellings, church and religious uses, educational uses, recreational facilities, charitable uses and general conservation/agricultural uses. Uses which may be allowed following the issuance of a special permit from the Board of Appeals and Planning Board include open space preservation (cluster development), two-family dwellings, private clubs, rest home and private waste water treatment plants.

The following is a summary of spatial requirements enforced within the RRB Zoning District.

Minimum Lot Area:	43,560 square feet (1 acre)
Minimum Lot Width:	175 feet
Minimum Lot Frontage:	150 feet
Minimum Front Yard Setback:	20 feet
Minimum Side Yard Setback:	20 feet
Minimum Rear Yard Setback:	20 feet
Maximum Building Area:	20% of lot area
Maximum Floor Area:	30% of lot area

B. OPEN SPACE PRESERVATION (CLUSTER) ZONING

A cluster development is not a permitted use in the RRB District but has been included in this analysis as an alternative to conventional subdivision. It is assumed that the site may either be re-zoned to RRA or RRC to make the property eligible for Special Permit approval of a cluster developement.

The following is a brief overview of performance standards enforced under the cluster bylaw.

Minimum Track Size:	At least 5 times the minimum lot area within the District.
Maximum Lot Density:	It cannot exceed density by "conventional" subdivision.
Wetlands/Coastal Exclusion:	50% of wetlands/coastal flood plain may be included in lot area calculations.
Minimum Open Space:	25% of total parcel.
Maximum Site Coverage:	30% (impervious).
Minimum Lot Area:	None.
Minimum Lot Width:	100 feet.
Minimum Lot Frontage:	50 feet.
Minimum Front Yard Setback:	20 feet.
Minimum Side Yard Setback:	20 feet.
Minimum Rear Yard Setback:	30 feet.
Maximum Building Coverage:	20%.
Minimum Project Buffer:	40 feet.

C. SUBDIVISION REGULATIONS

Any subdivision of land within the Town of Ipswich is subject to the regulations enacted under the Subdivision Control Law. These regulations dictate the manner in which subdivisions are implemented, specifically with regard to public health and safety issues such as road construction standards, utility installation, and septic system design and construction. The subdivision regulations pertinent to this study include the following:

Road Classification	Minimum Right-of-Way	Paved Width	Maximum Gradient
Primary	60 Feet	36 Feet	5%
Secondary	50 Feet	30 Feet	6%
Residential	50 Feet	28 Feet	8%

In the Town of Ipswich, there are two types of subdivision review.

1. Approval Not Required

This process allows for the subdivision of land for properties which can provide the proposed lot or lots with adequate street frontage, lot area, and meet all the

minimum requirements of the Subdivision Control Law. When submitted to the Planning Board, the Board must make the determination that the plan meets or exceeds the minimum requirements defined in the Zoning Bylaws. Once a positive determination has been made, the plan is endorsed without requiring approval from the Board, hence the nomenclature, "Approval Not Required."

2. **Definitive Subdivision**

If a subdivision of land containing less than the minimum required street frontage is proposed, a standard, definitive subdivision is necessary. This type of development requires extensive review and approval of engineering issues related to the proposal. The approval process of a definitive subdivision is longer than that of an ANR and typically involves a public hearing prior to final approval.

D. WETLANDS PROTECTION ACT

Wetland areas in Ipswich are regulated under the State Wetlands Protection Act (M.G.L. Chapter 131, Section 40), and as such, any proposed work within 100 feet of a classified wetland is subject to review by the Town Conservation Commission and State Department of Environmental Protection.

Under the State Wetlands Protection Act (MGL Chapter 131), the subsurface disposal of wastewater within 100 feet of the edge of a vegetative wetland, and within 100 feet of a stream or other waterbody is prohibited. State Wetlands Regulations also prohibit the filling of more than 5,000 square feet of wetlands for the purpose of providing access to a parcel or lot. The Act requires that the proposed alteration of land within 100 feet of any bordering vegetative wetland or waterbody must first be reviewed by the local Conservation Commission under the authority of the State Department of Environmental Protection.

While the 100-foot buffer zone is not considered a "no-build" area, any future work proposed within these areas requires the filing of a "Determination of Applicability" and "Notice of Intent" at the local level. The local Conservation Commission then performs a field inspection of the site relative to the work proposed and then determines whether the work falls within the buffer zone or Protected Resource Area. If the proposed scope of work falls within 100-foot buffer zone, the Conservation Commission may conditionally approve or disapprove the application. Conditional approval is referred to as an "Order of Conditions" which stipulates mitigating measures aimed at protecting wetland resources. Failure to comply with this process in the Commonwealth of Massachusetts can result in punitive damages and/or a cease order.

E. SOILS ANALYSIS

Sewage disposal on the property is currently accommodated by a mix of upgraded, fully complying septic systems and numerous older (original) cesspools which would be considered substandard by current design and leaching requirements enforced under Title 5 of the State Sanitary Code. It is reported that in some cases, two to three cottages may be connected to a single, shallow leaching gallery or cesspool. These types of substandard systems typically go undiscovered until the property either sells (mandatory Title 5 inspection) or the system completely fails. "As built" plans for repaired systems are filed with the Ipswich Board of Health, but these upgraded systems constitute a small fraction of the total systems serving the cottages.

It should be stressed that in-ground sewage disposal is one of the most significant factors affecting the property's development potential and market value. Due to the lack of detailed records, it is beyond the scope of this analysis to ascertain the potential impact on value from outdated systems. As one example of the potential value impact affecting a single parcel, in the event that a cesspool failed and no complying "repair" was feasible, a "tight tank" may be the only option. In this instance, the annual costs incurred in scheduled pumping of a 2,000 gallon tight tank would be capitalized and deducted from the value attributed to the land. At an average pump-out cost of $180 and a pump-out frequency of eight times per year, the liability to the parcel value may exceed $14,000. Fifty such cases would result in a devalution of the property by as much as $700,000.

Accordingly, the issue of soils/septic suitability has been *generally* considered in the property's valuation, but a detailed analysis of its tangible impact on value will require additional engineering information.

F. COASTAL FLOOD PLAIN

The entire perimeter of the subject property is located within the Flood Hazard District - Zone A as depicted on the Federal Insurance Rate Map of the property (FIRM) (Community Panel No. 250086-3D, revised as of July 2, 1992). If any part of a proposed subdivision is located at or below the base flood elevation, the design of the subdivision and associated utilities should minimize the potential for flood damage, and should provide for adequate drainage to minimize damage to abutting properties.

G. SITE ANALYSIS

The **Site Analysis** plan on the following page of this report depicts the most significant planning constraints affecting the property. These constraints include the landward extent of the 100-year floodplain (tight cross-hatching on plan); minimum 100-foot setback from the approximate delineation of coastal banks on the property (minimum setback for new septic systems and Conservation Commission jurisdiction as buffer zone); and 25%-plus slopes.

This analysis indicates a total upland area of approximately 21.4± acres.

H. APPROVAL ISSUES

In order to gain additional insight to planning and approval issues affecting the property, I met with Ipswich Planning Director, Glenn Gibbs. The specific goal of this meeting was to evaluate the regulatory feasibility of obtaining definitive subdivision approval for the property as currently platted for taxation purposes (i.e., 168 improved parcels).

Because "cluster" or open space development is not permitted in the RRB zoning district, this option was considered marginal at the outset. Mr. Gibbs indicated that because the property had never been legally subdivided, it could not be "grandfathered" from current zoning or subdivision regulations. Additionally, because the average lot size is well below 5,000 square feet, the lots do not even satisfy the minimum lot size requirement enforced under the state zoning act as a minimum grandfathered lot. While Mr. Gibbs conceded that the acceptance of the tax assessment plan as a legal subdivision may appear logical (if strictly restricted to seasonal use and private road status), the plan would be considered extremely controversial.

While this use cannot effectively be ruled out without an actual plan filing, considerable risks associated with legally subdividing the property will be accounted for in the third party investor/purchase analysis of the property for subdivision purposes.

IV. REAL ESTATE MARKET ANALYSIS

The Little Neck neighborhood is not dissimilar to other seasonal waterfront colonies in New England which were originally settled as clamming and fishing camps which served a relatively utilitarian purpose. There are several examples of this type of settlement from Connecticut to Maine, and all appear to share one common element: each was settled at a time when market demand for waterfront land was low and land use regulations were either slowly evolving or nonexistent. Over the years, cultural changes which place a higher value on leisure time and shorefront recreation have increased the demand for waterfront land and prices have rapidly escalated. This trend has forced owners of this type of property to re-examine the value implications of the original settlement pattern and conditions of use in the present-day economy.

The subject property is unique in that it was one of the earliest settled summer colonies in the country, and the original set of land use guidelines dates back to an original grant made in 1648. The original tenancy-at-will has essentially been perpetuated since that time, and indeed one of the greatest measures of security afforded to today's buyer of Little Neck property is its long-standing history under the Feoffees' ownership and control.

The only local ecample of a comparable seasonal leasehold property is the 113± lot Conomo Point neighborhood in Essex. This 22± acre town-owned tract is the subject of a long-term land lease at submarket rates. The next renewal date is 2001 at which time the tenants have one remaining ten year renewal option. There is a planned tenant buyout which is scheduled for discussin at the May Town Meeting. The buyout value remains unknown (though recent rumors indicate a range of $6-$10 million) and extensive septic system upgrades are required. Therefore, Conomo Point does not provide any useful measure of value for Little Neck, but the evenutal value and condition of sale may add insight to the subject analysis.

I am aware of one other shorefront leasehold property purchase being contemplated on the Connecticut shoreline. The tenant buyer group in this case is evaluating the purchase of a 22.5± acres Long Island Sound-front peninsula for $4.5 million, or approximately $60,000 per lot (75 total). The average lot size in this case is larger than the average Little Neck lot and there is a greater percentage of accessible shorefront parcels. Ths land is subject to a remaining lease term of 12± years, also at submarket rates.

The following section of this report provides an analysis of how the Little Neck neighborhood functions under the current land rental program and as a well-defined real estate submarket in Ipswich and Boston's north shore. Key questions and issues to be addressed in this analysis include:

- What are the key attractions and liabilities associated with investment on Little Neck?;
- What is the recent history of transfer activity and what kind of value levels have been achieved for various parcel/property types and locations?;
- Approximately how is value apportioned to the land in the mind of the buyer, or is any value indicated?;
- Do recent transfers on Little Neck indicate any value discount relative to fee simple sales in competing sub-markets? In other words, does the lack of land ownership and rental security affect the buyer's perception of market value?

A. PURCHASE AND SALE DYNAMICS - TRANSFERABLE PROPERTY RIGHTS

Prior to reviewing recent sales transactions and value levels, it is important to first examine the marketable and transferable property rights in Little Neck real estate. As previously noted, the property constitutes a single legal parcel of 35± acres. It is improved with approximately 168 seasonal and year-around cottages on individually referenced and taxed parcels. When a Little Neck property transfers, the buyer purchases the residential improvements in fee simple as well as *the right* to perpetuate the (tenancy-at-will) ground rental at the prevailing rate of $600 per seasonal property and $800 per year-around property. Because the property is not legally subdivided nor is it a legal condominium form of ownership, ownership rights do not extend to the land. Additionally, the absence of a recorded lease affords buyers none of the investment security typically found in leasehold property. Typical security provisions may include a set lease term of 5, 10, 15 or 30 years, base rent and escalator provisions, renewal/termination options, a lease assignment clause and termination conditions with defined site restoration or Lessor buyback obligations.

Based on my review of Town assessment records and financial records provided by the Feoffees (assuming 100% occupancy and collection), the average annual financial obligation (including rent, taxes, and insurance) totals approximately $3,000. This assumes an average tax bill of $1,825 at $14.15/$1,000; average rent of $620; and, $500-$600 in insurance and maintenance. Annual occupancy and carrying costs, coupled with amortized acquisition costs can easily total $10,000-$15,000, depending on financing terms. ***This level of investment indicates that in the absence of purchasing fee ownership in the underlying land, after allowing for the value of the improvements, buyers in Little Neck are placing a relatively high value on the right to rent the underlying land with a nominal level of investment security. On this point, while tenants under the current rental terms pay property taxes on land they do not own, a considerable percentage of total sales value is attributable to the land.***

This illustrates, to some extent, the property's excellent market appeal as a very scenic coastal neighborhood and relatively convenient second home market. The Little Neck neighborhood generates buyers from the Boston, Hartford and Springfield areas as well

as many local residents who use their cottage sporadically during the summer months. The stable and close-knit character of the neighborhood, its private status and wide-range of children's activities, beach, boating and summer functions - all contribute to its appeal. Additionally, this market is seen as being *relatively* affordable, especially when one considers the monthly rental income potential during the summer months.

The most significant liabilities affecting the Little Neck submarket include the lack of land security and difficulty in obtaining bank financing. The Ipswich Cooperative Bank offers 75-80% financing on improvements only, but most transactions involve either all cash or some level of seller financing.

Additionally, some perceive the properties as having an inordinately high real estate tax burden, and in-ground sewage disposal options (in conformance with Title V) are constrained by limited space.

Average summer rental rates for the prime July/August season (9± weeks) generally range between $500 and $900 gross a week. Proximity to the beach (walk-on access) and water views are key factors in achievable summer rental rates. Rents during the shoulder seasons of May/June and September/October average approximately $1,000 per month, and the approximate winter rental range is $500 to $850, depending upon the overall quality of the house and heating costs. Thus, the potential annual gross rental income from the average (seasonal) Little Neck cottage may range between $8,500 and $12,000. In most cases, this is sufficient to offset annual debt service and basic carrying costs. It is fair to assume that because a majority of Little Neck cottages have been long-held and are no longer leveraged, this potential rental income is typically more than adequate to offset costs. ***However, because owners currently accrue no equity in the land, the maintenance of this income/expense balance is an extremely important consideration in continued value stability in the Little Neck market.*** In other words, as second home/vacation investments with no equity build-up in the land, properties on Little Neck should be financially self-sustaining.

B. COMPARABLE SALES OVERVIEW - LITTLE NECK COTTAGES

Tables III and IV on the following pages of this report summarize information gathered on a total of 17 closed transactions and 4 current listings on Little Neck. This information is followed by more detailed evaluation of approximate allocation of value between improvements and land rights in each sale. The sales information is graphically depicted on the Sales History Plan, three pages forward.

TABLE V
CURRENT LISTINGS

Listing No.	Location	Listing Price	Land Area	Improvements	Exposure
L-1	30 Hilltop Rd. (#48)	$239,000	3,000 Sf	6 rooms, 3 BR, 1 bath. Year round. 1,694± SF effective area.	NA
L-2	5 Cove Rd. (#89)	$119,000	3,000 Sf	5 rooms, 2 BR, 1 bath. Seasonal. 752± SF effective area.	2± yrs.
L-3	26 Baycrest Rd. (#96)	$84,000	3,000 Sf	6 rooms, 3 BR's, 1 bath. 780± SF effective area.	5± mos.
L-4	45 Middle Rd. (#160)	$184,000	3,000 Sf	1,268 Sf, 2 BR's. Cottage needs septic (seller responsibility at $12K+). 983± SF effective area.	2± yrs.



THIS PLAN IS CONCEPTUAL ONLY AND NOT REPRESENTED AS AN ENGINEERED PLAN.

C. ALLOCATED LAND VALUE ANALYSIS

Table VI (below) provides an overview of allocated lot/land rights value from each of the closed sales. The *assessed* land value as a percentage of the total assessment is applied to the *selling* price in each case to indicate the approximate value attributed to the land or land rights. This method is deemed reliable as it utilizes the most accurate value estimates for the improvements value. This process also begins to clarify approximate value levels for various lot types in the neighborhood. These values will be considered in fee simple and condominium conversion options for the property.

TABLE VI
ALLOCATED LOT/LAND RIGHTS VALUE - LITTLE NECK SALES

Sale #	Price	Lot Type	Assessor's Land Assessment as % of Total	Allocated Lot/Land Value**
LN-1	$150,000	Interior - marginal view	46%	$69,000
LN-2	$78,000	Interior - good view	65%	$51,000
LN-3*	$172,000	Interior - excellent view	41%	$70,500
LN-4	$125,000	Interior - marginal view	64%	$80,000
LN-5	$150,000	Ipswich riverfront - average	62%	$93,000
LN-6	$189,500	Exceptional view - frontage	50%	$95,000
LN-7	$127,000	Interior - average view	58%	$74,000
LN-8	$215,000	Ipswich riverfront - prime	58%	$125,000
LN-9	$152,000	Neck Cove front - prime	61%	$93,000
LN-10	$135,000	Interior - average view	55%	$74,000
LN-11	$68,000	Neck Cove front - average	70%	$47,600
LN-12	$145,000	Interior - excellent view	54%	$78,000
LN-13	$73,000	Interior - average view	NA	NA
LN-14	$115,000	Front row - Plum Island Sound	74%	$85,000
LN-15*	$115,000	Interior - excellent view	49%	$56,000
LN-16	$93,400	Interior - good view	61%	$57,000
LN-17	$167,000	Ipswich River front - average	69%	$115,000

* Year round residence
** Rounded figures

Unit Values:
Overall Range: $47,600-125,000
Average Value: $78,945

The allocated lot/land rights value outlined above are the most reliable estimates of allocated value to lots of various types and locations on Little Neck. Again, this is most accurately interpreted as value attributed to the occupancy rights to the parcel rather than fee simple land value. This analysis clearly indicates that despite the relative lack of investment security, sales volume in the neighborhood is similar to that of any other densely-settled residential neighborhood.

In essence, the Little Neck submarket appears to function as a condominium development. While the lack of bank financing diminishes the potential buyer pool, buyers obviously consider the total investment value and sub-lease income potential in their assessment of market value. The extent to which buyers may discount property value under the current rental program is evaluated in the following comparison of (fee simple) market value levels on Great Neck (see Table VII - following page).

TABLE VII

APPORTIONED VALUES - FEE SIMPLE SALES - GREAT NECK

Sale No.	Location	Sale Date	Sale Price	Land Area	Improvements	Assessment(%) Land	Bldg.	Extracted Land Value/$SF	Lot Type
1	4 Northridge Rd.	7/8/94	$170,000	7,971 Sf	1,084 Sf Cottage	68.85%	31.15%	$117,045/ $14.68 psf	Eagle Hill River-front -- 55±'
2	8 Northridge Rd.	2/4/94	$238,000	10,367 Sf	880 Sf Cottage	56.5%	43.5%	$134,470/ $12.97 psf	Eagle Hill River-front -- 75±'
3	12 Northridge Rd.	12/29/94	$175,000	14,331 Sf	1,300 Sf Ranch	65.9%	34.1%	$115,325/ $8.04 psf	Eagle Hill River-front -- 109±'
4	26 Northridge Rd.	3/10/95	$200,000	13,852 Sf	1,130 Sf Bungalow	65.5%	34.5%	$131,000/ $9.45 psf	Eagle Hill River-front -- 80±'
5	58 Northridge Rd.	12/20/96	$190,000	15,682 Sf	658 Sf Cottage	72%	28%	$136,800/ $8.72 psf	Eagle Hill River-front -- 75±'
6	60 Northridge Rd.	3/29/95	$300,000	15,987 Sf	1,263 Sf Ranch	63.7%	36.3%	$191,100/ $11.95	Eagle Hill River-front -- 86±'
7	73 Skytop Rd.	11/30/95	$196,750	13,591 Sf	1,798 Sf Ranch	44.5%	55.5%	$87,553/ $6.44 psf	Interior, non-view
8	10 Appomattox Rd.	1/4/95	$188,000	12,807 Sf	1,440 Sf Ranch	51.3%	48.7%	$96,444/ $7.53 psf	Interior, non-view
9	10 Bunker Hill Rd.	2/27/95	$137,500	8,538 Sf	754 Sf Cottage	65.7%	34.3%	$90,337/ $10.58 psf	Interior, non-view

Sale No.	Location	Sale Date	Sale Price	Land Area	Improvements	Assessment(%) Land	Bldg.	Extracted Land Value/$SF	Lot Type
10	49 Bunker Hill Rd.	9/15/94	$159,900	12,807 Sf	700 Sf Cottage	61.3%	38.7%	$98,018/ $7.65 psf	Interior, pond view
11	16 Capeview Rd	9/12/96	$199,500	9,540 Sf	1,347 Sf Cottage	53.6%	46.4%	$106,932/ $11.20 psf	Interior, non-view
12	10 Bay View Rd	9/30/94	$175,000	7,492 Sf	1,083 Sf Cottage	56%	44%	$98,000/ $13.08	Plum Island Sound view across street

Average Land Value as % of Total Sale Price	61.3%
Average (Extracted) Lot Value:	$116,255
Average Value per Square Foot	$10.04

The preceding land value allocations from recent sales on Great Neck (fee simple) and Little Neck (land rental) provides a basis for evaluating value levels for various lot types and approximate market discounts for less than fee simple ownership.

	Neighborhood		
Lot Type	Great Neck*	Little Neck	% Discount
Prime waterfront	$132,000	$125,000	-5.3%
Average waterfront	$105,000	$90,000	-13.6%
Excellent view	$95,000	$80,000	-15.8%
Good view	$85,000	$70,000	-16.7%
Average view	$80,000	$65,000	-17.65%
Marginal view	$70,000	$52,500	-25%

* Size adjusted average values

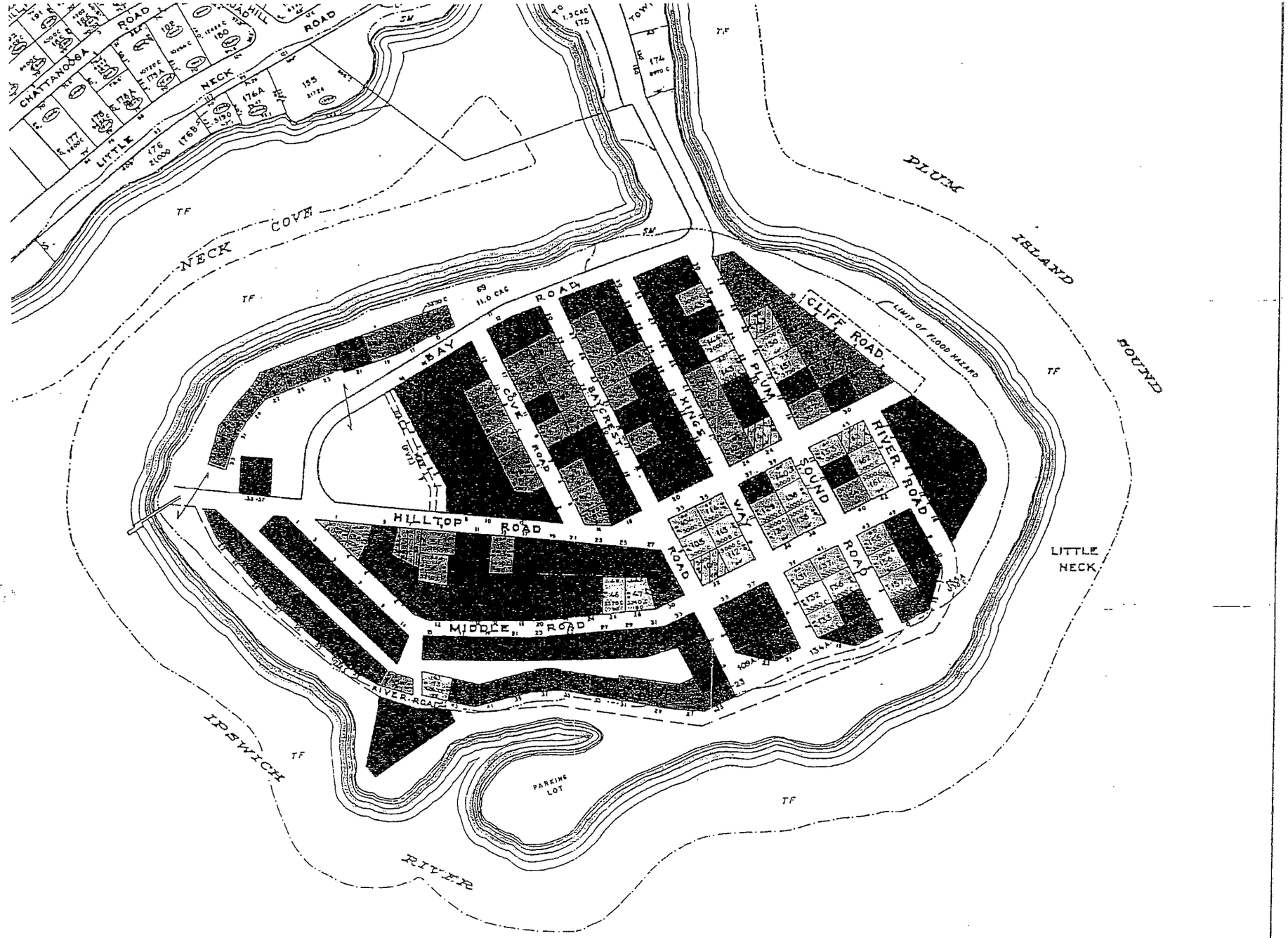
It is interesting to note that the prime waterfront lots indicate the smallest value discount (5.3%) while lots with the least amenity value (i.e., inland lots with marginal views) indicate the greatest discount of approximately 25%. This trend is attributable to the fact that buyers of the higher quality properties tend to pay a premium for the right to enjoy prime frontage or views, while buyers of more average lots place a higher discount on less than fee simple ownership.

Based on this analysis, which essentially separates building and land values, the market appears to apply a discount for the lack of fee ownership and security of land rented on Little Neck. This discount is considered a reliable indication of underlying land value under condominium form of land ownership (i.e., fractional ownership of total).

D. LOT VALUE TIERS

The color-coded, multi-tier lot value summary plan on the following page depicts a total of ten parcel types as well as waterfront and year round parcels. This plan serves as a basis for estimating the market value of the entire property by parcel type, location and quality (as though subdivided or declared a condominium) and to estimate various market rental rates for the land (assuming continued rental).

The tier classification considers the various view perspectives, direct and road-bisected waterfrontage, solar orientation and beach access afforded by the various lots. While this per lot/tier analysis may be subject to some refinement, it represents a reasonably accurate accounting of the qualitative differences between lots which are seen to directly impact value.



Value Tiers - Key:

- #1 - Exceptional View/ Frontage
- #2 - Front Row/Plum Island Sound
- #3 - Front Row/Neck Cove - Prime
- #4 - Front Row/Neck Cove - Average
- #5 - Front Row/Ipswich River - Prime
- #6 - Front Row/Ipswich River - Average
- #7 - Interior - Excellent View
- #8 - Interior - Good View
- #9 - Interior - Avg. View
- #10 - Interior - Marginal View
- #11 - Front Row/Yr. Round
- #12 - Interior/Yr. Round

Notes: Plan compiled from Town Assessor's Plats and is intended for planning purposes

LandVest Project #2573

DATE: 3/97

BASE PLAN

LITTLE NECK ESTATE IPSWICH, MA

PREPARED FOR
FEOFFEES/GRAMMAR SCHOOL

PREPARED BY
LANDVEST, INC.

Scale: 1" = 200'

0 100 200 300

LandVest

TEN POST OFFICE SQUARE, BOSTON, MA 02109

THIS PLAN IS CONCEPTUAL ONLY AND NOT REPRESENTED AS AN ENGINEERED PLAN.

1. Lot Value Tier Summary

The ten lot tiers and corresponding value estimates under fee simple ownership and condominium conversion (applying previously calculated discounts) are set forth below:

Lot Tier/Type	# Lots	Estimated Market Value	
		Fee Simple	Condominium
#1 - Exceptional View/Frontage	4	$145,000	$138,000
#2 - Front Row - Plum Island Sound	7	$138,000	$130,000
#3 - Front Row - Neck Cove/Prime	2	$130,000	$125,000
#4 - Front Row - Neck Cove/Average	7	$105,000	$90,000
#5 - Front Row - Ipswich River/Prime	4	$132,000	$125,000
#6 - Front Row - Ipwich River/Average	19	$120,000	$105,000
#7 - Interior - Excellent View	24	$95,000	$80,000
#8 - Interior - Good View	33	$85,000	$70,000
#9 - Interior - Average View	35	$80,000	$65,000
#10 - Interior - Marginal View	33	$70,000	$50,000
Total:	168		

It should be noted that the above-outlined average value estimates assuem an eight month seasonal use. Specific lots may be valued considerably higher or lower based on septic system upgrade costs and potential for year-round conversion. The feasibility of common septic systems should be evaluated prior to any future purchase and sale negotiations and/or per parcel land rent increases.

V. HIGHEST AND BEST USE ANALYSIS

The Highest and Best Use of real property is defined as follows:

> "The reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and results in the highest value."[1]

After considering the definition, it is apparent that a potential use for a site must pass the following tests:

1. The use must be physically and legally permissible.
2. That legal use must be probable, not speculative.
3. There must be a demand for such use.
4. That use must be profitable.
5. The use must return to the land the highest return possible.
6. The use must provide the highest return for the longest period of time.

The analysis of Highest and Best Use involves consideration of existing land use regulations, any reasonably probable modifications to those regulations, the subject's physical adaptability, and economic demand for the physically and legally permissible uses of the subject property type. This analysis also accounts for prevailing market trends, established neighborhood development patterns and aesthetic issues impacting market demand.

The following review of development/subdivision options for the property is intended to serve several purposes. First, the property is evaluated as though vacant and available for development to Highest and Best Use. The purpose of this analysis is to determine whether the property may be more valuable if developed at a lesser number of larger lots. In this regard, the Highest and Best Use analysis as though vacant will test the most basic assumptions and economic implications of the current use.

Other land use options included in this Highest and Best Use Analysis include the feasibility of subdivision at the current density or a conversion to a condominium/cooperative form of ownership.

Each of these conceptual land use options will be valued utilizing market information summarized in the following section of this report.

---

[1] Dictionary of Real Estate Appraisal, American Institute of Real Estate Appraisers, Chicago, Illinois, 3rd printing, 1987; Page 152.

A. CONCEPT PLAN A - LAND AS THOUGH VACANT

Concept Plan A on the following page of this report depicts the property's Highest and Best Use (as though vacant).

In conformance with the spatial requirements of RRB zoning and incorporating reasonable assumptions about on-site sewage disposal, Plan A calls for the division of a total of 24 lots, including 16 waterfront lots and 8 interior lots. The lots range in size from 1 to 1.75± acres, and they are accessed by a total of 2,900± linear feet of interior subdivision road configured in a loop. This lot density is approximately 14% of the current cottage density, or a net density decrease of 144± lots.

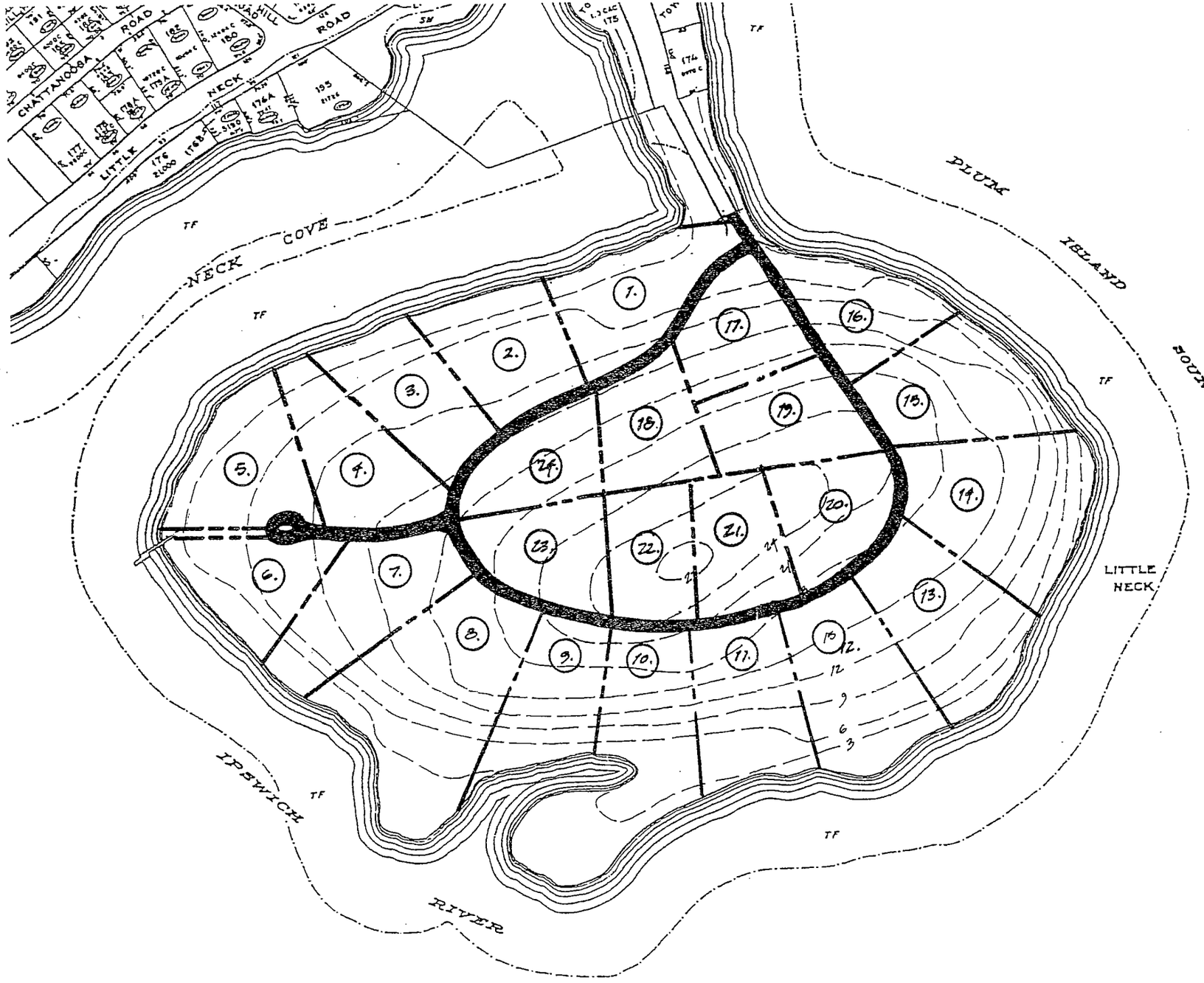
The plan is designed to appeal to the upper middle-high end market as a year-round neighborhood and overall lot pricing ranges between $160,000 and $265,000, assuming moderate pricing and between $210,000 and $350,000 assuming aggressive lot pricing.

1. Market Value Estimates - Development per Plan A

Two-page Discounted Cash Flow Analyses (DCF) of concept Plan A are provided two pages forward. The DCFs incorporate both moderate and aggressive lot pricing and absorption assumptions and summarize all approval/holding/resale costs to be incurred by a developer in the successful implementation of Plan A.

Assuming a total project duration of four years (i.e., "as is" acquisition until final lot sale), the estimated market value of the property as though vacant amounts to approximately $2,220,000, or $92,500 per raw lot (using moderate pricing) and $3,350,000, or $139,585 per raw lot under the aggressivly-priced sellout.

When divided by the current cottage density of 168, the above-outlined values indicate a range of approximately $13,215 to $19,940 per lot. This clearly indicates that the current non-conforming use (possibly under a different ownership mechanism) represents the property's highest and best use.



LEGEND:

- PROPERTY BOUNDARY
- PARCEL BOUNDARIES
- EXISTING DWELLINGS

Notes: Plan compiled from Town Assessor's Plats and is intended for planning purposes.

LandVest Project #2573

DATE: 3/97

Plan A

Conventional Subdivision

LITTLE NECK ESTATE IPSWICH, MA

PREPARED FOR:
FEOFFEES/GRAMMAR SCHOOL

PREPARED BY:
LANDVEST, INC.

Scale: 1" = 200'

0 100 200 300

LandVest

TEN POST OFFICE SQUARE, BOSTON, MA 02109

THIS PLAN IS CONCEPTUAL ONLY AND NOT REPRESENTED AS AN ENGINEERED PLAN.

DISCOUNTED CASH FLOW ANALYSIS (Third Party Buyer)
PLAN B - 168 FEE SIMPLE LOTS - AS THOUGH DIVIDED

PROJECT: FEOFFEES/GRAMMAR SCHOOL
DATE: MARCH 97

SALES ASSUMPTIONS		#UNITS	UNIT VALUE	SUBTOTAL (')	SALES SCHEDULE (UNIT) YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8	TOTAL
Tier 1:	Exceptional view/frontage	4	145,000	$580,000	2	2	0	0	0	0	0	0	4
Tier 2:	Front Row - Plum Island Sound	7	138,000	$966,000	2	2	1	1	1	0	0	0	7
Tier 3:	Front Row - Neck Cove/Prime	2	130,000	$260,000	1	1	0	0	0	0	0	0	2
Tier 4:	Front Row - Neck Cove/Average	7	105,000	$735,000	1	1	1	1	1	1	1	0	7
Tier 5:	Front Row - Ipswich River/Prime	4	132,000	$528,000	0	1	1	1	1	0	0	0	4
Tier 6:	Front Row - Ipswich River/Average	19	120,000	$2,280,000	0	4	2	2	2	2	3	4	19
Tier 7:	Interior - Excellent view	24	95,000	$2,280,000	0	6	3	3	3	3	3	3	24
Tier 8:	Interior - Good view	33	85,000	$2,805,000	0	4	4	5	7	6	5	2	33
Tier 9:	Interior - Avg. view	35	80,000	$2,800,000	0	5	5	5	5	5	5	5	35
Tier 10:	Interior - Marginal view	33	70,000	$2,310,000	0	5	5	5	5	5	5	3	33
Tier 11:		0	0	$0	0	0	0	0	0	0	0	0	0
Tier 12:		0	0	$0	0	0	0	0	0	0	0	0	0
				$0	0	0	0	0	0	0	0	0	0
					0	0	0	0	0	0	0	0	0
	TOTAL	168		$15,544,000	8	31	22	23	25	22	22	17	168
				APPRECIATION:	0%	3%	3%	3%	3%	3%	3%	3%	

COST ASSUMPTIONS	SIZE / LENGTH	UNIT COST	SUBTOTAL (')	COST SCHEDULE (%) 1YR	2YR	3YR	4YR	5YR	6YR	7YR	8YR	TOTAL
DIRECT COSTS												
Engineering/Survey/Plan Prep ($500/lot)	168	$500	84,000	100%	0%	0%	0%	0%	0%	0%	0%	100%
Legal Fees/Approvals	168	$300	50,400	100%	0%	0%	0%	0%	0%	0%	0%	100%
Soil Testing/Septic Upgrade Analysis (1/2 of syst	84	$600	50,400	100%	0%	0%	0%	0%	0%	0%	0%	100%
Wetland Delineations/Coastal Bank/NOI	1	$12,000	12,000	90%	10%	0%	0%	0%	0%	0%	0%	100%
Interior Road Improvements	9,700	$35	339,500	100%	0%	0%	0%	0%	0%	0%	0%	100%
Septic Upgrades/Common System	1	$500,000	500,000	25%	50%	25%	0%	0%	0%	0%	0%	100%
Contingency (% of Direct Costs)		5.00%	51,815									
CPI				4%	4%	4%	4%	4%	4%	4%	4%	
INDIRECT COSTS												
Developer Profit Allowance		20.00%	$3,108,800									
Real Estate Taxes (Per Unsold Lot @50%)		1,295	217,615									
Transfer Taxes ($/1000)		0.47%	72,280									
Sales Commission (% of Gross Sales)		6.00%	932,640									
Advertising Expense (% of Gross Sales)		0.00%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%
Contingency (% of Indirect Costs)		5.00%	216,567									
CPI				0%	3%	3%	3%	3%	3%	3%	3%	
	TOTAL:		$5,638,016									

LITTLE NECK ESTATE - IPSWICH

BANK FINANCING

Prime Rate		8.3%
Interest Rate - Prime	2.50%	10.8%
% Land Costs		0.0%
% Development Costs (Direct & Indirect)		100.0%
Annual Drawdown Rate (Ave. outstanding loan balance)		50.0%
Construction Loan Fee		1.0%
Discount Rate:		15.00%

DCF - Plan B - Fee Simple (168 Lots)

Ten Post Office Square • Boston, Massachusetts 02109 • 617-723-1800
LandVest

CASH FLOW ANALYSIS - PLAN B - LITTLE NECK ESTATE
RESALES ANALYSIS - AS THOUGH DIVIDED

PROJECT: FEOFFEES/GRAMMAR SCHOOL
DATE: MARCH 1997

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Totals
SALES PROCEEDS:									
Total Lots (Beginning of Year)	168	162	131	109	86	61	39	17	
Lots/Unit Sold	6	31	22	23	25	22	22	17	168
Gross Sales Price	$801,000	$3,165,190	$2,049,700	$2,137,250	$2,312,350	$1,946,700	$1,982,750	$1,591,350	16,988,290
Cum. Gross Sales Price	$801,000	$3,966,190	$6,015,890	$8,153,140	$10,465,490	$12,412,190	$14,394,940	$15,986,290	
DEVELOPMENT COSTS:									
DIRECT COSTS:									
Engineering/Survey	$87,360	$0	$0	$0	$0	$0	$0	$0	$87,360
Legal Fees	$52,416	$0	$0	$0	$0	$0	$0	$0	$52,416
Soil Testing/Septic	$52,416	$0	$0	$0	$0	$0	$0	$0	$52,416
Wetland Delineations	$11,232	$1,298	$0	$0	$0	$0	$0	$0	$12,530
Road Construction	$353,080	$0	$0	$0	$0	$0	$0	$0	$353,080
Septic Upgrades	$130,000	$270,400	$140,608	$0	$0	$0	$0	$0	$541,008
Contingency	$27,825	$65	$0	$0	$0	$0	$0	$0	$27,890
Total Direct Costs	$714,329	$271,763	$140,608	$0	$0	$0	$0	$0	$1,126,700
INDIRECT COSTS:									
Construction Loan Fee	$58,360	$0	$0	$0	$0	$0	$0	$0	$58,360
Developer's Overhead	160,200	633,038	409,940	427,450	462,470	389,340	396,550	318,270	$3,197,258
Real Estate Taxes	106,295	84,140	69,797	64,838	38,654	25,032	11,158	3,422	$303,336
Transfer Taxes	3,725	14,718	9,531	9,938	10,752	9,052	9,220	7,400	$74,336
Sales Commission	46,060	189,911	122,982	128,235	138,741	116,802	118,965	95,481	$959,177
Advertising Expense	0	0	0	0	0	0	0	0	$0
Interest Charges	77,147	29,352	15,185	0	0	0	0	0	319,823
Contingency	22,589	12,281	318	275	32,531	27,011	28,795	21,229	$143,029
Total Indirect Costs	$474,376	$963,441	$627,753	$630,736	$683,148	$567,237	$562,687	$445,801	$4,945,181
TOTAL COSTS:	$1,186,705	$1,235,203	$768,361	$630,736	$683,148	$567,237	$562,687	$445,801	$6,071,881
NET CASH PROCEEDS	($385,705)	$1,929,987	$1,281,339	$1,618,514	$1,629,202	$1,379,463	$1,420,083	$1,145,549	$9,914,409
DISCOUNT FACTOR (PW @ 15.00%)	0.8696	0.7561	0.6575	0.5718	0.4972	0.4323	0.3759	0.3269	
PRESENT VALUE	($337,135)	$1,459,347	$842,501	$867,072	$810,001	$596,380	$533,854	$374,482	

CUMULATIVE PRESENT VALUE $5,146,502 SAY: $5,145,000 ($30,626/Unit)

TOTAL PROFIT $4,767,908 29.82% OF GROSS SALES

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Totals
OUTSTANDING LOAN BALANCE	0	387,705	0	0	0	0	0	0	387,705

(At beginning of year; interest charges also based on 50% average development cost balance)

0	0	0	232,253
(657,950)	(660,603)	(833,365)	4,320,995

DCF - Plan B - Continued

C. CONCEPT PLAN C - CONDOMINIUM CONVERSION

Planning option C assumes a condominium ownership of the land underlying the existing cottages. All land outside of the individual building "footprints" would be considered common land and properties would be assessed as units with apportioned association dues. This plan would not require any municipal or state subdivision review/approval. One key advantage to this planning option is that the existing land use/density would be legalized and units would be made eligible for bank financing, etc. Additionally, owners would have the added benefit of equity build-up accruing to the common land.

1. Market Value Estimate - Plan C - Condominium Conversion

Planning Option C could be implemented under several different scenarios. The simplest program would involve a bulk offering of the property by the Feoffees to the current tenancy, who would likely form a cohesive purchase group and appoint leaders. This would assume 100% participation among the tenancy and would allow for an all-inclusive, single phased land condominium declaration. The association leadership would essentially play the role of "developer" and would be responsible for securing financing, administering the legal process of declaration and scheduling closings on the resale of fractional land interests to existing cottage owners.

If tenant participation is less 100%, it may be possible to divide the ownership between condo units and leaseholds, but this option is not very desirable in terms of neighborhood cohesiveness. The ideal plan would assume 100% participation over a pre-determined grace period of perhaps two to three years.

The financial analysis of Planning Option C assumes sale to a profit-minded third party investor who would convert the land to a condominium ownership and resell land interests. While it is readily arguable that the existing tenancy should be expected to pay a higher value for the property under this use (i.e., higher self-interest and lower profit requirement), the third-party investor value will serve as a reliable baseline value in any future purchase and sale negotiations with the tenancy. Their price will ultimately reflect the initial level of tenant purchase participation and commitment to long term ownership on Little Neck.

The DCF on the following page assumes an eight year sellout of land interests and all costs associated with condo conversion and tenant resale and indicates a market value of approximately $6,145,000, or $36,577 per unit.

Again, the investment value of the property assuming a condominium conversion and sale to the current tenancy (as opposed to a third party investor) may be substantially higher. For example, an additional Discounted Cash Flow analysis for Option C employed a more aggressive sellout schedule of only three years. Additionally, developer profit requirements were reduced to approximately 12% and sale commissions are reduced to 2%. Under these more aggressive resale assumptions, the upper end of value to the current tenancy may range as high as $9,500,000, or $56,550 per unit. Assuming a 20% downpayment, average annual debt service per unit would amount to approximately $4,175 (or $521 per month in season).

Based on this analysis, the overall (preliminary) range of negotiating value to the third party investors and the current tenancy is estimated at between $6,145,000 and $9,500,000.

DISCOUNTED CASH FLOW ANALYSIS (Third Party Buyer) PROJECT : LITTLE NECK ESTATE - IPSWICH, MA
PLAN C - EXISTING DENSITY - CONDO CONV./SELLOUT DATE: MARCH 97

SALES ASSUMPTIONS		#UNITS	UNIT VALUE	SUBTOTAL (*)	SALES SCHEDULE (UNIT) YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8	TOTAL
Tier 1 :	Exceptional view/frontage	4	138,000	$552,000	2	2	0	0	0	0	0	0	4
Tier 2 :	Front Row - Plum Island Sound	7	130,000	$910,000	2	2	1	1	1	0	0	0	7
Tier 3 :	Front Row - Neck Cove/Prime	2	125,000	$250,000	1	1	0	0	0	0	0	0	2
Tier 4 :	Front Row - Neck Cove/Average	7	90,000	$630,000	1	1	1	1	1	1	1	0	7
Tier 5 :	Front Row - Ipswich River/Prime	4	125,000	$500,000	1	1	1	1	0	0	0	0	4
Tier 6 :	Front Row - Ipswich River/Average	19	105,000	$1,995,000	2	4	2	2	2	2	3	2	19
Tier 7:	Interior - Ex ellent view	24	80,000	$1,920,000	2	6	3	3	3	3	3	1	24
Tier 8:	Interior - G od view	33	70,000	$2,310,000	2	4	4	5	7	6	5	0	33
Tier 9:	Interior - A g. view	35	65,000	$2,275,000	2	5	5	5	5	5	5	3	35
Tier 10:	Interior - M rginal view	33	50,000	$1,650,000	2	5	5	5	6	6	4	0	33
Tier 11:		0	0	$0	0	0	0	0	0	0	0	0	0
Tier 12:		0	0	$0	0	0	0	0	0	0	0	0	0
				$0	0	0	0	0	0	0	0	0	0
					0	0	0	0	0	0	0	0	0
	TOTAL	168		$12,992,000	17	31	22	23	25	23	21	6	168
				APPRECIATION :	0%	3%	3%	3%	3%	3%	3%	3%	

COST ASSUMPTIONS	SIZE / LENGTH	UNIT COST	SUBTOTAL (*)	COST SCHEDULE (%) 1YR	2YR	3YR	4YR	5YR	6YR	7YR	8YR	TOTAL
DIRECT COSTS												
Engineering/Survey/Plan Prep ($500/lot)	168	$500	84,000	100%	0%	0%	0%	0%	0%	0%	0%	100%
Legal Fees/Condo Declaration	1	$50,000	50,000	100%	0%	0%	0%	0%	0%	0%	0%	100%
Soil Testing/Septic Evaluations (1/2 os systems)	84	$600	50,400	100%	0%	0%	0%	0%	0%	0%	0%	100%
Wetland Delineations/Coastal Bank/NOI	1	$12,000	12,000	90%	10%	0%	0%	0%	0%	0%	0%	100%
Road Improvements	9,700	$10	97,000	100%	0%	0%	0%	0%	0%	0%	0%	100%
Septic Upgrades/Common System	1	$500,000	500,000	50%	50%	0%	0%	0%	0%	0%	0%	100%
Contingency (% of Direct Costs)		5.00%	39,670									
CPI				4%	4%	4%	4%	4%	4%	4%	4%	
INDIRECT COSTS												
Developer Overhead Allowance		15.00%	$1,948,800									
Real Estate Taxes (Per Unsold Lot @50%)		1,385	232,680									
Transfer Taxes ($/1000)		0.47%	60,413									
Sales Commission (% of Gross Sales)		6.00%	779,520									
Advertising Expense (% of Gross Sales)		0.00%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%
Contingency (% of Indirect Costs)		5.00%	151,071									
CPI				0%	3%	3%	3%	3%	3%	3%	3%	
	TOTAL :		$4,005,553									

LITTLE NECK ESTATE - IPSWICH

BANK FINANCING

Prime Rate		8.5%
Interest Rate - Prime	2.50%	11.0%
% Land Costs		0.0%
% Development Costs (Direct & Indirect)		100.0%
Annual Drawdown Rate (Ave. outstanding loan balance)		50.0%
Construction Loan Fee		1.0%
Discount Rate:		10.00%

DCF - Plan C - Land Condominium Conversion

Ten Post Office Square • Boston, Massachusetts 02109 • 617-723-1800

LandVest®

CASH FLOW ANALYSIS - PLAN B - LITTLE NECK ESTATE
RESALES ANALYSIS

PROJECT: LITTLE NECK ESTATE - IPSWICH
DATE: MARCH 1997

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Totals
SALES PROCEEDS :									
Total Lots (Beginning of Year)	168	151	120	98	75	50	27	6	
Lots/Unit Sold	17	31	22	23	25	23	21	6	168
Gross Sales Price	$1,616,000	$2,709,930	$1,699,500	$1,771,600	$1,838,550	$1,632,550	$1,565,600	$499,550	13,333,280
Curr. Gross Sales Price	$1,616,000	$4,325,930	$6,025,430	$7,797,030	$9,635,580	$11,268,130	$12,833,730	$13,333,280	
DEVELOPMENT COSTS :									
DIRECT COSTS :									
Engineering/Survey	$87,360	$0	$0	$0	$0	$0	$0	$0	$87,360
Legal Fees	$52,000	$0	$0	$0	$0	$0	$0	$0	$52,000
Soil Testing/Septic	$52,416	$0	$0	$0	$0	$0	$0	$0	$52,416
Wetland Delineations	$11,232	$1,298	$0	$0	$0	$0	$0	$0	$12,530
Road Improvements	$100,880	$0	$0	$0	$0	$0	$0	$0	$100,880
Septic Upgrades	$260,000	$270,400	$0	$0	$0	$0	$0	$0	$530,400
Contingency	$15,194	$65	$0	$0	$0	$0	$0	$0	$15,259
Total Direct Costs	$579,082	$271,763	$0	$0	$0	$0	$0	$0	$850,845
INDIRECT COSTS :									
Construction Loan Fee	$40,056	$0	$0	$0	$0	$0	$0	$0	$40,056
Developer's Overhead	242,400	406,490	254,925	265,740	275,783	244,883	234,840	74,933	$1,999,992
Real Estate Taxes	82,019	63,056	51,163	38,766	25,900	14,476	3,521	1,766	$280,667
Transfer Taxes	7,514	12,601	7,903	8,238	8,549	7,591	7,280	2,323	$62,000
Sales Commission	98,950	162,596	101,970	108,296	110,313	97,953	93,936	29,973	$799,997
Advertising Expense	0	0	0	0	0	0	0	0	$0
Interest Charges	62,540	29,350	0	0	0	0	0	0	227,400
Contingency	26,574	12,281	318	275	21,027	18,245	16,979	5,450	$101,149
Total Indirect Costs	$558,063	$686,373	$416,279	$419,315	$441,572	$383,148	$356,556	$114,444	$3,375,750
TOTAL COSTS :	$1,137,146	$958,136	$416,279	$419,315	$441,572	$383,148	$356,556	$114,444	$4,226,596
NET CASH PROCEEDS	$478,854	$1,751,794	$1,283,221	$1,352,285	$1,396,978	$1,249,402	$1,209,044	$385,106	$9,106,684
DISCOUNT FACTOR (PW @ 10.00%)	0.9091	0.8264	0.7513	0.6830	0.6209	0.5645	0.5132	0.4665	
PRESENT VALUE	$435,322	$1,447,763	$964,103	$923,829	$867,413	$705,255	$620,431	$179,655	

CUMULATIVE PRESENT VALUE $6,143,571 SAY: $6,145,000 ($36,577/Unit)

TOTAL PROFIT $2,963,113 22.22% OF GROSS SALES

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Totals
OUTSTANDING LOAN BALANCE (At beginning of year; interest charges also based on 50% average development cost balance)	0	0	0	0	0	0	0	0	0

DCF - Plan C - Continued

D. PLANNING OPTION D - CONVERSION TO LONG-TERM LEASE

1. Continued Land Rental - Market Rate Analysis

One final planning option would involve the conversion of the current tenancy-at-will to a long-term lease with a 15- to 30-year term. Under this option, the currently delineated tax parcels will be evaluated based on estimated market level rental rates.

There are several accurate and technically appropriate means of calculating market land rent for seasonal and year round leasehold property. The first method employed in the subject analysis involves a calculation of market rent attributable to the rental cottages and residual income attributable to the underlying land. This method relies on a reasonably accurate estimate of total net rental income (i.e. land and building) and essentially separates income attributable to the land. Due to the relatively broad range of achievable (land) rental values and variable quality of improvements, this analysis will, as a matter of necessity, utilize *averaged* rental income estimates and assume a cottage of average size and quality.

As previously discussed, annual potential gross income for various cottages may range between $8,500 and $12,000. The approximate midpoint of this range is $10,250. Using this assumed rental income level, market rate (net of real estate taxes) land rent is calculated as follows:

POTENTIAL GROSS INCOME:		$10,250.00
Less vacancy allowance/ collection loss @ 5%:		512.50
Less real estate taxes:		1,825.00
NET RENTAL INCOME:		$8,425.00
Income Allocation:		
Estimated Building Value (1,200± SF @ $36.50*)		$43,800.00
	x	.11
Estimated Market Rent - Building:		$4,818.00

* depreciated replacement cost

Land Income Calculation:

Net Rental Income:	$8,425.00
less Building Rent:	4,818.00
INCOME ATTRIBUTABLE TO LAND: (Average Market Level Land Rent)	$3,607.00

From this average case analysis, it is clearly evident that the current contract land rent of $620 (seasonal and year round parcels) is approximately $3,000 below market rent.

As a check on this methodology, market rate land rent was estimated by calculating the market value of the fee simple interest of the property derived from Planning Option C - Condominium Conversion. The value to a third party investor was estimated at $6,145,000. Capitalized at a rate of 10.5% the estimated market rent is then: $6,145,000 x .1050 = $645,225 or $3,840 per land rental unit. This reconciles quite closely with the value derived via the above outlined land residual analysis.

An average rent increase of this magnitude would push annual occupancy costs (i.e., rent, taxes and insurance) to approximately $6,000 (or $750 per month in season).

VI. SUMMARY AND RECOMMENDATIONS

The preceding land planning evaluation analysis indicates the following findings and preliminary value estimates:

- The current overall assessed value of the property is generally consistent with the values indicated by recent sales. I believe there is an arguable basis for seeking a value abatement against the per parcel land value as comparable sales for *fee simple, year-round* lots are consistent with the average assessed value of of smaller, seasonally-restricted lots on Little Neck. The success of an abatement request will, however, be limited by the close sales value/assessement ratio indicated by recent transfers.

- If the Feoffees decide to continue to hold and manage the property, the feasibilty of a tax abatement should be tested prior to renegotiating land rental rates with the current tenancy. Without any offsetting measure of tax relief or preliminary discussion of purchase options, a $3,000± average land rent increase, though technically supportable, would not be well-recieved and could prompt some percentage of owners to sell. This would, of course, carry negative value implications for the entire neighborhood.

- Regardless of the Feoffees decision to hold or sell, the Highest and Best Use of the property calls for the conversion of the underlying land to a condominium form of ownership. This use carries the lowest approval risk and infrastructure expense and would provide owners with a more stable and secure legal ownership structure. Additionally, this use would essentially allow transfer activity to occur as it has in the past, while substantially increasing the depth of the prospective buyer pool. The approximate market value under this use is $6,145,000 ($36,577/Unit) assuming an "as is" sale to a third party investor. The upper limit of negotiable value to an association of current tenants may approach $9,500,000 ($56,547/Unit). Net of sales costs, a value of this magnitude would readily provide an annual dividend of over $500,000 (at a conservative yield rate of 6% over a 100 year term) in fulfillment of the Feoffeees original charter.

- If the Feoffees decide to sell the property, the recommended disposition strategy would involve the initiation of preliminary purchase and sale negotiations toward a tenant purchase and (land) condominium conversion. The evaluation of septic system upgrades and possible common septic system use is recommended prior to more detailed valuation studies and purchase contract negotiations.

APPENDIX

Certification, James E. Monahan
Qualifications, James E. Monahan

LandVest

CERTIFICATION OF VALUE

I hereby certify that:

1. I have made a personal inspection of the property that is the subject of this report.

2. To the best of my knowledge and belief, the statements of fact and the opinions contained in this report are true and correct.

3. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.

4. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.

5. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

6. This appraisal was not based on a requested minimum valuation, specific valuation or approval of a loan.

7. I am a candidate for the MAI designation from the Appraisal Institute. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of The Appraisal Institute, as well as the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation. I am currently licensed as a Certified General Appraiser in Massachusetts (CG-3481).

8. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

9. No one provided significant professional assistance to the person(s) signing this report.

Appraiser: _____ Date: 4/24/97
James E. Monahan

LandVest

JAMES E. MONAHAN

Associate Director, Real Estate Consulting Group, LandVest, Inc.

James E. Monahan is the Associate Director with the Real Estate Consulting Group of LandVest, a broad-based real estate company involved in all aspects of land planning, real estate brokerage, consulting, development, and conservation planning. As Associate Director, he is responsible for residential and commercial appraisals, development feasibility studies, land use planning and design, and implementation of development projects.

Prior to joining the firm, Mr. Monahan was Project Manager with the Massachusetts Department of Environmental Management where his responsibilities included design and engineering studies, contract documents, and construction management on a variety of projects including site design for the restoration of Walden Pond Reservation in Concord, acquisition and site planning for Halibut Point State Park, and site design for the expansion of Ashland State Park. Additionally, as founder of Landforms, Inc., he has worked as a consultant on various landscape design projects throughout Boston's North Shore.

Mr. Monahan received a Bachelor of Arts degree in Liberal Arts from St. Anselm's College, Manchester, New Hampshire in 1982 and a Master of Arts degree in Landscape Design from the Conway School of Design in 1985. He is a Certified General Appraiser in the state of Massachusetts (CG-#3481) and is a current candidate for the MAI designation, a commercial appraisal designation awarded by the Appraisal Institute.

PROJECT ASSUMPTIONS - DEVELOPER BUYER ANALYSIS
LITTLE NECK PROPERTY - PLAN A - AS THOUGH VACANT

PROJECT : FEOFFEES/GRAMMAR SCHOOL
DATE : MARCH 1997

SALES ASSUMPTIONS		#UNITS	UNIT VALUE	SUBTOTAL (*)	SALES SCHEDULE (UNIT) YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8	TOTAL
I:	Oversized Waterfront	7	$265,000	$1,855,000	0	2	2	2	0	0	0	0	6
II:	Average Waterfront	9	$220,000	$1,980,000	0	3	3	4	0	0	0	0	10
III:	Interior/	8	$160,000	$1,280,000	0	3	3	2	0	0	0	0	8
IV:		0	$0	$0	0	0	0	0	0	0	0	0	0
V:		0	$0	$0	0	0	0	0	0	0	0	0	0
V:		0	$0	$0	0	0	0	0	0	0	0	0	0
	TOTAL	24		$5,115,000	0	8	8	8	0	0	0	0	24
				APPRECIATION :	0.0%	2.0%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	

COST ASSUMPTIONS	SIZE/LENGT OR UNIT	UNIT COST	SUBTOTAL (*)	COST SCHEDULE (%) 1YR	2YR	3YR	4YR	5YR	6YR	7YR	8YR	TOTAL
DIRECT COSTS												
Engineering - Approvals, Plan Prep. ($3000/Lot)	24	$3,000	$72,000	100%	0%	0%	0%	0%	0%	0%	0%	100%
Legal (Initial Approvals)	1	10,000	10,000	100%	0%	0%	0%	0%	0%	0%	0%	100%
Legal Fees/Closings	24	500	12,000									0%
Filing Fees	1	750	750	100%	0%	0%	0%	0%	0%	0%	0%	100%
Performance Bond ($10 per $1,000 Direct Cost)	823	10	8,230	25%	75%	0%	0%	0%	0%	0%	0%	100%
Wetland Delineations/NOI Filing	1	5,000	5,000	100%	0%	0%	0%	0%	0%	0%	0%	100%
Site Preparation/Demolition	0	0	0	80%	20%	0%	0%	0%	0%	0%	0%	100%
Common Drive Construction	0	0	0	60%	40%	0%	0%	0%	0%	0%	0%	100%
Hydrants	9	1,600	14,400	30%	70%	0%	0%	0%	0%	0%	0%	100%
New Subdivision Road w/ Water	2,900	225	652,500	30%	70%	0%	0%	0%	0%	0%	0%	100%
Soil Testing/Schematic Septic Design	24	750	18,000	100%	0%	0%	0%	0%	0%	0%	0%	100%
Contingency (% of Direct Costs)		5.00%	39,644									
CPI				0.0%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	
	SUB-TOTAL:		$832,524									
INDIRECT COSTS												
Project Management		1	$50,000	50%	50%	0%	0%	0%	0%	0%	0%	100%
Developer's Profit		15.00%	$767,250									
Phase I R.E. Taxes (per $1000 of Reassessment)		$14.15	54,265									
Phase II R.E. Taxes (per $1000 of Reassessment)		$0.00	0									
Sales Commission (% of Gross Sales)		5.00%	255,750									
Advertising/Marketing Expense (% of Gross Sales)		1.00%	51,150	0%	0%	0%	0%	0%	0%	0%	0%	0%
Insurance		0.50%	25,575	50%	50%	0%	0%	0%	0%	0%	0%	100%
Accounting/ Administration		0.75%	38,363	50%	50%	0%	0%	0%	0%	0%	0%	100%
Contingency (% of Indirect Costs)		2.00%	24,847									
CPI	SUB-TOTAL:		1,267,200	0.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	
	TOTAL :		$2,099,724									

BANK FINANCING	
Prime Rate	8.25%
Interest Rate - Prime + 2.00%	10.25%
% Land Costs	0.0%
% Development Costs (Direct)	75.0%
Release Payments (% of Net Cash Proceeds)	130.0%
Construction Loan Fee	1.0%
Discount Rate:	9.00%

DCF - Plan A - Conservative Pricing

Ten Post Office Square • Boston, Massachusetts 02109 • 617-723-1800
LandVest

CASH FLOW ANALYSIS - PLAN A - PLAN A - VALUE AS VACANT (CURRENT MARKET VALUE)

PROJECT: FEOFFEES/GRAMMAR SCHOOL
DATE: MARCH 1997

	Closing	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Totals
SALES PROCEEDS :										
Total Lots (Beginning of Year)	24	24	24	16	8	0	0	0	0	
Lots/Unit Sold	0	0	8	8	8	0	0	0	0	24
Gross Sales Price	$0	$0	$1,703,400	$1,754,502	$1,881,152	$0	$0	$0	$0	$5,339,054
Cum. Gross Sales Price	$0	$0	$1,703,400	$3,457,902	$5,339,054	$5,339,054	$5,339,054	$5,339,054	$5,339,054	
DEVELOPMENT COSTS :										
DIRECT COSTS :										
Engineering - Approvals, Plan Prep.	$0	$72,000	$0	$0	$0	$0	$0	$0	$0	$72,000
Legal - Initial Approvals	$0	$10,000	$0	$0	$0	$0	$0	$0	$0	$10,000
Legal Fees - Lot Closings	$0	$0	$4,000	$4,000	$4,000	$0	$0	$0	$0	$12,000
Filing Fees	$0	$750	$0	$0	$0	$0	$0	$0	$0	$750
Performance Bond	$0	$2,058	$6,358	$0	$0	$0	$0	$0	$0	$8,415
Wetland Delineation	$0	$5,000	$0	$0	$0	$0	$0	$0	$0	$5,000
Site Prep	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Common Drive	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Hydrants	$0	$4,320	$10,382	$0	$0	$0	$0	$0	$0	$14,702
New Interior Road	$0	$195,750	$470,453	$0	$0	$0	$0	$0	$0	$666,203
Soil Testing	$0	$18,000	$0	$0	$0	$0	$0	$0	$0	$18,000
Contingency	$0	$15,394	$24,560	$200	$200	$0	$0	$0	$0	$40,354
Total Direct Costs	$0	$323,271	$515,752	$4,200	$4,200	$0	$0	$0	$0	$847,424
INDIRECT COSTS :										
Project Management	$0	$25,000	$25,000	$0	$0	$0	$0	$0	$0	$50,000
Developer's Profit	$0	$0	$255,510	$263,175	$282,173	$0	$0	$0	$0	$800,858
Real Estate Taxes - Phase I	$0	$81,398	$67,832	$40,699	$13,566	$0	$0	$0	$0	$203,495
Sales Commission	$0	$0	$85,170	$87,725	$94,058	$0	$0	$0	$0	$266,953
Advertising Expense	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Insurance	$0	$0	$3,517	$8,773	$9,406	$0	$0	$0	$0	$26,695
Accounting/ Administration	$0	$0	$12,776	$13,159	$14,109	$0	$0	$0	$0	$40,043
Contingency	$0	$2,128	$9,096	$8,271	$8,268	$0	$0	$0	$0	$27,761
Total Indirect Costs	$0	$108,526	$463,900	$421,801	$421,577	$0	$0	$0	$0	$1,415,804
TOTAL COSTS :	$0	$431,797	$979,652	$426,001	$425,777	$0	$0	$0	$0	$2,263,228
NET CASH PROCEEDS BEFORE DEBT	$0	($431,797)	$723,748	$1,328,501	$1,455,375	$0	$0	$0	$0	$3,075,826
Loan Proceeds	$624,393									
Construction Loan Fee	$15,748									
Release Payments	$0	$0	$212,757	$397,095	$14,451	$90	$0	$0	$0	$624,393
Interest Payments	$0	$64,000	$53,096	$21,842	$750	$5	$0	$0	$0	$139,693
NET PROCEEDS AFTER DEBT SERVICE	$608,645	($495,797)	$457,894	$909,564	$1,440,174	($95)	$0	$0	$0	$2,920,385
DISCOUNT FACTOR (PW @ 9.00%)	1.0000	0.9174	0.8417	0.7722	0.7084	0.6499	0.5963	0.5470	0.5019	
PRESENT VALUE	$608,645	($495,797)	$385,400	$702,350	$1,020,255	($95)	$0	$0	$0	$2,220,759

CUMMULATIVE PRESENT VALUE $2,220,759

ROUNDED: $2,220,000

NET CASH PROCEEDS:	$2,920,385
LESS LAND VALUE:	$2,220,000
DISCOUNT:	$700,385
LINE ITEM PROFIT: (From Above)	$800,858
TOTAL PROFIT:	$1,501,243
(% GROSS SALES):	28.12%

DCF - Plan A - Continued

PROJECT ASSUMPTIONS - DEVELOPER BUYER ANALYSIS — PROJECT : FEOFFEES/GRAMMAR SCHOOL
LITTLE NECK PROPERTY - PLAN A - AS THOUGH VACANT Aggressive Pricing — DATE : MARCH 1997

SALES ASSUMPTIONS		#UNITS	UNIT VALUE	SUBTOTAL (*)	SALES SCHEDULE (UNIT) YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8	TOTAL
I:	Oversized Waterfront	7	$350,000	$2,450,000	0	3	2	1	0	0	0	0	6
II:	Average Waterfront	9	$290,000	$2,610,000	0	4	3	3	0	0	0	0	10
III:	Interior	8	$210,000	$1,680,000	0	4	3	1	0	0	0	0	8
IV:		0	$0	$0	0	0	0	0	0	0	0	0	0
V:		0	$0	$0	0	0	0	0	0	0	0	0	0
V:		0	$0	$0	0	0	0	0	0	0	0	0	0
	TOTAL	24		$6,740,000	0	11	8	5	0	0	0	0	24
				APPRECIATION :	0.0%	2.0%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	

COST ASSUMPTIONS	SIZE/LENGT OR UNIT	UNIT COST	SUBTOTAL (*)	COST SCHEDULE (%) 1YR	2YR	3YR	4YR	5YR	6YR	7YR	8YR	TOTAL
DIRECT COSTS												
Engineering - Approvals, Plan Prep. ($3000/Lot)	24	$3,000	$72,000	100%	0%	0%	0%	0%	0%	0%	0%	100%
Legal (Initial Approvals)	1	10,000	10,000	100%	0%	0%	0%	0%	0%	0%	0%	100%
Legal Fees/Closings	24	500	12,000									0%
Filing Fees	1	750	750	100%	0%	0%	0%	0%	0%	0%	0%	100%
Performance Bond ($10 per $1,000 Direct Cost)	823	10	8,230	25%	75%	0%	0%	0%	0%	0%	0%	100%
Wetland Delineations/NOI Filing	1	5,000	5,000	100%	0%	0%	0%	0%	0%	0%	0%	100%
Site Preparation/Demolition	0	0	0	80%	20%	0%	0%	0%	0%	0%	0%	100%
Common Drive Construction	0	0	0	60%	40%	0%	0%	0%	0%	0%	0%	100%
Hydrants	9	1,600	14,400	30%	70%	0%	0%	0%	0%	0%	0%	100%
New Subdivision Road w/ Water	2,900	225	652,500	30%	70%	0%	0%	0%	0%	0%	0%	100%
Soil Testing/Schematic Septic Design	24	750	18,000	100%	0%	0%	0%	0%	0%	0%	0%	100%
Contingency (% of Direct Costs)		5.00%	39,644									
CPI				0.0%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	
	SUB-TOTAL:		$832,524									
INDIRECT COSTS												
Project Management		1	$50,000	50%	50%	0%	0%	0%	0%	0%	0%	100%
Developer's Profit		15.00%	$1,011,000									
Phase I R.E. Taxes (per $1000 of Reassessment)		$14.15	71,599									
Phase II R.E. Taxes (per $1000 of Reassessment)		$0.00	0									
Sales Commission (% of Gross Sales)		5.00%	337,000									
Advertising/Marketing Expense (% of Gross Sales)		1.00%	67,400	0%	0%	0%	0%	0%	0%	0%	0%	0%
Insurance		0.50%	33,700	50%	50%	0%	0%	0%	0%	0%	0%	100%
Accounting/ Administration		0.75%	50,550	50%	50%	0%	0%	0%	0%	0%	0%	100%
Contingency (% of Indirect Costs)		2.00%	32,425									
CPI	SUB-TOTAL:		1,653,674	0.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	
	TOTAL :		$2,486,198									

BANK FINANCING	
Prime Rate	8.25%
Interest Rate - Prime + 2.00%	10.25%
% Land Costs	0.0%
% Development Costs (Direct)	75.0%
Release Payments (% of Net Cash Proceeds)	130.0%
Construction Loan Fee	1.0%
Discount Rate:	8.00%

DCF - Plan A - Aggressive Pricing

Ten Post Office Square • Boston, Massachusetts 02109 • 617-723-1800
LandVest

CASH FLOW ANALYSIS - PLAN A - PLAN A - VALUE AS VACANT
(CURRENT MARKET VALUE)

PROJECT: FEOFFEES/GRAMMAR SCHOOL
DATE: MARCH 1997

	Closing	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Totals
SALES PROCEEDS :										
Total Lots (Beginning of Year)	24	24	24	13	5	0	0	0	0	
Lots/Unit Sold	0	0	11	8	5	0	0	0	0	24
Gross Sales Price	$0	$0	$3,111,000	$2,311,320	$1,554,941	$0	$0	$0	$0	$6,977,261
Cum. Gross Sales Price	$0	$0	$3,111,000	$5,422,320	$6,977,261	$6,977,261	$6,977,261	$6,977,261	$6,977,261	
DEVELOPMENT COSTS :										
DIRECT COSTS :										
Engineering - Approvals, Plan Prep.	$0	$72,000	$0	$0	$0	$0	$0	$0	$0	$72,000
Legal - Initial Approvals	$0	$10,000	$0	$0	$0	$0	$0	$0	$0	$10,000
Legal Fees - Lot Closings	$0	$0	$5,500	$4,000	$2,500	$0	$0	$0	$0	$12,000
Filing Fees	$0	$750	$0	$0	$0	$0	$0	$0	$0	$750
Performance Bond	$0	$2,058	$6,358	$0	$0	$0	$0	$0	$0	$8,415
Wetland Delineation	$0	$5,000	$0	$0	$0	$0	$0	$0	$0	$5,000
Site Prep	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Common Drive	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Hydrants	$0	$4,320	$10,382	$0	$0	$0	$0	$0	$0	$14,702
New Interior Road	$0	$195,750	$470,453	$0	$0	$0	$0	$0	$0	$666,203
Soil Testing	$0	$18,000	$0	$0	$0	$0	$0	$0	$0	$18,000
Contingency	$0	$15,394	$24,635	$200	$125	$0	$0	$0	$0	$40,354
Total Direct Costs	$0	$323,271	$517,327	$4,200	$2,625	$0	$0	$0	$0	$847,424
INDIRECT COSTS :										
Project Management	$0	$25,000	$25,000	$0	$0	$0	$0	$0	$0	$50,000
Developer's Profit	$0	$0	$466,650	$346,698	$233,241	$0	$0	$0	$0	$1,046,589
Real Estate Taxes - Phase I	$0	$107,399	$82,786	$40,274	$11,187	$0	$0	$0	$0	$241,647
Sales Commission	$0	$0	$155,550	$115,566	$77,747	$0	$0	$0	$0	$348,863
Advertising Expense	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Insurance	$0	$0	$15,555	$11,557	$7,775	$0	$0	$0	$0	$34,886
Accounting/ Administration	$0	$0	$23,333	$17,335	$11,662	$0	$0	$0	$0	$52,329
Contingency	$0	$2,648	$15,377	$10,829	$6,632	$0	$0	$0	$0	$35,486
Total Indirect Costs	$0	$135,046	$784,251	$542,059	$348,444	$0	$0	$0	$0	$1,809,801
TOTAL COSTS :	$0	$458,318	$1,301,579	$546,259	$351,069	$0	$0	$0	$0	$2,657,224
NET CASH PROCEEDS BEFORE DEBT	$0	($458,318)	$1,809,421	$1,765,061	$1,203,871	$0	$0	$0	$0	$4,320,036
Loan Proceeds	$624,393									
Construction Loan Fee	$18,646									
Release Payments	$0	$0	$212,757	$397,095	$14,541	$0	$0	$0	$0	$624,393
Interest Payments	$0	$64,000	$53,086	$21,842	$745	$0	$0	$0	$0	$139,684
NET PROCEEDS AFTER DEBT SERVICE	$605,747	($522,318)	$1,543,568	$1,346,125	$1,188,585	$0	$0	$0	$0	$4,161,706
DISCOUNT FACTOR (PW @ 8.00%)	1.0000	0.9259	0.8573	0.7938	0.7350	0.6806	0.6302	0.5835	0.5403	
PRESENT VALUE	$605,747	($522,318)	$1,323,361	$1,068,597	$873,645	$0	$0	$0	$0	$3,349,032

CUMMULATIVE PRESENT VALUE $3,349,032

ROUNDED: $3,350,000

NET CASH PROCEEDS:	$4,161,706
LESS LAND VALUE:	$3,350,000
DISCOUNT:	$811,706
LINE ITEM PROFIT: (From Above)	$1,046,589
TOTAL PROFIT:	$1,858,295
(% GROSS SALES):	26.63%

DCF - Plan A - Continued

B. CONCEPT PLAN B - DEFINITIVE SUBDIVISION AT EXISTING LOT DENSITY

Concept Plan B on the following page of this report assumes the approval of the existing lot (tax parcel) density by the Ipswich Planning Board.

This plan calls for a total 168 lots ranging in size from approximately 1,980± square feet to 7,820± square feet. Wherever possible, improved lots would be merged with adjoining vacant lots owned by the Feoffees in an effort to increase the average lot size and improve the potential for septic system expansion/replacement. The area underlying the playing field would likely be reserved as common open space and possibly as a site for a community leach field, if required as a Condition of Approval.

The financial evaluation of Concept Plan B will assume a speculative developer purchase of the property and the anticipated difficulty in obtaining municipal subdivision approval.

1. Market Value Estimate - Plan B - Divided as Platted

The valuation of the property per Plan B (i.e., existing tax parcel delineation) is based on a highly aggressive set of assumptions regarding municipal subdivision approval feasibility. The most compelling argument in favor of approval is the fact that parcels are individually assessed, improved, and for the most part restricted to seasonal use. Due to the uncertainty of gaining approval, an outside investor would take an extremely guarded view of an "as is" purchase of the property for subdivision. Accordingly, the total developer profit margin is understandably aggressive.

Assuming an 8-year approval and absorption schedule, the DCF on the following pages indicates a value for the entire property of approximately $5,145,000 or $147,000 per gross acre and $30,625 per unapproved lot.

Due to the risks associated with subdivision approval of the existing density, Plan B is not considered a reliable planning option for the purposes of disposition analysis. However, this Plan and resulting value may prove valuable in future approval negotiations and tax abatement applications.



Notes: Plan compiled from Town Assessor's Plats and is intended for planning purposes

LandVest Project #2573

DATE: 3/97

Plan B

Divided as Platted

PREPARED FOR
FEOFFEES/GRAMMAR SCHOOL

PREPARED BY
LANDVEST, INC.

Scale: 1" = 200

0 100 200 300

LandVest

TEN POST OFFICE SQUARE, BOSTON, MA 02109

THIS PLAN IS CONCEPTUAL ONLY AND NOT REPRESENTED AS AN ENGINEERED PLAN.

LandVest®

APPRAISAL REPORT

FEOFFEES OF THE GRAMMAR SCHOOL PROPERTY
IPSWICH, MASSACHUSETTS

Located:
Little Neck Estate
Ipswich, Massachusetts 01938

Report Date:
January 4, 2001

Requested by:
Mr. Donald M. Greenough
Ipswich Cooperative Bank Building
Depot Square - P. O. Box 790
Ipswich, Massachusetts 01938-0790

Prepared by:
James E. Monahan, Associate Director
Real Estate Consulting Group
LandVest, Inc.
Ten Post Office Square
Boston, MA 02109

Report #3200

LandVest®
Distinctive Properties • Real Estate Consulting & Appraisal • Forestry Consulting
TEN POST OFFICE SQUARE, BOSTON, MASSACHUSETTS 02109

REGIONAL OFFICES

148 Middle Street
Portland, ME 04101
Telephone 207 774-8518
Fax 207 774-5845

9 Elm Street
Post Office Box 1262
Camden, ME 04843
Telephone 207 236-3543
Fax 207 236-2172

4A Tracy Road
P.O. Box 1068
Northeast Harbor, ME 04662
Telephone 207 276-3840
Fax 207 276-3837

126 College Street
Burlington, VT 05401
Telephone 802 660-2900
Fax 802 660-2543

5 The Green
Woodstock, VT 05091
Telephone 802 457-4977
Fax 802 457-9021

33 Fuller Street
Martha's Vineyard
Edgartown, MA 02539
Telephone 508 627-4400
Fax 508 627-7044

109 North Main Street
Concord, NH 03301
Telephone 603 228-2020
Fax 603 226-4391

January 4, 2001

Mr. Donald M. Greenough
Ipswich Cooperative Bank Building
Depot Square - P. O. Box 790
Ipswich, MA 01938-0790

RE: ***APPRAISAL REPORT***
"Little Neck Estate" - Ipswich, Massachusetts

Dear Don:

In accordance with your request, I have inspected the above-referenced real property generally known as *Little Neck Estate* in Ipswich, Southern Essex County, Massachusetts for the propose of estimating the property's market value in fee simple.

The attached document represents a "complete appraisal" within a *restricted-use* report format prepared in full conformance and without departure from the Uniform Standards of Professional Appraisal Practice (USPAP) and the Appraisal Standards Board. It is my understanding that this appraisal is to be used by the Feoffees of the Grammar School and their assigns in the context of on-going asset management and disposition planning. It should be noted that this report contains opinions as to the subject property's value under alternate assumptions of sale to a third party buyer (i.e., *market value*) or to a buyer group comprised of the current tenancy (i.e., investment value).

This appraisal constitutes an update of an opinion of market value set forth in LandVest's Real Estate Advisory Report dated April 15, 1997. The 1997 Advisory Report is included herein by reference.

Based on my inspections, research and analysis, it is my opinion that as of December 1, 2000 (date of most recent inspection) it is my opinion that the value of a fee simple interest in the property assuming a condominium conversion (land only) was:

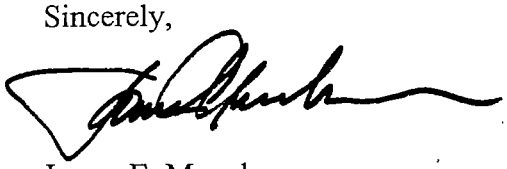
Market Value (to third party buyer): $7,700,000

Investment Value (to current tenancy): $10,290,000

TELEPHONE: 617 723-1800
FAX: 617 482-5376

Additional documentation in support of this market value estimate is provided within the attached report, respectfully submitted for your review.

Sincerely,



James E. Monahan
Associate Director
Real Estate Consulting Group
LandVest, Inc.

I. SCOPE OF APPRAISAL AND DEFINITIONS

A. Purpose

The purpose of this appraisal is to provide the client with an opinion as to the property's market value.

B. Function or Use of Appraisal

The function and intended use of the report is to establish the current market value of the property as part of an internal review of disposition options.

C. Effective Date of Valuation

The subject property was inspected most recently by James E. Monahan on December 1, 2000. This date serves as the effective valuation date.

D. Definitions

1. Fee Simple Estate

Fee Simple Estate is defined as:

Absolute ownership unencumbered by any other interest or estate; subject only to the limitations of eminent domain, escheat, police power, and taxation.[1]

2. Tenancy At Will

Tenancy At Will is defined as:

An estate in real estate that has no fixed term and may be canceled at will by the landlord or the tenant.

---

[1] The Dictionary of Real Estate Appraisal: The Appraisal Institute, 1993.

3. Market Value

Market value is defined as follows:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. *Buyer and seller are typically motivated;*
2. *Both parties are well-informed or well-advised, and acting in what they consider their best interests;*
3. *A reasonable time is allowed for exposure to the open market;*
4. *Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and*
5. *The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.*[2]

4. Investment Value

Investment Value is defined as follows:

The specific value of an investment to a particular investor or class of investors based on individual investment requirements; distinguished from market value, which is impersonal and detached.

5. Condominium

Condominium is defined as follows:

A form of fee ownership of separate units or portions of multiple unit buildings that provides for formal filing and recording of a divided interest in real property and/or a multi-unit structure or property in which persons hold fee simple title to individual units and an undivided interest in common areas.

---

[2]The Uniform Standards of Professional Appraisal Practice (USPAP): The Appraisal Foundation, 1997.

E. Scope of Investigation and Analysis Parameters

The subject physical analysis is based on personal inspections of the subject property, as well as reference to public records including; Federal Flood Insurance Rate Maps; U.S.G.S. Topographic Maps; aerial orthophotos; Town of Ipswich Assessor's Maps and Field Cards; written offers to purchase; and, Title V inspections prepared by H.L. Graham Associates, Inc. of Ipswich, Massachusetts.

The legal and regulatory analysis includes a review of the Town of Ipswich's zoning and subdivision regulations in effect as of the effective valuation date. In addition, State and local health regulations, wetland, flood plain and other land use regulations are considered as they may affect the additional development potential and market value of the subject property.

The sources of data presented in the valuation analysis contained in this appraisal include public records, local real estate professionals, private individuals and companies, and/or the appraisers' files. All sales were confirmed with at least one or two of the following sources: buyer, seller, listing agent, selling agent, recorded deed, or other private individuals familiar with the terms of a particular transaction.

F. Statement of Competency

LandVest and the subject appraiser have experience appraising all types of residential, commercial and industrial properties throughout New England, including northeastern Massachusetts. LandVest's Real Estate Consulting Group staff includes appraisers and land planners with the experience and skills required to evaluate the physical and legal constraints on land use, and to develop reliable estimates of Highest and Best Use. A thorough review of the subject property's greater Essex County market, as documented in this report, provides support for the market value options developed in this appraisal.

James E. Monahan is the primary appraiser and is a Certified General Appraiser in the Commonwealth of Massachusetts (#3481).

• Reporting Format

This report constitutes a "complete appraisal" presented in a ***Restricted-Use Appraisal Report*** format. In accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) Rule 2-2(c), the report includes only summary analyses and reasoning in support of market value estimates. Additional supporting documentation concerning the data, reasoning and analysis is retained in the appraisers' files. The appraisers are not responsible for unauthorized use of this report.

II. IDENTIFICATION OF SUBJECT PROPERTY

A. Address and Legal References

The subject property is generally located at the end of Jeffrey's Neck Road in the eastern portion of the Town of Ipswich. The address is simply referred to as:

Little Neck Estate
Ipswich, Massachusetts 01938

A full legal description of the subject property is recorded in the Essex County South Registry of Deeds, Book 16320, Page 170. A copy of the subject legal description, as well as other relevant legal instruments are contained in the ***Appendix*** to this report.

B. Subject Ownership

As of the effective valuation date, fee simple title to the subject property vested in:

The Feoffees of the Grammar School in Ipswich
c/o Donald Whiston

For the Feoffees title, see the Acts of 1765 of the Legislature of Massachusetts Colony in confirming the title to the premises of the Feoffees which originated by grant of the Town of Ipswich in 1650.

C. Parcel Inventory and Current Assessments

The following pages of this report provide tabular summaries of leased parcels (both improved and vacant) and various parcels (not leased) held by the Feoffees. These summaries include proposed (F.Y. 2001) assessed values for all land and improvements.

TABLE I

PARCEL INVENTORY
LITTLE NECK ESTATE - IPSWICH, MASSACHUSETTS

I. Leased Parcel Assessments F.Y. 2001 (proposed)

Parcel #	Address	Owner	Lot Area	Assessments			
				Land	Yard	Bldg.	Total
1*	63 River Road	P. Regal	3,060 SF	$105,400	0	$110,300	$215,700
2*	61 River Road	C. Harris	2,843 SF	$104,500	0	$47,200	$151,700
3	59 River Road	N. Wilkey	3,327 SF	$106,500	0	$51,300	$157,800
4	57 River Road	A. Anderson	3,400 SF	$106,700	0	$54,500	$161,200
5	55 River Road	K. Rodman	3,210 SF	$106,000	0	$55,600	$161,600
6	53 River Road	M. Sandberg	3,458 SF	$107,000	0	$132,600	$239,600
7	49 River Road	W. Hough	2,400 SF	$102,800	0	$75,600	$178,400
8	47 River Road	R. Saunders	1,980 SF	$92,700	0	$41,000	$133,700
9	44 River Road	R. Aiello	2,860 SF	$104,600	0	$84,500	$189,100
10	46 River Road	J. Cronin	5,160 SF	$113,800	0	$87,200	$201,000
11	48 River Road	T. Ciolek	3,720 SF	$108,000	$900	$196,600	$305,500
12	50 River Road	J. Blake	3,360 SF	$106,600	0	$63,600	$170,200
13	45 River Road	P. Saunders	2,600 SF	$95,000	0	$38,100	$133,100
14	43 River Road	K. Rodman	2,340 SF	$102,500	0	$141,300	$243,800
15*	41 River Road	C. Hebel	2,350 SF	$102,600	0	$123,500	$226,100
16	39 River Road	J. Foley	2,400 SF	$102,800	$5,500	$61,000	$169,300
17	37 River Road	J. Survilas	2,600 SF	$103,600	0	$63,500	$167,100
18*	35 River Road	R. Bowman	2,500 SF	$103,200	0	$28,400	$131,600
20*	31 River Road	Darimiro Trust	3,000 SF	$105,100	$4,600	$79,600	$189,300
21*	29 River Road	R. Maloney	3,250 SF	$106,100	0	$53,700	$159,800
22	27 River Road	F. Lalikos	2,770 SF	$104,200	$1,200	$65,700	$171,100
23	25 River Road	K. Tetreault	2,400 SF	$102,800	$500	$77,700	$181,000
24	6 Bay Crest Rd.	R. Watson	3,000 SF	$96,500	0	$50,600	$147,100

*denotes change in ownership since 1997

Parcel #	Address	Owner	Lot Area	Assessments			
				Land	Yard	Bldg.	Total
25	31 Middle Road	R. Doherty	2,980 SF	$96,400	0	$62,500	$158,900
26*	29 Middle Road	Lot 26 L.N. Nom. Tr.	3,540 SF	$98,400	0	$54,900	$153,300
28*	21 Middle Road	M. O'Flahaven	3,000 SF	$96,500	0	$58,400	$154,900
29	19 Middle Road	E. Kaine	3,000 SF	$96,500	0	$115,600	$212,100
30	15 Middle Road	D. Wallace	2,000 SF	$16,600	$13,000	0	$31,600
31	11 Middle Road	D. Wallace	2,780 SF	$95,700	$7,700	$69,600	$165,300
32*	9 Middle Road	D. Anderson	4,020 SF	$100,200	0	$58,600	$158,800
33	7 Middle Road	M. Kelly	3,870 SF	$99,600	0	$44,300	$143,900
34	5 Middle Road	R. Passarelli	3,870 SF	$99,600	0	$71,200	$170,800
35	3 Middle Road	M. Kelly	3,870 SF	$99,600	0	$44,500	$144,100
37	1 Hilltop Road	W. Russo	2,159 SF	$61,300	0	$52,900	$114,200
38	4 Middle Road	D. Gresek	2,230 SF	$68,300	0	$130,200	$198,500
39	6 Middle Road	M. Kelly	2,400 SF	$68,800	0	$88,700	$157,500
40*	8 Hilltop Road	P. Scioletti	4,240 SF	$70,400	0	$103,100	$173,500
41*	12 Hilltop Road	M. Casey	3,840 SF	$70,400	0	$55,400	$125,800
42*	16 Hilltop Road	K. Annen	5,300 SF	$67,100	0	$43,900	$111,000
43*	20 Hilltop Road	M. Disalvo	4,360 SF	$70,400	0	$51,200	$121,600
44*	22 Hilltop Road	P. Surette	4,280 SF	$70,400	0	$123,300	$193,700
45*	24 Hilltop Road	E. Okeefe	3,590 SF	$70,400	0	$77,800	$148,200
46*	26 Hilltop Road	D. Greenwood	3,370 SF	$70,400	0	$57,800	$128,200
47	28 Middle Road	B. Roy	3,240 SF	$71,000	0	$71,000	$142,000
48*	30 Middle Road	P. McDonald	3,000 SF	$73,000	0	$70,400	$143,400
49	25 Hilltop Road	R. Saunders	4,225 SF	$73,700	0	$169,800	$243,500
50	23 Hilltop Road	V. Cutler	3,591 SF	$72,000	0	$45,500	$117,500
51	21 Hilltop Road	R. Thorngren	3,450 SF	$71,600	$500	$56,300	$128,400
52	19 Hilltop Road	A. Donahoe	3,575 SF	$71,900	0	$63,100	$135,000
53*	15 Hilltop Road	E. Erickson	3,950 SF	$72,900	0	$73,800	$146,700
54	11 Hilltop Road	J. Reardon	7,420 SF	$82,200	0	$117,800	$200,000

*denotes change in ownership since 1997

Parcel #	Address	Owner	Lot Area	Assessments			
				Land	Yard	Bldg.	Total
55*	9 Hilltop Road	R. Harrington	3,500 SF	$71,700	$500	$114,900	$187,100
56	10 Middle Road	J. Duran	3,210 SF	$64,700	0	$72,600	$140,000
57	7 Hilltop Road	D. Dieringer	3,660 SF	$72,200	$600	$95,300	$168,100
59	35 Bay Road	C. Bouvier	4,550 SF	$102,100	$500	$153,700	$256,300
60	33 Bay Road	C. Laughton	2,400 SF	$94,300	$500	$98,400	$193,200
61	31 Bay Road	H. Akerstrom	2,160 SF	$93,400	0	$49,100	$142,500
62	29 Bay Road	B. Carbone	2,400 SF	$94,300	0	$75,800	$170,100
63	27 Bay Road	A. Yemma	2,470 SF	$94,500	$600	$173,800	$268,900
64	25 Bay Road	J. Gallagher	3,000 SF	$96,500	$700	$35,700	$132,900
65	23 Bay Road	C. Lichoulas	3,000 SF	$96,500	0	$47,600	$144,100
66*	19 Bay Road	M. Johnson	3,600 SF	$98,700	0	$61,000	$159,700
67	17 Bay Road	M. Holden	3,180 SF	$97,100	0	$48,800	$145,900
68	15 Bay Road	W. Moskowitz	3,230 SF	$97,300	0	$56,300	$153,600
70	16 Bay Road	M. Donaldson	4,510 SF	$74,400	0	$72,400	$146,800
71	18 Bay Road	T. Allen	4,410 SF	$74,200	$400	$161,800	$236,400
72	5 Gala Way	R. Hamlin	3,000 SF	$70,400	0	$60,500	$130,900
75	8 Hilltop Road	R. Scioletti	3,000 SF	$70,400	0	$108,100	$173,500
76	10 Hilltop Road	J. Dowling	3,000 SF	$70,400	0	$56,400	$126,800
77	12 Hilltop Road	M. Casey	3,000 SF	$70,400	0	$55,400	$125,800
79	4 Cove Road	B. Horsman	5,110 SF	$76,000	0	$52,500	$128,500
80	6 Cove Road	S. Ruta	3,000 SF	$70,400	0	$44,300	$114,700
81	8 Cove Road	C. Robinson	3,000 SF	$70,400	0	$56,600	$127,000
82	10 Cove Road	N. Ball	3,000 SF	$70,400	$600	$59,200	$130,200
83	12 Cove Road	M. Anderson	5,100 SF	$76,000	0	$53,800	$129,800
84	12 Bay Road	N. Fidrocki	4,260 SF	$73,800	0	$71,600	$145,400
85	17 Cove Road	K. Gilletti	3,000 SF	$70,400	0	$52,100	$122,500
86	15 Cove Road	R. Varney	3,000 SF	$70,400	$1,800	$54,100	$126,300
87	9 Cove Road	P. Mattson	3,000 SF	$70,400	0	$127,700	$198,100

*denotes change in ownership since 1997

LandVest®

Parcel #	Address	Owner	Lot Area	Assessments			
				Land	Yard	Bldg.	Total
89*	5 Cove Road	H. Cogan	3,000 SF	$70,400	0	$64,800	$135,200
90	3 Cove Road	F. Parker	3,000 SF	$70,400	0	$52,200	$122,600
91*	16 Hilltop Road	K. Annen	1,780 SF	$67,100	0	$43,900	$111,000
92	18 Hilltop Road	R. Stocker	3,140 SF	$70,800	0	$46,500	$117,300
93	18 Baycrest Rd.	J. Fogarty	3,000 SF	$70,400	0	$51,200	$121,600
94	22 Baycrest Rd.	L. Fiske	3,000 SF	$70,400	0	$44,900	$115,300
95	24 Baycrest Rd.	J. Lyon	3,000 SF	$70,400	0	$76,800	$147,200
96*	26 Baycrest Rd.	A. Connolly	3,000 SF	$70,400	0	$54,400	$124,800
97	28 Baycrest Rd.	G. Church	3,000 SF	$70,400	0	$138,800	$209,200
98	30 Baycrest Rd.	C. McGilvary	3,870 SF	$72,700	0	$105,300	$178,000
99	8 Bay Road	M. Attridge	3,750 SF	$72,400	0	$63,400	$135,800
100	27 Baycrest Rd.	E. Williams	3,000 SF	$70,400	0	$50,200	$120,600
101	25 Baycrest Rd.	J. Ferrino	3,000 SF	$70,400	0	$63,100	$135,500
102	21 Baycrest Rd.	D. Carroll	3,000 SF	$70,400	0	$57,800	$128,200
103*	20 Hilltop Road	M. Disalvo	3,000 SF	$70,400	0	$51,200	$121,600
104	33 Hilltop Road	R. Gilbert	3,000 SF	$70,400	0	$52,200	$122,600
105	9 Baycrest Rd.	R. Betts	3,000 SF	$66,900	0	$39,900	$106,800
106*	32 Middle Road	A. Cairns	3,000 SF	$70,400	0	$62,900	$133,300
107	35 Middle Road	P. Rhodes	3,000 SF	$96,500	0	$53,300	$149,800
108*	3 Baycrest Rd.	P. Benjamin	3,000 SF	$105,100	0	$42,900	$148,000
109	21 River Road	Green Trust	3,000 SF	$105,100	0	$54,700	$159,800
110	4 Kings Way	B. Rowell	3,000 SF	$96,500	0	$70,800	$167,300
111	37 Middle Road	C. Johnson	3,000 SF	$96,500	0	$72,600	$169,100
112	8 Kings Way	R. Harrington	3,000 SF	$70,400	0	$103,800	$174,200
113	10 Kings Way	B. Pulsford	3,000 SF	$66,900	0	$66,900	$133,800
114	35 Hilltop Road	M. Obrien	3,000 SF	$70,400	0	$65,000	$135,400
115	22 Hilltop Road	P. Surette	3,000 SF	$70,400	0	$123,300	$193,700
116*	16 Kings Way	C. Ryan	3,000 SF	$70,400	0	$66,300	$136,700

*denotes change in ownership since 1997

Parcel #	Address	Owner	Lot Area	Assessments			
				Land	Yard	Bldg.	Total
117	20 Kings Way	R. McHale	3,000 SF	$70,400	0	$68,600	$139,000
118	22 Kings Way	P. Hull	3,000 SF	$70,400	0	$65,600	$136,000
120	6 Bay Road	G. Donovan	2,700 SF	$69,600	0	$43,200	$112,800
121	29 Kings Way	J. Kurnick	4,410 SF	$74,200	0	$49,000	$123,200
122	27 Kings Way	J. Cook	3,000 SF	$70,400	0	$74,000	$144,400
123*	25 Kings Way	W. Morrison	3,000 SF	$70,400	0	$60,000	$130,400
124	21 Kings Way	M. Varney	3,000 SF	$70,400	0	$69,800	$140,200
125*	19 Kings Way	R. McCaughey	3,000 SF	$70,400	0	$39,800	$110,200
126	17 Kings Way	J. Spenser	3,000 SF	$70,400	0	$54,900	$125,300
127	24 Hilltop Road	E. O'Keefe	3,000 SF	$70,400	0	$77,800	$148,200
128	37 Hilltop Road	M. Gorman	3,000 SF	$70,400	0	$73,200	$143,600
129	11 Kings Way	F. Kiley	3,000 SF	$66,900	0	$54,600	$121,500
130	36 Middle Road	W. Lonergan	3,000 SF	$70,400	0	$79,100	$149,500
131	39 Middle Road	R. Cole	3,000 SF	$96,500	0	$43,600	$140,100
132	5 Kings Way	R. Barton	3,000 SF	$96,500	0	$51,700	$148,200
133	3 Kings Way	D. Goodhue	3,000 SF	$105,100	0	$52,500	$157,000
134	2 Plum Sound Rd.	M. Maloney	3,000 SF	$105,100	0	$102,500	$207,600
135	4 Plum Sound Rd.	M. Maloney	3,000 SF	$96,500	0	$79,700	$176,200
136	6 Plum Sound Rd.	C. Jannino	3,000 SF	$96,500	0	$69,200	$165,700
137	41 Middle Road	C. Huntley	3,000 SF	$96,500	0	$71,500	$168,000
138	38 Middle Road	W. Carroll	3,000 SF	$70,400	$500	$111,300	$182,200
139*	12 Plum Sound Rd.	E. Torissi	3,000 SF	$70,400	0	$53,600	$124,000
140	14 Plum Sound Rd.	M. Green	3,000 SF	$70,400	0	$45,900	$116,300
141	26 Hilltop Road	D. Greenwood	3,000 SF	$70,400	0	$57,800	$128,200
142	20 Plum Sound Rd.	R. Hodgdon	3,000 SF	$70,400	$1,700	$62,500	$134,600
143*	22 Plum Sound Rd.	J. Lyons	3,000 SF	$70,400	0	$61,900	$132,300
144	24 Plum Sound Rd.	S. Moore	3,000 SF	$70,400	0	$82,400	$152,800
145	28 Plum Sound Rd.	D. Rocco	3,000 SF	$70,400	0	$69,400	$139,800

*denotes change in ownership since 1997

Parcel #	Address	Owner	Lot Area	Assessments			
				Land	Yard	Bldg.	Total
146	30 Plum Sound Rd.	F. Davis	3,950 SF	$72,900	0	$71,500	$144,400
147	27 Plum Sound Rd.	D. Blum	4,490 SF	$101,900	0	$44,400	$146,300
148	25 Plum Sound Rd.	J. Burkiewicz	4,680 SF	$102,600	0	$62,500	$165,100
149	23 Plum Sound Rd.	E. Goodwin	3,000 SF	$70,400	0	$72,500	$142,900
150*	21 Plum Sound Rd.	J. Lyons	3,000 SF	$70,400	0	$84,800	$155,200
151	19 Plum Sound Rd.	E. Raynard	3,750 SF	$72,400	0	$48,200	$120,600
152	15 Plum Sound Rd.	I. Bettis	3,000 SF	$70,400	0	$66,100	$136,500
153	13 Plum Sound Rd.	P. Lucas	3,000 SF	$70,400	0	$87,000	$157,400
154	40 Middle Road	R. Veno	3,000 SF	$70,400	0	$80,500	$150,900
155	43 Middle Road	A. Lowden	3,000 SF	$96,500	0	$78,400	$174,900
156*	5 Plum Sound Rd.	B. Brennan	3,000 SF	$96,500	0	$49,800	$146,300
157	3 Plum Sound Rd.	C. Story	3,000 SF	$105,100	0	$82,500	$187,600
158	15 River Road	S. Tannahill	3,000 SF	$105,100	0	$57,300	$162,400
159	11 River Road	E. Cowdrey	3,000 SF	$105,100	0	$78,100	$183,200
160*	45 Middle Road	J. Berman	3,000 SF	$96,500	0	$78,200	$174,700
161*	42 Middle Road	P. Sciple	3,000 SF	$70,400	0	$98,500	$168,900
162	3 River Road	R. MacRae	3,000 SF	$70,400	0	$50,600	$121,000
163	43 Hilltop Road	E. Demers	3,000 SF	$96,500	0	$149,800	$246,300
164	2 River Road	E. Dever	3,500 SF	$107,100	0	$147,000	$254,100
165	6 River Road	J. Kurnick	2,470 SF	$103,000	0	$141,200	$244,200
166	10 River Road	L. Eaton	3,325 SF	$106,400	0	$97,400	$203,800
167	12 River Road	F. O'Malley	3,000 SF	$105,100	0	$75,200	$180,300
168	16 River Road	P. Merlino	7,820 SF	$124,400	$500	$103,600	$228,500
169*	2 Cliff Road	F. Koris	3,020 SF	$105,200	0	$115,200	$220,400
170	4 Cliff Road	J. Faria	4,790 SF	$112,300	0	$78,000	$190,300
171	6 Cliff Road	A. Rice	3,520 SF	$107,200	0	$74,600	$181,800
172	8 Cliff Road	E. Sullivan	3,700 SF	$107,900	0	$52,200	$160,100
173	10 Cliff Road	J. Duran	2,430 SF	$102,900	0	$48,000	$150,900

*denotes change in ownership since 1997

Parcel #	Address	Owner	Lot Area	Assessments Land	Yard	Bldg.	Total
101A*	23 Baycrest Rd.	A. Neiler	3,000 SF	$70,400	0	$44,700	$115,100
102A	17 Baycrest Rd.	J. Buckley	3,000 SF	$70,400	0	$149,300	$219,700
116A	18 Kings Way	J. Connor	3,000 SF	$70,400	0	$64,900	$135,300
118A	24 Kings Way	L. Varney	3,000 SF	$70,400	0	$55,200	$125,600
41A*	14 Middle Road	W. Gotlieb	4,900 SF	$75,500	0	$93,300	$168,800
	TOTALS:		**12.53± ac.**	**$14,082,400**	**$42,800**	**$12,322,300**	**$26,447,500**

II. Leased Parcels - Vacant

Parcel #	Address	Owner	Lot Area	Assessments Land	Yard	Bldg.	Total
29A	Middle Road	E. Kaine	3,000 SF	$19,300	0	0	$19,300
66A	21 Bay Road	C. DiAmico	3,400 SF	$19,700	0	0	$19,700
78	Middle/Cove Road	F. Parker	2,400 SF	$13,800	0	0	$13,800
159A	River Road	A. Cowdrey	3,000 SF	$21,000	0	0	$21,000
	TOTALS:			**$73,800**	**0**	**0**	**$73,800**

*denotes change in ownership since 1997

TABLE II

LOT INVENTORY/ASSESSMENT UNDER FEOFFEE'S OWNERSHIP

		Assessments			
Parcel #	Lot Area	Land	Yard	Bldg.	Total
69	11 acres	$333,100	$63,100	$84,200	$480,400
6A	.4 acres	$20,000	0	0	$20,000
19	2,200 SF	$20,400	$4,700	0	$25,100
36	3,960 SF	$20,000	0	0	$20,000
58	2,190 SF	$68,200	0	0	$68,200
73	6,000 SF	$7,800	0	0	$7,800
74	3,000 SF	$14,100	0	0	$14,100
88	3,000 SF	$14,100	0	0	$14,100
119	3,000 SF	$14,100	0	0	$14,100
101B	3,000 SF	$14,100	0	0	$14,100
102B	3,000 SF	$14,100	0	0	$14,100
103A	3,000 SF	$14,100	0	0	$14,100
109A	1,500 SF	$19,800	0	0	$19,800
124A	3,000 SF	$14,100	0	0	$14,100
134A	1,500 SF	$19,800	0	0	$19,800
141A	3,000 SF	$14,100	$2,100	0	$16,200
144A	3,000 SF	$14,100	0	0	$14,100
152A	3,000 SF	$14,100	0	0	$14,100
153A	3,000 SF	$14,100	0	0	$14,100
158A	1,250 SF	$19,600	0	0	$19,600
165A	2,000 SF	$20,200	0	0	$20,200
166A	3,000 SF	$21,000	0	0	$21,000
166B	3,700 SF	$21,600	0	0	$21,600
169A	3,000 SF	$19,300	0	0	$19,300
23A	3,000 SF	$21,000	0	0	$21,000

		Assessments			
Parcel #	Lot Area	Land	Yard	Bldg.	Total
25A	3,000 SF	$19,300	0	0	$19,300
27A	3,000 SF	$19,300	0	0	$19,300
27B	3,380 SF	$19,600	0	0	$19,600
27C	3,360 SF	$19,600	0	0	$19,600
43A	4,360 SF	$14,800	0	0	$14,800
49A	2,915 SF	$14,000	0	0	$14,000
52A	3,875 SF	$14,500	0	0	$14,500
70A	3,000 SF	$7,000	0	0	$7,000
71A	3,000 SF	$14,100	0	0	$14,100
75A	4,120 SF	$7,300	0	0	$7,300
87A	3,000 SF	$14,100	0	0	$14,100
92A	3,000 SF	$14,100	0	0	$14,100
93A	3,000 SF	$14,100	0	0	$14,100
72	3,000 SF	$70,000	0	$60,500	$130,900
Totals		**$1,049,100**	**$69,000**	**$144,700**	**$1,263,700**

Tabulation - F.Y. 2001 Assessment

Total Assessed Value - Leased Parcels With Improvements:	$26,447,500
Total Assessed Value - Leased Parcels - Vacant:	$ 73,800
Total Assessed Value - Feoffee's Ownership:	$ 1,263,700
TOTAL ASSESSED VALUE - SUBJECT PROPERTY:	**$27,785,000**

The above-outlined assessment for Fiscal Year 2001 indicates the following unit values:

- Total leased parcels with improvements: 168
- Average assessment per leased parcel (w/Cottage): $157,425
- Average assessment per leased parcel - land only: $83,823
- Average assessment per tenant-owned cottage: $73,347
- Assessed value per leased acre: $1,123,894

The total F.Y. 2001 assessment for the 168 leasehold parcels ($14,082,400) indicates a 13.96% increase (approximately 3.33%/annually) over the F.Y. 1997 assessment ($12,357,300). This assessment rate increase is *significantly* slower than the town-wide median residential value increase of 25.3± over the same period (1/1/97 - 1/1/00 for assessment purposes).

Based on the proposed mill rate of $11.40/$1,000 the total annual tax liability owing to the subject property is summarized as follows:

Property Component	Assessed Value	Annual Tax
Leasehold Parcels - Improved	$26,447,500	$301,501.50
Leasehold Parcels - Vacant	$73,800	$840.18
Feoffee-Owned Parcels	$1,263,700	$14,406.18
Total Real Estate Taxes (F.Y. 2001):		**$316,747.86**

III. PROPERTY DESCRIPTION AND CURRENT USE

A. Site Description

The subject property comprises approximately 35 to 36± acres of coastal upland surrounded by the Ipswich River, Plum Island Sound, and Neck Cove. The oval shaped coastal drumlin is linked with the mainland by a low-lying, coastal causeway which extends southeasterly from an adjacent residential neighborhood known as *Great Neck*. The property's overall (extreme) dimensions are approximately 1,900± feet (east/west) by 1,200 feet north/south and a total navigable shore frontage on Plum Island Sound and the Ipswich River amounts to over 3,400 feet. Additional tide restricted frontage along Neck Cove (measured from Plum Sound Road to the community dock) totals approximately 1,220± feet.

There is no recorded perimeter survey of legal subdivision of the property and town assessor's maps have been used for reference and area calculations.

The interior of the property is traversed by a grid network of privately held, interior roads totaling approximately 9,700± feet. Though privately held, on February 17, 1995 (Essex County Book 12954), Page 10 the Feoffees of the Grammar School granted to the inhabitants of the Town of Ipswich a perpetual easement "over, along, in, through and under the paved roads and ways in that part of Ipswich known as Little Neck for the purposes of garbage and trash removal, recycling, snow removal and related activities, passage by school buses, fire, police, ambulance, and other municipal vehicles, maintenance, repair and improvement electrical power lines, poles, underground conduits, and any and all water distribution pipes, values and fittings, and appurtenances thereto."

It is important to note that there has been no change in the legal status of the property since 1997 and the per parcel assessments do not reflect any *legal* subdivision of the property.

1. Sewage Disposal

The Town of Ipswich is currently evaluating the feasibility of extending municipal sewer service along Jeffrey's Neck Road to service the waterfront neighborhoods of *Great Neck* and *Little Neck*. The outcome of the Town's analysis cannot be ascertained at this time, though this prospect will likely affect a prospective buyers assessment of sewage disposal options, seasonal/year-round use options and ultimately, the market value of the property.



Legend:

Closed Sale since 1997

Notes:

Project Number: 3200

Date: January 5, 2001

Sales Activity

Little Neck Estate
Ipswich, Massachusetts

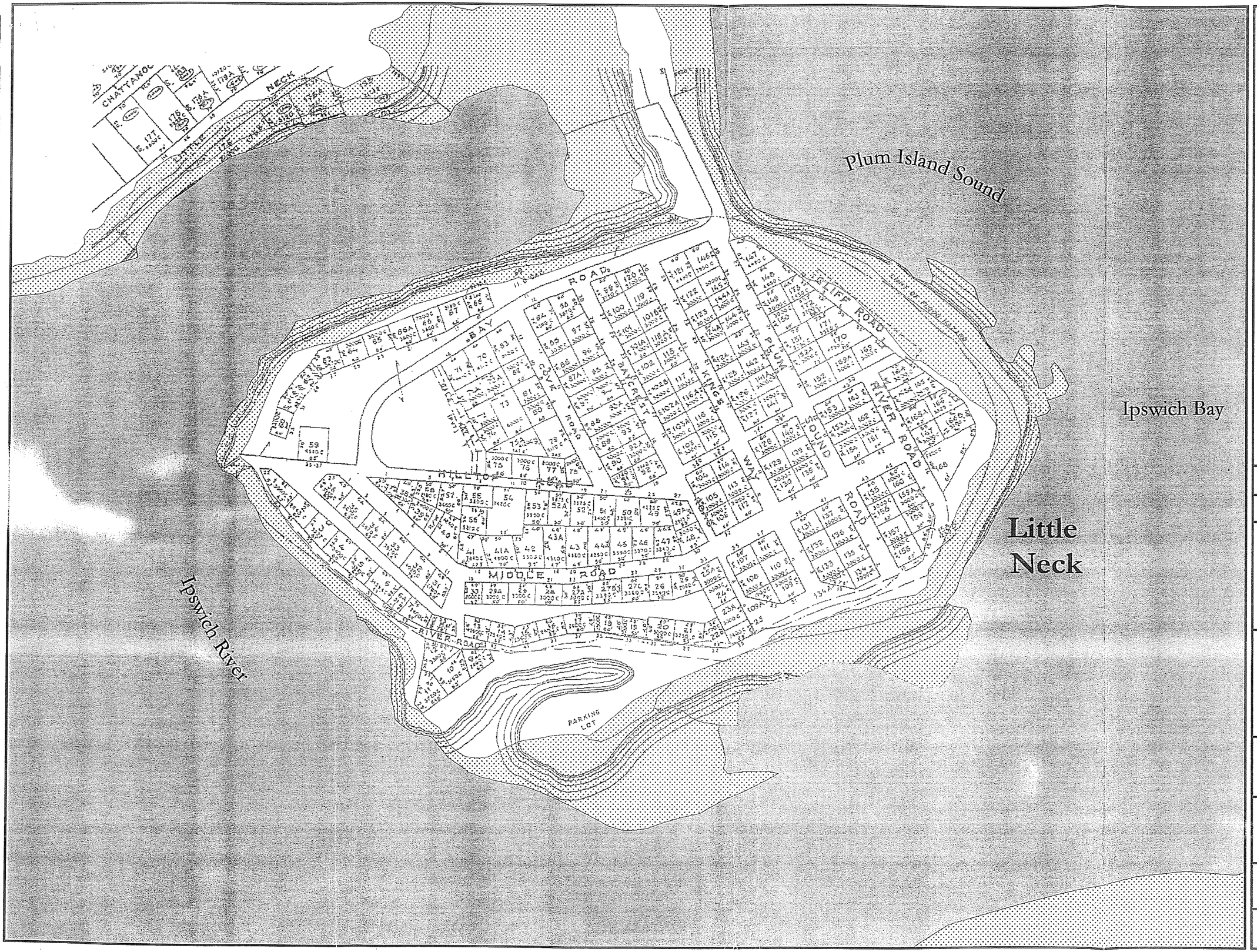
Scale: 1" = 200'

100 0 100 200 *Feet*

This plan is conceptual only and is not represented as an engineered plan.

LandVest

Ten Post Office



Legend:

- Wetlands
- Open Water

Project Number: 3200

Date: January 5, 2001

Base Plan

Little Neck Estate
Ipswich, Massachusetts

Scale: 1" = 200'

100 0 100 200 *Feet*

This plan is conceptual only and is not represented as an engineered plan.

LandVest
Ten Post Office Square, Boston, MA 02109

As part of an on-going analysis of the adequacy of the *existing* on-site sewage disposal systems, H.L. Graham Associates of Ipswich was retained in 1999 to perform individual Title V inspections for all of the 168 residential septic systems/cesspools serving the existing cottages. The system serving the community center building was also inspected. Of 169 systems inspected, only 3 conventional systems passed. These systems are located at 27 Bay Road (Tax Parcel 63), 45 Middle Road (Tax Parcel 160) and 23 Bay Road (Tax Parcel 65). Three additional dwellings currently served by tight tanks passed a Title V inspection. The six parcels which passed Title V inspection have, since the 1997 appraisal, been permitted for year-round occupancy. This brings the total to 24 year-round cottages.

The vast majority of the inspection failures were due to older cesspools located in groundwater. Five "systems" were found to involve direct overboard discharge to the tidal waters of Plum Island Sound or the Ipswich River. All have been repaired under an emergency remediation order issued by DEP.

Barring the extension of municipal sewer main (highly speculative as of the date of this report), the most feasible remedy for compliant sewage disposal calls for the installation of 2,500 gallon "tight tanks" for each of the failed properties.

Representatives at Graham Associates indicated the *average* anticipated cost for tight tank installation (materials and labor) amounts to approximately $15,000 per unit. **Thus, the total amount for the 163 required tight tanks (including the community center) amounts to approximately $2,445,000.**

Individual tenants would subsequently billed at a rate of $.09 per gallon for scheduled pump out.

2. Current Use-Tenancy at Will

As noted in LandVest's 1997 advisory report, the Little Neck property is the subject of an annually-renewable land rental agreement which permits each homeowner to occupy their cottages between April 1 and November 30 of each year. With the exception of cottages grandfathered in 1966 and those recently permitted to allow for year-round occupancy, the balance of the cottages may be occupied only within the designated eight month season.

Under current rental terms, individual parcel rents are assessed equally throughout the property. Following rent increased since LandVest's 1997 valuation, 144 tenants pay $2,240 annually for seasonal use and 24 year-round tenants pay $2,520. Thus,

potential gross income (PGI) amounts to approximately $383,040. Individual tenants (cottage owners) are responsible for a portion of land rent, real estate taxes, insurance and all utilities. Additionally, tenants are responsible for any necessary repair or replacement of in-ground sewage disposal systems in the event of a system failure.

It should be noted that the current land rental rates of $2,240 and $2,520 still fall considerably below *market rate* rents of over $3,000 per LandVest's 1997 Advisory Report.

3. Previous Valuation and Recent Purchase Offers

As outlined in LandVest's 1997 Real Estate Advisory Report, the highest and best use of the property called for a conversion from the current tenancy at will leasehold to condominium form of ownership which would provide existing cottage owners greater security in the underlying land. The estimated *market value* of this use to a third party buyer was approximately $6,145,000 or $36,577 per leasehold unit. *Investment value* under the same form of ownership *to the current tenancy* was estimated at approximately $9,500,000 or $56,550 per unit. Following preliminary discussions with an increasingly interested tenant buyer group, on December 7, 1999, the Little Neck Homeowners voted in excess of 90% to initiate negotiations on the purchase of Little Neck. The Owners forwarded a written offer to pay $3,000,000 with only minor contingencies. On January 21, 2000, the Feofees of the Grammar School rejected the offer without counter. Following this rejection, on August 21, 2000, a second offer in the amount of $7,000,000 was submitted by the Little Neck Homeowners. This offer specified that the homeowners pay all costs associated with the septic upgrades and/or tight tank installation. Assuming total costs of between $1,680,000 to $2,100,000 (buyers estimates), the *effective* purchase offer totaled nearly $9,000,000. The purchase offer is currently under review by the Feoffees of the Grammar School, with no formal acceptance or rejection.

IV. HIGHEST AND BEST USE ANALYSIS

The Highest and Best Use of real property is defined as:

> *The reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and results in the highest value.*[3]

In estimating the Highest and Best Use, there are four essential factors to analyze:

A.	***Physically Possible:***	The uses which the subject property can physically support;
B.	***Legally Permissible:***	The uses which are permitted by zoning and other land use regulations affecting the subject property;
C.	***Financially Feasible:***	The possible and permissible uses that will produce any net return to the owner of the subject property; and
D.	***Maximally Productive:***	Among the feasible uses, the use that is consistent with the market expectations and that will produce the highest net return or the highest present worth.

The Highest and Best Use analysis involves consideration of existing land use regulations, any *reasonably probable* modifications to those regulations, the subject's physical adaptability, and economic demand for the physically and legally permissible uses of the subject property type. This analysis also accounts for prevailing market trends, established neighborhood development patterns, and aesthetic issues impacting market demand.

It should be stressed that the Highest and Best Use analysis is used in this report as a tool to determine that use which will yield the highest value for the property. It does not mean this is the only application for which the property may be used; nor is it a recommendation that the property be developed.

---

[3] Dictionary of Real Estate Appraisal, American Institute of Real Estate Appraisers, Chicago, Illinois, 3rd printing, 1987; Page 152.

As described in LandVest's *Real Estate Advisory Report* dated April 15, 1997, the highest and best use of the subject property calls for a continued seasonal and year-round and residential use (168± parcel density) with a conversion in the form of ownership from a tenancy at will land lease to a legal condominium (land only).

This conclusion is based on recognition that the land cannot be legally subdivided as 168+ *fee simple* parcels and the highest supportable underlying land value *is not* supported by a removal of the existing cottages in favor of a low to moderate density residential subdivision.

V. REAL ESTATE MARKET ANALYSIS

Table 1 on the following page summarizes market trends in real estate sales volume and median residential value in both Ipswich and surrounding communities from 1997 through October 2000.

Table I

Calendar Year Median Sales Price Changes
Single-Family Sales in Subject Market Area

Town	1995		1996			1997			1998			1999			2000 (1/00 - 6/00)			Δ 95 - 99 Four Year Average
	Median Price	No. Sales	Median Price	No. Sales	Median Price Change	Median Price	No. Sales	Median Price Change	Median Price	No. Sales	Median Price Change	Median Price	No. Sales	Median Price Change	Median Price	No. Sales	Median Price Change	
Ipswich	$169,000	209	$186,000	231	10.06%	$197,000	201	5.91%	$225,000	285	14.21%	$233,000	238	3.56%	$310,000	79	33.05%	9.46%
Topsfield	$228,000	97	$249,900	82	9.61%	$250,000	101	0%	$315,000	128	26.00%	$305,000	108	-3.17%	$373,000	32	22.30%	8.44%
Wenham	$280,000	55	$261,000	70	-6.80%	$295,000	50	13.03%	$305,000	66	3.39%	$332,000	83	8.85%	$450,000	17	35.54%	4.64%
Hamilton	$205,000	106	$232,000	139	13.17%	$237,000	118	2.16%	$257,000	134	8.39%	$299,000	98	16.34%	$385,000	44	28.76%	11.46%
Essex	$183,000	62	$193,000	45	5.46%	$189,900	63	-1.60%	$197,000	53	3.74%	$233,700	60	18.63%	$262,500	23	12.32%	6.93%
Rockport	$169,900	110	$180,000	145	5.90%	$189,900	157	5.5%	$207,000	173	9%	$234,000	148	13%	$282,500	108	20.72%	8.35%

As outlined above, the median residential home price in Ipswich has increased a total of 48.76±% from 1997 through two quarters of 2000. This trend indicates average annual appreciation of approximately 17.7%, supported in large part by a dramatic spike in 2000 (20.7%) on significantly declining sales volume.

A. Little Neck Sales Activity

Exhibit A on the following page of this report provides a tabular summary of sales activity occurring on Little Neck since LandVest's 1997 appraisal. It should be noted that this table does not account for several intra-family transfers occurring within the update.

The 10 sales occurred between February 27, 1998 and November 15, 2000 with prices ranging between $85,000 and $345,000. Prices for square foot of gross building area exhibit a wide range of value between $41.18 and $156.81.

The location of each of the sales is illustrated on the Sales Activity Map (two pages forward).

Based on a review of apportionment of *assessed* land/building value, indicate a range of land value (as though held in fee simple) ranges between $65,000 and $150,000. These sales occurring over the update period indicate an average increase of approximately 30-35±% from similarly classified land value estimates per LandVest's 1997 appraisal.

Exhibit A

Residential Sales Overview
Little Neck Estate, Ipswich, Massachusetts
1998-Present

Sale No.	Location	Sale Date	Sale Price	Land Area	Gross Bldg. Area	Use	Room Count Rms/BRS/BA	$/SF
LN-1	26 Bay Crest Road (PCL. 96)	7/31/98	$85,000	3,000± s.f.	2,064± s.f.	Seasonal	6/3/1	$41.18
LN-2	25 King's Way (PCL. 123)	12/7/98	$110,000	3,000± s.f.	2,262± s.f.	Seasonal	6/3/1	$48.62
LN-3	63 River Road (PCL. 1)	3/15/99	$242,000	3,060± s.f.	3,072± s.f.	Year-Round	5/2/1	$79.08
LN-4	3 Bay Crest Road (PCL. 108)	11/5/99	$130,000	3,000± s.f.	1,290± s.f.	Seasonal	7/4/1	$100.77
LN-5	31 Bay Road (PCL. 61)	6/15/00	$185,000	2,160± s.f.	1,254± s.f.	Seasonal	5/2/1	$147.52
LN-6	41 River Road (PCL. 15)	10/30/00	$345,000	2,350± s.f.	2,200± s.f.	Year-Round	6/3/1	$156.81
LN-7	21 Plum Sound Road (PCL. 150)	2/27/98	$154,000	3,000± s.f.	3,000± s.f.	Seasonal	4/2/1	$51.33
LN-8	22 Middle Road (PCL. 44)	1/29/99	$180,000	$4,280± s.f.	2,366± s.f.	Seasonal	5/2/1	$76.07
LN-9	21 Hilltop Road (PCL. 51)	11/15/00	$245,000	3,450± s.f.	2,862± s.f.	Seasonal	7/4/1	$85.60
LN-10	43 Hilltop Road (PCL. 163)	6/30/00	$300,000	3,000± s.f.	3,496± s.f.	Year-Round	6/3/1	$85.81

Unit Values:

Overall Price Ranges:	$85,000 - $345,000
Average Price:	$197,600
Median Price:	$193,250
Average Price/S.F.:	$71.59/S.F.
Median Price/S.F.:	$85.51/S.F.

Landvest®



Legend:

Notes:

Project Number: 3200

Date: January 5, 2001

Base Plan Orthophotograph

Little Neck Estate

Ipswich, Massachusetts

Scale: 1" = 200'

100 0 100 200 Feet

This plan is conceptual only and is not represented as an engineered plan.

LandVest
Ten Post Office Square, Boston, MA 02109

The 10 sales outlined in the preceding *Exhibit A* indicate an average selling price of $197,600. This represents an approximate 48% increase from the *average* selling price derived from 17 Little Neck Sales per LandVest's 1997 Advisory Report. This rate falls only slightly above the 34.22% median residential value increase indicated between January 1998 and October 2000. The collective aggregate sales price amounts to $1,976,000. The aggregate *assessed* value (proposed for Fiscal 2001) amounts to $1,711,100, indicating a 15.5±% *under assessment* on average. The most striking exceptions to this selling/assessed value trend are Sales LN-1, which sold at approximately 32% *below* assessed value and Sale LN-9, which sold at over 90% *over* assessed value.

B. Market Value Estimate - Condominium Conversion

As outlined in LandVest's 1997 report, Planning Option C assumes condominium ownership of the land underlying the existing cottages. All land outside the individual building "footprints" would be considered common land and the property's would be assessed as units with apportioned association dues. Under this planning option, the 168 unit density would be made legal and eligible for bank financing without the need for any formal approval at the state of local level.

Based on a review of local and real estate market trends since 1997 and with specific reference to the 12 value tiers delineated in LandVest's 1997 report, land unit pricing has been appreciated at a rate of 40% over the subject update period. Selected rate falls below the town-wide median residential rate for *fee simple* residential properties but significantly above the conservative town-wide appreciation rate and just over 4% for condominium value trends over the update period.

The initial financial analysis of the subject property as a condominium conversion assumes outside sale to a disinterested third party buyer. ***Table I*** on the following page of this report provides a two page discounted cash flow analysis of the property's market value to an outside buyers. Aggregate land unit value amounts to $18,102,000 with an anticipated absorption period of four years with 4% annual appreciation projected. **In accordance with this analysis, it is my opinion that the property's market value to a third party buyer as of December 1, 2000 amounts to $7,700,000 or $45,833 per unit.**

Table I

DISCOUNTED CASH FLOW ANALYSIS - Little Neck Estate
Condominium Conversion - 168 Unit Density *Market Value to Outside Buyer*

Project: *Little Neck Estate - Ipswich, MA*
Date: December, 2000

SALES ASSUMPTIONS		#Units	Unit Value	Subtotal (*)	SALES SCHEDULE (UNIT) YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8	TOTAL
I:	Exceptional View/Frontage	4	$195,000	$780,000	2	1	1	0	0	0	0	0	4
II:	Front Row - Plum Island Sound	7	$180,000	$1,260,000	1	1	2	3	0	0	0	0	7
III:	Front Row - Neck Cove/Prime	2	$175,000	$350,000	1	0	1	0	0	0	0	0	2
IV:	Front Row - Neck Cove/Average	7	$125,000	$875,000	1	2	2	2	0	0	0	0	7
V:	Front Row - Ipswich RiverPrime	4	$175,000	$700,000	1	1	1	1	0	0	0	0	4
VI:	Front Row - Ipswich River/Average	19	$145,000	$2,755,000	4	4	4	7	0	0	0	0	19
VII:	Interior - Excellent View	24	$112,000	$2,688,000	8	8	5	3	0	0	0	0	24
VIII:	Interior - Good View	33	$98,000	$3,234,000	10	10	10	3	0	0	0	0	33
IX.	Interior - Average View	35	$90,000	$3,150,000	10	10	10	5	0	0	0	0	35
X.	Inrterior - Marginal View	33	$70,000	$2,310,000	8	8	8	9	0	0	0	0	33
XI.		0	$0	$0	0	0	0	0	0	0	0	0	0
XII.		0	$0	$0	0	0	0	0	0	0	0	0	0
XIII.		0	$0	$0	0	0	0	0	0	0	0	0	0
XIV.		0	$0	$0	0	0	0	0	0	0	0	0	0
XV.		0	$0	$0	0	0	0	0	0	0	0	0	0
	TOTAL	168		$18,102,000	46	45	44	33	0	0	0	0	168
				APPRECIATION :	4.0%	4.0%	4.0%	4.0%	4.0%	3.5%	3.5%	3.5%	

COST ASSUMPTIONS	Size/Length	Unit Cost*	Subtotal (*)	COST SCHEDULE (%) 1YR	2YR	3YR	4YR	5YR	6YR	7YR	8YR	TOTAL
DIRECT COSTS												
Engineering/Site Plan Preparation			$60,000	80%	10%	10%	0%	0%	0%	0%	0%	100%
Application Fees (local & State)			$5,000	80%	20%	0%	0%	0%	0%	0%	0%	100%
Legal Fees - Condo Declaration			$60,000	90%	10%	0%	0%	0%	0%	0%	0%	100%
Legal Fees Closings	168	750	$126,000	27%	26%	26%	21%	0%	0%	0%	0%	100%
Road Improvements			$50,000	90%	10%	0%	0%	0%	0%	0%	0%	100%
Tight Tank Installation	163	15,000	$2,445,000	40%	30%	20%	10%	0%	0%	0%	0%	100%
Road Improvements (new & upgrade)			$0	20%	40%	40%	0%	0%	0%	0%	0%	100%
Wetland Delineation/NOI			$10,000	40%	60%	0%	0%	0%	0%	0%	0%	100%
Water Service			$0	40%	60%	0%	0%	0%	0%	0%	0%	100%
Soil Testing/Septic Systems	0	$0	$0	100%	0%	0%	0%	0%	0%	0%	0%	0%
Fire Pond with dry-hydrant			$0	20%	80%	0%	0%	0%	0%	0%	0%	0%
Envelope Clearing (1/4 acre)			$0	40%	60%	0%	0%	0%	0%	0%	0%	0%
Legal - Initial Approvals	0	$0	$0	90%	10%	0%	0%	0%	0%	0%	0%	0%
Legal Fees (Conveyance @$750 per Unit)	0	$0	$0	20%	30%	50%	0%	0%	0%	0%	0%	100%
Contingency (% of Direct Costs)		2.00%	$55,120									
CPI				0.0%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	
	SUB-TOTAL:		$2,811,120									
INDIRECT COSTS												
Project Management			$50,000	50%	50%	0%	0%	0%	0%	0%	0%	100%
Developer's Profit		15.00%	$2,715,300									
R.E. Taxes (per $100 of Reassessment @70%FMV		$7.98	16,279									
Phase II R.E. Taxes (per $1000 of Reassessment)		$0.00	0									
Sales Commission (% of Gross Sales)		4.00%	$724,080									
Advertising/Marketing Expense (% of Gross Sales)		1.50%	271,530	30%	30%	40%	0%	0%	0%	0%	0%	100%
Insurance		0.20%	36,204	30%	30%	40%	0%	0%	0%	0%	0%	100%
Accounting/ Administration		0.10%	18,102	30%	30%	40%	0%	0%	0%	0%	0%	100%
Contingency (% of Indirect Costs)		1.00%	$38,315									
CPI	SUB-TOTAL:		$3,869,810	0.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	
	TOTAL :		$6,680,930									

Discounted Cash Flow Analysis

DCF - PLAN A
168 - Unit Condominium Conversion

Project: *Little neck Estate*
Date: December, 2000

	Closing	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Totals
SALES PROCEEDS :										
Total Lots (Beginning of Year)	168	168	122	77	33	0	0	0	0	
Lots/Unit Sold	0	46	45	44	33	0	0	0	0	168
Gross Sales Price	$0	$3,641,040	$4,904,640	$4,924,400	$3,837,600	$0	$0	$0	$0	$17,307,680
Cum. Gross Sales Price	$0	$3,641,040	$8,545,680	$13,470,080	$17,307,680	$17,307,680	$17,307,680	$17,307,680	$17,307,680	
DEVELOPMENT COSTS :										
DIRECT COSTS :										
Engineering - Approvals, Plan Prep.	$0	$48,000	$6,180	$6,396	$0	$0	$0	$0	$0	$60,576
Application Fees	$0	$4,000	$1,030	$0	$0	$0	$0	$0	$0	$5,030
Legal Fees - Declaration	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Legal Fees Closings	$0	$34,020	$33,743	$34,924	$29,195	$0	$0	$0	$0	$131,882
Road Improvements	$0	$45,000	$5,150	$0	$0	$0	$0	$0	$0	$50,150
Tight Tanks	$0	$978,000	$755,505	$521,298	$269,772	$0	$0	$0	$0	$2,524,575
Road Improvements	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Wetlands	$0	$4,000	$6,180	$0	$0	$0	$0	$0	$0	$10,180
Waterline Extention	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Upgrade Access Road	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Fire Protection	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Contingency	$0	$22,260	$16,156	$11,252	$5,979	$0	$0	$0	$0	$55,648
Total Direct Costs:	$0	$1,135,280	$823,944	$573,871	$304,946	$0	$0	$0	$0	**$2,838,041**
INDIRECT COSTS :										
Project Management	$0	$25,000	$25,000	$0	$0	$0	$0	$0	$0	$50,000
Developer's Profil	$0	$546,156	$735,696	$738,660	$575,640	$0	$0	$0	$0	$2,596,152
Real Estate Taxes - Phase I	$0	$316,747	$181,291	$81,396	$24,419	$0	$0	$0	$0	$603,853
Sales Commission	$0	$145,642	$196,186	$196,976	$153,504	$0	$0	$0	$0	$692,307
Advertising Expense	$0	$81,459	$83,903	$115,786	$0	$0	$0	$0	$0	$281,148
Insurance	$0	$7,282	$9,809	$9,849	$7,675	$0	$0	$0	$0	$34,615
Accounting/ Administration	$0	$3,641	$4,905	$4,924	$3,838	$0	$0	$0	$0	$17,308
Contingency	$0	$11,259	$12,368	$11,476	$7,651	$0	$0	$0	$0	$42,754
Total Indirect Costs:	$0	$1,137,186	$1,249,157	$1,159,067	$772,726	$0	$0	$0	$0	**$4,318,137**
TOTAL COSTS :	$0	$2,272,466	$2,073,101	$1,732,938	$1,077,673	$0	$0	$0	$0	$7,156,178
NET CASH PROCEEDS BEFORE DEBT	$0	$1,368,574	$2,831,539	$3,191,462	$2,759,927	$0	$0	$0	$0	**$10,151,502**
Loan Proceeds	$1,405,560									
Construction Loan Fee	$33,405									
Release Payments	$0	$500,312	$489,436	$415,812	$0	$0	($1)	$0	$0	$1,405,560
Interest Payments	$0	$132,871	$75,961	$23,909	($0)	($0)	($0)	$0	$0	$232,741
NET PROCEEDS AFTER DEBT SERVICE	$1,372,155	$735,390	$2,266,142	$2,751,741	$2,759,927	$0	$1	$0	$0	$9,885,356
DISCOUNT FACTOR (PW @ 11.00%)	1.0000	0.9009	0.8116	0.7312	0.6587	0.5935	0.5346	0.4817	0.4339	
PRESENT VALUE	$1,372,155	$662,513	$1,839,252	$2,012,049	$1,818,050	$0	$0	$0	$0	**$7,704,020**
CUMMULATIVE PRESENT VALUE:	$7,704,020									

Discounted Cash Flow Analysis

C. **Property Valuation - Investment Value to Current Tenancy**

Table II on the following pages of this report provides a discounted cash flow analysis of the subject property under an assumed buyout of the subject property by the current tenancy. In this *investment value* analysis, developer profit allowances and cost of resale allowances have been eliminated as reduced to reflect a captive buyer pool and market cohesiveness owing to a sense of owner control over the property's disposition. All unit pricing, internal absorption and line item development expenses remain the same.

In accordance with this analysis, the estimated *investment value* to the current tenancy amounts to:

$10,290,000

TEN MILLION TWO HUNDRED NINETY THOUSAND DOLLARS

Table II

DISCOUNTED CASH FLOW ANALYSIS - Little Neck Estate
Condominium Conversion - 168 Unit Density Investment Value to Tenancy

Project: *Little Neck Estate - Ipswich, MA*
Date: December, 2000

SALES ASSUMPTIONS		#Units	Unit Value	Subtotal (*)	SALES SCHEDULE (UNIT) YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8	TOTAL
I:	Exceptional View/Frontage	4	$195,000	$780,000	2	1	1	0	0	0	0	0	4
II:	Front Row - Plum Island Sound	7	$180,000	$1,260,000	1	1	2	3	0	0	0	0	7
III:	Front Row - Neck Cove/Prime	2	$175,000	$350,000	1	0	1	0	0	0	0	0	2
IV:	Front Row - Neck Cove/Average	7	$125,000	$875,000	1	2	2	2	0	0	0	0	7
V:	Front Row - Ipswich River/Prime	4	$175,000	$700,000	1	1	1	1	0	0	0	0	4
VI:	Front Row - Ipswich River/Average	19	$145,000	$2,755,000	4	4	4	7	0	0	0	0	19
VII:	Interior - Excellent View	24	$112,000	$2,688,000	8	8	5	3	0	0	0	0	24
VIII:	Interior - Good View	33	$98,000	$3,234,000	10	10	10	3	0	0	0	0	33
IX.	Interior - Average View	35	$90,000	$3,150,000	10	10	10	5	0	0	0	0	35
X.	Interior - Marginal View	33	$70,000	$2,310,000	8	8	8	9	0	0	0	0	33
XI.		0	$0	$0	0	0	0	0	0	0	0	0	0
XII.		0	$0	$0	0	0	0	0	0	0	0	0	0
XIII.		0	$0	$0	0	0	0	0	0	0	0	0	0
XIV.		0	$0	$0	0	0	0	0	0	0	0	0	0
XV.		0	$0	$0	0	0	0	0	0	0	0	0	0
	TOTAL	168		$18,102,000	46	45	44	33	0	0	0	0	168
				APPRECIATION	4.0%	4.0%	4.0%	4.0%	4.0%	3.5%	3.5%	3.5%	

COST ASSUMPTIONS	Size/Length	Unit Cost	Subtotal (*)	COST SCHEDULE (%) 1YR	2YR	3YR	4YR	5YR	6YR	7YR	8YR	TOTAL
DIRECT COSTS												
Engineering/Site Plan Preparation			$60,000	80%	10%	10%	0%	0%	0%	0%	0%	100%
Application Fees (local & State)			$5,000	80%	20%	0%	0%	0%	0%	0%	0%	100%
Legal Fees - Condo Declaration			$60,000	90%	10%	0%	0%	0%	0%	0%	0%	100%
Legal Fees Closings	168	750	$126,000	27%	26%	26%	21%	0%	0%	0%	0%	100%
Road Improvements			$50,000	90%	10%	0%	0%	0%	0%	0%	0%	100%
Tight Tank Installation	163	15,000	$2,445,000	40%	30%	20%	10%	0%	0%	0%	0%	100%
Road Improvements (new & upgrade)			$0	20%	40%	40%	0%	0%	0%	0%	0%	100%
Wetland Delineation/NOI			$10,000	40%	60%	0%	0%	0%	0%	0%	0%	100%
Water Service			$0	40%	60%	0%	0%	0%	0%	0%	0%	100%
Soil Testing/Septic Systems	0	$0	$0	100%	0%	0%	0%	0%	0%	0%	0%	0%
Fire Pond with dry-hydrant			$0	20%	80%	0%	0%	0%	0%	0%	0%	0%
Envelope Clearing (1/4 acre)			$0	40%	60%	0%	0%	0%	0%	0%	0%	0%
Legal - Initial Approvals	0	$0	$0	90%	10%	0%	0%	0%	0%	0%	0%	0%
Legal Fees (Conveyance @$750 per Unit)	0	$0	$0	20%	30%	50%	0%	0%	0%	0%	0%	100%
Contingency (% of Direct Costs)		2.00%	$55,120									
CPI				0.0%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	
	SUB-TOTAL:		$2,811,120									
INDIRECT COSTS												
Project Management			$50,000	50%	50%	0%	0%	0%	0%	0%	0%	100%
Developer's Profit		0.00%	$0									
R.E. Taxes (per $100 of Reassessment @70%FMV		$7.98	16,279									
Phase II R.E. Taxes (per $1000 of Reassessment)		$0.00	0									
Sales Commission (% of Gross Sales)		0.00%	$0									
Advertising/Marketing Expense (% of Gross Sales)		1.50%	271,530	30%	30%	40%	0%	0%	0%	0%	0%	100%
Insurance		0.20%	36,204	30%	30%	40%	0%	0%	0%	0%	0%	100%
Accounting/ Administration		0.10%	18,102	30%	30%	40%	0%	0%	0%	0%	0%	100%
Contingency (% of Indirect Costs)		1.00%	$3,921									
CPI	SUB-TOTAL:		$396,036	0.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	
	TOTAL :		$3,207,156									

BANK FINANCING	
Prime Rate	9.50%
Interest Rate - Prime + 2.00%	11.50%
% Land Costs	0.0%
% Development Costs (Direct)	50.0%
Release Payments (% of Net Cash Proceeds)	130.0%
Construction Loan Fee	1.0%
Discount Rate	11.00%

Ten Post Office Square • Boston, Massachusetts 02109 • 617-723-1800
LandVest®

DCF - PLAN A
168 - Unit Condominium Conversion

Project: *Little neck Estate*
Date: December, 2000

	Closing	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Totals
SALES PROCEEDS :										
Total Lots (Beginning of Year)	168	168	122	77	33	0	0	0	0	
Lots/Unit Sold	0	46	45	44	33	0	0	0	0	168
Gross Sales Price	$0	$3,641,040	$4,904,640	$4,924,400	$3,837,600	$0	$0	$0	$0	**$17,307,680**
Cum. Gross Sales Price	$0	$3,641,040	$8,545,680	$13,470,080	$17,307,680	$17,307,680	$17,307,680	$17,307,680	$17,307,680	
DEVELOPMENT COSTS :										
DIRECT COSTS :										
Engineering - Approvals, Plan Prep.	$0	$48,000	$6,180	$6,396	$0	$0	$0	$0	$0	$60,576
Application Fees	$0	$4,000	$1,030	$0	$0	$0	$0	$0	$0	$5,030
Legal Fees - Declaration	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Legal Fees Closings	$0	$34,020	$33,743	$34,924	$29,195	$0	$0	$0	$0	$131,882
Road Improvements	$0	$45,000	$5,150	$0	$0	$0	$0	$0	$0	$50,150
Tight Tanks	$0	$978,000	$755,505	$521,298	$269,772	$0	$0	$0	$0	$2,524,575
Road Improvements	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Wetlands	$0	$4,000	$6,180	$0	$0	$0	$0	$0	$0	$10,180
Waterline Extention	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Upgrade Access Road	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Fire Protection	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Contingency	$0	$22,260	$16,156	$11,252	$5,979	$0	$0	$0	$0	$55,648
Total Direct Costs:	$0	$1,135,280	$823,944	$573,871	$304,946	$0	$0	$0	$0	**$2,838,041**
INDIRECT COSTS :										
Project Management	$0	$25,000	$25,000	$0	$0	$0	$0	$0	$0	$50,000
Developer's Profit	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Real Estate Taxes - Phase I	$0	$316,747	$181,291	$81,396	$24,419	$0	$0	$0	$0	$603,853
Sales Commission	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Advertising Expense	$0	$81,459	$83,903	$115,786	$0	$0	$0	$0	$0	$281,148
Insurance	$0	$7,282	$9,809	$9,849	$7,675	$0	$0	$0	$0	$34,615
Accounting/ Administration	$0	$3,641	$4,905	$4,924	$3,838	$0	$0	$0	$0	$17,308
Contingency	$0	$4,341	$3,049	$2,120	$359	$0	$0	$0	$0	$9,869
Total Indirect Costs:	$0	$438,470	$307,957	$214,075	$36,291	$0	$0	$0	$0	$996,793
TOTAL COSTS :	$0	$1,573,751	$1,131,900	$787,945	$341,237	$0	$0	$0	$0	$3,834,834
NET CASH PROCEEDS BEFORE DEBT	$0	$2,067,289	$3,772,740	$4,136,455	$3,496,363	$0	$0	$0	$0	$13,472,846
Loan Proceeds	$1,405,560									
Construction Loan Fee	$16,036									
Release Payments	$0	$500,312	$489,436	$415,812	$0	$0	($1)	$0	$0	$1,405,560
Interest Payments	$0	$132,871	$75,961	$23,909	($0)	($0)	($0)	$0	$0	$232,741
NET PROCEEDS AFTER DEBT SERVICE	$1,389,524	$1,434,105	$3,207,343	$3,696,733	$3,496,363	$0	$1	$0	$0	$13,224,069
DISCOUNT FACTOR (PW @ 11.00%)	1.0000	0.9009	0.8116	0.7312	0.6587	0.5935	0.5346	0.4817	0.4339	
PRESENT VALUE	$1,389,524	$1,291,987	$2,603,151	$2,703,020	$2,303,163	$0	$0	$0	$0	$10,290,845

CUMMULATIVE PRESENT VALUE: $10,290,845

ROUNDED: *$10,290,000*

NET CASH PROCEEDS:	$13,224,069
LESS LAND VALUE:	$10,290,000
DISCOUNT:	$2,934,069
LINE ITEM PROFIT:	$0
(From Above)	.....
TOTAL PROFIT:	$2,934,069
(% GROSS SALES):	16.95%

Discounted Cash Flow Analysis

Appendix

LandVest®

JAMES E. MONAHAN

Associate Director, Real Estate Consulting Group, LandVest, Inc.

James E. Monahan is the Associate Director with the Real Estate Consulting Group of LandVest, a broad-based real estate company involved in all aspects of land planning, real estate brokerage, broad-scope consulting, development, and conservation planning. As Associate Director, he is responsible for oversight and management of residential and commercial real property appraisals, development feasibility studies, land use planning and design, conservation planning and implementation of limited development projects. Mr. Monahan's specific area of expertise involves the design, valuation and implementation of multi-use disposition plans for privately-held land in the context of generational asset/estate planning.

Prior to joining the firm in 1989, Mr. Monahan was Project Manager with the Massachusetts Department of Environmental Management where his responsibilities included design and engineering studies, contract documents, and construction management on a variety of projects including site design for the restoration of Walden Pond Reservation in Concord, acquisition and site planning for Halibut Point State Park, and site design for the expansion of Ashland State Park. Additionally, as co-founder of Landforms, Inc., he has worked as a design/build consultant on various residential and commercial design projects throughout Boston's North Shore.

Mr. Monahan received a Bachelor of Arts degree in Liberal Arts from St. Anselm's College, Manchester, New Hampshire in 1982 and a Master of Arts degree in Landscape Design from the Conway School of Design in 1985. He is a Certified General Appraiser in the state of Massachusetts (CG-#3481) and is a current candidate for the MAI designation, a commercial appraisal designation awarded by the Appraisal Institute.

LandVest®

CERTIFICATION OF VALUE

I hereby certify that:

1. I have made a personal inspection of the property that is the subject of this report.

2. To the best of my knowledge and belief, the statements of fact and the opinions contained in this report are true and correct.

3. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.

4. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.

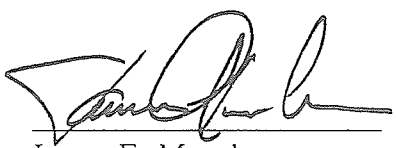
5. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

6. This appraisal was not based on a requested minimum valuation, specific valuation or approval of a loan.

7. I am a candidate for the MAI designation from the Appraisal Institute. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of The Appraisal Institute, as well as the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation. I am currently licensed as a Certified General Appraiser in Massachusetts (CG-3481) and Maine (CG 1289).

8. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

9. No one provided significant professional assistance to the person(s) signing this report.

Appraiser:  Date: 1/4/01

James E. Monahan

2001 appraisal:

Rents are now $2,240 for seasonal use $2,520 for year round

These are still below market rents

Aggregate land value is now $18 million

He makes no CHANGE IN METHODOLOGY based on fact that in 1997 rents were nominal and now they are $2,240 per year and climbing

Nor any adjustments for fact that the Little Neck sales he is relying upon did not have the security one would get at Great Neck

This time he says that internal absorption for the third party sale is four years (wasn't it 8 years in prior appraisal), and he keeps it at 4 years (rather than remains the same 9
Monahan

Same assumptions as 2001: He assumed if it were sold to the tenancy, the association leadership would be the developer, responsible for securing financing, administering the legal process of declaration and scheduling closings on the resale of land to existing cottage owners with a four year absorption

PRICES ARE UP OVER 40% AND HIS APPRAISAL IS UP ONLY 10% ($10million for investment)

LandVest®

APPRAISAL REPORT

Feoffees Of The Grammar School Property
Ipswich, Massachusetts

Located at:
Little Neck Estate
Ipswich, Massachusetts 01938

Effective Valuation Date:
February 13, 2004

Report Date:
March 19, 2004

Requested by:
Mr. Donald F. Whiston, Trustee
Feoffees of the Grammar School
2 Jeffrey's Neck Road
Ipswich, MA 01938

Prepared by:
James E. Monahan, *Senior Advisor*
Real Estate Consulting Group
LandVest, Inc.
Ten Post Office Square
Boston, MA 02109

Report #3962

LandVest®

Distinctive Properties • Real Estate Consulting & Appraisal • Forestry Consulting
TEN POST OFFICE SQUARE, BOSTON, MASSACHUSETTS 02109

REGIONAL OFFICES

148 Middle Street
Portland, ME 04101
Telephone 207 774-8518
Fax 207 774-5845

22 Bayview Street
P.O. Box 1262
Camden, ME 04843
Telephone 207 236-3543
Fax 207 236-2172

4A Tracy Road
P.O. Box 1068
Northeast Harbor, ME 04662
Telephone 207 276-3840
Fax 207 276-3837

126 College Street
Burlington, VT 05401
Telephone 802 660-2900
Fax 802 660-2543

One The Green
Woodstock, VT 05091
Telephone 802 457-4977
Fax 802 457-9021

19 South Summer Street
P.O. Box 459
Martha's Vineyard
Edgartown, MA 02539
Telephone 508 627-4400
Fax 508 627-7044

16 Centre Street
Concord, NH 03301
Telephone 603 228-2020
Fax 603 226-4391

March 19, 2004

Mr. Donald F. Whiston, Trustee
Feoffees of the Grammar School
2 Jeffrey's Neck Road
Ipswich, MA 01938

RE: Appraisal Report
"Little Neck Estate" - Ipswich, Massachusetts

Dear Don:

In accordance with your request, I have re-inspected the above-referenced real property generally known as *Little Neck Estate* in Ipswich, southern Essex County, Massachusetts for the purposes of providing the Feoffees of the Grammar School in Ipswich with an updated opinion of the property's *Market Value.*

The attached document represents a "complete appraisal" within a USPAP-compliant Restricted Use Report format. The attached report includes updated opinions regarding the subject property's market value to a third party buyer and investment value assuming purchase by the currant tenancy. The attached appraisal constitutes an update of LandVest's original real estate advisory report dated April 15, 1997 and an update report as of December 1, 2000. The previous reports are included herein by reference.

Based on my inspections, research and analyses, it is my opinion that as of February 13, 2004 (date of most recent inspection) that the market value of a fee simple interest in the subject property assuming a condominium conversion of the underlying land was:

Market Value - Third Party Buyer:	$10,700,000
Investment Value - To Current Tenancy:	$13,800,000

TELEPHONE: 617 723-1800
FAX: 617 482-5376
WEB: www.landvest.com

Additional documentation in support of the above-outlined value opinions is provided within the attached report, respectfully submitted for your review.

Sincerely,

James E. Monahan
Senior Advisor
Real Estate Consulting Group
LandVest, Inc.
(MA Gen. Cert. #3481)

APPRAISAL REPORT

1. **Report Type**:

USPAP-complaint, *Restricted-Use* appraisal report intended for Client use only.

2. **Intended Use of Appraisal**:

This appraisal report is intended for use by the Feoffees of the Grammar School in Ipswich, Massachusetts and authorized assigns to facilitate an internal, three year interval accounting of Market Value and a review management/disposition options.

3. **Property Identification:**

The subject property is *generally* located at the end of Jeffrey's Neck Road in the easterly portion of the Town of Ipswich. The address is commonly referred to as the *Little Neck Estate* (Ipswich Assessor's Map 24C) As of the effective valuation date, Fee Simple Title of the subject property vested in The Feoffees of the Grammar School in Ipswich, c/o Donald Whiston.

4. **Property Interest Appraised:**

Fee Simple Estate

Fee Simple Estate is defined as:

Absolute ownership unencumbered by any other interest or estate; subject only to the limitations of eminent domain, escheat, police power, and taxation.[1]

5. **Purpose of Appraisal:**

The purpose of this appraisal is to provide the Client with updated opinions regarding the *Highest and Best Use* and *Market Value* to a third party buyer. The property's *Investment Value* to the current tenancy is included. *Highest and Best Use, Market Value* and *Investment Value* are defined as follows.

---

[1] The Dictionary of Real Estate Appraisal: The Appraisal Institute, 1993.

Highest and Best Use of real estate is defined as:

The reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and results in the highest value.[2]

Market Value is defined as follows:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

(1)Buyer and seller are typically motivated;
(2) Both parties are well-informed or well-advised, and acting in what they consider their best interests;
(3) A reasonable time is allowed for exposure to the open market;
(4) Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
(5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.[3]

Investment Value *is defined as:*

The specific value of an investment to a particular investor or class of investors based on individual investment requirements; distinguished from market value, which is impersonal and detached.4

This document represents a re-appraisal of the subject property. LandVest's original summary-format appraisal report with an effective valuation date of April 15, 1997 and Restricted-Use update report with an effective valuation date of December 1, 2000 are incorporated herein by reference. As of December 1, 2000, the subject property's *Market Value* to a third party buyer was estimated at $7,700,000 and its *Investment Value* to the current tenancy was estimated at $10,290,000.

---

[2]Dictionary of Real Estate Appraisal, American Institute of Real Estate Appraisers, Chicago, Illinois, 3rd printing, 1987; Page 152.

[3]The Uniform Standards of Professional Appraisal Practice (USPAP): The Appraisal Foundation, 1997.

6. **Effective Valuation Date:**

The subject property was most recently inspected by James E. Monahan on February 13, 2004. The inspection date serves as the effective valuation date of this re-appraisal.

7. **Report Date:**

March 19, 2004

8. **Scope of Analysis:**

In consideration of the intended use/users of the report and in accordance with our verbal agreement, LandVest's *Market Value* opinion is set forth in a ***Restricted Use Appraisal Report*** prepared and delivered in full conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) Standards Rule 2-2(c) and 8-2(c). This appraisal is intended for client use only and the full extent of the valuation process cannot be fully understood without a review of additional documentation contained in LandVest's original/previous appraisal reports and the appraiser's current working file. This report is not intended for third party use and the appraiser is not responsible for unauthorized use of this report.

The specific scope of analysis involved a review of: The subject property's title ownership and history; Pertinent land use regulations governing legal use; Consideration of the subject property's local and regional market position; Real estate market supply/demand trends and pricing as of the effective valuation date; and, updated information regarding sewage disposal options.

9. **Property Identification and Description:**

The subject property comprises a total of approximately 211 individually-assessed parcels of land with leasehold improvements occupying 35 to 36± acres of coastal upland surrounded by the Ipswich River, Plum Island Sound and Neck Cove in the easterly portion of Massachusetts. Approximately 172 of the total parcels (168 improved and 4 vacant) are the subject of an annual land lease (tenancy at will) dating back to the 1760's. The remaining 39± mostly vacant parcels (one improved) are retained by the Feoffees.

Table I on the following page of this report summarizes the current parcel inventory and Fiscal 2004 assessed values for the parcels comprising the subject property.

Table I
PARCEL INVENTORY
Little Neck Estate - Ipswich, Massachusetts

I. Leased Parcel Inventory/Assessments - F.Y. 2004:

Parcel #	Address	Owner	Lot Area	Assessments			
				Land	Yard	Bldg.	Total
1*	63 River Road	E. Mann	3,060 SF	$203,800	0	$132,400	$336,200
2	61 River Road	C. Harris	2,843 SF	$202,100	0	$69,000	$271,100
3	59 River Road	N. Wilkey	3,327 SF	$205,900	0	$86,300	$292,200
4*	57 River Road	Riv.Rd.Trs.	3,400 SF	$206,400	0	$87,200	$293,600
5*	55 River Road	P. Martin	3,210 SF	$205,000	0	$89,500	$294,500
6	53 River Road	M. Sandberg	3,458 SF	$206,900	0	$199,400	$406,300
7	49 River Road	W. Hough	2,400 SF	$198,700	0	$127,800	$326,500
8	47 River Road	R. Saunders	1,980 SF	$179,200	0	$67,000	$246,200
9	44 River Road	R. Aiello	2,860 SF	$202,300	0	$140,800	$343,100
10	46 River Road	J. Cronin	5,160 SF	$220,000	0	$132,300	$352,300
11	48 River Road	T. Ciolek	3,720 SF	$208,900	$900	$277,200	$487,000
12	50 River Road	J. Blake	3,360 SF	$206,100	0	$102,600	$308,700
13	45 River Road	P. Saunders	2,600 SF	$183,600	0	$55,500	$239,100
14	43 River Road	S. Rodman	2,340 SF	$198,200	0	$198,400	$396,600
15*	41 River Road	T. Clarke	2,350 SF	$198,300	0	$180,100	$378,400
16*	39 River Road	R. Schless	2,400 SF	$198,700	$5,000	$221,100	$424,800
17	37 River Road	J. Survilas	2,600 SF	$200,300	0	$97,000	$297,300
18*	35 River Road	S. Veno	2,500 SF	$199,500	0	$45,600	$245,100
20*	31 River Road	Darimiro Trust	3,000 SF	$203,300	$4,400	$136,200	$343,900
21*	29 River Road	R. Maloney	3,250 SF	$205,300	0	$80,000	$285,300
22	27 River Road	F. Lalikos	2,770 SF	$201,600	$1,100	$114,200	$316,900
23*	25 River Road	D. Gorham	2,400 SF	$198,700	$500	$124,400	$323,600
24	6 Bay Crest Rd.	S.&S.Watson	3,000 SF	$186,400	0	$78,500	$264,900

*denotes change in ownership since 2001

Parcel #	Address	Owner	Lot Area	Assessments			
				Land	Yard	Bldg.	Total
25	31 Middle Road	R. Doherty	2,980 SF	$186,300	0	$96,000	$282,300
26	29 Middle Road	Lot 26 L.N. Nom. Tr.	3,540 SF	$190,200	0	$83,600	$273,800
28	21 Middle Road	M. O'Flahaven	3,000 SF	$186,400	0	$134,200	$320,600
29	19 Middle Road	E. Kaine	3,000 SF	$186,400	0	$166,200	$352,600
30	15 Middle Road	D. Wallace	2,000 SF	$35,900	$12,700	0	$48,600
31	11 Middle Road	D. Wallace	2,780 SF	$184,800		$119,000	$303,800
32	9 Middle Road	J. Krupanski	4,020 SF	$193,600	0	$91,900	$285,500
33	7 Middle Road	The Kelly LN Trust	3,870 SF	$192,600	0	$70,400	$263,000
34*	5 Middle Road	C. Brown	3,870 SF	$192,600	0	$124,500	$317,100
35	3 Middle Road	The Kelly LN Trust	3,870 SF	$192,600	0	$69,900	$262,500
37*	1 Hilltop Road	W. Currie/ Y. Beerman	2,159 SF	$136,300	0	$93,900	$230,200
38	4 Middle Road	D. Gresek	2,230 SF	$151,800	0	$197,500	$349,300
39	6 Middle Road	Kelly LN Trust	2,400 SF	$152,900	0	$162,500	$315,400
40	8 Hilltop Road	P. Scioletti	4,240 SF	$156,400	0	$269,700	$426,100
41	12 Hilltop Road	M. Casey	3,840 SF	$156,400	0	$93,700	$250,100
42	16 Hilltop Road	K. Annen	5,300 SF	$149,200	0	$72,100	$221,300
43*	20 Hilltop Road	K. Sapienza	4,360 SF	$156,400	0	$82,100	$238,500
44	22 Hilltop Road	P. Surette	4,280 SF	$156,400	0	$175,900	$332,300
45	24 Hilltop Road	E. Okeefe	3,590 SF	$156,400	0	$130,600	$287,000
46	26 Hilltop Road	D. Greenwood	3,370 SF	$156,400	0	$94,700	$251,100
47	28 Middle Road	B. Roy	3,240 SF	$157,800	0	$122,200	$280,000
48*	30 Middle Road	P. McDonald	3,000 SF	$156,400	0	$132,500	$288,900
49	25 Hilltop Road	R. Saunders	4,225 SF	$163,700	0	$260,000	$423,700
50	23 Hilltop Road	G. Cutler	3,591 SF	$159,900	0	$63,400	$223,300
51*	21 Hilltop Road	M. Walker	3,450 SF	$159,100	$400	$90,800	$250,300
52	19 Hilltop Road	A. Donahoe	3,575 SF	$159,800	0	$101,600	$261,400
53*	15 Hilltop Road	M. Kersker	3,950 SF	$162,100	0	$140,400	$302,500

*denotes change in ownership since 2001

Parcel #	Address	Owner	Lot Area	Assessments			
				Land	Yard	Bldg.	Total
54	11 Hilltop Road	J. Reardon	7,420 SF	$182,700	0	$165,700	$348,400
55*	9 Hilltop Road	R. Siebert	3,500 SF	$159,400	$500	$169,500	$329,400
56	10 Middle Road	J. Duran	3,210 SF	$149,800	0	$127,000	$276,800
57	7 Hilltop Road	D. Dieringer	3,660 SF	$160,300	$600	$159,700	$320,600
59	35 Bay Road	C. Bouvier	4,550 SF	$197,400	$500	$228,200	$426,100
60	33 Bay Road	C. Laughton	2,400 SF	$182,200	$500	$146,700	$329,400
61*	31 Bay Road	J. Norkeika	2,160 SF	$180,500	0	$73,900	$254,400
62	29 Bay Road	B. Carbone	2,400 SF	$182,200	0	$132,900	$315,100
63	27 Bay Road	A. Yemma	2,470 SF	$182,600	$600	$242,900	$426,100
64	25 Bay Road	J. Gallagher	3,000 SF	$186,400	$700	$52,700	$239,800
65	23 Bay Road	C. Lichoulas	3,000 SF	$186,400	0	$71,400	$257,800
66*	19 Bay Road	M. Johnson	3,600 SF	$190,600	0	$112,200	$302,800
67	17 Bay Road	M. Holden	3,180 SF	$187,700	0	$78,600	$266,300
68	15 Bay Road	W. Moskowitz	3,230 SF	$188,000	0	$93,100	$281,100
70	16 Bay Road	M. Donaldson	4,510 SF	$165,400	0	$130,000	$295,400
71	18 Bay Road	T. Allen	4,410 SF	$164,800	$400	$221,900	$387,100
72	5 Gala Way	R. Hamlin	3,000 SF	$156,400	0	$103,800	$260,200
76	10 Hilltop Road	J. Dowling	3,000 SF	$156,400	0	$96,600	$253,000
79	4 Cove Road	B. Horsman	5,110 SF	$169,000	0	$92,100	$261,100
80	6 Cove Road	S. Ruta	3,000 SF	$156,400	0	$65,000	$221,400
81	8 Cove Road	C. Robinson	3,000 SF	$156,400	0	$99,200	$255,600
82	10 Cove Road	N. Ball	3,000 SF	$156,400	$600	$109,700	$266,700
83	12 Cove Road	M. Anderson	5,100 SF	$168,900	0	$97,900	$266,800
84	12 Bay Road	N. Fidrocki	4,260 SF	$163,900	0	$130,400	$294,300
85	17 Cove Road	K. Gilletti	3,000 SF	$156,400	0	$80,600	$237,000
86	15 Cove Road	R. Varney	3,000 SF	$156,400	$1,800	$99,600	$257,800
87	9 Cove Road	P. Mattson	3,000 SF	$156,400	0	$180,100	$336,500
89*	5 Cove Road	H. Cogan	3,000 SF	$156,400	0	$95,300	$251,700
90	3 Cove Road	F. Parker	3,000 SF	$156,400	0	$92,000	$248,400
92	18 Hilltop Road	R. Stocker	3,140 SF	$157,300	0	$75,300	$232,600

*denotes change in ownership since 2001

Parcel #	Address	Owner	Lot Area	Assessments			
				Land	Yard	Bldg.	Total
93	18 Baycrest Rd.	J. Fogarty	3,000 SF	$156,400	0	$75,500	$231,900
94	22 Baycrest Rd.	L. Fiske	3,000 SF	$156,400	0	$70,000	$226,400
95	24 Baycrest Rd.	J. Lyon	3,000 SF	$156,400	0	$129,800	$286,200
96*	26 Baycrest Rd.	A. Connolly	3,000 SF	$156,400	0	$84,900	$241,300
97	28 Baycrest Rd.	G. Church	3,000 SF	$156,400	0	$211,100	$367,500
98	30 Baycrest Rd.	C. McGilvary	3,870 SF	$161,600	0	$150,500	$312,100
99	8 Bay Road	M. Attridge	3,750 SF	$160,900	0	$110,800	$271,700
100	27 Baycrest Rd.	E. Williams	3,000 SF	$156,400	0	$81,100	$237,500
101	25 Baycrest Rd.	J. Ferrino	3,000 SF	$156,400	0	$100,900	$257,300
102	21 Baycrest Rd.	D. Carroll	3,000 SF	$156,400	0	$92,800	$249,200
104	33 Hilltop Road	R. Gilbert	3,000 SF	$156,400	0	$95,200	$251,600
105	9 Baycrest Rd.	R. Betts	3,000 SF	$148,600	0	$66,000	$214,600
106	32 Middle Road	A. Cairns	3,000 SF	$156,400	0	$104,000	$260,400
107	35 Middle Road	P. Rhodes	3,000 SF	$186,400	0	$97,400	$283,800
108	3 Baycrest Rd.	P. Benjamin	3,000 SF	$203,300	0	$93,400	$296,700
109*	21 River Road	E. Torisi	3,000 SF	$203,300	0	$98,700	$302,000
110	4 Kings Way	B. Rowell	3,000 SF	$96,500	0	$70,800	$167,300
111	37 Middle Road	C. Johnson	3,000 SF	$96,500	0	$72,600	$169,100
112	8 Kings Way	R. Harrington	3,000 SF	$156,400	0	$182,900	$339,300
113	10 Kings Way	B. Pulsford	3,000 SF	$148,600	0	$118,700	$267,300
114	35 Hilltop Road	M. O'Brien	3,000 SF	$156,400	0	$109,500	$265,900
116*	16 Kings Way	M. Mathieson	3,000 SF	$156,400	0	$111,500	$267,900
117*	20 Kings Way	R. Yacubian	3,000 SF	$156,400	0	$125,500	$281,900
118	22 Kings Way	P. Hull	3,000 SF	$156,400	0	$105,400	$261,800
120	6 Bay Road	G. Donovan	2,700 SF	$154,600	0	$63,900	$218,500
121	29 Kings Way	J. Kurnick	4,410 SF	$164,800	0	$73,500	$238,300
122	27 Kings Way	J. Cook	3,000 SF	$156,400	0	$130,900	$287,300
123	25 Kings Way	W. Morrison	3,000 SF	$156,400	0	$98,600	$255,000
124	21 Kings Way	M. Varney	3,000 SF	$156,400	0	$121,800	$278,200
125	19 Kings Way	D. Gorham	3,000 SF	$156,400	0	$62,700	$219,100

*denotes change in ownership since 2001

Parcel #	Address	Owner	Lot Area	Assessments			
				Land	Yard	Bldg.	Total
126	17 Kings Way	J. Spenser	3,000 SF	$156,400	0	$89,400	$245,800
128	37 Hilltop Road	M. Gorman	3,000 SF	$156,400	0	$131,800	$288,200
129	11 Kings Way	F. Kiley	3,000 SF	$148,600	0	$99,100	$247,700
130	36 Middle Road	W. Lonergan	3,000 SF	$156,400	0	$139,300	$295,700
131	39 Middle Road	R. Cole	3,000 SF	$186,400	0	$74,400	$260,800
132	5 Kings Way	R. Barton	3,000 SF	$186,400	0	$90,900	$277,300
133	3 Kings Way	Goodhue Cottage Tr.	3,000 SF	$203,300	0	$81,400	$284,700
134	2 Plum Sound Rd.	J. Maloney	3,000 SF	$203,300	0	$155,600	$358,900
135	4 Plum Sound Rd.	J. Maloney	3,000 SF	$186,400	0	$137,800	$324,200
136*	6 Plum Sound Rd.	Hanson	3,000 SF	$186,400	0	$107,200	$293,600
137	41 Middle Road	C. Huntley	3,000 SF	$186 ,400	0	$108,600	$295,000
138	38 Middle Road	R. Carroll	3,000 SF	$156,400	$500	$171,200	$328,100
139*	12 Plum Sound Rd.	P. Dever	3,000 SF	$156,400	0	$141,500	$297,900
140	14 Plum Sound Rd.	M. Green	3,000 SF	$156,400	0	$78,000	$234,400
142	20 Plum Sound Rd.	R. Hodgdon	3,000 SF	$156,400	$1,700	$115,900	$274,000
143*	22 Plum Sound Rd.	S. Simkins	3,000 SF	$156,400	0	$96,300	$252,700
144	24 Plum Sound Rd.	S. Moore	3,000 SF	$156,400	0	$118,400	$274,800
145	28 Plum Sound Rd.	D. Rocco	3,000 SF	$156,400	0	$110,700	$267,100
146	30 Plum Sound Rd.	F. Davis	3,950 SF	$162,100	0	$127,200	$289,300
147	27 Plum Sound Rd.	D. Blum	4,490 SF	$196,900	0	$64,600	$261,500
148*	25 Plum Sound Rd.	I. Butkiewicz	4,680 SF	$198,300	0	$103,600	$301,900
149	23 Plum Sound Rd.	E. Goodwin	3,000 SF	$156,400	0	$129,700	$286,100

*denotes change in ownership since 2001

Parcel #	Address	Owner	Lot Area	Assessments			
				Land	Yard	Bldg.	Total
150*	21 Plum Sound Rd.	J. Lyons	3,000 SF	$156,400	0	$127,100	$283,500
151	19 Plum Sound Rd.	E. Raynard	3,750 SF	$160,900	0	$76,100	$237,000
152	15 Plum Sound Rd.	Betts Trust	3,000 SF	$156,400	0	$112,500	$268,900
153*	13 Plum Sound Rd.	C. Saline	3,000 SF	$156,400	0	$130,000	$286,400
154	40 Middle Road	A. Veno	3,000 SF	$156,400	0	$138,600	$295,000
155	43 Middle Road	A. Lowden	3,000 SF	$186,400	0	$144,200	$330,600
156*	5 Plum Sound Rd.	B. Brennan	3,000 SF	$186,400	0	$74,800	$261,200
157	3 Plum Sound Rd.	C. Story	3,000 SF	$203,300	0	$126,800	$330,100
158*	15 River Road	K. Stover	3,000 SF	$203,300	0	$101,600	$304,900
159	11 River Road	M. Cowdrey	3,000 SF	$203,300	0	$137,900	$341,200
160*	45 Middle Road	J. Berman	3,000 SF	$186,400	0	$131,900	$318,300
161*	42 Middle Road	P. Sciple	3,000 SF	$156,400	0	$146,500	$302,900
162	3 River Road	R. MacRae	3,000 SF	$156,400	0	$78,800	$235,200
163*	43 Hilltop Road	P. Manzi	3,000 SF	$186,400	0	$255,800	$442,200
164	2 River Road	R. Dever	3,500 SF	$207,200	0	$211,300	$418,500
165	6 River Road	J. Kurnick	2,470 SF	$199,300	0	$199,700	$399,000
166	10 River Road	L. Eaton	3,325 SF	$205,900	0	$163,200	$369,100
167	12 River Road	F. O'Malley	3,000 SF	$203,300	0	$130,100	$333,400
168	16 River Road	P. Merlino	7,820 SF	$240,600	$400	$156,300	$397,300
169*	2 Cliff Road	F. Koris	3,020 SF	$203,500	0	$214,500	$418,000
170*	4 Cliff Road	D.Girdwood	4,790 SF	$217,200	0	$121,000	$338,200
171*	6 Cliff Road	J. Lyon	3,520 SF	$207,400	0	$136,000	$343,400
172	8 Cliff Road	M. Sullivan	3,700 SF	$208,800	0	$85,200	$294,000
173	10 Cliff Road	J. Duran	2,430 SF	$198,900	0	$87,100	$286,000
101A*	23 Baycrest Rd.	P. Anthony	3,000 SF	$156,400	0	$82,200	$238,600
102A	17 Baycrest Rd.	J. Buckley	3,000 SF	$156,400	0	$175,900	$332,300
116A	18 Kings Way	L. Connor	3,000 SF	$156,400	0	$101,100	$257,500

*denotes change in ownership since 2001

Parcel #	Address	Owner	Lot Area	Assessments Land	Yard	Bldg.	Total
118A	24 Kings Way	M. Varney	3,000 SF	$156,400	0	$125,500	$281,900
41A*	14 Middle Road	W. Gottlieb	4,900 SF	$167,700	0	$170,400	$338,100
	TOTALS:		12.53± ac.	$23,348,934	$33,800	$18,943,700	$42,326,434

II. Leased Parcels - Vacant

Parcel #	Address	Owner	Lot Area	Assessments Land	Yard	Bldg.	Total
29A	Middle Road	E. Kaine	3,000 SF	$37,300	0	0	$37,300
66A	21 Bay Road	C. DiAmico	3,400 SF	$38,100	0	0	$38,100
78	Middle/Cove Road	F. Parker	2,400 SF	$30,600	0	0	$30,600
159A	River Road	A. Cowdrey	3,000 SF	$40,700	0	0	$40,700
	TOTALS:			$146,700	0	0	$146,700

*denotes change in ownership since 2001

Table II

LOT INVENTORY/ASSESSMENT UNDER FEOFFEE'S OWNERSHIP

		Assessments			
Parcel #	Lot Area	Land	Yard	Bldg.	Total
69	11 acres	$582,600	$62,700	$106,100	$751,400
6A	.4 acres	$38,700	0	0	$38,700
19	2,200 SF	$39,400	$4,500	0	$43,900
36	3,960 SF	$38,600	0	0	$38,600
58	2,190 SF	$151,600	0	0	$151,600
73	6,000 SF	$17,400	0	0	$17,400
74	3,000 SF	$31,300	0	0	$31,300
88	3,000 SF	$31,300	0	0	$31,300
119	3,000 SF	$31,300	0	0	$31,300
101B	3,000 SF	$31,300	0	0	$31,300
102B	3,000 SF	$31,300	0	0	$31,300
103A	3,000 SF	$31,300	0	0	$31,300
109A	1,500 SF	$38,400	0	0	$38,400
124A	3,000 SF	$31,300	0	0	$31,300
134A	1,500 SF	$38,400	0	0	$38,400
141A	3,000 SF	$31,300	$2,100	0	$33,400
144A	3,000 SF	$31,300	0	0	$31,300
152A	3,000 SF	$31,300	0	0	$31,300
153A	3,000 SF	$31,300	0	0	$31,300
158A	1,250 SF	$38,000	0	0	$38,000
165A	2,000 SF	$39,100	0	0	$39,100
166A	3,000 SF	$40,700	0	0	$40,700
166B	3,700 SF	$41,800	0	0	$41,800
169A	3,000 SF	$37,300	0	0	$37,300
23A	3,000 SF	$40,700	0	0	$40,700
25A	3,000 SF	$37,300	0	0	$37,300
27A	3,000 SF	$37,300	0	0	$37,300
27B	3,380 SF	$37,800	0	0	$37,800

Parcel #	Lot Area	Assessments Land	Yard	Bldg.	Total
27C	3,360 SF	$37,800	0	0	$37,800
43A	4,360 SF	$32,900	0	0	$32,900
49A	2,915 SF	$31,200	0	0	$31,200
52A	3,875 SF	$32,300	0	0	$32,300
70A	3,000 SF	$15,600	0	0	$15,600
71A	3,000 SF	$31,300	0	0	$31,300
75A	4,120 SF	$16,300	0	0	$16,300
87A	3,000 SF	$31,300	0	0	$31,300
92A	3,000 SF	$31,300	0	0	$31,300
93A	3,000 SF	$31,300	0	0	$31,300
72	3,000 SF	$156,40	0	$103,800	$260,200
Totals		**$2,087,100**	**$69,300**	**$209,900**	**$2,366,300**

Tabulation - F.Y. 2004 Assessment

Total Assessed Value - Leased Parcels With Improvements:	$42,326,434
Total Assessed Value - Leased Parcels - Vacant:	$ 146,700
Total Assessed Value - Feoffee's Ownership:	$ 2,366,300
TOTAL ASSESSED VALUE - SUBJECT PROPERTY:	*$44,839,434*

Based on the F.Y. 2004 mill rate of $9.54, the total annual tax liability owing to the subject property amounts to approximately $427,768.20. It should be noted that the effective valuation date for F.Y. 2004 taxation is January 1, 2003.

The above-outlined valuation of the entire subject property indicates a 61.38% increase since F.Y. 2001 (19.24% annually - compounded). The valuation of the land comprising the 168 leased parcels increased from $14,082,400 to $23, 348,934 (65.8%) over the 3-year update period and the privately-owned improvements increased from $12,322,300 to $18,943,700 (53.73%). **The updated assessment indicates an *average* per parcel (land and improvements) value of approximately $251,943, and an *average* annual tax liability of $2,403.53.** The average annual tax burden for the underlying land only (paid by tenants) amounts to $1,325.88, based on an average assessed parcel value of $139,791.

Site Description

Based on my re-inspection of the subject land, there have been no significant *physical* changes to the subject property over the 3± incremental update period. Additionally, there have been no significant changes in the legal status of the property over the update period and the per parcel delineation and individual assessments do not reflect a legal division of the subject property.

The issue of on-site sewage disposal has become an increasingly important use and valuation issue over the three year update period. In December of 2003, the Massachusetts Department of Environmental Protection issued a second Administrative Consent Order to the Feoffees and tenants requiring the installation of 143 "tight tanks" by 2006 (85% of total cottages). Approximately 24 cottages have been approved by DEP for installation of alternative "drip systems." The initial 25 tight tanks were originally scheduled for installation prior to June 15, 2004 and an additional 25 tanks were scheduled for installation by late fall of 2004. This schedule has been revised such that 25 tanks must now be installed by the fall of 2004.

The Massachusetts Department of Environmental Protection (DEP) does not view the installation of tight tanks as a "solution" to sewage disposal on the subject property and the vehicle trips associated with the projected peak season pumping schedule pose an additional public safety concern at the local level. Little Neck tenants have recently retained an engineering consultant to further evaluate more long-term disposal alternatives. Alternative solutions being evaluated include the installation of a central collection tank aimed at reducing the number and frequency of pumper truck trips. Another option involves pumping sewage to a large, common leaching facility on Great Neck. The option of extending municipal sewer service from Jeffrey's Neck Road is no longer viewed as a realistic disposal option.

The as yet unresolved nature of the sewage disposal issue and absence of a long-term solution will tend to affirm the subject property's "seasonal cottage" market stature and may also limit the extent to which existing and future owners/tenants invest in renovations and expansions of their cottages. Furthermore, tenant-borne costs for tight tank installations and pumping could tend to increase the frequency of peak season rentals to offset carrying costs. For example, tight tank permitting and installation costs may range between $5,000-$12,000 per site (depending on slope and access constraints) and high season pumping at a 3-4 week frequency may range between $750-$1,000 per site.

The combined effects of these issues are considered in the current valuation of the subject property.

Compiled Base Plans of the subject property are included on the following pages of this report.

10. Current Use - Tenancy At Will

As noted in LandVest's 1997 appraisal report and December 2000 update, the Little Neck property is the subject of an annually-renewable land rental agreement which permits each homeowner to occupy their cottages between April 1 and November 30 of each year. With the exception of cottages grandfathered in 1966 and those recently permitted to allow for year-round occupancy, the balance of the cottages may be occupied only within the designated eight month season.

Under current rental terms, individual parcel rents are assessed equally throughout the property. Following rent increased since LandVest's 1997 valuation, 144 tenants pay $3,600 annually for seasonal use and 24 year-round tenants pay $3,900. Thus, potential gross income (PGI) amounts to approximately $612,000. This indicates a 59.8±% increase since 2000. Individual tenants (cottage owners) are responsible for the land rent, real estate taxes, insurance and all utilities. Additionally, tenants are responsible for any necessary repair or replacement of in-ground sewage disposal systems in the event of a system failure.

11. Previous Valuation and Recent Purchase Offers

There are no pending purchase offers for the subject property and the property is not actively listed for sale.

12. Highest and Best Use:

The analysis of *Highest and Best Use* involves consideration of existing land use regulations, any *reasonably probable* modifications to those regulations, the subject property's physical adaptability, and economic demand for the physically and legally permissible uses of the subject property type. This analysis also accounts for prevailing market trends, established neighborhood development patterns and aesthetic issues affecting market demand.

1. Conceptual Development Analysis

As described in LandVest's original appraisal report in 1997 and 2000 update, the highest and best use of the subject property calls for continued seasonal and year-round residential use (168± parcel density) and conversion of the current tenancy at will land lease structure to a condominium form of ownership.

13. Real Estate Market Analysis

Table II on the following page summarizes market trends in real estate sales volume and median residential value in both Ipswich and surrounding communities from 1999 through 2003.

Table II

Calendar Year Median Sales Price Changes
North Shore Regional Market Overview
1999-2003

Town	1999		2000			2001			2002			2003			Δ 99 - 03 Four Year Median Value Trend
	Median Price	No. Sales	Median Price	No. Sales	Median Price Change	Median Price	No. Sales	Median Price Change	Median Price	No. Sales	Median Price Change	Median Price	No. Sales	Median Price Change	
Ipswich	$233,000	238	$293,000	235	25.75%	$325,000	149	10.9%	$344,000	143	5.8%	$407,000	145	18.3%	74.7%
Beverly	$219,000	367	$243,000	327	10.95%	$285,000	364	17.3%	$316,000	340	10.9%	$345,000	351	9.1%	57.5%
Essex	$233,700	60	$263,200	66	12.62%	$273,500	22	3.9%	$363,200	35	32.8%	$354,500	30	-2.4%	51.7%
Topsfield	$305,000	108	$350,000	88	14.75%	$411,000	66	17.4%	$482,500	62	17.4%	$527,000	67	9.2%	72.8%
Wenham	$332,000	83	$373,590	65	12.52%	$533,000	53	42.6%	$530,000	52	-.01%	$565,000	52	6.6%	70.2%
Hamilton	$299,000	98	$364,000	108	21.73%	$330,750	78	-9.2%	$378,750	68	14.5%	$472,250	86	24.7%	57.95%
Rockport	$234,000	148	$290,000	130	23.93%	$311,600	77	7.4%	$375,000	69	20.3%	$390,000	71	4%	66.7%
Rowley	$234,000	49	$300,000	53	28.2%	$299,950	58	-0.1%	$313,500	48	4.5%	$415,000	47	32.4%	77.35%
Gloucester	$189,450	272	$215,000	243	13.4%	$249,000	235	15.8%	$295,000	214	18.5%	$330,000	253	11.85%	74.2%
Manchester	$384,000	56	$369,500	57	-3.8%	$520,000	79	40.7%	$494,000	70	-5%	$615,000	55	24.5%	60.15%



COMPARABLE SALES DATA

SALE NO. 1

Location: 1 Hilltop Road
Municipality: Ipswich
State: Massachusetts

RESIDENCE DESCRIPTION:

Type: Single Family
Style: Cottage
Total S.F.:1,023
Mechanical Systems: FHA/Oil
Utilities: Public water, Private sewer
Exterior Wall: Wood shingle
Roof Covering: Asphalt shingle
Stories: 1.5
Age (actual): 84 years
Quality: Average
Special Features: Deeded beach rights. Seasonal.

SALE DATA:

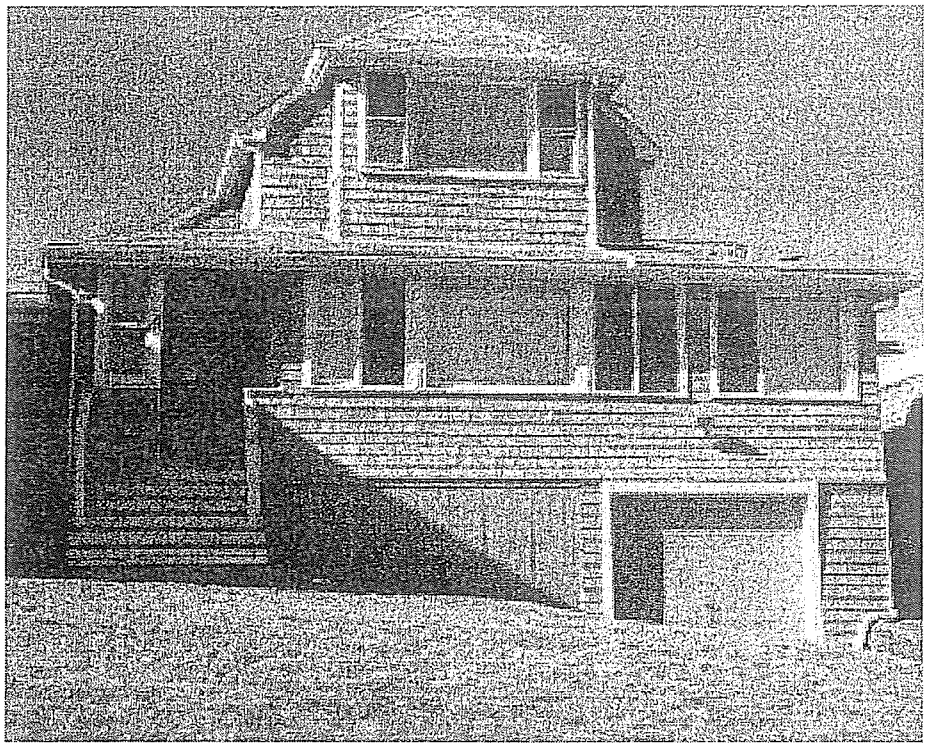
Sale Price: $255,000
Sale Date: 11/04/03
Grantor:
Grantee:
Financing:
Deed Reference:

LAND DATA:

Land Area: 2,159 SF
Assessor's Ref.: Map 24C, Block 69, Lot 37
Zoning: RRB

COMMENTS:

This property sold fully furnished and has a dock and a pier.



COMPARABLE SALES DATA

SALE NO. 2

Location: 4 Cliff Road
Municipality: Ipswich
State: Massachusetts

RESIDENCE DESCRIPTION:

Type: Single Family
Style: Cottage
Total S.F.: 1,338
Mechanical Systems: No heat
Utilities: Public water, Private sewer
Exterior Wall: Wood shingle
Roof Covering: Asphalt shingle
Stories: 2
Age (actual): 94 years
Quality: Average
Special Features: Deeded beach rights. Seasonal.

SALE DATA:

Sale Price: $375,000
Sale Date: 08/01/01
Grantor: James Faria
Grantee:
Financing:
Deed Reference:

LAND DATA:

Land Area: 4,790 SF
Assessor's Ref.: Map 24C, Block 69, Lot 170
Zoning: RRB

COMMENTS:

This cottage has direct ocean views and was completely rebuilt prior to sale.



COMPARABLE SALES DATA

SALE NO. 3

Location: 13 Plum Sound Road
Municipality: Ipswich
State: Massachusetts

RESIDENCE DESCRIPTION:

Type: Single Family
Style: Gambrel
Total S.F.: 1,046
Mechanical Systems:
Utilities: Public water, Private sewer
Exterior Wall: Wood shingle
Roof Covering: Asphalt shingle
Stories: 2
Age (actual): 74 years
Quality: Average
Special Features: Seasonal. Deeded beach rights.

SALE DATA:

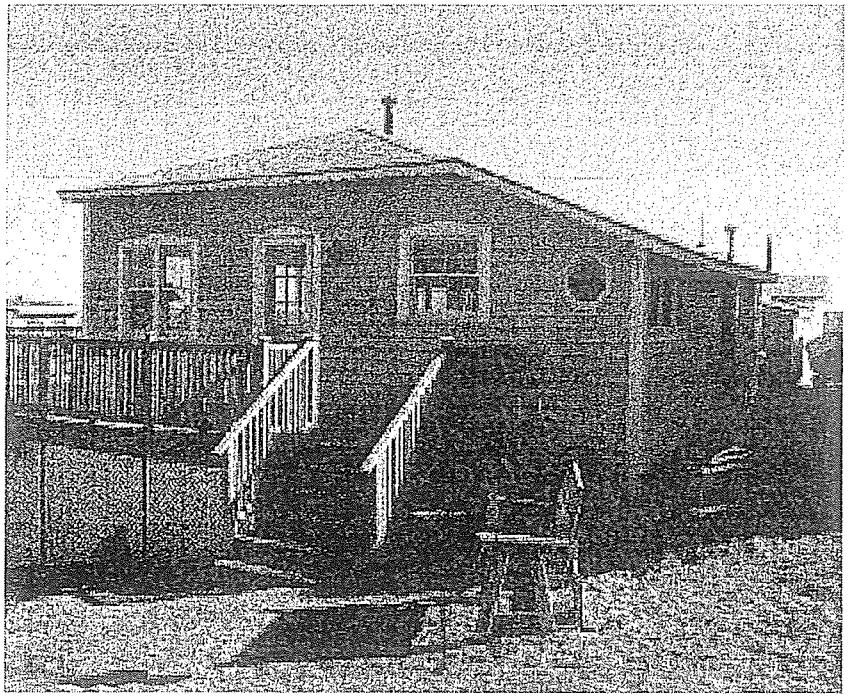
Sale Price: $384,000
Sale Date: 09/22/03
Grantor:
Grantee:
Financing:
Deed Reference:

LAND DATA:

Land Area: 3,000 SF
Assessor's Ref.: Map 24C, Block 69, Lot 153
Zoning: RRB

COMMENTS:

This property has a deck off the master bedroom and a wraparound enclosed porch. It hs views of Plum Island Sound and Crane Beach.



COMPARABLE SALES DATA

SALE NO.4

Location: 19 Kings Way
Municipality: Ipswich
State: Massachusetts

RESIDENCE DESCRIPTION:

Type: Single Family
Style: Cottage
Total S.F.: 672
Mechanical Systems: No heat.
Utilities: Public water, Private sewer
Exterior Wall: Wood shingle
Roof Covering: Asphalt shingle
Stories: 1
Age (actual): 74 years
Quality: Average
Special Features: Deeded beach rights. Seasonal.

SALE DATA:

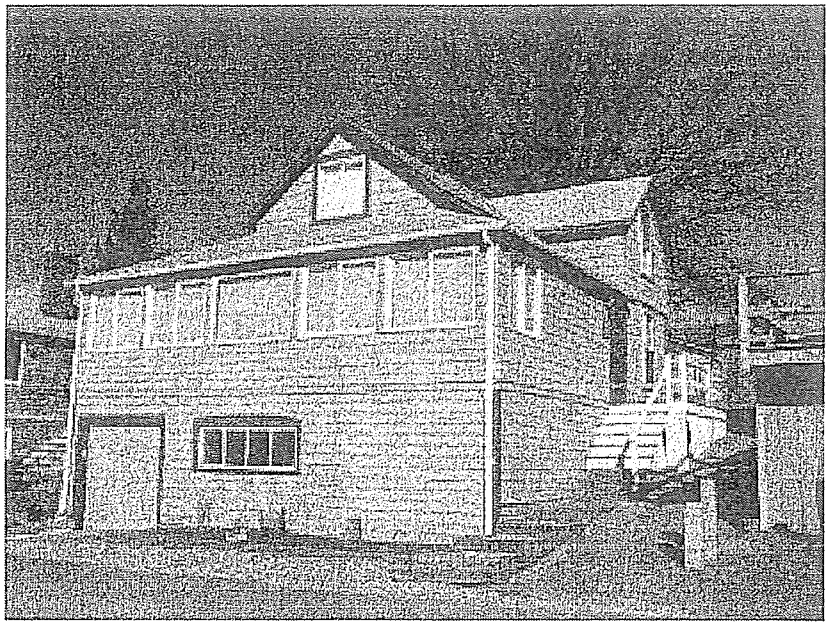
Sale Price: $248,000
Sale Date: 08/22/01
Grantor: Geoffrey Weiler
Grantee:
Financing:
Deed Reference:

LAND DATA:

Land Area: 3,000 SF
Assessor's Ref.: Map 24C, Block 69, Lot 125
Zoning: RRB

COMMENTS:

This property has ocean views and sold with a mooring available.



COMPARABLE SALES DATA

SALE NO. 5

Location: 22 Middle Road
Municipality: Ipswich
State: Massachusetts

RESIDENCE DESCRIPTION:

Type: Single Family
Style: Cottage
Total S.F.: 1,244
Mechanical Systems:
Utilities: Public water, Private sewer
Exterior Wall: Wood shingle
Roof Covering: Asphalt shingle
Stories: 1.75
Age (actual): 74 years
Quality: Average
Special Features: Seasonal. Deeded beach rights.

SALE DATA:

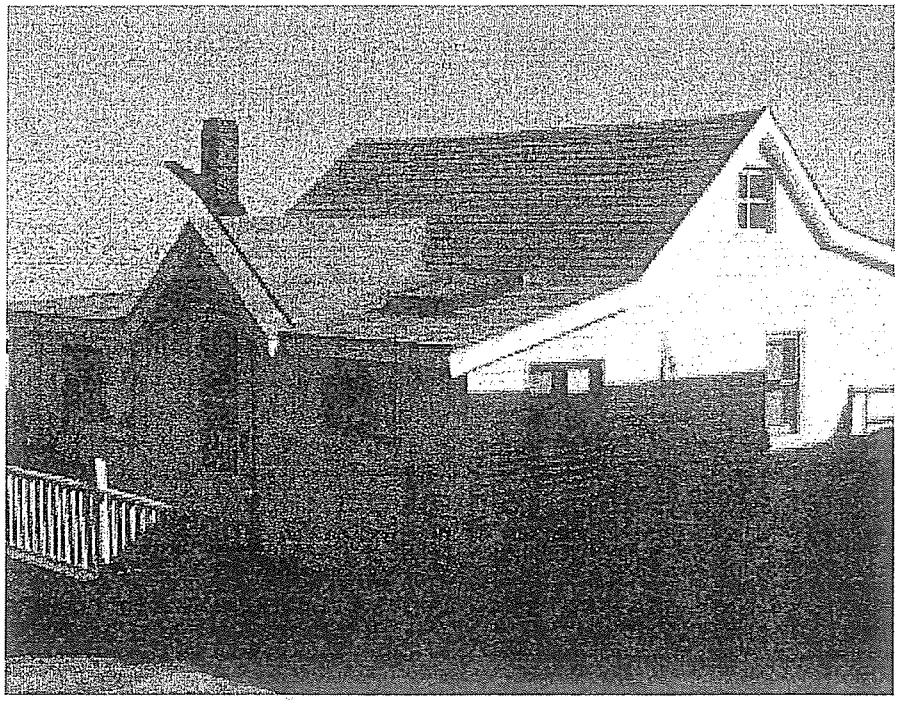
Sale Price: $405,000
Sale Date: 05/14/03
Grantor:
Grantee:
Financing:
Deed Reference:

LAND DATA:

Land Area: 4,280 SF
Assessor's Ref.: Map 24C, Block 69, Lot 44
Zoning: RRB

COMMENTS:

This cottage has panoramic views of the Ipswich River and Plum Island Sound. The electrical system has been updated and it has an updated kitchen and a new bath on the second floor.



COMPARABLE SALES DATA

SALE NO.6

Location: 23 Baycrest Road
Municipality: Ipswich
State: Massachusetts

RESIDENCE DESCRIPTION:

Type: Single Family
Style: Cottage
Total S.F.: 928
Mechanical Systems: FHW/Central A/C
Utilities: Public water, Private sewer
Exterior Wall: Wood shingle
Roof Covering: Vinyl siding
Stories: 1
Age (actual): 74 years
Quality: Average
Special Features: Deeded beach rights. Seasonal.

SALE DATA:

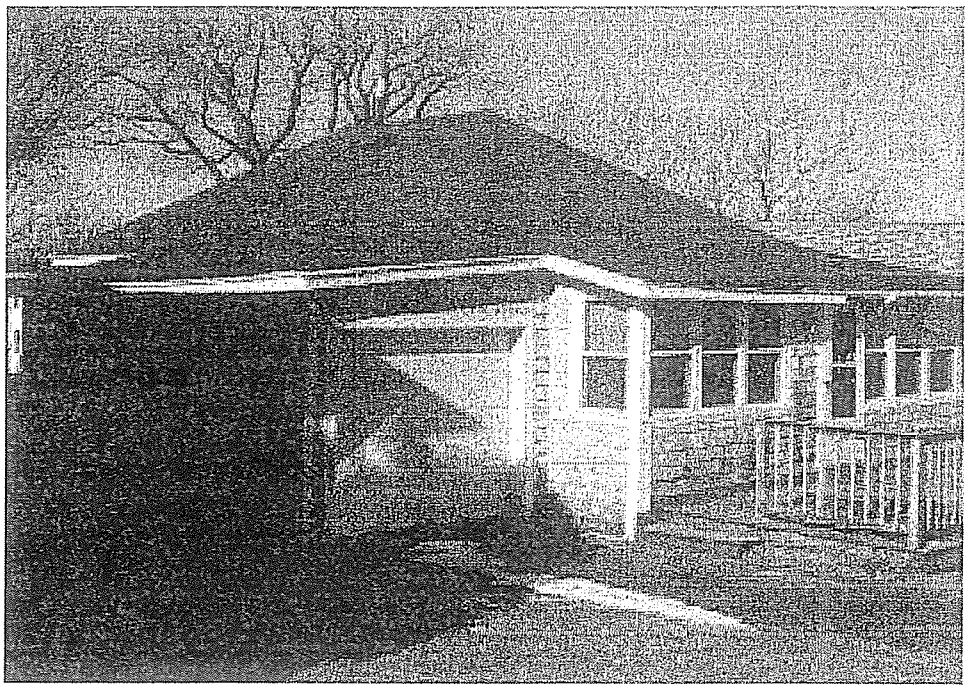
Sale Price: $250,000
Sale Date: 05/31/02
Grantor: Geoffrey Weiler
Grantee:
Financing:
Deed Reference:

LAND DATA:

Land Area: 3,000 SF
Assessor's Ref.: Map 24C, Block 69, Lot 101A
Zoning: RRB

COMMENTS:

This cottage has panoramic views of Plum Island Sound. It was completely renovated prior to sale and has heat and central air conditioning.



COMPARABLE SALES DATA

SALE NO.7

Location: 24 Baycrest Road
Municipality: Ipswich
State: Massachusetts

RESIDENCE DESCRIPTION:

Type: Single Family
Style: Cottage
Total S.F.: 863
Mechanical Systems: Electric baseboard
Utilities: Public water, Private sewer
Exterior Wall: Wood shingle
Roof Covering: Asphalt shingle
Stories: 1
Age (actual): 74 years
Quality: Average
Special Features: Deeded beach rights. Seasonal.

SALE DATA:

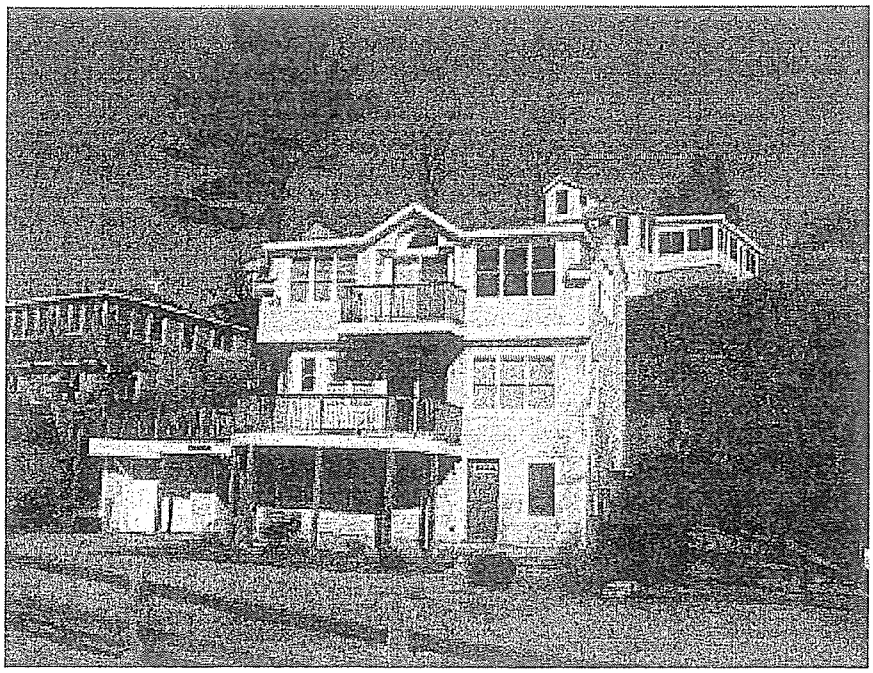
Sale Price: $255,000
Sale Date: 07/23/01
Grantor:
Grantee:
Financing:
Deed Reference:

LAND DATA:

Land Area: 3,000 SF
Assessor's Ref.: Map 24C, Block 69, Lot 95
Zoning: RRB

COMMENTS:

This cottage has views of Ipswich Bay and was recently renovated. It has two decks and a screened porch.



COMPARABLE SALES DATA

SALE NO.8

Location: 39 River Road
Municipality: Ipswich
State: Massachusetts

RESIDENCE DESCRIPTION:

Type: Single Family
Style: Cottage
Total S.F.: 1,450
Mechanical Systems: Electric baseboard.
Utilities: Public water, Private sewer
Exterior Wall: Wood shingle
Roof Covering: Asphalt shingle
Stories: 2
Age (actual): 3 years
Quality: Average
Special Features: Deeded beach rights. Seasonal.

SALE DATA:

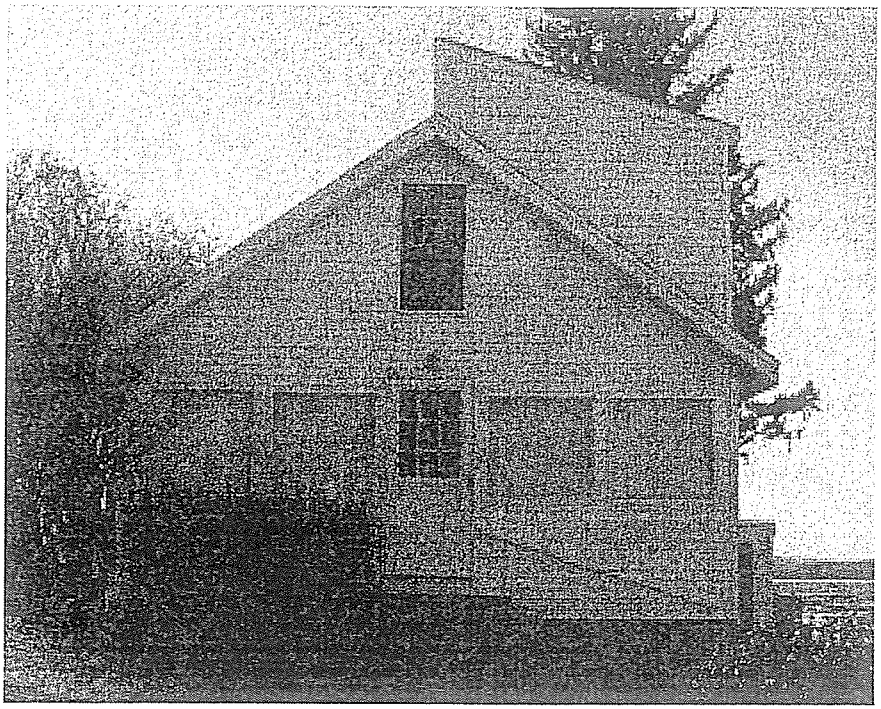
Sale Price: $240,000
Sale Date: 11/30/01
Grantor:
Grantee:
Financing:
Deed Reference:

LAND DATA:

Land Area: 2,400 SF
Assessor's Ref.: Map 24C, Block 69, Lot 16
Zoning: RRB

COMMENTS:

This property has direct views of the Ipswich River and Crane Beach. It has electric baseboard heat and a 1 car attached garage.



COMPARABLE SALES DATA

SALE NO.9

Location: 15 Hilltop Road
Municipality: Ipswich
State: Massachusetts

RESIDENCE DESCRIPTION:

Type: Single Family
Style: Cottage
Total S.F.: 2,029
Mechanical Systems: FHA/Oil
Utilities: Public water, Private sewer
Exterior Wall: Vinyl siding
Roof Covering: Asphalt shingle
Stories: 1
Age (actual): 84 years
Quality: Average
Special Features: Deeded beach rights. Year-round dwelling.

SALE DATA:

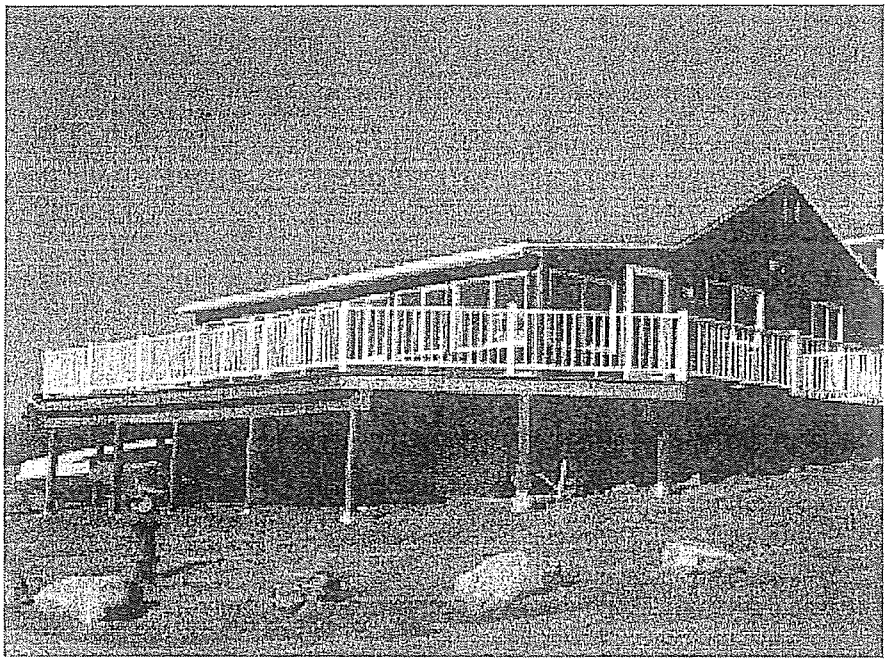
Sale Price: $280,000
Sale Date: 09/12/03
Grantor:
Grantee:
Financing:
Deed Reference:

LAND DATA:

Land Area: 3,950 SF
Assessor's Ref.: Map 24C, Block 69, Lot 53
Zoning: RRB

COMMENTS:

This property has river and beach views. It was in need of updating at the time of sale.



COMPARABLE SALES DATA

SALE NO.10

Location: 21 River Road
Municipality: Ipswich
State: Massachusetts

RESIDENCE DESCRIPTION:

Type: Single Family
Style: Ranch
Total S.F.: 1,080
Mechanical Systems: Floor furnace/gas
Utilities: Public water, Private sewer
Exterior Wall: Clapboard
Roof Covering: Asphalt shingle
Stories: 1
Age (actual): 74 years
Quality: Average
Special Features: Deeded beach rights. Seasonal..

SALE DATA:

Sale Price: $375,000
Sale Date: 04/17/02
Grantor:
Grantee:
Financing:
Deed Reference:

LAND DATA:

Land Area: 3,000 SF
Assessor's Ref.: Map 24C, Block 69, Lot 153
Zoning: RRB

COMMENTS:

This property has direct views of the Ipswich River and Crane Beach. It was in good condition at the time of sale.

As outlined above, the median residential home price in Ipswich increased approximately 10.9% on 2001; 5.8% in 2002; and, 18.3% in 2003. **The 3-year total appreciation amount to approximately 38.9%.**

A comparison of market appreciation rates and assessed value increases over the same 3-year time period is summarized as follows:

Market Appreciation (12/99-12-02):	47.64%
Assessed Value Increase (1/1/00-1/1/03):	61.38%

Accordingly, there is a 13.8%+ discrepancy between appreciation rates by both measures.

Sales volume dropped dramatically in 2001 and leveled off at 145± sales annually through 2003. Record low interest rates in the past 18 months have fueled the residential market, but the average marketing period prior to sale is growing, as the regional buyer pool is considerably shallower than it was 2-3 years ago.

a. Little Neck Sales Activity

The sales data sheets on the following pages of this report provide photographs and transaction information regarding each of the Little Neck Cottage sales documented between June 1, 2001 and February 9, 2004. It should be noted that this information does not account for several intra-family transfers occurring within the update.

These 10 sales occurred between 7/23/01 and 11/4/03 and indicate sale prices ranging between $240,000 and $405,000. The average sale price is $306,700 and the indicated median price is $302,750. Prices per square foot of gross building area exhibit a wide range of value between $138.00 and $369.05.

The 10-sale average selling price of $306,700 indicates a 55.2% increase from the 10-sale average indicated by sales from 1998-2000 (outlined in LandVest's previous update report). Interestingly, this rate marks the numerical mid-point between the town-wide *market* appreciation rate and the *assessed* value increase noted above.

Based on a review of ~~apportionment of~~ *assessed* land/building value, indicate a range of land value (*as though held in fee simple*) ranges between $98,000 and $200,000.

Seasonal rental rates in July and August currently range from $850 per week to $4,000 for the month. Most rentals require at least a 2 week minimum stay.

When cottages are rented on a weekly basis, typical rents range from $750 - $850 per week for a 2 or 3 bedroom cottage.

An example of an typical off-season rental is 27 Kings Way, which is rented from September through June for $750 per month.

Although increased ground rents and higher assessed values have caused some owners to consider raising rents, it does not appear likely that the market will bear substantially higher rents in the foreseeable future.

b. Market Value Estimate - Condominium Conversion

As outlined in LandVest's 1997 report and 2000 update, *Planning Option C* assumes condominium ownership of the land underlying the existing cottages. All land outside the individual building "footprints" would be considered common land and the property's would be assessed as units with apportioned association dues. Under this planning option, the 168 unit density would be made legal and eligible for bank financing without the need for any formal approval at the state of local level.

Based on a review of local and real estate market trends since 2000 and with specific reference to the 12 value tiers delineated in LandVest's original 1997 report, land unit pricing has been appreciated at a rate of 45% over the 3-year update period. The indicated rate is slightly below the indicated town-wide median residential rate for the period.

The initial financial analysis of the subject property as a condominium conversion assumes outside sale to a third party buyer. **Based on an updated Discounted Cash Flow Analysis with unit pricing ranging from $70,000 - $200,000, it is my opinion that the Market Value of the subject property (assuming condominium conversion) to a third party buyer as of February 13, 2004 was:**

$10,700,000

(TEN MILLION SEVEN HUNDRED THOUSAND DOLLARS)

c. Value Estimate - *Investment Value* to Current Tenancy

The second updated valuation of the subject property assumes a sale to the existing tenancy. In this *investment value* analysis, developer profit allowances and cost of resale allowances have been reduced to reflect a largely internal buyer pool and control over the property's disposition. All unit pricing, internal absorption and line item development expenses remain the same.

In accordance with this analysis, it is my opinion the Investment Value of the subject property to the current tenancy as of February 13, 2004 was:

$13,800,000

(THIRTEEN MILLION EIGHT HUNDRED THOUSAND DOLLARS)

d. Land Rental Analysis

An evaluation of *current* land rental rates levied by the Feoffees relative to "market-rate" rents requires careful consideration of real market value gains and the extent to which these gains may be offset, or tempered by escalating carrying costs. Given the indicated range of underlying land (parcel) values of $98,000 - $200,000, when capitalized at a "safe" return rate of 6.5% (i.e. prime plus 2.5), the indicated market-rate land rent ranges between $6,370 - $13,000. The mid-point parcel value of $150,000 indicates an annual land rate of $9,750.

It is important to note that these market rental rates are derived from arm's length transactions where the fee interest in the underlying land is not transferred. Perhaps as notable as the upward trend in values on Little Neck is the continued trend whereby the market continues to function or behave as a fee simple market. In other words, buyers continue to pay, (and sellers continue to receive) *significant* value for the right to perpetuate the tenancy-at-will land leases with full knowledge that the Feoffees are bringing rents into alignment with the market.

However, the next incremental land rent increase should account for the relative instability in the local market caused by the on-going sewage disposal debate and lack of any apparent long-term engineering solution. The state-mandated installation of tight tanks poses significant economic, safety and aesthetic risks both to the community and the *Little Neck* sub-market. Collectively, these issues and attendant costs may lead to a higher sale rate and alter new buyers' perceptions of investment security on Little Neck.

For example, if certain tenants opt to pass septic pump fees through to sub-tenants, this could damage even the high season rental market. If absorbed by the tenants, these fees may, together with escalating taxes, tend to provide tenants with negotiating leverage against aggressive rent increases, as the sewage issue calls into questions the basic suitability of the land for residential use.

APPENDIX

Certification, James E. Monahan

Qualifications, James E. Monahan

CERTIFICATION OF VALUE

I hereby certify that:

1. I have made a personal inspection of the property that is the subject of this report.

2. To the best of my knowledge and belief, the statements of fact and the opinions contained in this report are true and correct.

3. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.

4. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.

5. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

6. This appraisal was not based on a requested minimum valuation, specific valuation or approval of a loan.

7. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of The Appraisal Institute, as well as the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation. I am currently licensed as a Certified General Appraiser in **Massachusetts (CG #3481),** Vermont (CG #80-212), Maine (CG #1289) and New York (CG #46000042014).

8. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

9. No one provided significant professional assistance to the person(s) signing this report.

Appraiser: _____ Date: _____
James E. Monahan

LandVest®

JAMES E. MONAHAN

Senior Advisor - **Real Estate Consulting Group, LandVest, Inc.**

James E. Monahan is a *Senior Advisor* with the Real Estate Consulting Group of LandVest, a broad-based real estate company involved in all aspects of land planning, real estate brokerage, broad-scope consulting, development, and conservation planning. As Senior Advisor, he is responsible for oversight and management of residential and commercial real property appraisals, development feasibility studies, land use planning and design, conservation planning and implementation of limited development projects. Mr. Monahan's specific area of expertise involves the design, valuation and implementation of multi-use disposition plans for privately-held land in the context of generational asset/estate planning.

Prior to joining the firm in 1989, Mr. Monahan was Project Manager with the Massachusetts Department of Environmental Management where his responsibilities included design and engineering studies, contract documents, and construction management on a variety of projects including site design for the restoration of Walden Pond Reservation in Concord, acquisition and site planning for Halibut Point State Park, and site design and contract administration for the expansion of Ashland State Park. Additionally, as co-founder of Landforms, Inc., he has worked as a design/build consultant on various residential and commercial design projects throughout Boston's North Shore.

Mr. Monahan received a Bachelor of Arts degree in Liberal Studies from St. Anselm's College, Manchester, New Hampshire in 1982 and a Master of Arts degree in Landscape Design from the Conway School of Design in 1985. He is a Certified General Appraiser in the state of Massachusetts (CG-#3481), Vermont (CG #080-212), Maine (CG #1289) and New York (CG #46000042014) and is an Affiliate Member of the Appraisal Institute.

LandVest®

APPRAISAL REPORT

35± Acres of Residentially-Zoned Land Known as
Little Neck Estate

Located:
Ipswich, Essex County, Massachusetts

Report Date:
October 25, 2010

Effective Valuation Date:
September 11, 2010

Owned by:
The Feoffees of the Grammar School

Requested By:
William H. Sheehan, III
MacLean Holloway Doherty Ardiff & Morse, PC
8 Essex Center Drive
Peabody, MA 01960

Prepared by:
James E. Monahan, *Senior Advisor*
Real Estate Consulting Group
LandVest, Inc.
Ten Post Office Square
Boston, MA 02109

Report #8954

LandVest®
Distinctive Properties ♦ Real Estate Consulting & Appraisal ♦ Forestry Consulting
TEN POST OFFICE SQUARE, BOSTON, MASSACHUSETTS 02109

REGIONAL OFFICES

Two Monument Square
Portland, ME 04101
Telephone 207 774-8518
Fax 207 774-5845

22 Bayview Street
P.O. Box 1262
Camden, ME 04843
Telephone 207 236-3543
Fax 207 236-2172

4A Tracy Road
P.O. Box 1068
Northeast Harbor, ME 04662
Telephone 207 276-3840
Fax 207 276-3837

186 College Street
Burlington, VT 05401
Telephone 802 660-2900
Fax 802 660-2543

One The Green
Woodstock, VT 05091
Telephone 802 457-4977
Fax 802 457-9021

19 South Summer Street
P.O. Box 1056
Martha's Vineyard
Edgartown, MA 02539
Telephone 508 627-3757
Fax 508 627-8617

16 Centre Street, First Floor
Concord, NH 03301
Telephone 603 228-2020
Fax 603 226-4391

October 25, 2010

William H. Sheehan, III
MacLean Holloway Doherty Ardiff & Morse, PC
8 Essex Center Drive
Peabody, MA 01960

RE: Appraisal Report
35± Acres of Residential Land Known as
Little Neck Estate, Ipswich, MA

Dear Attorney Sheehan:

Per your request, we have prepared the following market value opinion of a 35± acre oceanfront property known as *Little Neck Estate* in the Town of Ipswich, Essex County, Massachusetts (hereafter referred to as the "subject property"), held by the *Feoffees of the Grammar School*. I understand that the intended use of this report is to provide you with a current market value estimate for financing purposes and for possible submission to the Essex County Probate and Family Court in connection with the Feoffees' complaint for deviation. The effective valuation date is September 11, 2010, the date of my most recent re-inspection of the subject property.

Our opinions of value presented herein include Market Value to a third party buyer assuming a condominium conversion and the third party value as though vacant. It is important to note that the owner of the subject land does not own the existing cottages which have been built over the years by tenants of the owner and there can be no condominium conversion without the participation of the cottage owners.

This report does not address the property's Investment Value to the current tenancy in accordance with a pending agreement between the *Little Neck Legal Action Committee* and the *Feoffees*. The *Agreement* is currently in litigation and has not been ratified as of the effective date of this appraisal. All opinions of market value assume transfer of condominium and fee simple interests in the subject property, unencumbered by any liens, restrictions, or limitations on title, other than those noted in this report. Opinions of market value rendered herein are based on terms of cash or of financing terms equivalent to cash.

TELEPHONE: 617 723-1600
FAX: 617 482-5376
WEB: www.landvest.com

LandVest®

As agreed, this valuation is reported in a narrative report format in full compliance with the *Uniform Standards of Professional Appraisal Practice (USPAP)* Rule 2-2a as promulgated by *The Appraisal Foundation.* This appraisal constitutes a re-appraisal of the subject property. *LandVest's* previous appraisals with effective valuation dates of April 15, 1997, December 1, 2000, February 13, 2004 and December 16, 2005 are incorporated herein by reference.

The subject property consists of approximately 35± acres of coastal upland and is identified by the Ipswich Assessor's Office as Map 24C, conceptually subdivided as a total of 210 individually-assessed lots. Of this total, 171 lots (167 improved and 4 vacant lots) are occupied by cottage owners, some of whom lease the "lots" from the owners and some of whom pay use and occupancy fees for the "lots." The remaining 39 lots are occupied by *The Feoffees of the Grammar School.*

In accordance with our inspections, research and analyses, it is our opinion that as of September 11, 2010, the subject property's market value under two alternative disposition assumptions were as follows:

- ***Market Value to Third Party Buyer:*** ***$25,400,000***
- ***Market Value as Though Vacant:*** ***$7,220,000***

Additional documentation in support of the above-outlined market value estimates is provided in the attached narrative appraisal report, respectfully submitted for your review.

Thank you for this opportunity to provide professional planning and valuation services, and please do not hesitate to call if you have any questions.

Respectfully submitted,



James E. Monahan, *Senior Advisor*
LandVest, Inc. - Real Estate Consulting Group
(Mass. Gen. Cert. #3481)

LandVest®

TABLE OF CONTENTS

SPECIAL ASSUMPTIONS i

STANDARD LIMITING CONDITIONS i

SUMMARY OF IMPORTANT FACTS AND PROPERTY DATA iv

I. SCOPE OF APPRAISAL AND DEFINITIONS 1

A. PURPOSE OF APPRAISAL 1
B. INTENDED USE AND USER 1
C. EFFECTIVE VALUATION DATE 1
D. DEFINITIONS 1
E. APPRAISAL PROBLEM 3
F. SCOPE OF APPRAISAL AND ANALYSIS 3

II. PROPERTY DATA 4

A. OWNERSHIP AND SALES HISTORY 4
B. AREA, CITY AND NEIGHBORHOOD DATA 4
C. PROPERTY DESCRIPTION 10
D. PARCEL INVENTORY AND TAX ASSESSMENT SUMMARY 12

III. REGULATORY ANALYSIS 31

A. ZONING – TOWN OF IPSWICH 31
B. OPEN SPACE PRESERVATION (CLUSTER) ZONING 32
C. SUBDIVISION REGULATIONS 32
D. WETLANDS PROTECTION ACT AND LOCAL WETLANDS BYLAW 33
E. SOILS ANALYSIS 34
F. FLOOD ZONES 34

IV. REAL ESTATE MARKET ANALYSIS 36

VI. HIGHEST AND BEST USE ANALYSIS 39

A. AS IMPROVED - CONDOMINIUM CONVERSION 39
B. LAND AS THOUGH VACANT – RESIDENTIAL SUBDIVISON 41

VII. VALUATION 43

A. APPRAISAL METHODOLOGY 43
B. VALUATION OF *PLAN A* – CONDOMINIUM CONVERSION 44
C. VALUATION OF *PLAN B* – LAND AS THOUGH VACANT 64

APPENDIX 1

Appraiser Certification
Qualifications of the Appraiser
Sales Exhibit A
Current and Expired Listing Sheets – Little Neck
Sales Exhibit B
Sales Exhibit C

SPECIAL ASSUMPTIONS

1. The most recently promulgated Rules and Regulations governing allowable uses on *Little Neck* stipulate that cottages are available for occupancy between April 1st and December 31st of each year. Only those cottages grandfathered from Board of Health regulations in 1966 (24 in total) were excluded from this seasonal limitation and the *Feoffees* reserved the right to assess fines of $1,000 for each week that a seasonal cottage is used from January 1st and March 31st.

   In the context of on-going purchase and sales negotiations, the *Feoffees* have requested for the purposes of this appraisal that the seasonal limitation on cottage use is no longer in effect.

   All other Rules and Regulations are assumed to be enforceable.

2. This appraisal incorporates a highest and best use assertion first outlined in LandVest's 1997 appraisal that calls for "*the initiation of preliminary purchase and sales negotiations toward a tenant purchase and (land) condominium conversion.*" Alternative use options such as a legal "approval not required" division of the leasehold "lots" or a cluster subdivision (assuming the site as though vacant) have been effectively discounted as not legally-viable and/or maximally productive planning options for the subject property. Hence, a condominium conversion is judged to be the most readily-defensible highest and best use model in the property's current valuation, but is so only if and when the cottage owners agree to participate in the creation of a legal condominium because in Massachusetts a condominium can be created only from land and buildings.

   An alternative use assuming the 35± acre coastal site *as though vacant,* calls for a conventional subdivision of 24 single family residential building lots. The design of this plan does not incorporate any special assumption regarding regulatory relief but the plan has not received any specific feedback from local or State approval authorities. Despite this lack of exposure, the 24-lot conventional plan is seen to be a reasonably reliable planning model for the subject property *as though vacant.*

3. The sunk and remaining costs associated with on-going litigation and conflict resolution have not been calculated or considered in this analysis, nor has any market stigma associated with the as yet unresolved and *highly* politicized nature of the proposed sale to the tenancy.

STANDARD LIMITING CONDITIONS

1. The appraiser(s) assume(s) no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does (do) the appraiser(s) render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.

2. Sketches, maps, plans, and exhibits in the report may show approximate dimensions and are included to assist the reader in visualizing this property. The appraiser(s) has (have) made no survey of the property. Data relative to size and area were taken from sources considered reliable. It is assumed that no encroachments exist.

3. The appraiser(s), by reason of this appraisal, is (are) not required to give further consultation, testimony, or attend court with reference to the property that is the subject of this appraisal, unless arrangements have otherwise been made.

4. Any distribution of the valuation in the report between land and the improvements applies only under the existing program of utilization. The separate valuations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

5. The appraiser(s) assumes (assume) there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraiser(s) assumes (assume) no responsibility for such conditions or for engineering which might be required to discover such factors.

6. Information, estimates, and opinions furnished to the appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for the accuracy of such items furnished can be assumed by the appraiser(s).

7. Neither all, nor any part of the content of the report, or copy thereof, including conclusions as to the property value, the identity of the appraiser(s), professional designations, reference to any professional appraisal organizations, or the firm with which the appraiser(s) is (are) connected, shall be used for any purposes by anyone but the client specified in the report, the borrower if appraisal fee paid by same, mortgage insurers, or professional appraisal organizations, without the previous written consent of the appraiser(s); nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent and approval of the appraiser(s).

8. On all appraisals subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusions are contingent upon completion of the improvements in a workman-like manner.

9. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the subject property, was not observed by the appraiser(s). The appraiser(s) has (have) no knowledge of the existence of such materials on or in the property. The appraiser(s), however, is (are) not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the subject. The value estimate is predicated on the assumption that there is no such material on or in the subject property that would have an impact on value. No responsibility is assumed for any such

conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

10. The date of value is expressed within this report. Any forecasts included in this report are based on existing market conditions and expectations. The appraiser(s) takes (take) no responsibility for any events, conditions, economic factors, physical factors, or other circumstances occurring after the date of value that would affect the opinions expressed in this report.

11. Except as otherwise noted, it is assumed that there are no encroachments, building violations, code violations, or zoning violations affecting the subject property.

12. Responsible ownership and competent property management are assumed.

13. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.

14. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a non-conformity has been stated, defined, and considered in the appraisal report.

15. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

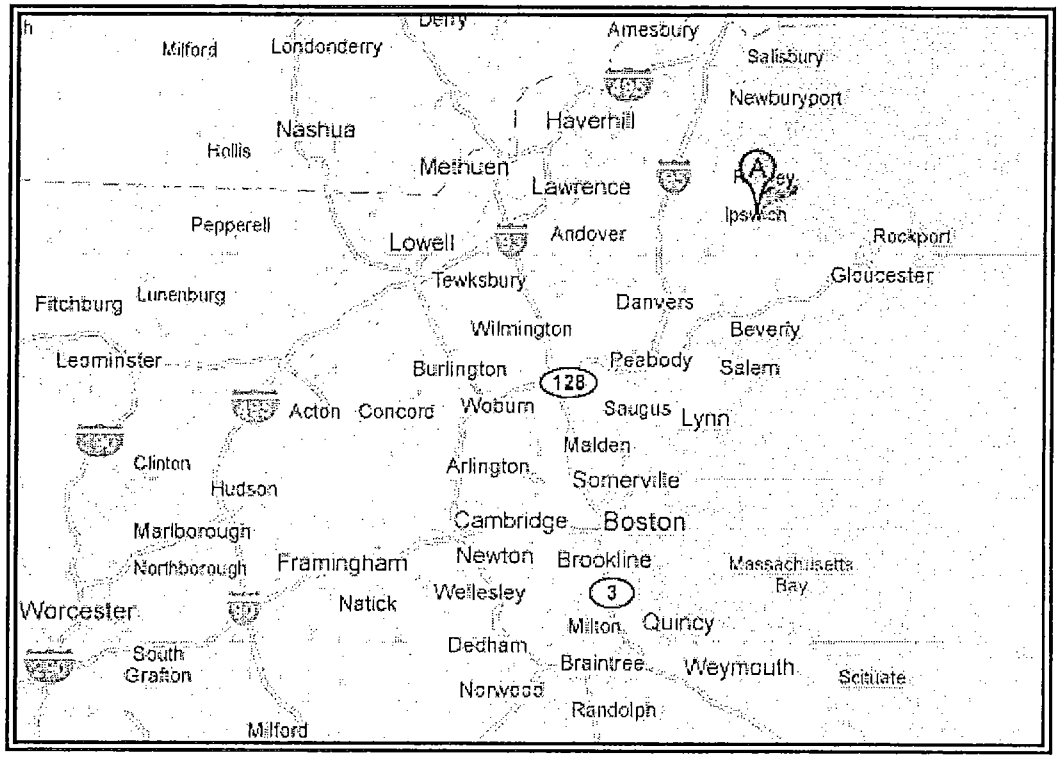
SUMMARY OF IMPORTANT FACTS AND PROPERTY DATA

Subject Property:	35± acres of residentially-zoned, oceanfront property
Property Location:	*Little Neck Estate*, Ipswich, Massachusetts
Record Owners:	*The Feoffees of the Grammar School*
Purpose & Intended Use of Appraisal:	This appraisal report is intended for use by the *Feoffees of the Grammar School* and authorized assigns to provide a current estimate of Market Value for mortgage financing purposes or for submission to the Essex County Probate and Family Court in connection with the Feoffees' complaint for deviation.
Inspection Date:	The subject property has been inspected numerous times since 1997 by the appraiser, most recently on September 11, 2010. This date serves as the effective valuation date of this report.
Effective Valuation Date:	This document represents a re-appraisal of the subject property. LandVest's original summary-format appraisal report with an effective valuation date of April 15, 1997 and Restricted-Use update reports with effective valuation dates of December 1, 2000, February 13, 2004, and December 16, 2005 are incorporated herein by reference. The effective valuation date of this appraisal is September 11, 2010, the most recent inspection date.
Property Rights Appraised:	Fee Simple Estate and Condominium
Property Identification:	The entire property is identified by the Town of Ipswich Assessor as Parcel ID 24C 069. The property has been conceptually divided by the assessor into 210 lots for individual taxation purposes, and these lots are identified as Parcels 24C 069 through 24C 069 173.
Property Description:	The subject property is commonly referred to as the *Little Neck Estate*, located in the eastern portion of the Town of Ipswich at the end of Jeffrey's Neck Road. *Little Neck* is an oceanfront cottage community consisting of 167 privately-owned cottages whose owners pay the Feoffees rent or use and occupancy fees, as well as common areas used for roadways, a lodge, pump house, pier, playgrounds, and community beach. The 35± acres of coastal upland are surrounded by the *Ipswich River, Plum Island Sound* and *Neck Cove*.

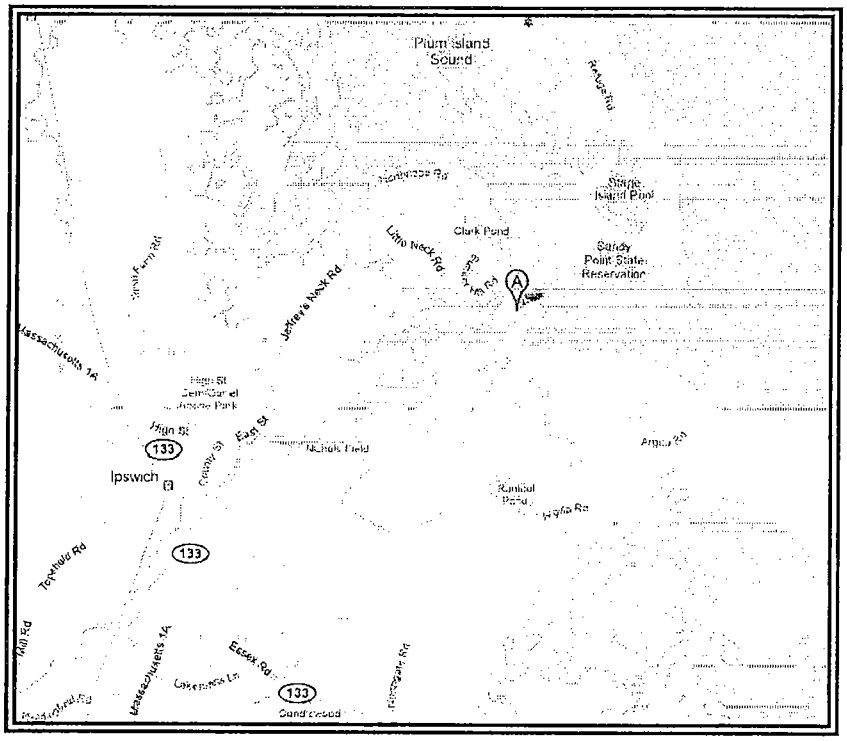
Improvements:	This appraisal considers the land value of the subject property's 210 lots as well as the common area improvements, including the road infrastructure, lodge, pump house, pier, and infrastructure, but not the contributory value of the privately-owned cottage improvements.
Zoning:	Rural Residence B (RRB) • *Minimum Lot Size:* *1 acre* • *Minimum Lot Frontage:* *150 feet*
Utilities:	Electricity, telephone, public water supply, communal waste water holding tanks
Existing Easements/ Encumbrances:	None recorded.
Highest and Best Use as Improved:	167-Unit Condominium Conversion
Highest and Best Use as Vacant:	24-Lot Residential Subdivision

Opinions of Value:

- **Market Value to Third Party Buyer:** **$25,400,000**
- **Market Value as Though Vacant:** **$7,220,000**



Regional Locus



Neighborhood Locus

I. SCOPE OF APPRAISAL AND DEFINITIONS

A. PURPOSE OF APPRAISAL

The purpose of this appraisal is to estimate the current Market Value of the subject property as of the effective date of value.

B. INTENDED USE AND USER

This appraisal is intended for use by the *Feoffees of the Grammar School* to document the subject property's market value for financing purposes or for submission to the Essex County Probate and Family Court in connection with the Feoffees' complaint for deviation.

C. EFFECTIVE VALUATION DATE

The effective valuation date is September 11, 2010, the date of the appraiser's most recent inspection of the subject property.

D. DEFINITIONS

1. Market Value

The opinion of value estimate set forth herein is ***Market Value***, defined as:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit to this definition is the consummation of the sale as of a specified date and passing of title from seller to buyer under conditions whereby:

1. *Buyer and Seller are typically motivated;*
2. *Both parties are well informed or well advised and acting in what they consider their best interests;*
3. *Reasonable time is allowed for exposure to the open market;*
4. *Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and,*
5. *The price represents the normal consideration for the property sold unaffected by specially created financing or sales concessions granted by anyone associated with the sale.*[1]

---

[1] The Appraisal Foundation, *Uniform Standards of Professional Appraisal Practice*, United States of America, 1990, pp.i-7.

This appraisal report *does not* address the Investment Value of the subject property to the current tenancy.

2. Fee Simple Estate

One of the ownership interests appraised herein is that of Fee Simple Estate.

Fee Simple Estate is defined as:

Absolute ownership unencumbered by any other interest or estate; subject only to the limitations of eminent domain, escheat, police power, and taxation.[2]

2. Condominium

A building or complex in which units of property, such as apartments, are owned by individuals and common parts of the property, such as the grounds and building structure, are owned jointly by the unit owners.

3. Highest and Best Use

The subject property is valued in accordance with the appraiser's conclusion of Highest and Best Use under current regulatory and market conditions.

The ***Highest and Best Use*** of real estate is defined as:

The reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and results in the highest value.[3]

In consideration of this definition, a potential use for a site must pass the following tests:

1. *The use must be physically and legally permissible;*
2. *The legal use must be probable, not speculative;*
3. *The use must be in demand;*
4. *The use must be profitable;*
5. *The use must return to the land the highest return possible; and*
6. *The use must provide the highest return for the longest period of time.*

The Highest and Best Use analysis involves consideration of existing land use regulations, any *reasonably probable* modifications to those regulations, the

[2]The Dictionary of Real Estate. American Institute of Real Estate Appraisers, 1984, Page 123.

[3]Dictionary of Real Estate Appraisal, American Institute of Real Estate Appraisers, Chicago, Illinois, 3rd printing, 1987; Page 152.

subject property's physical adaptability, and economic demand for the physically and legally permissible uses of the subject property type. This analysis also accounts for prevailing market trends, established neighborhood development patterns, and physical/aesthetic issues influencing market demand.

E. APPRAISAL PROBLEM

The appraisal problems to be resolved include:

- *Determine the Highest and Best Use of the land as though vacant, if other than the current use;*
- *Value the underlying land for conversion to a condominium or cooperative form of ownership.*

F. SCOPE OF APPRAISAL AND ANALYSIS

In developing opinions of value of the defined subject property rights, we reviewed and inspected the subject property and comparable sale properties. We reviewed sales and property information published by *The Warren Group*, the *Multiple Listing Service*, and the Ipswich Board of Assessors' records.

LandVest's GIS Department utilized USGS Topographic maps, NRCS Soils Conservation Service maps, Town of Ipswich GIS data layers and available survey plans to provide a broad range of illustrative maps included in this appraisal report. We reviewed recent sales of residential homes and residential lots in coastal locations in Ipswich and surrounding *North Shore* communities. Other market characteristics such as absorption, price and sales volume trends were also considered. The regulatory factors affecting the highest and best use of the subject property were also taken into account.

This appraisal is documented in a self-contained narrative report format, prepared in full compliance with the reporting requirements set forth under Standards Rule 2-2(c.) of the *Uniform Standards of Professional Appraisal Practice (USPAP)* as promulgated by *The Appraisal Foundation* and *The Appraisal Standards Board (ASB)*. As such, the report presents full discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the opinions of market value rendered. We have employed the Sales Comparison Approach to value in the retail valuation of condominium ownership (land only) interests to be conveyed and the Cost of Development Approach in the estimation of the property's "as is" value to a third party buyer assuming a 167-unit condominium conversion. A summary application of the Cost Approach was also used in the extraction of underlying land values from several comparable sales.

II. PROPERTY DATA

A. OWNERSHIP AND SALES HISTORY

The subject property was acquired by the *Feoffees of the Grammar School* through a bequest of William Paine on November 14, 1650. The property has been held in *Feoffees'* ownership since the original bequest, qualifying it as the longest-held private trust property in the United States. A Town meeting vote established a 4-member committee (the Feoffees) to hold the land granted by the Town and " *to receive, all such sums of money, parcels of land, rents or annuities*" for the support of a grammar school in Ipswich.

Since the late 19th century, the *Feoffees* have rented and leased a variable number of undivided lots, upon which tenants have been allowed to own and maintain a current total of 167 privately-owned seasonal and year-round cottages. The *Feoffees* currently lease or make available for use and occupancy charges a total of 167 improved lots and 4 vacant lots.

There have been no sales transactions involving the bulk property over the past five years. A purchase agreement between the Feoffees and the *Little Neck Legal Action Committee* is in litigation and pending as of the effective valuation date of this report. Specific terms outlined in the proposed purchase agreement have not been considered in this appraisal.

B. AREA, CITY AND NEIGHBORHOOD DATA

1. Regional Overview

The subject property is generally situated in a regional real estate market context generally referred to as Boston's "*North Shore*," an area commonly defined as those communities along the shoreline between Boston and New Hampshire. Regional access is very good to these communities, and the area is considered one of the more attractive residential regions in the Commonwealth. The area is served by three major highways, including State Route (SR) 128, I-95 and U.S. Route 1. Together with SR 1A, this highway system provides convenient access from the North Shore to Boston, southern New Hampshire and points north. The *M.B.T.A.* commuter rail system provides access to Boston's North Station from Ipswich and the neighboring towns of Hamilton and Rowley. Ipswich is approximately 28 miles north of Boston Logan International Airport, 45 miles southeast of Manchester Airport in NH, and 35 miles south of Portsmouth International Airport. Ipswich is about 30 miles northeast of Boston and about 247 miles from New York City.

2. Town of Ipswich

Colonized in 1633, the Town of Ipswich is a rural, coastal community in central Essex County. Hamilton borders Ipswich to the south, Rowley to the north, Essex to the east, and Topsfield and Boxford to the west. Ipswich is a traditional New England town with a highly developed town center, with more than 50 First Period Colonial homes dating from 1624 to 1725, surrounded by rural landscape and residential neighborhoods.

The town covers approximately 33 square miles of forests, fields, farmland, marshes, dunes and beaches. Approximately one-third of the town's land mass is protected salt marsh and estuaries, and about 10% of the town's land area is agricultural land. The town has a high proportion of protected land including *Willowdale State Forest*, the *Parker River Wildlife Refuge, Sandy Point State Reservation* and the *Crane Estate*. In addition, the town approved a $10 million Open Space Bond in 2000, and to date the program has permanently preserved a total of approximately 700 acres of land.

There are four general Character Areas in Ipswich, as identified by the Planning Board's Town Character Statement: The mostly commercial *Town Center Area* and the *Inner Residential Area* are densely built and contain the town's early settlement area; while the *Outer Residential Area* covers nearly two thirds of the town's land area to the north, east and south; and the *Eastern Coastal area* encompasses the eastern third of the town, including Jeffrey's Neck and Argilla Roads and their surrounding saltwater marshes and estuaries.

In 2000 the population numbered 12,987, with a median age of 42 years, a median household income of $57,284, and 98% of the population listed as white. The average household size was 2.42, and the population density was 398.6 people per square mile.

The town is governed by Open Town Meeting, with an elected Board of Selectmen and a Town Administrator. Students in Ipswich are educated by the Ipswich School District, which has two elementary schools, a middle school and a high school.

3. Little Neck and Great Neck Neighborhoods

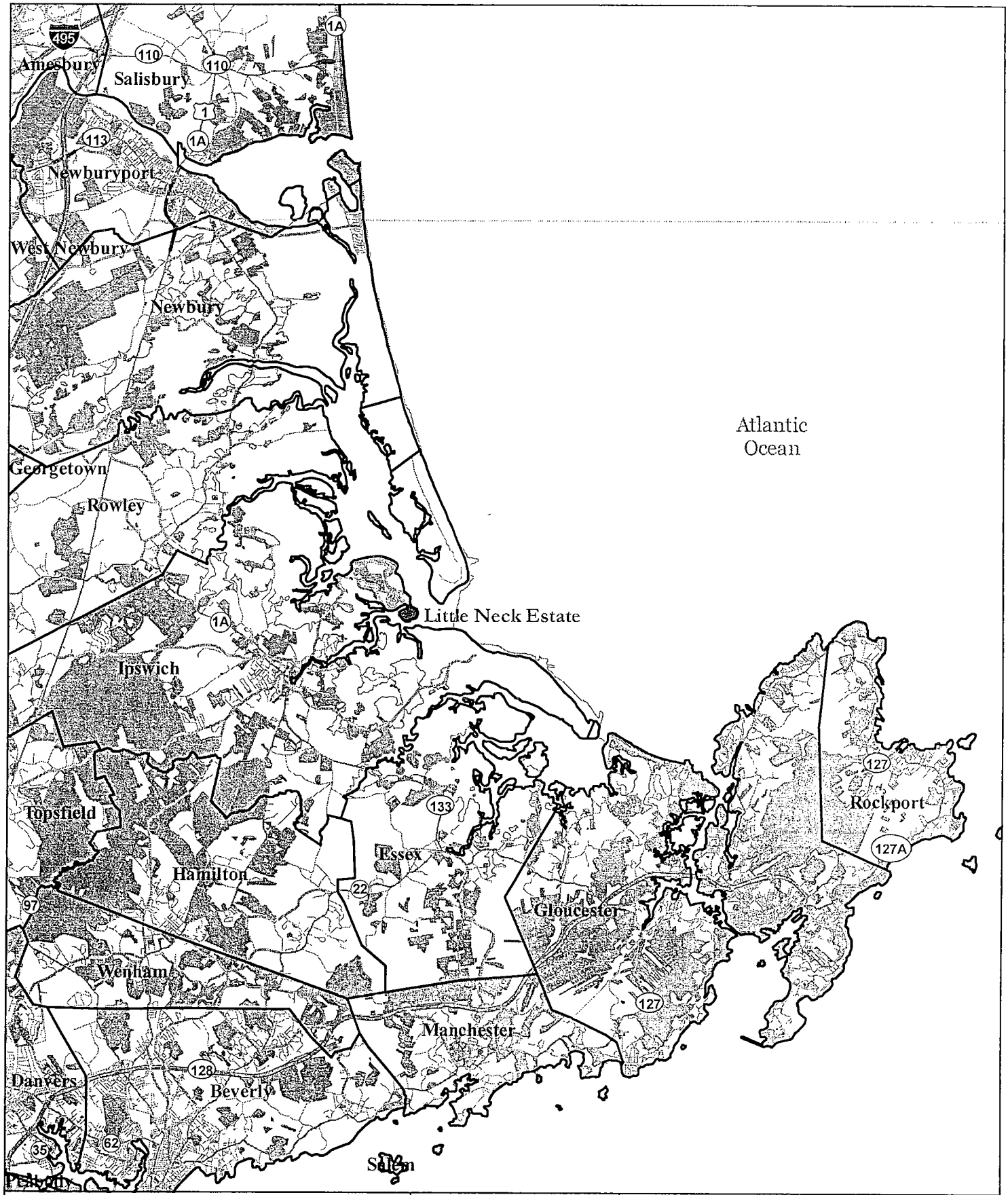
Little Neck and neighboring *Great Neck* are part of the previously-mentioned *Eastern Coastal Area* of Ipswich. The area is located at the town's far eastern shore, three miles from the center of town, at the end of Jeffrey's Neck Road. Jeffrey's Neck Road follows a northeasterly course from the Town Wharf through a medium density residential area, at which point the road narrows to a causeway across the salt marshes and terminates at the entrance to Great Neck. Little Neck Road then runs along the western and southern edge of Great Neck, leading to a coastal causeway that terminates at the entrance of Little Neck.

Little Neck

Dramatic, extended water views and tidal river access are arguably the greatest assets of the *Little Neck* neighborhood context. The property's 90± foot peak elevation and its causeway-accessed, "island" configuration afford spectacular views in all directions, with many views taking in pristine, protected landscapes and seascapes.

To the south and east across the *Ipswich River* lie the beaches, woodlands, dunes and marshes of the *Crane Estate*, a 2,000± acre conservation property owned and managed by *The Trustees of Reservations*. To the north, across *Ipswich Bay*, lies the southern tip of *Plum Island*, with State and Federally-owned lands of the *Sandy Point State Reservation* and the *Parker River National Wildlife Sanctuary*. Views to the northwest extend up the Parker River towards Newburyport and New Hampshire, and views to the southwest include the river, tidal marshland and Great Neck. The marsh and estuarine system comprising the Parker River Wildlife Sanctuary are part of the Great Marsh, a 20,000 acre area of tidal marsh, barrier beaches, tidal rivers, mudflats and upland islands extending from Gloucester to Salisbury. The *Great Marsh* is the largest marsh system in New England and the largest contiguous marsh north of Long Island on the Eastern Seaboard of the United States. In 1979, the Parker River/Essex Bay area (now "Great Marsh") was designated an "Area of Critical Environmental Concern (ACEC)." This designation carries more stringent environmental/regulatory oversight of coastal projects within ACEC areas – the implications of which for the subject property will be discussed in greater detail in Section III of this report.

The relative location of Little Neck in the context of the Great Marsh ACEC is illustrated on the Conservation Context Plan on the following page of this report.



Legend

- Subject Property
- Great Marsh - ACEC
- Protected Open Space

Conservation Context Plan	Project Number: 8954	Scale: 0 0.45 0.9 1.8 Miles
	Date: September 29, 2010	
Little Neck Ipswich, Massachusetts	*This plan is conceptual only and is not represented as an engineered plan.*	LandVest Ten Post Office Square, Boston, MA 02109

Little Neck is currently a seasonal-use, oceanfront cottage community, though up to 24 of the 167 cottages on Little Neck may be used as year-round residences. The property constitutes a single legal parcel of 35± acres improved with cottages of widely varying size and quality on individually-referenced and taxed parcels. The "lots" are not legally divided, recorded or separately transferable – they are simply drafted for tax reference purposes.

The land is held by the *Feoffees of the Grammar School*, with lots historically rented on a tenancy-at-will basis to residents who maintain privately-owned cottages on leased land. Individual tax parcels range in size from approximately 1,780 sf to 3,300 sf and average approximately 3,300 sf.

The tenant-owned cottages range considerably in terms of location on the parcels, architectural styles and quality of design and at least half of the cottages are fairly rustic in terms of finish.

Neighborhood amenities on *Little Neck* include a community house, basketball court, private beach, an association wharf with pier and float moorings. A state mandated common septic disposal system was installed in 2006, at a total cost in excess of $6,000,000. The system's holding tanks require daily pumping via septic removal trucks.

The historically stable and close-knit nature of this seaside community is another of its distinct assets. It is physically self-contained, as it is surrounded by water and accessed by a single point of entry which is often staffed by a security guard in the summer to limit entry to residents and their guests. Many families have owned cottages for generations, and a strong multi-generational, communal atmosphere prevails.

Great Neck

Great Neck is located to the west of *Little Neck* and is essentially a larger version of the same basic coastal feature – an elevated drumlin offering extended bay, estuary and ocean views in several directions. *Great Neck* is a year-round waterfront neighborhood on a 350 acre tract of bluff, hill, upland, and beach, surrounded on three sides by the Plum Island Sound, Ipswich River and Eagle Hill River, and on the fourth side by salt water marshland. It has two main hills, known as *North Ridge* and *Plover Hill*, which contain densely populated residential areas as well as areas of open land. There are currently 472 occupied residential lots on *Great Neck* and they range in size from .07± acres to 5.2± acres. The average lot size is approximately .34± acres. Of the total improved lot tally, only 15 include two-or three-family homes. The remaining lots are improved with largely owner-occupied, single family homes. The roads are publicly-owned and maintained. Sewer service is not available and lots are served by Town water and private septic systems.

Beginning in 1951, residential lots, which had previously been leased lots, were sold by the *Proprietors of Great Neck,* descendents of a single owner of the entirety of *Great Neck.* As of this writing, *The Proprietors of Great Neck* have sold all of their holdings with the exception of three parcels: two, half-acre parcels and a 46 acre wooded site on Skytop Road that is currently leased by the United States Air Force for use as a radar research center. Other undeveloped but protected parcels on *Great Neck* include a 64-acre undeveloped parcel in the center of North Ridge as well as 16 other pocket parcels totaling 22 acres, as well as Pavilion Beach and Playground. Finally, *The Association of Great Neck*, a voluntary home-owner's association ($30 annual fee), owns and maintains a 66.6 acre parcel containing *Clark Pond* and *Clark Beach.* Development potential for any remaining vacant lots is very limited due to the town's zoning regulations and septic requirements. All lots are served by private septic systems or tight tank systems.

While much of the housing stock on *Great Neck* dates from the mid century and was built for seasonal use, the area has seen a surge of development in recent years. Many of the camp-style residences have been upgraded or replaced with contemporary, year-round homes. Demand for waterfront and water view properties remains fairly high, and *Great Neck* has evolved from a working class summer community in the 1950s to a more upscale, year-round neighborhood today.

Great Neck serves as a highly comparable fee-simple coastal sub-market relative to Little Neck.

4. Favorable and Unfavorable Factors

Favorable factors of *Little Neck* include its excellent market appeal as a very scenic coastal neighborhood and relatively convenient second home market. The *Little Neck* neighborhood generates buyers from the Boston, Hartford and Springfield areas as well as many local residents who use their cottages sporadically during the summer months. The traditionally stable character of the neighborhood, its private status and wide-range of children's activities, beach, boating and summer functions all contribute to its appeal.

Historically, the most significant unfavorable factors affecting the *Little Neck* market include the lack of security in the leasehold land and difficulty in obtaining traditional bank financing. Currently, conveyances are documented via a bill of sale which accounts for the value of improvements and the implied leasehold value of the underlying land/lot.

By far, the most significant factor affecting the market for *Little Neck* Real estate is the unresolved status of protracted litigation between the *Feoffees* and the *Little Neck Action Committee.* Since the 1997-98 increase in annual market rents imposed by the *Feoffees*, tension between the tenants and the *Feoffees* has

escalated to the point where *Little Neck* property values – or at least market appeal and sales volume - have suffered. This is due to a combination of diminished market demand, high listed inventory and a still aggressive pricing structure. It is clear that once the pending litigation is resolved and a new, more stable ownership and management structure is implemented, *Little Neck* will very likely thrive as a high amenity-value residential submarket, but as of the effective date of this report, the property's conflicted status is considered an unfavorable market factor.

C. PROPERTY DESCRIPTION

The subject of this analysis is a 35± -acre, coastal peninsula commonly known as "*Little Neck Estate*," located in the east-central portion of the Town of Ipswich, southern Essex County, Massachusetts. The property is situated on the northerly bank of the Ipswich River at its confluence with *Plum Island Sound* and *Ipswich Bay*. The property is bordered to the east by *Plum Island Sound/Ipswich Bay*; southerly and westerly by the *Ipswich River*; and northerly by *Neck Cove*, an enclosed tidal tributary of the Ipswich River.

There is no recorded perimeter survey or legal subdivision plan of the property. In the absence of a record plan, Town assessor's maps have been used for general reference and area calculation purposes. Assuming fee ownership extends to mean low water, planimetric area calculations performed by LandVest from the scaled assessor's map 24C, indicates a gross land area of between 35-36± acres. Of this total and based on DEP wetlands mapping, the total tidal wetland area amounts to approximately 7± acres (19% of gross area), indicating a contiguous upland area of approximately 28± acres.

Geologically, the property represents a coastal drumlin with a regular oval shape and single point of access via Little Neck Road. The primary access road paralleling Pavilion Beach is a flood-prone, filled "causeway" between *Ipswich Bay* and *Neck Cove*. This causeway has a history of tidal overwash during major storm events. In fact, *Pavilion Beach* is named for a pavilion that was demolished during the Blizzard of 1978.

The property's overall (extreme) dimensions are approximately 1,900± feet (east/west) by 1,200± feet (north/south), and the total navigable shore frontage on *Plum Island Sound* and the *Ipswich River* amounts to approximately 3,400± feet (.64± miles). Additional tidal frontage along *Neck Cove*, measured from Plum Sound Road to the community dock, totals approximately 1,220± feet. The south-central portion of the Ipswich River frontage is sandy beach available to residents and guests. This frontage also provides excellent access to a large number of seasonal, deepwater moorings in the Ipswich River, just a ¼ mile from the open waters of *Ipswich Bay* (*Atlantic Ocean*).

The property ranges in elevation from mean sea level to a high point elevation of approximately 90± feet and although quite steep in areas, the side slopes of the hill are generally quite smooth and regular. A combination of the site's conical/oval shape and substantial elevation allows for a dramatic, 360-degree view perspective from the central

upland portion of the site. Perhaps the most dramatic best view perspective is generally to the east/southeast across the mouth of the *Ipswich River* to *Steep Hill*, *Crane Beach* and down the coastline to *Halibut Point* at Rockport. North-northeasterly views are nearly as dramatic and extend up the length of Plum Island - a pristine barrier beach and bird sanctuary – and Plum Island Sound. *Mount Agamenticus*, located some 50+ miles to the north in Maine, is clearly visible from mid-higher elevations. Additionally, extended views up the Ipswich River, Neck Creek and tidal marshes are also available from the westerly aspect of the property. There are a few *natural* impediments to off-site views from the property's interior, though the high density of existing cottages limits views from several interior portions of the site. The most severe slopes are found in the northeast portion of the property facing *Plum Island Sound.* In fact, nearly the entire east and northeast-facing slope is composed of dramatic headlands that rise approximately 50 feet from mean sea level at an average gradient of 50%. This portion of the shoreline is partially retained by a boulder revetment and riprap and the upper portion of the coastal bank is generally well-vegetated. However, on the day of our inspection we noticed several areas where recent storms had resulted in erosion and gullying. Given the severe slope and direct northeasterly exposure of this bank, additional retention measures may be necessary to stabilize the slope and reduce the rate of erosion.

The property is traversed by a grid network of interior private roads totaling approximately 9,700± feet (1.84± miles). Traveled surfaces include both bituminous pavement and gravel and the roads generally range in paved width from approximately 10 to 14± feet. They are improved with underground (conduit) utilities, municipal water service, surface storm drainage and a recently-completed sewage collection system consisting of holding tanks and a series of trunk lines and collection laterals. The entire interior road network is privately owned and monitored by the *Feoffees of the Grammar School*, but the Town of Ipswich plows the roads during the winter months.

In September of 2000, the *Feoffees* complied with an Administrative Consent Order from the Massachusetts Department of Environmental Protection (DEP) to bring the existing sewage disposal facilities on Little Neck into compliance with the Commonwealth's sanitary disposal regulations (Title V). Specifically, it required that any existing cottage not served by a satisfactory drip irrigation system should be refitted with a so-called "tight tank" no later than November 30, 2003. In May of 2001, the Consent Order was delayed while the Town evaluated the feasibility of extending municipal sewer service to Little Neck and Great Neck. That option was found to be infeasible

In March of 2005, DEP issued an approval to construct a new collection system consisting of four, 30,000 gallon holding tanks (installed beneath the current ball field); a 2,000 gallon spill containment tank; an MIS emergency power building; and, a 75 KW emergency generator and fuel tank. The stated design capacity of the collection system was capped at 50,000 gallons per day based on the existing aggregate bedroom count of 462 bedrooms (110 gallons per bedroom/per day per then-current Title V). It is very clear that the final approval includes no provision for any increase in design flow – hence, the property's bedroom capacity is effectively capped at 462 bedrooms.

It should be noted that "tight tanks" are not considered an allowable engineering "solution" to residential sewage disposal under Title V and it is evident that the property's grandfathered (e.g. pre-dates disposal regulations) unit density would not be feasible under current environmental regulations.

The single lot property is currently improved with a total of 167 cottages, 24 of which have current approval for year-round use. The remaining lots are restricted to seasonal use in accordance with the use terms outlined in the Feoffees' most recently-promulgated Rules and Regulations. No seasonal restrictions are imposed by the Town of Ipswich or by DEP.

There are total of approximately 39 unimproved lots and four with accessory improvements on them. Cottages range in size from roughly 490± square feet to nearly 3,000± square feet and assessor's lots range in size from 1,780± square feet (.04 acres) to 7,820± square feet.

Community buildings and structures include: a c. 1930s lodge building with roughly 1,665+ s.f. of finished area (interior not inspected); a timber-framed, fixed pier and float; a gravel launch on the Ipswich River; and, interior roads and utility infrastructure.

Common amenities include a sandy beach and upland gathering area, a grass ball field with backstop and a single, paved basketball court.

D. PARCEL INVENTORY AND TAX ASSESSMENT SUMMARY

Based on a review of Town of Ipswich Assessors' records and parcel mapping, the subject property as currently referenced for taxation purposes has a total of 210 individually-taxed parcels. Of this total, approximately 167 are improved with privately owned, seasonal and year-round dwellings, one is semi-improved with a detached utility shed, and approximately 42 parcels are vacant or marginally improved and owned by the *Feoffees of the Grammar School.*

A comprehensive tabulation and assessment summary for the *improved leasehold parcels* is included in ***Table I*** on the following pages of this report, followed by a tabulation of *vacant leased parcels* shown in ***Table II***, and a listing of *non-leased lots under Feoffee's Ownership* in ***Table III***.

A compiled plan entitled "***Current Use Plan***" (following ***Tables I, II*** and ***III***) provides a color-coded summary of seasonal and year-round cottage lots, vacant parcels, open space and roads.

Table I

LITTLE NECK ESTATE PARCEL INVENTORY

Improved Leased Parcel Inventory/Assessments – Fiscal Year 2010

Ipswich Assessor's Map 24C, Block 69, and Lots as shown

Lot	Address	Lot Area (sf)	2010 Assessments			
			Land Value	Building Value	Yard Value	Total Value
1	63 River Road	3,060	$316,700	$113,200	$0	$429,900
2	61 River Road	2,843	$294,300	$70,800	$0	$365,100
3	59 River Road	3,327	$344,300	$70,400	$0	$414,700
4	57 River Road	3,400	$351,900	$86,700	$0	$438,600
5	55 River Road	3,210	$332,200	$80,200	$0	$412,400
6	53 River Road	3,458	$357,900	$159,100	$0	$517,000
7	49 River Road	2,400	$248,400	$106,000	$0	$354,400
8	47 River Road	1,980	$147,000	$56,900	$0	$203,900
9	44 River Road	2,860	$296,000	$113,300	$0	$409,300
10	46 River Road	5,160	$350,000	$124,200	$0	$474,200
11	48 River Road	3,720	$363,500	$208,200	$0	$571,700
12	50 River Road	3,360	$347,800	$84,500	$0	$432,300
13	45 River Road	2,600	$193,100	$55,600	$0	$248,700
14	43 River Road	2,340	$242,200	$172,400	$0	$414,600
15	41 River Road	2,350	$243,200	$169,000	$0	$412,200
16	39 River Road	2,400	$248,400	$177,700	$5,400	$431,500
17	37 River Road	2,600	$269,100	$81,400	$0	$350,500
18	35 River Road	2,500	$258,800	$38,000	$0	$296,800
20	31 River Road	3,000	$310,500	$107,800	$4,700	$423,000
21	29 River Road	3,250	$336,400	$71,900	$0	$408,300
22	27 River Road	2,770	$286,700	$95,700	$0	$382,400
23	25 River Road	2,400	$248,400	$116,400	$400	$365,200
24	6 Bay Crest Road	3,000	$222,800	$69,200	$0	$292,000
25	31 Middle Road	2,980	$221,300	$85,200	$0	$306,500
26	29 Middle Road	3,540	$260,300	$77,800	$0	$338,100
28	21 Middle Road	3,000	$222,800	$113,500	$0	$336,300
29	19 Middle Road	3,000	$222,800	$149,600	$0	$372,400
30	15 Middle Road	2,000	$14,900	$0	$13,300	$28,200
31	11 Middle Road	2,780	$206,400	$91,000	$0	$297,400
32	9 Middle Road	4,020	$261,500	$77,300	$0	$338,800
33	7 Middle Road	3,870	$261,100	$68,300	$0	$329,400
34	5 Middle Road	3,870	$261,100	$100,500	$0	$361,600
35	3 Middle Road	3,870	$261,100	$71,700	$0	$332,800

Lot	Address	Lot Area (sf)	2010 Assessments			
			Land Value	Building Value	Yard Value	Total Value
37	1 Hilltop Road	2,159	$126,800	$75,100	$0	$201,900
38	4 Middle Road	2,230	$145,500	$163,500	$0	$309,000
39	6 Middle Road	2,400	$156,600	$134,100	$0	$290,700
40	8 Middle Road	4,240	$230,300	$203,600	$0	$433,900
41	12 Middle Road	3,840	$229,400	$71,000	$0	$300,400
42	16 Middle Road	5,300	$232,600	$117,400	$0	$350,000
43	20 Middle Road	4,360	$230,600	$109,400	$0	$340,000
44	22 Middle Road	4,280	$230,400	$99,400	$0	$329,800
45	24 Middle Road	3,590	$228,900	$81,300	$0	$310,200
46	26 Middle Road	3,370	$219,900	$115,500	$0	$335,400
47	28 Middle Road	3,240	$211,400	$100,000	$0	$311,400
48	30 Middle Road	3,000	$195,800	$106,900	$0	$302,700
49	25 Hilltop Road	4,225	$230,300	$209,200	$0	$439,500
50	23 Hilltop Road	3,591	$228,900	$58,500	$0	$287,400
51	21 Hilltop Road	3,450	$225,100	$81,700	$400	$307,200
52	19 Hilltop Road	3,575	$228,800	$84,600	$0	$313,400
53	15 Hilltop Road	3,950	$229,700	$108,500	$0	$338,200
54	11 Hilltop Road	7,420	$237,200	$150,500	$0	$387,700
55	9 Hilltop Road	3,500	$228,400	$141,200	$500	$370,100
56	10 Middle Road	3,210	$199,000	$97,900	$0	$296,900
57	7 Hilltop Road	3,660	$229,000	$134,500	$600	$364,100
59	35 Bay Road	4,550	$262,800	$211,200	$500	$474,500
60	33 Bay Road	2,400	$178,200	$124,900	$500	$303,600
61	31 Bay Road	2,160	$160,400	$67,400	$0	$227,800
62	29 Bay Road	2,400	$178,200	$115,400	$500	$294,100
63	27 Bay Road	2,470	$183,400	$208,000	$600	$392,000
64	25 Bay Road	3,000	$222,800	$47,600	$600	$271,000
65	23 Bay Road	3,000	$222,800	$64,200	$0	$287,000
66	19 Bay Road	3,600	$260,500	$90,200	$0	$350,700
67	17 Bay Road	3,180	$236,100	$69,000	$0	$305,100
68	15 Bay Road	3,230	$239,800	$77,800	$0	$317,600
70	16 Bay Road	4,510	$230,900	$106,300	$0	$337,200
71	18 Bay Road	4,410	$230,700	$210,900	$300	$441,900
72	5 Gala Way	3,000	$195,800	$82,700	$0	$278,500
75	8 Hilltop Road	3,000	$195,800	$207,800	$0	$403,600
76	10 Hilltop Road	3,000	$195,800	$84,300	$0	$280,100
77	12 Hilltop Road	3,000	$195,800	$76,200	$0	$272,000
79	4 Cove Road	5,110	$232,200	$74,200	$0	$306,400

Lot	Address	Lot Area (sf)	2010 Assessments			
			Land Value	Building Value	Yard Value	Total Value
80	6 Cove Road	3,000	$195,800	$55,900	$0	$251,700
81	8 Cove Road	3,000	$195,800	$79,200	$0	$275,000
82	10 Cove Road	3,000	$195,800	$85,800	$500	$282,100
83	12 Cove Road	5,100	$232,200	$77,700	$0	$309,900
84	12 Bay Road	4,260	$230,300	$102,600	$0	$332,900
85	17 Cove Road	3,000	$195,800	$73,800	$0	$269,600
86	15 Cove Road	3,000	$195,800	$78,200	$1,800	$275,800
87	9 Cove Road	3,000	$195,800	$181,400	$0	$377,200
89	5 Cove Road	3,000	$195,800	$81,800	$0	$277,600
90	3 Cove Road	3,000	$195,800	$74,200	$0	$270,000
91	16 Hilltop Road	1,780	$116,100	$59,500	$0	$175,600
92	18 Hilltop Road	3,140	$204,900	$63,100	$0	$268,000
93	18 Bay Crest Raod	3,000	$195,800	$111,000	$0	$306,800
94	22 Bay Crest Road	3,000	$195,800	$61,500	$0	$257,300
95	24 Bay Crest Road	3,000	$195,800	$121,900	$0	$317,700
96	26 Bay Crest Road	3,000	$195,800	$88,800	$0	$284,600
97	28 Bay Crest Road	3,000	$195,800	$175,700	$0	$371,500
98	30 Bay Crest Road	3,870	$229,500	$140,400	$0	$369,900
99	8 Bay Road	3,750	$229,200	$91,100	$0	$320,300
100	27 Bay Crest Road	3,000	$195,800	$148,700	$0	$344,500
101	25 Bay Crest Road	3,000	$195,800	$93,500	$0	$289,300
102	21 Bay Crest Road	3,000	$195,800	$82,200	$0	$278,000
103	20 Hilltop Road	3,000	$195,800	$72,100	$0	$267,900
104	33 Hilltop Road	3,000	$195,800	$75,300	$0	$271,100
105	9 Bay Crest Road	3,000	$186,000	$55,000	$0	$241,000
106	32 Middle Road	3,000	$195,800	$104,000	$0	$299,800
107	35 Middle Road	3,000	$222,800	$104,800	$0	$327,600
108	3 Bay Crest Road	3,000	$310,500	$85,000	$0	$395,500
109	21 River Road	3,000	$310,500	$92,900	$0	$403,400
110	4 Kings Way	3,000	$222,800	$101,500	$0	$324,300
111	37 Middle Road	3,000	$222,800	$106,700	$0	$329,500
112	8 Kings Way	3,000	$195,800	$191,000	$0	$386,800
113	10 Kings Way	3,000	$186,000	$96,800	$0	$282,800
114	35 Hilltop Road	3,000	$195,800	$88,400	$0	$284,200
115	22 Hilltop Road	3,000	$195,800	$165,000	$0	$360,800
116	16 Kings Way	3,000	$195,800	$90,200	$0	$286,000
117	20 Kings Way	3,000	$195,800	$100,400	$0	$296,200
118	22 Kings Way	3,000	$195,800	$108,300	$0	$304,100

Lot	Address	Lot Area (sf)	2010 Assessments			
			Land Value	Building Value	Yard Value	Total Value
120	6 Bay Road	2,700	$176,200	$57,700	$0	$233,900
121	29 Kings Way	4,410	$230,700	$75,800	$0	$306,500
122	27 Kings Way	3,000	$195,800	$110,300	$0	$306,100
123	25 Kings Way	3,000	$195,800	$87,200	$0	$283,000
124	21 Kings Way	3,000	$195,800	$97,400	$0	$293,200
125	19 Kings Way	3,000	$195,800	$62,200	$0	$258,000
126	17 Kings Way	3,000	$195,800	$74,100	$0	$269,900
127	24 Hilltop Road	3,000	$195,800	$107,200	$0	$303,000
128	37 Hilltop Road	3,000	$195,800	$109,400	$0	$305,200
129	11 Kings Way	3,000	$186,000	$80,100	$0	$266,100
130	36 Middle Road	3,000	$195,800	$113,300	$0	$309,100
131	39 Middle Road	3,000	$222,800	$63,100	$0	$285,900
132	5 Kings Way	3,000	$222,800	$74,100	$0	$296,900
133	3 Kings Way	3,000	$310,500	$72,400	$0	$382,900
134	2 Plum Sound Road	3,000	$310,500	$124,400	$0	$434,900
135	4 Plum Sound Road	3,000	$222,800	$114,300	$0	$337,100
136	6 Plum Sound Road	3,000	$222,800	$106,600	$0	$329,400
137	41 Middle Road	3,000	$222,800	$104,100	$0	$326,900
138	38 Middle Road	3,000	$195,800	$138,600	$500	$334,900
139	12 Plum Sound Road	3,000	$195,800	$130,500	$0	$326,300
140	14 Plum Sound Road	3,000	$195,800	$63,500	$0	$259,300
141	26 Hilltop Road	3,000	$195,800	$83,100	$0	$278,900
142	20 Plum Sound Road	3,000	$195,800	$93,000	$1,900	$290,700
143	22 Plum Sound Road	3,000	$195,800	$86,600	$0	$282,400
144	24 Plum Sound Road	3,000	$195,800	$108,900	$0	$304,700
145	28 Plum Sound Road	3,000	$195,800	$109,300	$0	$305,100
146	30 Plum Sound Road	3,950	$229,700	$102,700	$0	$332,400
147	27 Plum Sound Road	4,490	$262,700	$98,300	$0	$361,000
148	25 Plum Sound Road	4,680	$366,800	$207,800	$0	$574,600
149	23 Plum Sound Road	3,000	$195,800	$105,800	$0	$301,600
150	21 Plum Sound Road	3,000	$195,800	$120,300	$0	$316,100
151	19 Plum Sound Road	3,750	$229,200	$71,000	$0	$300,200
152	15 Plum Sound Road	3,000	$195,800	$91,700	$0	$287,500
153	13 Plum Sound Road	3,000	$195,800	$130,500	$0	$326,300
154	40 Middle Road	3,000	$195,800	$116,800	$0	$312,600
155	43 Middle Road	3,000	$222,800	$115,200	$0	$338,000
156	5 Plum Sound Road	3,000	$222,800	$66,400	$0	$289,200
157	3 Plum Sound Road	3,000	$310,500	$101,900	$0	$412,400

Lot	Address	Lot Area (sf)	2010 Assessments			
			Land Value	Building Value	Yard Value	Total Value
158	15 River Road	3,000	$310,500	$81,200	$0	$391,700
159	11 River Road	3,000	$310,500	$114,500	$0	$425,000
160	45 Middle Road	3,000	$222,800	$123,500	$0	$346,300
161	42 Middle Road	3,000	$195,800	$139,000	$0	$334,800
162	3 River Road	3,000	$195,800	$69,400	$0	$265,200
163	43 Hilltop Road	3,000	$222,800	$208,900	$0	$431,700
164	2 River Road	3,500	$362,300	$197,200	$0	$559,500
165	6 River Road	2,470	$255,600	$188,700	$0	$444,300
166	10 River Road	3,325	$344,100	$134,200	$0	$478,300
167	12 River Road	3,000	$310,500	$108,700	$0	$419,200
168	16 River Road	7,280	$377,600	$130,800	$400	$508,800
169	2 Cliff Road	3,020	$312,600	$170,900	$0	$483,500
170	4 Cliff Road	4,790	$367,200	$141,800	$0	$509,000
171	6 Cliff Road	3,520	$362,800	$104,300	$0	$467,100
172	8 Cliff Road	3,700	$363,400	$72,400	$0	$435,800
173	10 Cliff Road	2,430	$251,500	$69,100	$0	$320,600
101A	23 Bay Crest Road	3,000	$195,800	$82,000	$0	$277,800
102A	17 Bay Crest Road	3,000	$195,800	$159,600	$0	$355,400
116A	18 Kings Way	3,000	$195,800	$90,400	$0	$286,200
118A	24 Kings Way	3,000	$195,800	$78,100	$0	$273,900
41A	14 Middle Road	4,900	$231,700	$130,000	$0	$361,700
Totals		**12.52 acre**	**$38,763,000**	**$17,761,100**	**$33,400**	**$56,557,500**

Table II

LITTLE NECK ESTATE PARCEL INVENTORY

Vacant Leased Parcels – Fiscal Year 2010

Ipswich Assessor's Map 24C, Block 69, and Lots as shown

Lot	Address	Lot Area	2010 Assessments			
			Land Value	Building Value	Yard Value	Total Value
78	2 Cove Road	2,410	$15,700	$0	$0	$15,700
159A	9 River Road	3,000	$31,100	$0	$0	$31,100
29A	17 Middle Road	3,000	$22,300	$0	$0	$22,300
66A	21 Bay Road	3,600	$26,000	$0	$0	$26,000
Totals		**.28 acre**	**$95,100**	**$0**	**$0**	**$95,100**

Table III

LITTLE NECK ESTATE PARCEL INVENTORY

Non-Leased Parcels Under Feoffee's Ownership – Fiscal Year 2010

Ipswich Assessor's Map 24C, Block 69, and Lots as shown

Lot	Address	Lot Area	2010 Assessments			
			Land Value	Building Value	Yard Value	Total Value
0	39 Bay Road	11 acres	$658,400	$84,900	$72,900	$816,200
19	33 River Road	2,200	$22,800	$0	$4,800	$27,600
36	1 Middle Road	3,960	$26,100	$0	$0	$26,100
58	5 Hilltop Road	2,190	$14,300	$0	$0	$14,300
73	7 Gala Way	6,000	$23,400	$0	$0	$23,400
74	3 Gala Way	3,000	$19,600	$0	$0	$19,600
88	7 Cove Road	3,000	$19,600	$0	$0	$19,600
119	28 Kings Way	3,000	$19,600	$0	$0	$19,600
101B	26 Kings Way	3,000	$19,600	$0	$0	$19,600
102B	19 Bay Crest Road	3,000	$19,600	$0	$0	$19,600
103A	15 Bay Crest Road	3,000	$19,600	$0	$0	$19,600
109A	23 River Road	1,500	$15,500	$0	$0	$15,500
124A	23 Kings Way	3,000	$19,600	$0	$0	$19,600
134A	19 River Road	1,500	$15,500	$0	$0	$15,500
141A	18 Plum Sound Road	3,000	$19,600	$0	$2,300	$21,900
144A	26 Plum Sound Road	3,000	$19,600	$0	$0	$19,600
152A	17 Plum Sound Road	3,000	$19,600	$0	$0	$19,600
153A	11 Plum Sound Road	3,000	$19,600	$0	$0	$19,600
158A	13 River Road	1,250	$12,900	$0	$0	$12,900
165A	4 River Road	2,000	$20,700	$0	$0	$20,700
166A	8 River Road	3,000	$31,100	$0	$0	$31,100

Lot	Address	Lot Area	2010 Assessments			
			Land Value	Building Value	Yard Value	Total Value
166B	14 River Road	3,700	$36,300	$0	$0	$36,300
169A	30 Hilltop Road	3,000	$22,300	$0	$0	$22,300
23A	4 Bay Crest Road	3,000	$31,100	$0	$0	$31,100
25A	33 Middle Road	3,000	$22,300	$0	$0	$22,300
27A	23 Middle Road	3,000	$22,300	$0	$0	$22,300
27B	25 Middle Road	3,380	$25,100	$0	$0	$25,100
27C	27 Middle Road	3,360	$24,900	$0	$0	$24,900
43A	18 Middle Road	4,360	$23,100	$0	$0	$23,100
49A	27 Hilltop Road	2,915	$19,000	$0	$0	$19,000
52A	17 Hilltop Road	3,875	$22,900	$0	$0	$22,900
6A	51 River Road	1,728	$17,900	$0	$0	$17,900
70A	11 Gala Way	3,000	$19,600	$0	$0	$19,600
71A	9 Gala Way	3,000	$19,600	$0	$0	$19,600
75A	1 Gala Way	4,120	$23,000	$0	$0	$23,000
87A	11 Cove Road	3,000	$19,600	$0	$0	$19,600
92A	16 Bay Crest Road	3,000	$19,600	$0	$0	$19,600
93A	20 Bay Crest Road	3,000	$19,600	$0	$0	$19,600
Totals		**13.55 acres**	**$1,444,500**	**$84,900**	**$80,000**	**$1,609,400**

Total - Tables I, II and III	**26.37 acres**	**$40,302,600**	**$17,846,000**	**$113,400**	**$58,262,000**

The parcel inventory by lot type/use and ownership is further consolidated as follows:

Table IV

Consolidated Lot Assessment Data – Fiscal Year 2010

Property Component	Number	Approx. Acreage	2010 Assessments	
			Land Value	Total Value
Improved Leasehold Lots	167	12.495	$38,748,100	$56,529,300
Semi-Improved Leasehold Lots*	1	.045	$14,900	$28,200
Vacant Parcels/Leased	4	.28	$95,100	$95,100
Improved Parcels/Feoffee Owned**	1	11	$658,400	$816,200
Vacant Parcels/Feoffee Owned	37	2.55	$786,100	$793,200
Total Parcels	**210**	**26.37**	**$40,302,600**	**$58,262,000**

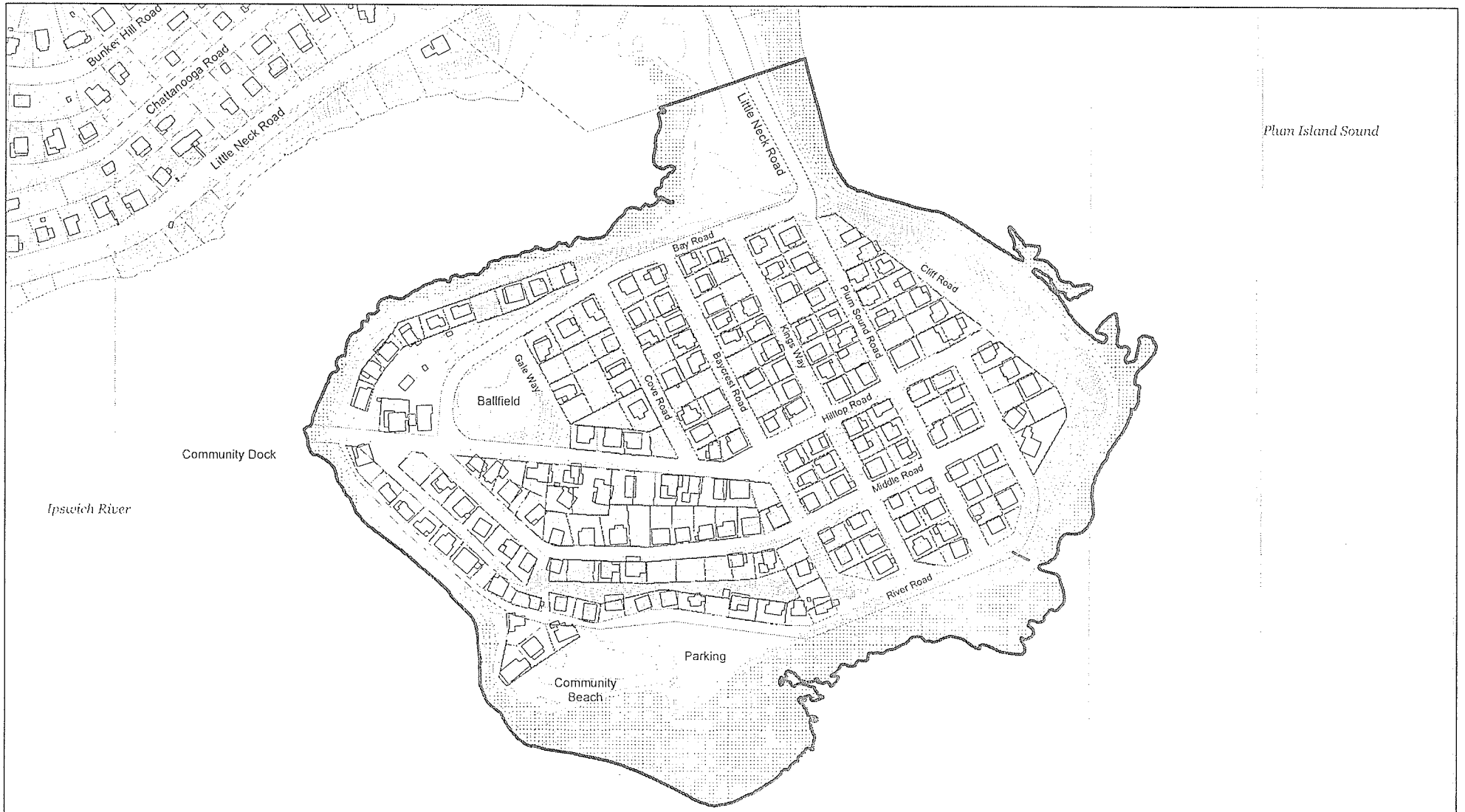
* Parcel 30 at 15 Middle Road – total value includes $14,900 in land and $13,300 in accessory improvements.
**Community Center and common land.

This analysis indicates that the total *land* assessment for the property amounts to $40,302,600, or approximately $1,528,622 per taxable acre and 69.2% of the *gross* valuation of $58,262,000.

The total assessed land value for the 167 leasehold parcels of $38,748,100 (cottage-improved only) indicates values of approximately $3,091,982 per rentable (improved) acre and approximately $232,024 per parcel.

It should be noted that undivided land is rarely taxed as though legally divided and fully transferrable. Undivided leasehold properties are typically assigned reference numbers, but the assessments typically reflect some level of discount for lack of fee simple property rights and seasonal use restrictions. No such discounts are evident in the current per parcel land assessment.

The location and configuration of both improved and vacant leasehold parcels and common parcels leased is illustrated on the Current Use Plan on the following page of this report.



Legend

- Remaining Land - Feoffees Ownership
- Lease Hold Parcels
- Vacant - Non-Leased Parcels
- Vacant - Leased Parcels
- Building Footprints
- Contours
- Wetlands
- Open Water

Little Neck

Ipswich, Massachusetts

Project Number: 8954

Date: September 29, 2010

This plan is conceptual only and is not represented as an engineered plan

Scale: 1" = 200'

0 100 200 400 Feet

LandVest

Two Post Office Square, Boston, MA 02109

Current Use Plan

Compiled Neighborhood Context and Base Plans of the subject property using parcel data from the Town's assessor's maps are provided on the following pages of this report.

Representative photos of the subject property follow the Base Plan.



Little Neck

Ipswich, Massachusetts

Project Number: 8954

Date: September 29, 2010

This plan is conceptual only and is not represented as an engineered plan

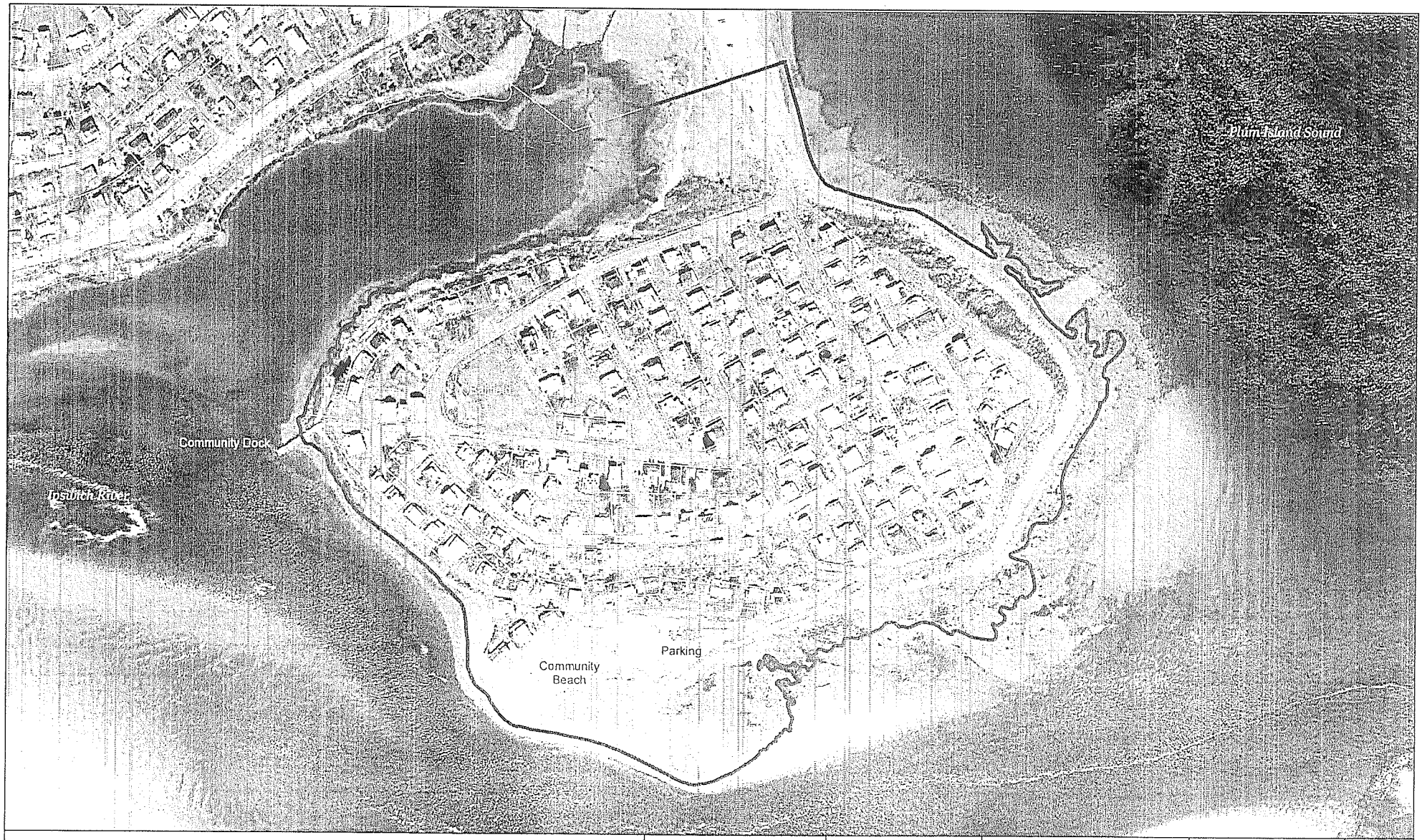
Scale

0 0.35 0.7 1.4 Miles

LandVest

Tea Post Office Square, Boston, MA 02109

Town Location Plan



Legend

Subject Property

Little Neck

Ipswich, Massachusetts

Project Number: 8954

Date: September 29, 2010

This plan is conceptual only and is not represented as an engineered plan

Scale: 1" = 200'

0 100 200 400 Feet

LandVest

Ten Post Office Square, Boston, MA 02109

Base Plan
Orthophotograph



Legend

- Subject Property
- Building Footprints
- Contours
- Wetlands
- Open Water

Little Neck

Ipswich, Massachusetts

Project Number: 8954

Date: September 29, 2010

This plan is conceptual only and is not represented as an engineered plan

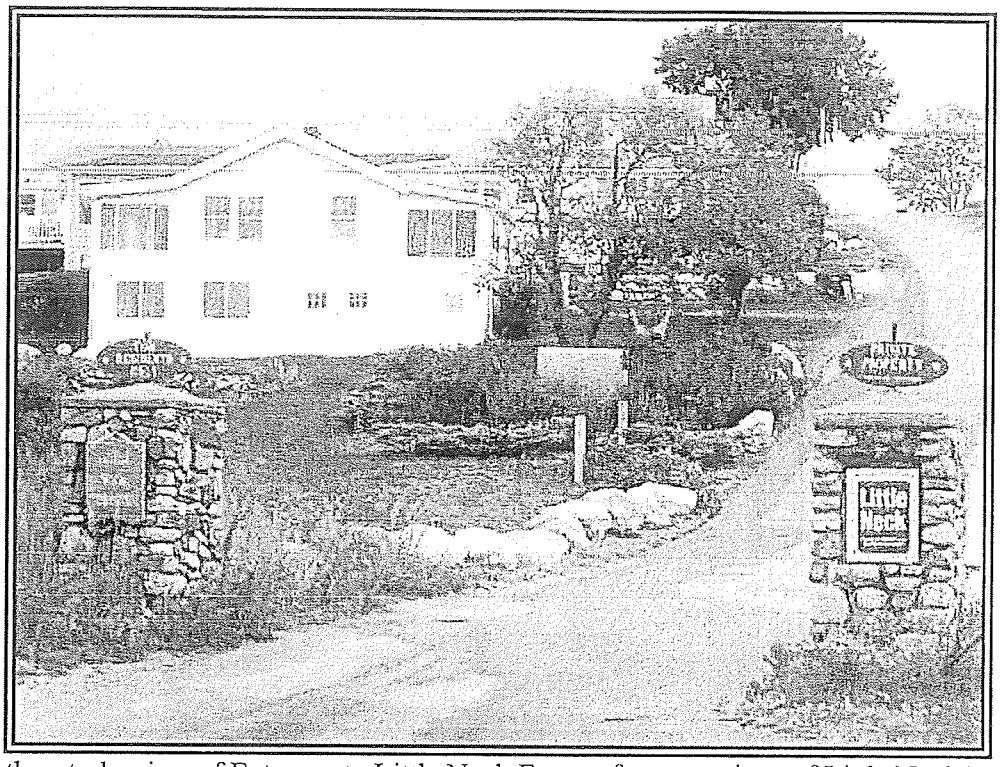
Scale 1" = 200'

0 100 200 400 Feet

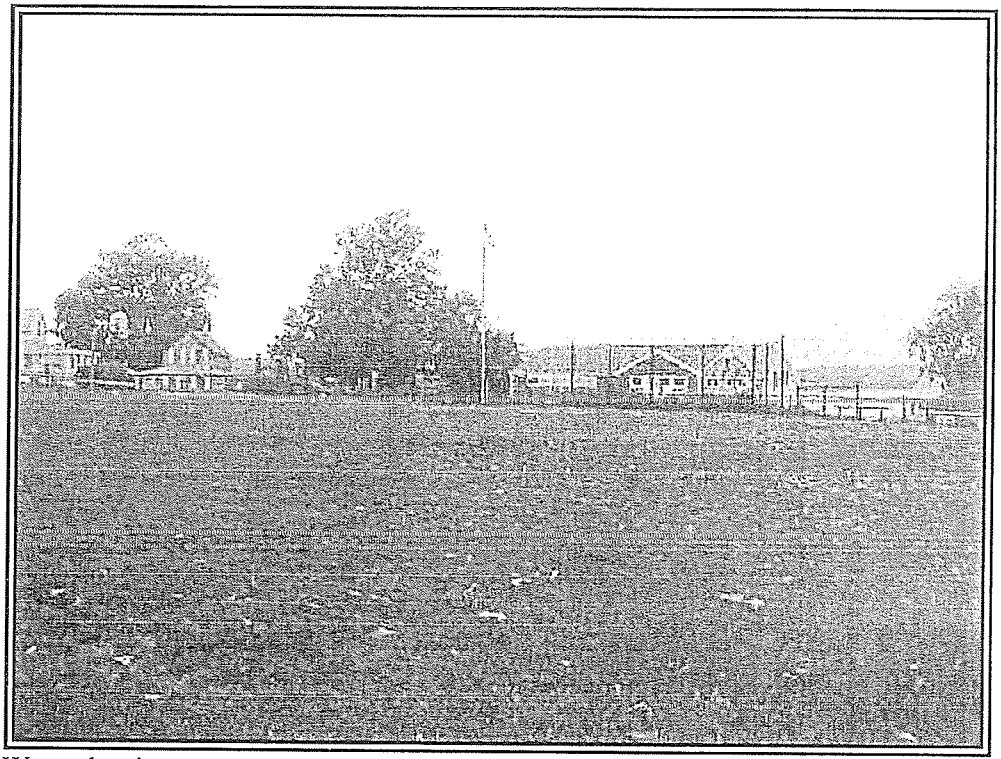
LandVest

Two Penn Office Square, Boston, MA 02109

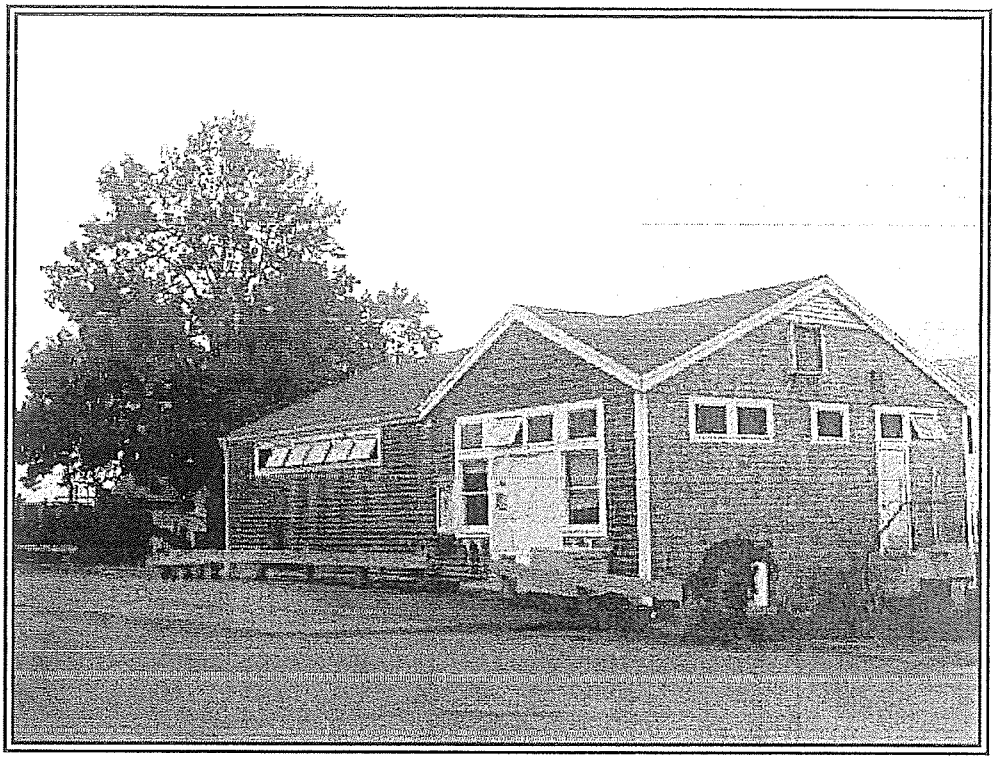
Base Plan



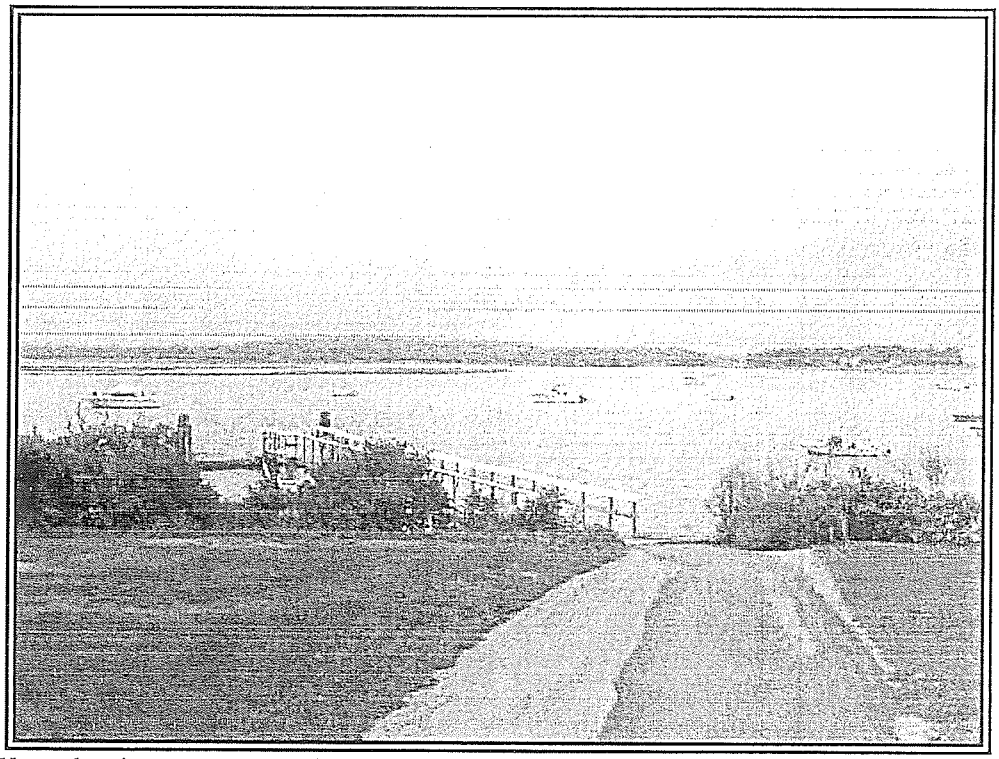
Southeasterly view of Entrance to Little Neck Estates from terminus of Little Neck Road.



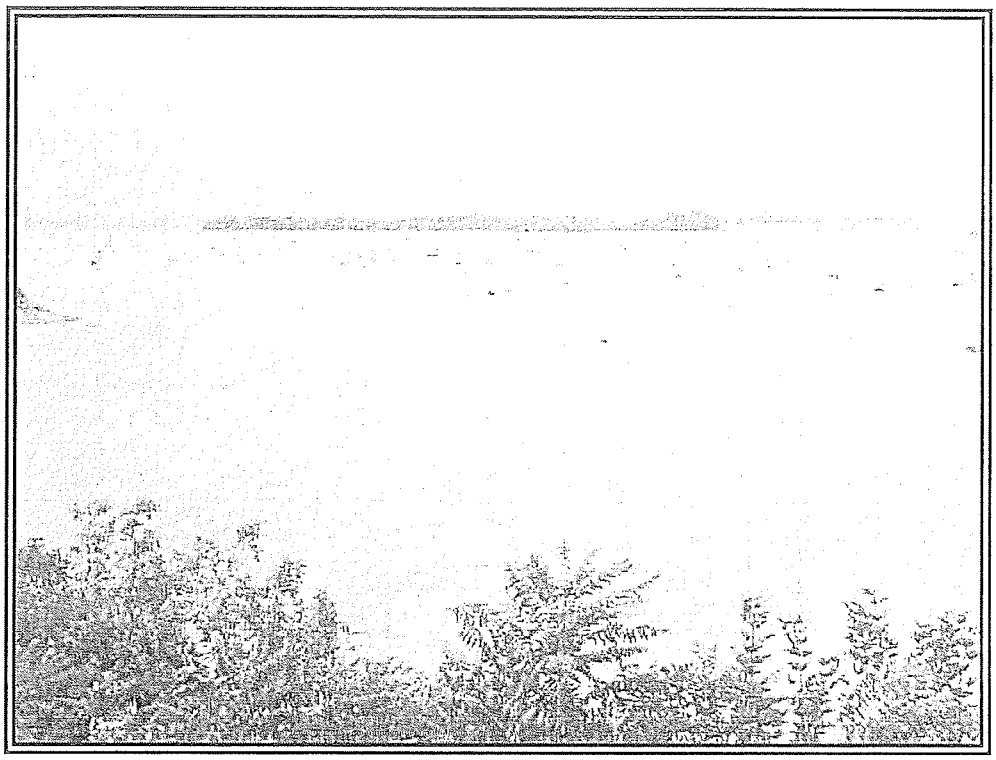
Westerly view across Playing Fields towards Community Center, from Gala Way.



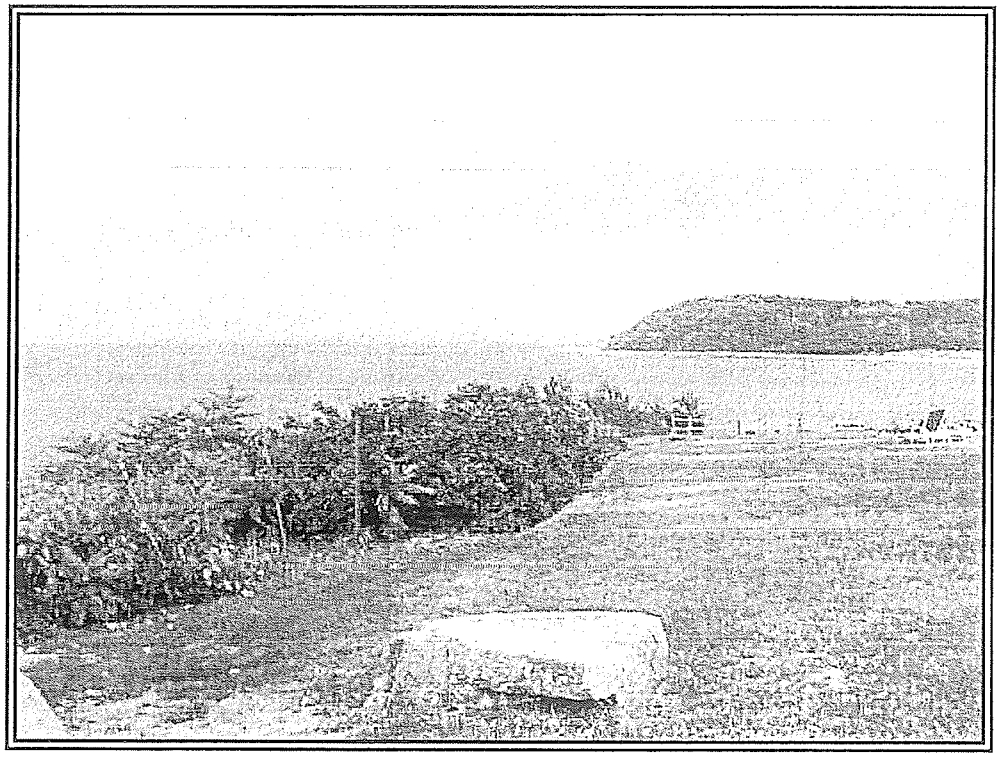
Easterly elevation of Community Center, from Bay Road.



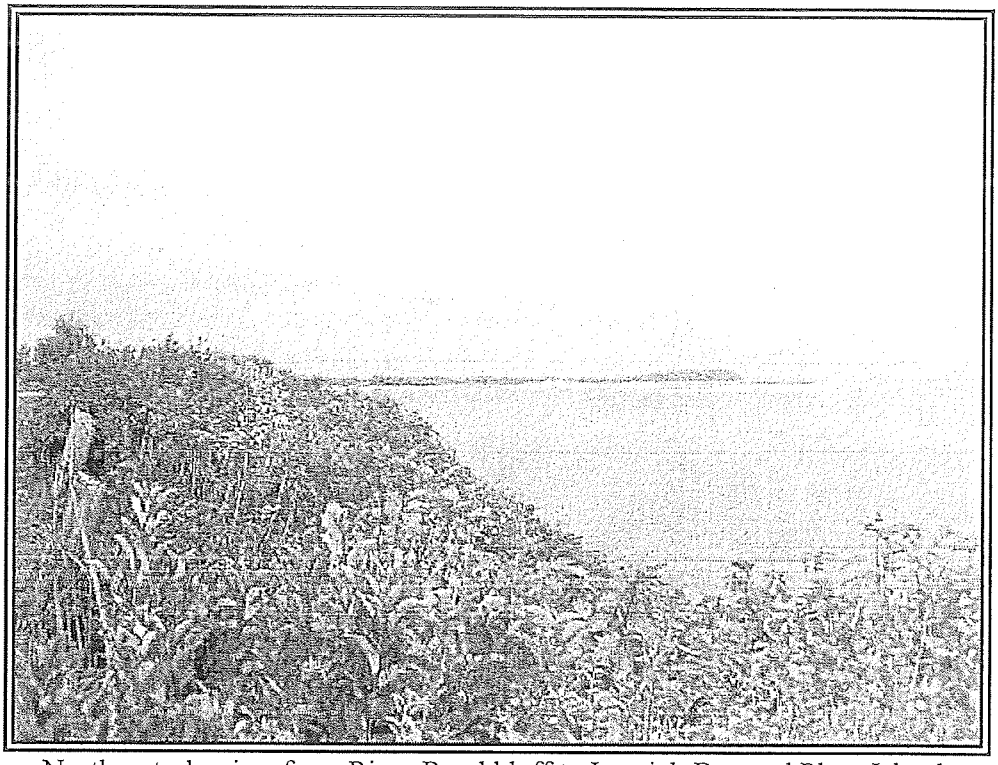
Westerly view to Community Dock on the Ipswich River from base of Hilltop Road.



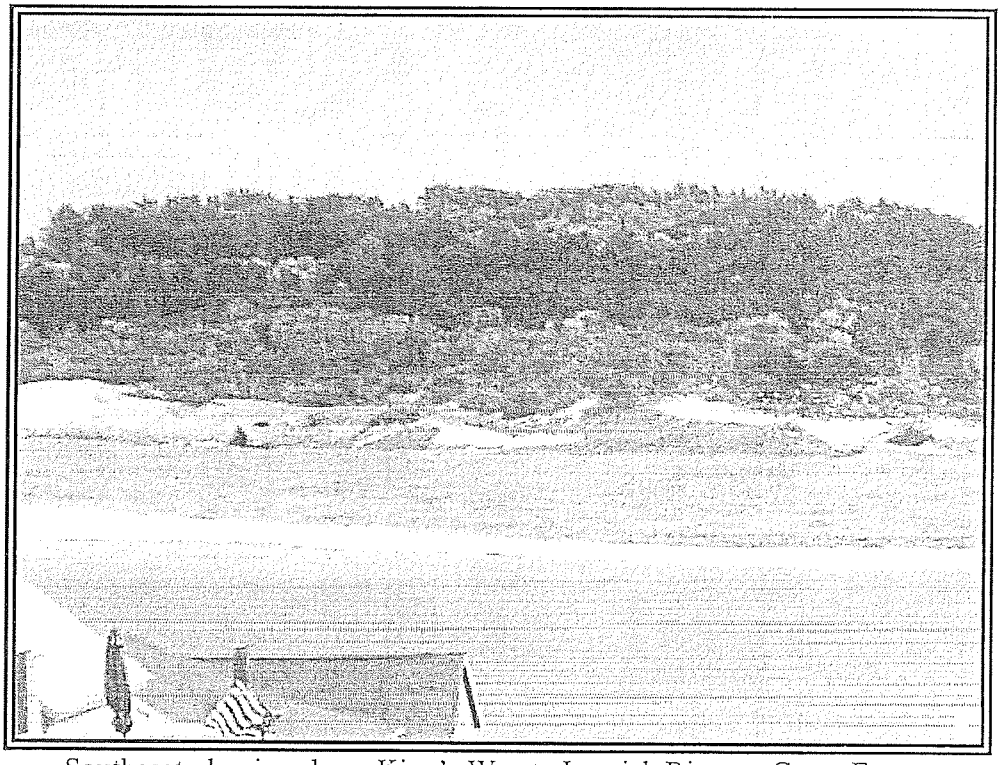
Northerly view from Cliff Road Ipswich Bay, Parker River and Plum Island.



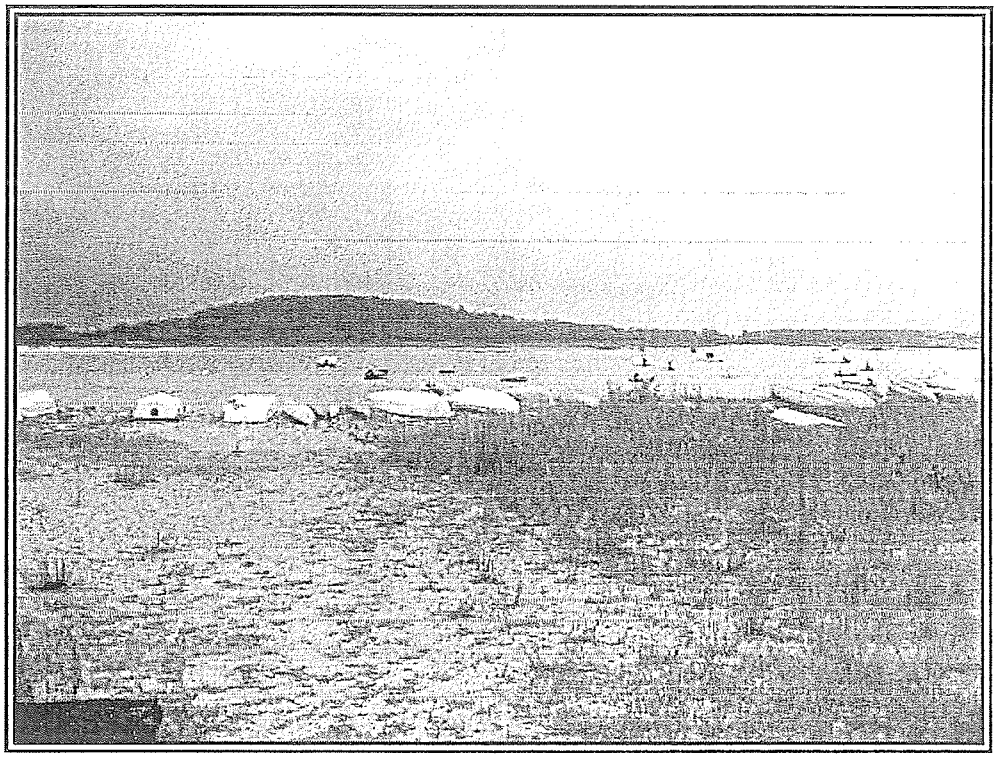
Easterly view from Cliff Road towards Crane Estate.



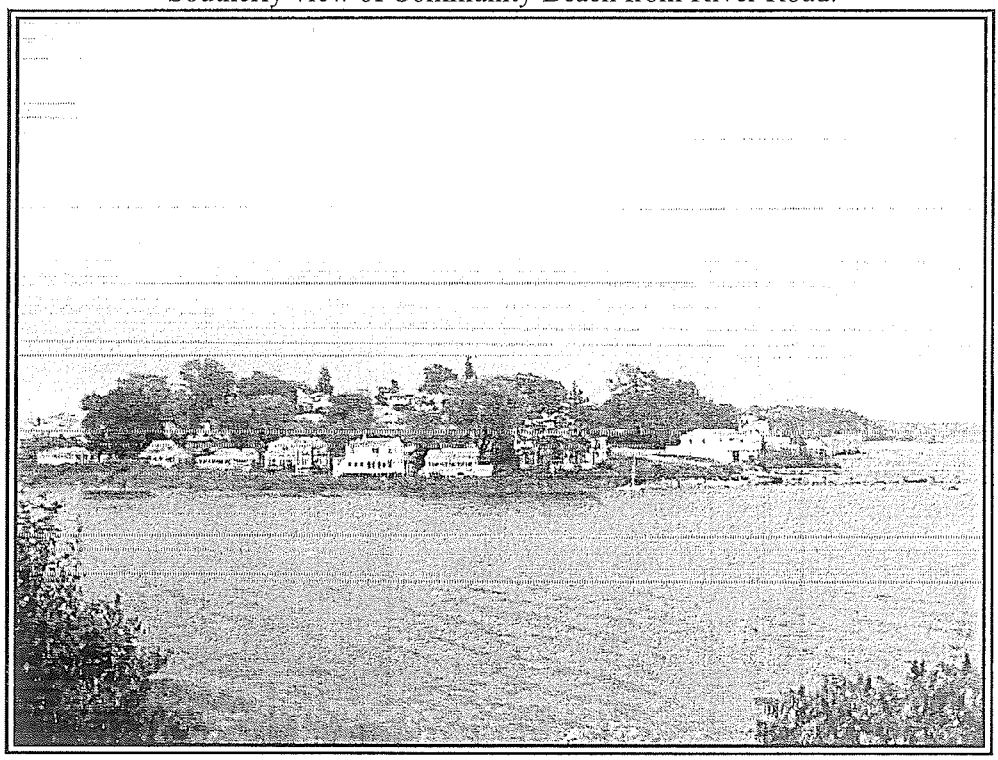
Northeasterly view from River Road bluff to Ipswich Bay and Plum Island.



Southeasterly view down King's Way to Ipswich River to Crane Estate.



Southerly view of Community Beach from River Road.



Southeasterly view from Great Neck (Little Neck Road) to northwestern shore of Little Neck Estates, dock at right, Crane Estate in background.

III. REGULATORY ANALYSIS

A. Zoning – Town of Ipswich

The entire subject property is located within the Town's Rural Residence B (RRB) Zoning District. Relevant "as-of-right" uses within the RRA District include single-family detached dwellings, church and religious uses, educational uses, child care facilities, outdoor recreational facilities, charitable uses and general conservation/agricultural uses. Uses which may be allowed following the issuance of a special permit from the Board of Appeals and Planning Board include open space preservation (cluster development), two-family dwellings, private clubs, rest home and private waste water treatment plants.

Standard	Newly Created Lots*	Conforming Lots (in existence as of October 2006)
Minimum Lot Area:	87,120 square feet (2 acres)	43,560 square feet (1 acre)
Minimum Lot Width:	175 feet (minimum width of 125 feet between the street frontage and the front of the principle building)	175 feet
Minimum Lot Frontage:	150 feet	150 feet
Minimum Front Yard Setback:	20 feet	20 feet
Minimum Side Yard Setback:	20 feet	20 feet
Minimum Rear Yard Setback:	20 feet	20 feet
Maximum Building Area:	20% of lot area (includes building area of primary and permanent accessory structures)	20% of lot area (includes building area of primary and permanent accessory structures)
Maximum Floor Area:	30% of lot area	30% of lot area
Minimum Open Space:	50% of lot area	50% of lot area

*If a residential development obtains a special permit, waiver or other local approval that increases the density or intensity of use beyond what is allowed by this requirement, said development shall conform to Section IX. I. (Inclusionary Housing Requirements).

Utilities

The Town of Ipswich requires underground installation of all utility systems including domestic water; sanitary sewerage; and electrical, telephone and cable television service. Overhead electric, telephone and cable television service is available along the Little Neck frontage and throughout the existing roadways of Little Neck.

B. Open Space Preservation (Cluster) Zoning

A cluster development is not a permitted use in the RRB District but has been included in this analysis as an alternative to conventional subdivision. It is assumed that the site may either be re-zoned to RRA or RRC to make the property eligible for Special Permit approval of a cluster development.

The following is a brief overview of performance standards enforced under the cluster bylaw. The Planning Board may by special permit waive any of the dimensional requirements below if it determines that such action would not be inconsistent with the purpose of the zoning intent.

Standard	Requirement
Minimum Tract Size:	At least 5 times the minimum lot area within the District
Maximum Lot Density:	It cannot exceed density by "conventional" subdivision
Wetlands/Coastal Exclusion:	50% of wetlands/coastal flood plain may be included in lot area calculations
Minimum Open Space:	50% of total parcel
Maximum Site Coverage:	20% (impervious)
Minimum Lot Area:	None
Minimum Lot Width:	75 feet
Minimum Lot Frontage:	50 feet
Minimum Front Yard Setback:	20 feet
Minimum Side Yard Setback:	10 feet
Minimum Rear Yard Setback:	25 feet

C. Subdivision Regulations

Any subdivision of land within the Town of Ipswich is subject to the regulations enacted under the Subdivision Control Law (enacted February 18, 1954). These regulations dictate the manner in which subdivisions are implemented, specifically with regard to public health and safety issues such as road construction standards, utility installation, and septic system design and construction.

In the Town of Ipswich, there are two types of subdivision review:

- "*Approval Not Required*"
  This process allows for the subdivision of land for properties that can provide the proposed lot or lots with adequate street frontage, lot area, and meet all the minimum requirements of zoning. When submitted to the Planning Board, the Board must make the determination that the plan meets or exceeds the minimum requirements defined in the Zoning Bylaw. Once a positive determination has been made, the plan is endorsed without requiring approval from the Board, hence the nomenclature, "Approval Not Required." This process does not involve a public hearing and

Planning Board endorsement is typically obtainable following a single review by the Board.

- *Definitive Subdivision*
  If a subdivision of land containing less than the minimum-required street frontage is proposed, a standard, definitive subdivision is necessary. This type of development requires extensive review and approval of engineering issues related to the proposal. The approval process of a definitive subdivision is longer than that of an ANR and involves a public hearing prior to final approval.

Pertinent Road Design Standards

The following design standards apply to new roads (Lanes and Local Streets) proposed under a Definitive Subdivision approval.

Standard	Lanes (serving up to 5 lots)	Local Street
Design Speed:	25 miles per hour	30 miles per hour
Minimum ROW Width:	40 feet	50 feet
Minimum Paved Width:	20 feet	24 feet
Maximum Grade:	10%	8%
Minimum Sight Distance:	160 feet	200 feet
Maximum Length of Cul-de-sac:	450 feet	600 feet
Cul-de-sac Diameter:	120 feet (100 feet paved)	120 feet (100 feet paved)

D. Wetlands Protection Act and Local Wetlands Bylaw

The Ipswich Wetlands Protection Bylaw provides for the protection of wetland resources in the Town of Ipswich under the *Massachusetts Wetlands Protection Act* (310 CMR). The local Conservation Commission has jurisdiction over wetlands resources and a 100-foot landward buffer zone extending from a delineated wetland edge. The regulations specify a 25-foot "no disturbance zone" and an additional 15-foot "no build zone" beyond the "no disturbance zone." No alteration is permitted in the "no disturbance zone" and no new structures are permitted in the "no build zone."

Great Marsh Area of Critical Environmental Concern (ACEC)

In addition to Wetlands Act regulations outlined above, the Ipswich Conservation Commission enforces protection within the *Great Marsh Area of Critical Environmental Concern (ACEC)*, which is generally delineated by a coastal elevation contour of 10 feet along the barrier beaches, salt marshes and water bodies in Gloucester, Essex, Ipswich, Rowley and Newbury. The regulations also apply to property within 100 feet of the ocean, a stream, wetland, dune, bank, or vernal pool; within 200 feet of a river or perennial stream; and **within 150 feet horizontally outward from the ACEC itself.**

All land located at or below the 10-foot contour circling the subject property falls within

the ACEC and the buffer zone subject to Conservation Commission jurisdiction extends 150 landward from the 10-foot contour.

Among other restrictions, new in-ground septic systems are not permitted within the ACEC buffer zone and any proposed work within ACEC jurisdiction generally comes under closer review and scrutiny than non-ACEC resource areas.

E. Soils Analysis

A review of N.R.C.S. Soil mapping indicates that the entire upland portion of the property is comprised of Paxton fine sandy loam with an overall slope gradient range of 15-25%. These soils are deep, moderately steep and are found mainly on the upper sides of hills. The subsoil consists of fine sandy loam about 14 inches in depth. The substratum is very firm and brittle, extending to a depth of 60" or more. The permeability of the substratum soils is slow to very slow and a high water table is perched above the substratum for brief periods in late winter and early spring. Paxton soils are rated as being *severely* constrained in terms of on-site sewage disposal due to slope and slow permeability.

F. Flood Zones

Based on our review of Federal Insurance Rate Maps of the property (per FEMA), the subject property falls within several classifications of 100-year frequency coastal flood plain areas. These include Zone AO and Velocity zones V2 and V3. Upland areas fall within zone C – outside any coastal flood threat.

The southerly aspects of the property, located along the flowed portion of the Ipswich River, are most susceptible to coastal flooding. Portions of River Road, the community beach, the parking area and approximately 8-9 existing cottages fall within a designated Velocity Zone along the southern shore.

A compiled Site Analysis Plan on the following page of this report illustrates the most pertinent regulatory and physical planning constraints affecting the subject property.



Legend

- Subject Property
- Building Footprints
- Contours
- Wetlands
- Open Water
- 10' Contour - ACEC Line
- Soil Type Boundaries
- 100 Year Flood Zone
- Velocity Zone

Little Neck
Ipswich, Massachusetts

Project Number: 8954

Date: September 29, 2010

This plan is conceptual only and is not represented as an engineered plan

Scale: 1" = 200'
0 100 200 400 Feet

LandVest
Ten Post Office Square, Boston, MA 02109

Site Analysis Plan

IV. REAL ESTATE MARKET ANALYSIS

Real Estate Market Conditions

Ipswich has a broad mix of neighborhoods and housing stock, including in-town starter homes, First Period historic homes, newer homes on two-acre zoning in the outlying areas, country-club communities with attached and detached residences, and a mix of new and older waterfront or water view homes. This mix of low end and extremely high-valued sales results in median values that can appear somewhat erratic on a year-to-year basis.

The ***Median Sales Price Table*** on the following page shows residential sales trends for *North Shore* communities, including the Town of Ipswich, over the past five years. While Ipswich *averaged* 92 single family sales per year (from 2005 to 2009), the number of home sales fell steadily from 2005 to 2008, from a high of 121 sales to a low of 69, with 2009 showing a partial rebound with a total of 79 sales. While median values fluctuated from year to year, the trend over the past five years shows a drop in values averaging 20%, to $410,000 in 2009. However, according to *The Warren Group*, 75 single family homes sold in Ipswich between January and August 2010 with a median value of $390,000, which shows a 31.58% increase in volume and a 1.39% decrease in value over figures for the same period in 2009.

Another good indicator of residential market health is the number of new residential building permits issued by the town. The following table illustrates the recent trend in single-family building permits through July of 2010. Interestingly, there have been ten permits issued in the first seven months of 2010, which suggests an uptick in building activity over rates of the last two years.

Single Family Residential Building Permit Trends

Year	No. of Permits
1999	69
2000	36
2001	39
2002	43
2003	20
2004	17
2005	66
2006	21
2007	17
2008	13
2009	13
2010	10 (thru July)

Table I

Calendar Year Single Family Median Sales Price Changes
North Shore Regional Market Overview
2005-2009

Town	2005		2006			2007			2008			2009			05 - 09 Four Year Median Value Trend
	Median Price	No. Sales	Median Price	No. Sales	Median Price Change	Median Price	No. Sales	Median Price Change	Median Price	No. Sales	Median Price Change	Median Price	No. Sales	Median Price Change	
Boxford	$650,000	97	$585,000	95	-10.0%	$607,450	94	3.8%	$544,450	76	-10.1%	$510,000	72	-6.3%	-21.5%
Essex	$485,000	29	$516,000	28	6.4%	$449,000	23	-13.0%	$407,500	16	-9.2%	$439,500	18	7.85%	-9.4%
Georgetown	$450,000	86	$415,000	70	-7.8%	$415,000	79	0.0%	$368,750	64	-11.1%	$365,450	78	-0.9%	-18.8%
Gloucester	$389,000	235	$364,500	162	-6.3%	$381,000	156	4.53%	$340,000	141	-10.76	$316,500	142	-6.91	-18.6%
Hamilton	$525,000	69	$496,000	76	-5.5%	$426,250	74	-14.1%	$480,000	61	12.6%	$388,000	68	-19.2%	-26.1%
Ipswich	**$512,500**	**121**	**$451,000**	**98**	**-12.9%**	**$502,430**	**95**	**11.4%**	**$415,000**	**69**	**-17.4%**	**$410,000**	**79**	**-1.2%**	**-20.0%**
Middleton	$582,500	78	$551,000	69	-5.4%	$450,000	64	-18.3%	$417,500	46	-7.2%	$485,000	49	16.2%	-16.7%
N. Andover	$581,250	318	$514,000	291	-11.6%	$476,900	241	-7.2%	$502,750	186	5.4%	$410,500	224	-18.4%	-29.4%
Rowley	$466,250	76	$481,895	54	3.4%	$479,500	52	-0.5%	$440,000	45	-8.2%	$420,000	31	-4.6%	-9.9%
Topsfield	$531,240	66	$557,500	54	4.9%	$507,800	51	-8.9%	$479,000	44	-5.7%	$440,000	49	-8.1%	-17.2%
Wenham	$521,950	40	$722,500	36	38.4%	$496,000	47	-31.4%	$453,500	30	-8.6%	$550,000	21	21.3%	5.4%

Source: The Warren Group

Little Neck Submarket

While *Little Neck* is in many ways an ideal summer community, ongoing discussions and issues between the leasing parties has created an uneasy real estate market in this neighborhood in recent years. First, after many years of below-market lot rent arrangements, lot rents were significantly increased in 1998 to more closely align with current market rates. Further, the expense of design and installation of a State-mandated communal waste collection taxed the resources and relations of the owner and the tenants. And finally, the security of the land-lease arrangement itself has been challenged in recent years in widely publicized tenant-owner disputes. These factors have contributed to the historical challenge of buying and selling real estate on *Little Neck* – namely, that the buyer purchases the residential improvements in fee simple along with the ability to commence a tenancy-at-will, or recently a lease, relationship with the Feoffees. Because the property is not legally subdivided nor is it a legal condominium form of ownership, fee simple ownership rights do not extend to the land. Additionally, the absence of a recorded lease affords buyers none of the investment security typically found in traditional leasehold property.

These factors, both positive and negative, firmly qualify *Little Neck* as a true sub-market within the broader context of the Ipswich real estate market. The neighborhood's unique characteristics render any direct comparison with broad market data somewhat unreliable. *Great Neck* is considered a physically comparable coastal neighborhood, though considerable adjustments are required for fee simple vs. leasehold or condominium ownership rights.

Comparable Seasonal Leasehold Properties

The only local example of a comparable seasonal leasehold property is the 113± lot *Conomo Point* neighborhood in Essex. This 22± acre Town-owned tract was the subject of a long-term land lease at similarly submarket rates. At the 2001 Town Meeting, leases were renewed for one ten-year renewal option, which is due to expire in December of 2011. While there were rumors about a possible tenant buyout, and extensive septic system upgrades would be required, any action would have to be approved at Town Meeting in May, and to my knowledge it is not yet on the warrant for discussion. Therefore, while *Conomo Point* does not provide any useful measure of value for *Little Neck*, its eventual disposition, value and condition of sale may add insight to the subject analysis.

In lieu of an adequate comparable leasehold example, and because of its proximity and similarities to *Little Neck*, we consider the *Great Neck* neighborhood the most comparable area for discussion of relative value.

VI. HIGHEST AND BEST USE ANALYSIS

A. AS IMPROVED - CONDOMINIUM CONVERSION

In accordance with *M.G.L. Chapter 183A, Section 8*, this planning option assumes a conversion to a legal condominium form of ownership of the land and existing cottages. All land outside of the individual building "footprints" would be considered common land and properties would be assessed as units with apportioned Homeowner's Association dues.

This plan would not require any municipal or state subdivision review/approval and the key advantage to this planning option is that the existing unit density would be rendered "legal" and units would be made eligible for bank financing.

Additionally, this conversion would infuse needed stability to Little Neck as a real estate sub-market and a healthier supply/demand balance would, over time, encourage price appreciation.

It should be noted that Massachusetts condominium law requires that a condominium consist of both underlying land and improvements. Hence, a condominium conversion of the underlying land only by the Feoffees is not legally feasible. This factor is important: the Feoffees , owners of the underlying land only, cannot create a condominium without a cooperative effort on the part of both the Feoffees and the current tenants.

The actual configuration of a condominium use of the subject property is consistent with the current tax-parcel platting, illustrated as ***Plan A*** on the following page of this report.



Legend

- 167 Condominium Units
- Common Area
- Contours
- Wetlands
- Open Water

Little Neck

Ipswich, Massachusetts

Project Number: 8954

Date: October 28, 2010

This plan is conceptual only and is not represented as an engineered plan

Scale: 1" = 200'

0 100 200 400 Feet

LandVest

Ten Post Office Square, Boston, MA 02109

Plan A- Condominium Conversion Plan

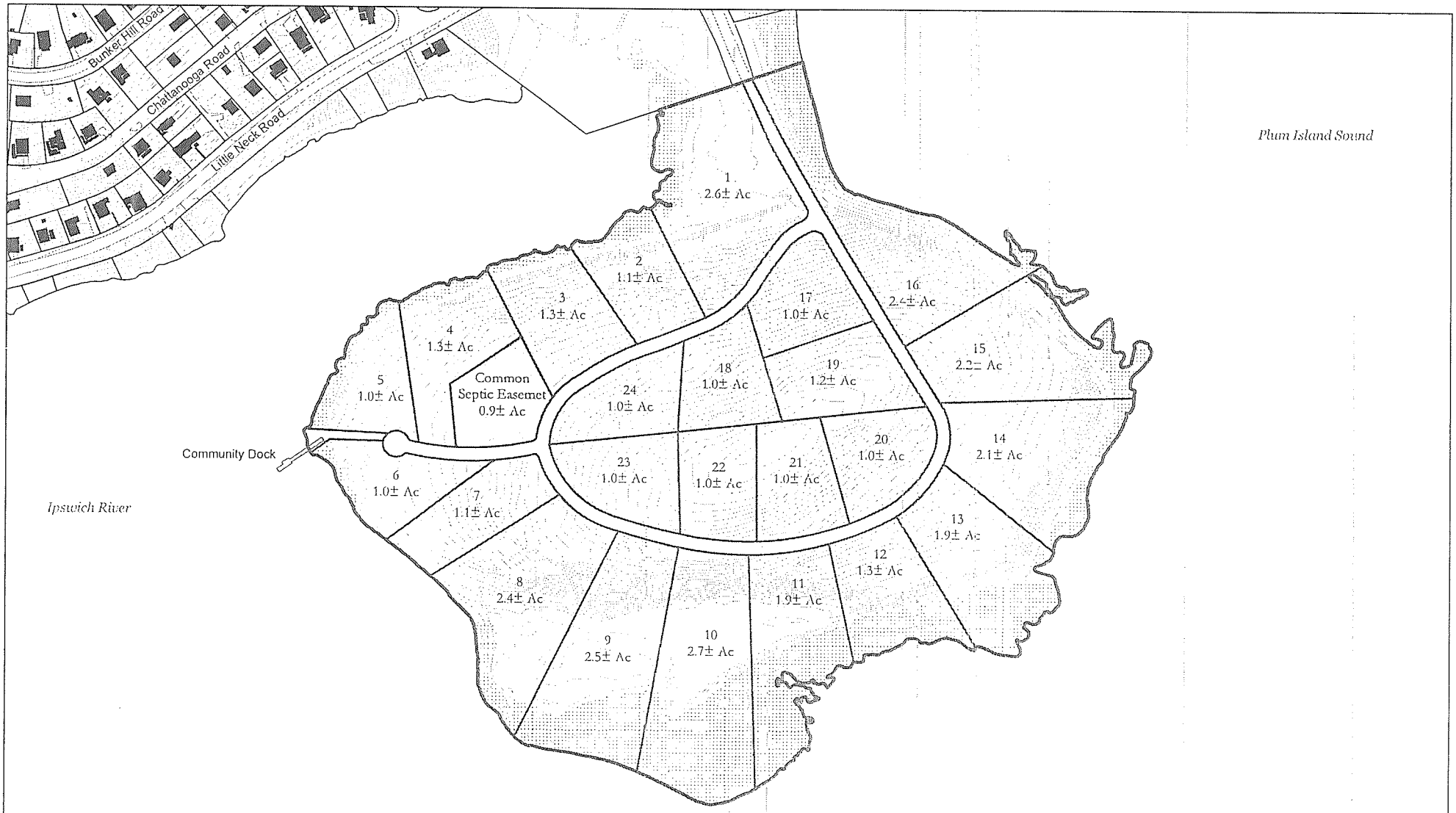
B. LAND AS THOUGH VACANT – RESIDENTIAL SUBDIVISON

Concept Plan B on the following page of this report depicts our opinion as to the subject property's Highest and Best Use *as though vacant*. This analysis is undertaken as a means of understanding the allowable lot/unit density under current zoning regulations if the 35± acre subject site were vacant and available for development.

In conformance with the spatial requirements of RRB zoning and incorporating a reasonable set of assumptions about road design waivers, *Plan B* calls for the division of a total of 24 residential building lots, including 16 prime waterfront lots and 8 interior lots with excellent off-site views. The lots range in size from 1 to 1.75± acres, and they are accessed by a total of 2,900± linear feet of interior subdivision road configured in a broad loop. This lot density assumes a high level of spatial efficiency in the layout of roads and lots. The 24-lot density is roughly 14.4% of the current cottage density, or a net density decrease of 143± lots.

The most aggressive assumption incorporated in this conceptual development analysis is re-use of the recently-constructed sewage collection system. Based on our review of prevailing soil conditions and in the absence of any on-site percolation and groundwater test data, it appears highly unlikely that the site as though vacant could accommodate 24 new in-ground septic systems in full conformance with all local and State sanitary disposal regulations – particularly adjacent to the *Great Marsh ACEC*. Hence, this buildout does assume adaptive re-use of the existing infrastructure, but assuming an average 4-bedroom residence under *Plan B*, the 24-lot density results in only 96 bedrooms and does not approach the approved design flow of 462 bedrooms per the current DEP Disposal Permit. Hence, this assumption appears supportable under a broader assumption that the existing cottages would be razed or relocated.

The plan is designed to appeal to the upper middle-high end market as a private, year-round neighborhood.



Legend

- Buildable Lots
- Common Septic Easement
- Public Dock Easement
- Contours
- Wetlands
- Open Water

Little Neck

Ipswich, Massachusetts

Project Number: 8954

Date: October 28, 2010

This plan is conceptual only and is not represented as an engineered plan

Scale 1" = 200'

0 100 200 400 Feet

LandVest

Ten Post Office Square, Boston, MA 02109

Plan B - Definitive Subdivision Plan

(Land As Though Vacant)

VII. VALUATION

A. APPRAISAL METHODOLOGY

There are three basic, traditional approaches to the valuation of real estate. These include the Sales Comparison, Income Capitalization, Cost Approaches to value. These approaches are briefly described as follows:

1. Sales Comparison Approach

The Sales Comparison Approach relies on the principle of substitution. The typical, market buyer is assumed to base an offering purchase price for a given property on sale prices or offering prices for substitute properties of "similar utility and desirability" (*The Appraisal of Real Estate*; page 312).

This approach entails direct comparison of the subject property components with sales and offerings of other properties of similar location, physical characteristics and utility. No two properties are ever identical in all respects, and therefore, adjustments are made for key factors influencing value, such as financing, market conditions, location, size, physical characteristics and overall utility.

2. Income Capitalization Approach

The Income Capitalization Approach is an appraisal technique that values property according to its capacity to generate net operating income. This approach simulates the criteria of the investor, whose main concern is the earning power of the investment asset in relation to the investment cost of that asset. Income capitalization is a technique for converting an estimated future income stream into value by application of appropriate investment return criteria. These criteria are estimated and supported by analysis of the local market indications of income potential and yield requirements for the subject property type and market area.

3. Cost Approach

This approach is also based on the principle of substitution, recognizing that a typical buyer will pay no more for an existing improved property than the cost of buying land and building a substitute property with a utility level comparable to the subject. It is assumed that the buyer will consider the alternative of constructing a new substitute competing property, as opposed to buying the subject property. The dollar cost of a substitute structure, less the depreciation of the subject (and after adjustments for varying levels of utility), is then taken as a measure of value for the improvements.

The Cost of Development Approach, also known as the Land Residual Technique, is a subset to the Income approach and is aimed at estimating a multi-component property's "bulk," or wholesale value, to a single purchaser. The Cost of

Development analysis accounts for all buyer/developer-borne costs associated with a particular project, both direct and indirect, including all profit and carrying costs. As such, this method simulates the criteria of a buyer that purchases property for development and re-sale of the excess land.

4. Subject Methodology

Whenever there is a sufficient quantity of recent comparable sales in the local market, the *Sales Comparison Approach* is the most reliable and preferred valuation method in the valuation of "retail" property components such as market-ready lots and condominium units. In researching the subject market for appropriate sales, we were able to gather a sufficient number of comparable transactions in order to justify well-supported valuation of the subject property via the sales comparison approach.

The cost and income approached were deemed inappropriate due to the average age of the existing cottage improvements and the lack of a long-term investor market for the subject property type.

B. VALUATION OF *PLAN A* – CONDOMINIUM CONVERSION

The following section of this report summarizes our application of the Sales Comparison Approach in the valuation of the 167 condominium units (underlying land only) created in accordance with the previously described ***Concept Plan A***.

This analysis includes the application of a set of lot-quality grading criteria, followed by a comparable sales analysis and summation of "retail" level parcel values for the 167 condominium units.

1. Condo Conversion – Value Tier Analysis

As depicted on the *Base Plans*, the physical configuration of the *Little Neck* land form and the road and tax-parcel layout which evolved in a relatively piecemeal fashion over many decades has resulted in an extremely wide variety of parcel types. For example, view perspectives have an overall range of 360 degrees and include a wide array of seascapes. Additionally, the quality and extent of each individual view perspective ranges considerably based on elevation. The range of a due easterly view from the 10-foot contour is vastly different from the same view at the 80-foot contour.

The grading of individual lot types is further complicated by the existing development pattern and specific location of grandfathered building footprints. For example, two adjoining lots may share a comparable off-site view to the Ipswich River, but one cottage may be sited directly up against the paved edge of the road with dense, view-thwarting development across the street and the adjacent cottage may be sited 8-10 feet higher toward the back of its lot with clear views over the nearby cottages.

Some cottages are sited on lots with a moderate slope and offer excellent lot utility and on-site parking and still others are perched on sites with 20-30% slopes with limited street-front parking.

In short, there may be as many as 50 sub-categories of comparable lot types on Little Neck and even more if one considers the fact that the size, siting and overall quality of specific, non-conforming improvements may affect underlying land value either positively or negatively.

In an effort to minimize the range of lot/unit types while still addressing the major factors influencing value – namely, location, utility, orientation and view – the ***Lot Value Tier Plan*** on the following page of this report provides a color-coded summary of a total of nine specific value tiers.



Legend

- Subject Property
- #1 - Exceptional View/Frontage (4)
- #2 - Front Row/Plum Island Sound (7)
- #3 - Front Row/Neck Cove - Prime (2)
- #4 - Front Row/Neck Cove - Average (7)
- #5 - Front Row/Ipswich River - Prime (4)
- #6 - Front Row/Ipswich River - Average (19)
- #7 - Interior - Excellent (22)
- #8 - Interior - Average/Good View (69)
- #9 - Interior - Marginal View (33)
- Vacant Parcels

Little Neck

Ipswich, Massachusetts

Project Number: 8954

Date: September 22, 2010

This plan is conceptual only and is not represented as an engineered plan

Scale 1" = 200'

0 100 200 400 Feet

LandVest

Ten Post Office Square, Boston, MA 02109

Value Tiers Plan

The drafting of the *Lot Value Tier Plan* was based on a lot-by-lot review of general site conditions and are summarized briefly as follows:

Lot Tier Descriptions and Tallies

Lot Type	Lot Count	Description
Exceptional View/ Frontage	4	Elevated headland with 270 degree view scope to Plum Island and open water. Longest views on Little Neck due to elevation. No road or cottage obstructions.
Front Row/Plum Island Sound	7	Lower elevation with same view orientation as Tier 1. Bluff lots with no road or cottage obstructions.
Front Row/Neck Cove/ Prime Quality	2	Neck Cove-frontage with extended northerly view up Ipswich River. Very limited road impacts. Prime sunset location.
Front Row/Neck Cove/ Average Quality	7	Neck Cove-frontage with largely contained view to opposing shore of Cove and Great Neck. Limited view scope up Ipswich River.
Front Row/Ipswich River/Prime Quality	4	Part of 4-parcel grouping with direct, walkout shore access to sand beach at Ipswich River. Values partially offset by close road proximity, limited privacy and flooding threat.
Front Row/Ipswich River/Average Quality	19	Generally lower elevation River Road-front lots with otherwise unobstructed views to Ipswich River and Crane Beach and dunes.
Interior/Excellent View	22	Upper elevation with nominally-obstructed water views, south-southeasterly orientation and average lot utility.
Interior/Average/Good View	69	Upper elevation, interior location with obstructed but off-site views to the NW or SE. Limited privacy and moderately road-impacted with average lot utility.
Interior/Marginal View	33	Upper elevation, interior location with very limited off-site views. Typically oriented toward north.
Total:	*167*	

Again, while the above-outlined lot value tiers could be further refined, in my opinion, these nine classifications provide a reasonable consolidation of primary aesthetic and locational factors influencing value on Little Neck.

2. Parcel Valuation - Comparable Sales Overview

In order to value the 167 condominium land units, we have compiled comparable sales and listing information for use in valuing the subject property, based on information gathered from *The Warren Group*, the *Multiple Listing Service*, the Ipswich Assessor's Office, and referencing recorded deeds and documents at the Essex County Registry of Deeds.

Individual ***Sales Data Sheets*** on the following pages of this report summarize information regarding six closed sales on Little Neck occurring since 2007.

As an additional set of value reference points, information regarding a total of 9 currently-listed (MLS) or expired properties on Little Neck is included in the *Appendix* of this report. Of the six *closed* sales, only five were exposed to the

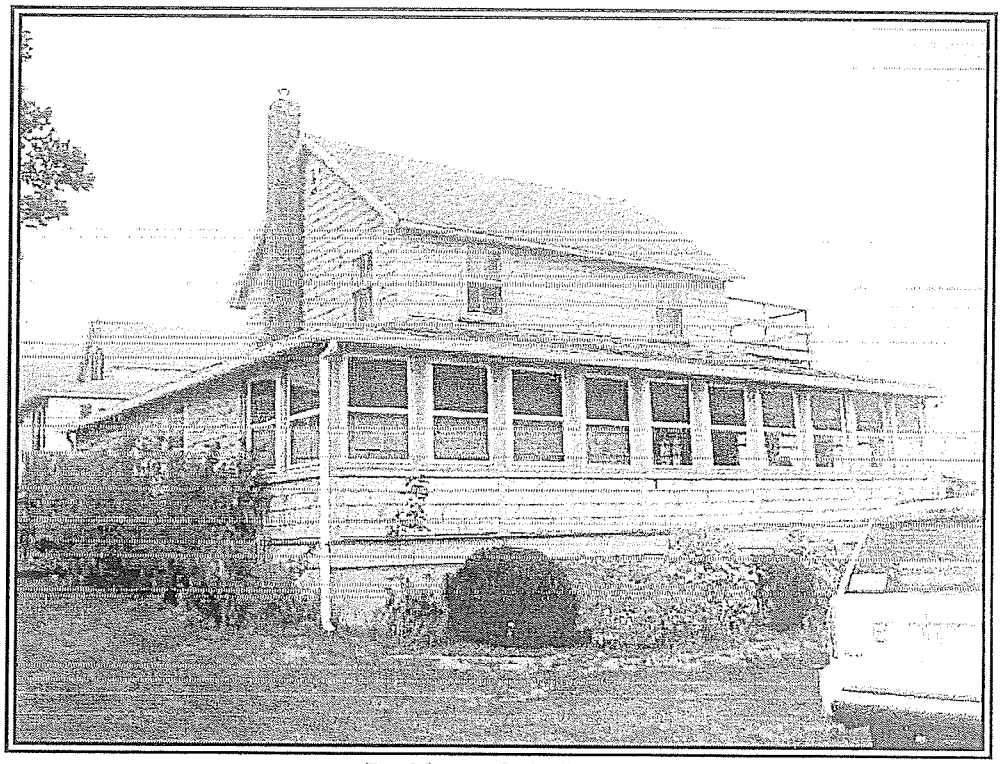
open market and sold for an average of $383,000 after an average of 474 days (1.3± years) on market. By comparison, MLS data indicate 319 town-wide sales during that time with an average sale price of $484,416 and an average market exposure of 167 days. The average sales price difference (a 21% discount) can be partially attributed to the lack of fee ownership of the underlying land on Little Neck, but we believe the extended market exposure is due to the polarized and unresolved status of the current litigation.

The average value of currently-listed and expired properties (see *Appendix*) is $468,533 and the current list price is $442,380 with no contracts or offers pending as of the date of this report. Assuming an average sale price of 15% below list, the average (imputed) sale price would be $376,000. At 65% of the total sales price, the average underlying lot value would be approximately $245,000.

Residential sales on Great Neck have been fairly steady in recent years. ***Exhibit B*** (following *Exhibit A* in *Appendix*) provides tabular information on 34 closed sales since 2007. All but eight of those sales were listed on the Multiple Listing Service, and the average price for those sales was $499,956 with a market exposure of 165 days, which is comparable to the average sales value and exposure time of all single family home sales throughout the town during that period. The average is roughly 30% higher than the median value of $384,000 indicated by the 6 most recent sales on Little Neck.

Exhibit C (following *Exhibit B* in *Appendix*) summarizes five closed vacant land sales on Great Neck since 2004, as well as six recent or current land listings, which together form a database of reasonably current land values on Great Neck.

The goal of this comparable sales overview is to extract underlying land values for properties with similar attributes to the nine lot types outlined in the previous section of this report.



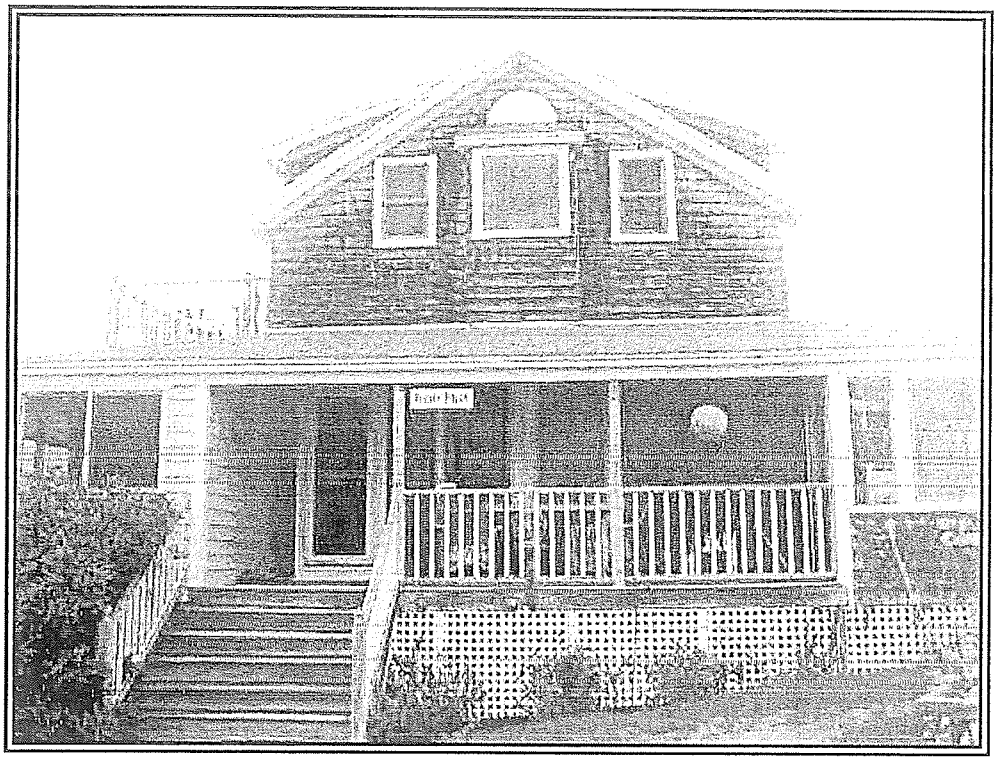
Residence Sale #: A1

Transaction Data:			
Address:	**42 Middle Road**	*Sale Date:*	**8/31/07**
Community:	**Little Neck, Ipswich**	*Sale Price:*	**$550,000**
Assessor's Reference:	**24C 069 161**	*Grantor:*	**Not Available**
Conditions of Sale:	**Arm's Length**	*Grantee:*	**Daniel Leonard**

Property Data:			
Land Area:	**3,000 square feet**	*Mechanical Systems:*	**Electric Heat**
Residence:	**Seasonal Cottage**	*Utilities:*	**Common Sewer, Town Water**
Year Built:	**1910**	*Accessories:*	**None**
Bedrooms/Baths:	**4 / 1 ½**	*Amenities:*	**Roof deck**
Effective Living Area:	**1,378 square feet**	*Overall Condition:*	**Average**

Comments:
Listed at $575,000, sold after 852 days on market. Assessment at sale date: $345,500 ($132,200 building, $213,300 land).

Extracted Land Value:						
G.L.A.	*Condition*	*Replacement Cost New*	*Depreciation*	*Value of Improvements*	*Landscape @ 10%*	*Extracted Land Value*
1,378 s.f.	Average	$275,600	25%	$206,700	$20,670	***$322,630***



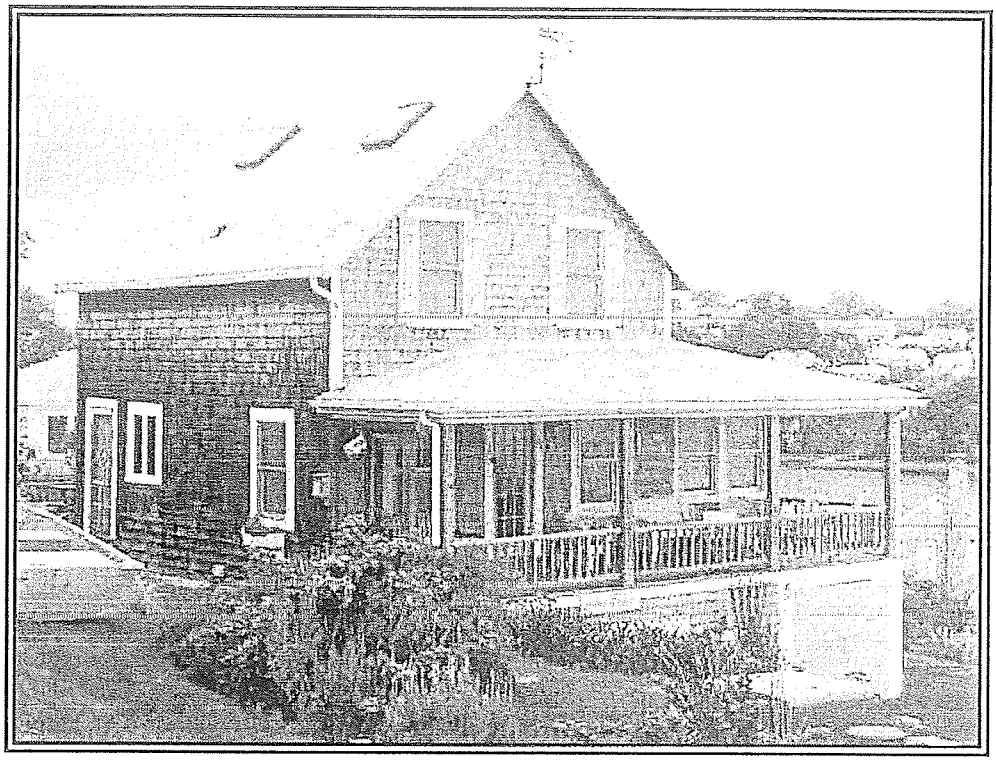
Residence Sale #: A2

Transaction Data:			
Address:	9 Cove Road	*Sale Date:*	10/12/07
Community:	Little Neck, Ipswich	*Sale Price:*	$339,000
Assessor's Reference:	24C 069 87	*Grantor:*	Not Available
Conditions of Sale:	Arm's Length	*Grantee:*	George P. Sousa

Property Data:			
Land Area:	3,000 square feet	*Mechanical Systems:*	Gas Heat
Residence:	Seasonal Cottage	*Utilities:*	Common Sewer, Town Water
Year Built:	1910	*Accessories:*	None
Bedrooms/Baths:	2 / 1 ½	*Amenities:*	Upper deck, porch
Effective Living Area:	1,473 square feet	*Overall Condition:*	Very Good

Comments:
Sold fully furnished at full asking price after 15 days on market. Assessment at sale date: $423,800 ($210,500 building, $213,300 land).

Extracted Land Value:						
Improvements G.L.A.	*Condition*	*Replacement Cost New*	*Depreciation*	*Value of Improvements*	*Landscape @ 10%*	*Extracted Land Value*
1,473 s.f.	V. Good	$257,775	30%	$180,442	$18,044	*$140,225*



Residence Sale #: A3

Transaction Data:			
Address:	**24 Plum Sound Road**	*Sale Date:*	4/14/08
Community:	**Little Neck, Ipswich**	*Sale Price:*	$400,000
Assessor's Reference:	**24C 069 144**	*Grantor:*	Stephen H. Moore
Conditions of Sale:	**Arm's Length**	*Grantee:*	Kerri McDonald-Shaub

Property Data:			
Land Area:	**3,000 square feet**	*Mechanical Systems:*	Gas Heat
Residence:	**Seasonal Cottage**	*Utilities:*	Common Sewer, Town Water
Year Built:	**1910**	*Accessories:*	None
Bedrooms/Baths:	**3 / 1 ½**	*Amenities:*	Wrap around porch
Effective Living Area:	**1,392 square feet**	*Overall Condition:*	Average - Good

Comments:
Recently renovated and well maintained, sold fully furnished. Listed at $445,000. Sold after 185 days on market. Assessment at sale date: $291,400 ($105,900 building, $185,500 land).

Extracted Land Value:						
Improvements G.L.A.	*Condition*	*Replacement Cost New*	*Depreciation*	*Value of Improvements*	*Landscape @ 10%*	*Extracted Land Value*
1,392 s.f.	Avg./Good	$208,600	25%	$156,450	$15,645	*$227,905*



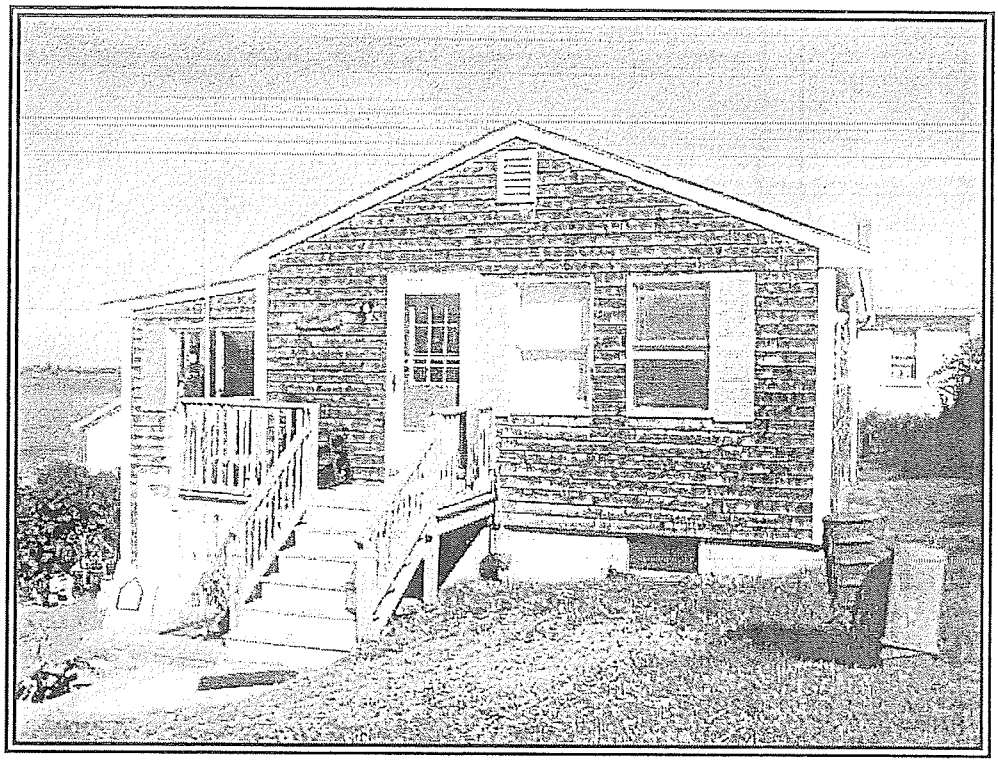
Residence Sale #: A4

Transaction Data:			
Address:	**3 King's Way**	*Sale Date:*	11/6/08
Community:	**Little Neck, Ipswich**	*Sale Price:*	$465,000
Assessor's Reference:	**24C 069 133**	*Grantor:*	Julia Collins
Conditions of Sale:	**Unknown**	*Grantee:*	Michael Torrisi

Property Data:			
Land Area:	**3,000 square feet**	*Mechanical Systems:*	None
Residence:	**Seasonal Cottage**	*Utilities:*	Common Sewer, Town Water
Year Built:	**1920**	*Accessories:*	None
Bedrooms/Baths:	**3 / 1**	*Amenities:*	Screened porch
Effective Living Area:	**912 square feet**	*Overall Condition:*	Average - Good

Comments:
Assessment at sale date: $362,700 ($72,400 building, $290,300 land). House includes inordinate ratio of Gross building area to effective living area (G.B.A.: 2,200 s.f.). Accounted for in replacement cost analysis.

Extracted Land Value:						
G.L.A.	*Condition*	*Replacement Cost New*	*Depreciation*	*Value of Improvements*	*Landscape @ 10%*	*Extracted Land Value*
912 s.f. 1,308 (semi finished)	Avg./Good	$225,000	20%	$180,000	$18,000	*$267,000*



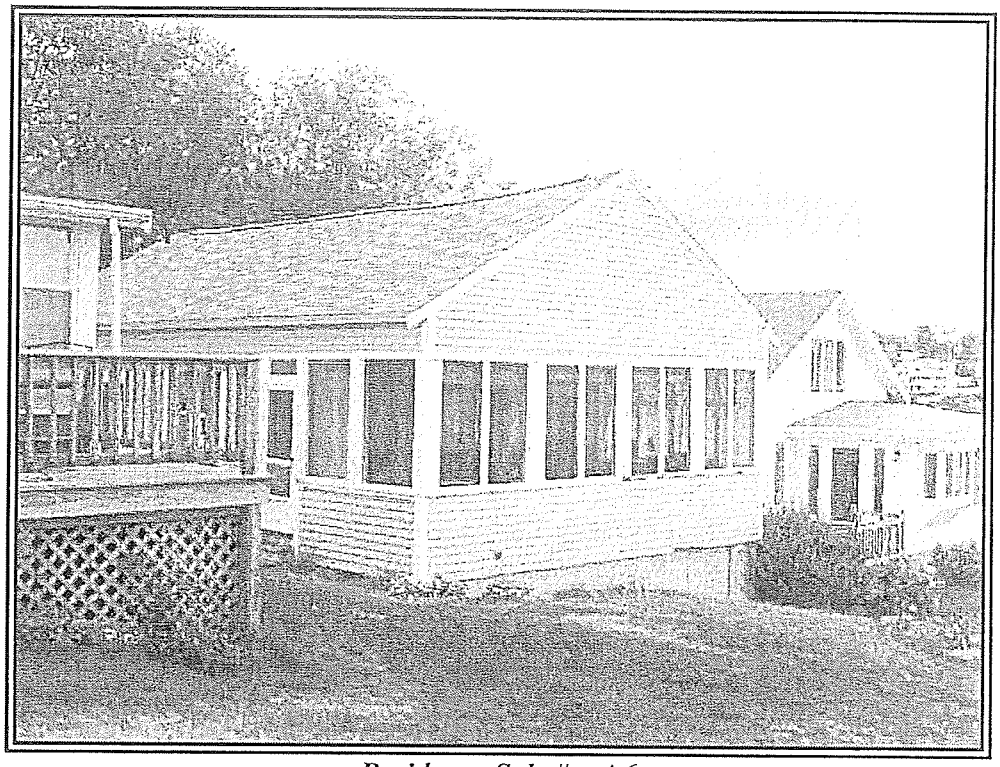
Residence Sale #: A5

Transaction Data:			
Address:	27 King's Way	*Sale Date:*	7/23/08
Community:	Little Neck, Ipswich	*Sale Price:*	$335,000
Assessor's Reference:	24C 069 122	*Grantor:*	John Cook
Conditions of Sale:	Unknown	*Grantee:*	Karl Ruhland

Property Data:			
Land Area:	3,000 square feet	*Mechanical Systems:*	Oil Heat
Residence:	Seasonal Cottage	*Utilities:*	Common Sewer, Town Water
Year Built:	1936	*Accessories:*	None
Bedrooms/Baths:	2 / 1	*Amenities:*	Screened porch
Effective Living Area:	892 square feet	*Overall Condition:*	Very Good

Comments:
Assessment at sale date: $284,600 ($104,500 building, $180,100 land).

Extracted Land Value:						
Improvements G.L.A.	*Condition*	*Replacement Cost New*	*Depreciation*	*Value of Improvements*	*Landscape @ 10%*	*Extracted Land Value*
892 s.f.	V. Good	$142,720	20%	$114,176	$11,417	*$209,407*



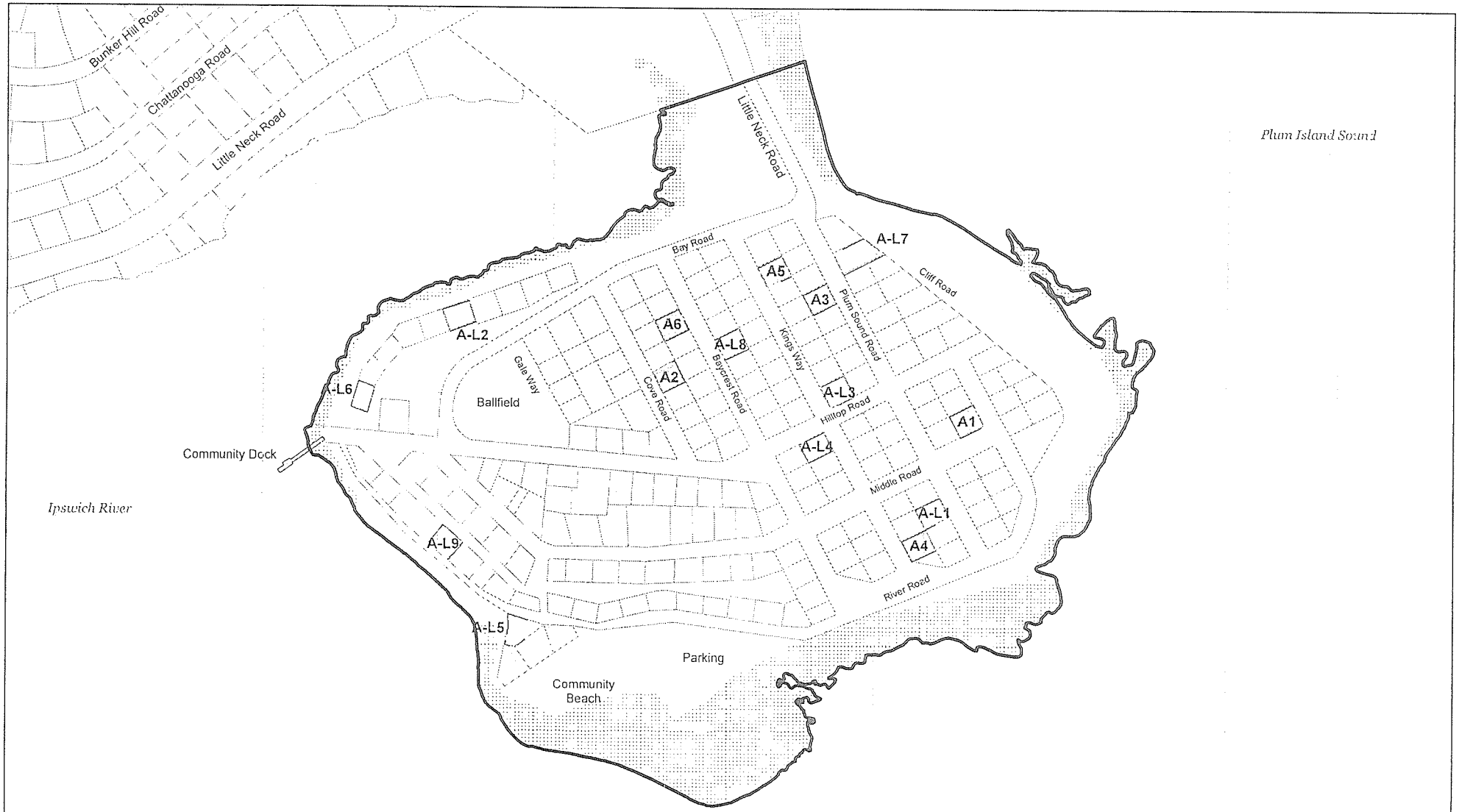
Residence Sale #: A6

Transaction Data:			
Address:	26 Baycrest Road	*Sale Date:*	12/16/09
Community:	Little Neck, Ipswich	*Sale Price:*	$165,000
Assessor's Reference:	24C 069 96	*Grantor:*	Not Available
Conditions of Sale:	Unknown	*Grantee:*	Not Available

Property Data:			
Land Area:	3,000 square feet	*Mechanical Systems:*	None
Residence:	Seasonal Cottage	*Utilities:*	Common Sewer, Town Water
Year Built:	1930	*Accessories:*	None
Bedrooms/Baths:	3 / 1	*Amenities:*	Screened porch
Effective Living Area:	892 square feet	*Overall Condition:*	Very Good

Comments:
Listed at $319,000, reduced six times, sold after 541 days on market. Assessment at sale date: $255,000 ($74,900 building, $180,100 land).

Extracted Land Value:						
Improvements G.L.A.	*Condition*	*Replacement Cost New*	*Depreciation*	*Value of Improvements*	*Landscape @ 10%*	*Extracted Land Value*
892 s.f.	V. Good	$124,880	20%	$99,904	$9,990	***$109,729***



Legend

- Subject Property
- Closed Sales
- Current Listings
- Wetlands
- Open Water

Little Neck
Ipswich, Massachusetts

Project Number: 8954

Date: September 29, 2010

This plan is conceptual only and is not represented as an engineered plan

Scale 1" = 200'
0 100 200 400 Feet

LandVest
Ten Post Office Square, Boston, MA 02109

Market Data Location Plan

3. Extracted Lot/Land Value Analysis – Little Neck Closed Sales

The table below summarizes pre-adjusted, extracted lot/land rights values from each of the six closed sales on *Little Neck*. This method is deemed reliable as it utilizes the most accurate value estimates for the improvements value. This process also begins to clarify approximate value levels for various lot types in the neighborhood. These values will be considered in fee simple and condominium conversion options for the property.

Extracted Land/Lot Values – Little Neck Sales

Sale #	Price	Sale Date	Lot Type	Extracted Lot / Land Value*
A1 – 42 Middle Road	$550,000	8/31/07	Interior – Avg.- Good View	*$320,000*
A2 – 9 Cove Road	$339,000	10/12/07	Interior – Marginal View	*$140,000*
A3 – 24 Plum Sound Rd	$400,000	4/14/08	Interior – Avg.-Good View	*$230,000*
A4 – 3 King's Way	$465,000	11/6/08	Interior – Avg. - Good View	*$265,000*
A5 – 27 King's Way	$335,000	7/23/08	Interior – Avg. – Good View	*$210,000*
A6 – 26 Baycrest Road	$165,000	12/16/09	Interior – Marginal View	*$110,000*

* Pre-adjusted, rounded totals.

Based on Ipswich median residential value trends from 2007, sales occurring in 2007 have been adjusted downward some 19%. Sales in 2008 warrant a downward adjustment of only 1.3% and sales in 2009 do not require any adjustment for time/market conditions.

The time-adjusted, extracted lot values from the *Little Neck* sales are summarized as follows:

Sale #	Sale Date	Time Adjustment	Adjusted Lot/Land Value
A1	8/31/07	*-19%*	*$260,000*
A2	10/12/07	*-19%*	*$115,000*
A3	4/14/08	*-1.3%*	*$225,000*
A4	11/6/08	*-1.3%*	*$260,000*
A5	7/23/08	*-1.3%*	*$210,000*
A6	12/16/09	*0*	*$110,000*

This extraction analysis indicates an average lot value of approximately $196,666; an average of $238,750 for average-good view lots and $112,500 for marginal view lots. In my opinion, sales *A3* and *A5* provide the best indication of current value for average-good view lots as they are relatively current and solidly classified in the lot tier gradation. They indicate an average value of $217,500, rounded up to $220,000.

The marginal view lots indicate an average value of $112,500. These lower end sales reflect aggressive seller motivations and Sale A6 was completed in the depth of the current market cycle and litigation. I would adjust these sales upward 20% to reflect stabilized market conditions, resulting in an adjusted, stabilized value of $135,000, rounded.

4. Land Value Analysis – Great Neck Sales

A total of 34 closed sales occurring on Great Neck from 1/31/07 to 10/14/10 are profiled in ***Exhibit B*** (in *Appendix*). The data are analyzed and various median and unit values are then tabulated at the end of the sales table.

All sales occurring from 1/1/ 2009 through October 14, 2010 were analyzed in similar fashion to the closed Little Neck sales and underlying land values, net of the contributory value of existing residential and site improvements, were extracted. As mentioned earlier, Great Neck is an excellent comparables sales reference in Ipswich – perhaps even more reliable that Little Neck – represents a less volatile submarket with highly comparable amenity value. As fee simple sales, Great Neck transactions do require a significant adjustment for property rights conveyed (i.e. fee simple vs. condominium).

The 34 sales indicate a median sale price of $492,000 and extracted lot values for non-waterfront, improved sales occurring since 2009 average $285,000. The median inland lot/land value amounts to $282,000. The direct water front sales analyzed indicated an average lot value of $462,500. Virtually all of the Great Neck lots reviewed offer off-site water views to the north or more interior but still extended southerly views that include the Ipswich River estuary and marsh. Hence, this sales data base provides a reliable cross section of fairly wide-ranging lot types – generally quite similar to Little Neck.

Time adjustments are not warranted but because a condominium form of ownership is vastly different than fee simple, a significant adjustment for property rights conveyed is warranted.

Fee Simple vs. Condominium Rights

Support for a fee simple/condominium adjustment was derived from recent sales data for detached single family and condominium properties in the North Shore communities of Beverly, Ipswich, Marblehead, Salem and Swampscott over the past 12 months. The sales search was specifically limited to 3-bedroom units under both categories. Based on MLS data, a total of 86 3-bedroom **condo units sold at an average sale price of $323,422** following average market exposure of 116 days. The average list price was $339,969 and the average price per square foot was $119. The indicated sale/list ratio is .951.

Over the same period, the same market area saw a total of **380 3-bedroom single family residential sales indicating an average sale price of $378,598** with average market exposure of 106 days. The average list price was $395,599, indicating a sale/list ratio of .957.

This analysis indicates a discount of approximately 17% for condo ownership rights relative to detached single family ownership. I have rounded this premium down to 15% due to the highly consistent market setting and amenity value of Great Neck and Little Neck. Property rights adjustments to the extracted values for inland and direct water front lot/land sale on *Great Neck* are summarized as follows:

Lot/Land Type	Average Fee Value	Condo Adjustment	Adjusted Value*
Inland/Waterview	$285,000	-15%	*$240,000*
Waterfront	$462,500	-15%	*$395,000*

*Rounded totals

The above-outlined adjusted lot value estimates derived from Great Neck sales are generally aligned with the condominium land rights derived from Little Neck sales. Direct shore front lots indicate a premium of nearly 65% over the average inland view lot.

Sales ***Exhibit C*** in the *Appendix* of this report includes a summary of five closed sales occurring on Great Neck from 11/5/04 to 6/4/08 and seven current listings – six of which are located on Great Neck proper or off Jeffrey's Neck Road.

The average lot size of the closed sales is .84± acres and the average sales price (not time-adjusted) is $270,000. The indicated median sale price is $249,333. Time adjustments for declining market conditions (15-20% for pre-2009 sales) would bring these totals into a bracketed value range of $215,000 - $230,000.

The above-outlined analysis of extracted land values from improved sales and a small sampling of closed lot sales provides fairly consistent indications that the baseline value for the subject land condominium rights, assuming an average/good view is approximately $220,000. The overall range of value is quite wide from the low end (i.e. marginal view condo rights) to the high end (i.e. direct waterfront condo rights). This range is roughly $135,000 to $395,000, or 190%. While this range seems inordinately broad, it is important to consider the fact that the basic reason why Little Neck has essentially functioned as a fee simple market with no real security in the underlying land is the extremely high level of value subjective buyers assign to site amenities and spectacular views. Buyers trend to pay up for prime views while disregarding, at least to some extent some of the liabilities associated with lack of land ownership, Feoffee conflicts, etc.

Likewise, in cases where a "lot's" amenity value is not quite as compelling, buyers tend to pay closer attention to the liabilities and uncertainties that run with

Little Neck ownership. Given these somewhat peculiar market dynamics, I believe a value range of 190% is supportable.

Using these three "benchmark" unit values for low end, middle and high end value points (i.e. marginal view, average/good quality and direct waterfront) I have applied additional, interim adjustments to the remaining lot tiers to arrive at a schedule of final, "retail' unit value estimates. Most of the adjustments are subjective in nature and include consideration of varying quality of view, orientation and impacts from roads and public access points.

5. Retail Value Estimates – Land Condominium Rights

The table below summarizes retail value estimates for each of the Lot Tiers outlined in the previous section of this report.

Retail Unit Value Estimates – Tiers 1-9

Lot Tier/Type	# Lots	Market Value Of Land Condo Rights
#1 - Exceptional View/Frontage	4	*$420,000*
#2 - Front Row - Plum Island Sound	7	*$325,000*
#3 - Front Row - Neck Cove/Prime	2	*$240,000*
#4 - Front Row - Neck Cove/Average	7	*$230,000*
#5 - Front Row - Ipswich River/Prime	4	*$365,000*
#6 - Front Row - Ipswich River/Average	19	*$265,000*
#7 - Interior - Excellent View	22	*$250,000*
#8 - Interior – Average/Good View	69	*$220,000*
#9 - Interior - Marginal View	33	*$135,000*
Totals:	*167*	*$37,675,000**

*Note – Total is within 3% of 2010 aggregate assessed value.

As a very general "check" on the above-outlined aggregate retail value of $37,765,000, when capitalized at a "safe" rate range of .0425 - .0525 (current prime of 3.25% plus 1 and 2), the indicated total rental value of the subject property ranges between $1,605,012 and $1,982,662, or $9,610 to $11,872 per land unit. The midpoint of this range is $10,741 - slightly lower but well-reconciled with the current average year round rental rate of $10,800 per unit.

6. Cost of Development Approach – Market Value to Third Party Investor

The financial analysis of ***Concept Plan A*** (Condominium Conversion) assumes a sale to a profit-minded third party investor who would convert the land to a

condominium ownership and resell land interests to both current tenants and, presumably, some new buyers.

The basic line-item expenses accounted for in our discounted cash flow analysis of the third party sale scenario include:

- *Legal, Survey and Architectural expenses associated with completing a condominium declaration (estimated at $400,000);*
- *Legal fees for individual unit closings ($700/unit paid at closing);*
- *Transfer stamps (.456% of sale revenue);*
- *Capital reserves for erosion mitigation (estimated at $900,000 by Vine Associates);*
- *Project Management and O.H. (2% of sales revenue);*
- *Developer profit (see discussion below).*

According to the ***Korpacz Real Investor Survey***, for land development profit requirements for Q2 2010, survey participants quoted free and clear discount rates of 15%-30% for all-cash transactions including develop profit. They quoted a tighter range of 18%-24% for unleveraged single family projects of 1-5 year duration and 50-760 acres in size. Most of the respondents were preparing discounted cash flowing analyses free and clear of debt; rates include developer's profit (a blended discount rate) and are applicable to entitled projects only.

After reviewing *Korpacz* and other real estate publications, with consideration for the subject property's excellent location and lack of direct market competition, we have applied a 15% Discount Rate to account for the effect of time value on money and "Entrepreneurial Profit", which is also known as "Incentive Profit", or the investment return required to attract an investor to the project. The actual return may be higher or lower than the expected rate. The risk portion of the discount rate is the more volatile component of the rate, especially considering the all-cash, unleveraged nature of the investment. A higher-than-anticipated tenant attrition rate would add considerable risk that might warrant a discount rate of 20-30%. However, an outside investor would essentially be seen as a deal facilitator with a relatively captive pool of self-interested buyers. However, the level of initial equity investment required to secure the subject property is quite *considerable* – warranting a fair return over a somewhat aggressive projected absorption period of 4 years.

The discounted cash flow (*Table I - DCF*) statement on the following page provides a summary of pricing, absorption and cost assumptions incorporated in a projected 4-year sellout of the project.

In accordance with the analyses performed, the estimated Market Value (rounded) of the 35± acre subject property assuming a 167 unit condominium conversion as of September 11, 2010 was:

$25,400,000

(TWENTY FIVE MILLION FOUR HUNDRED THOUSAND DOLLARS)

The above-outlined Market Value estimate indicates average unit values of $725,714 per gross acre and $152,095 per condominium unit (land only).

Table I - Discounted Cash Flow Analysis

Little Neck Estate - Ipswich, Massachusetts - Market value to Third Party Buyer

LandVest®

ESTIMATED PRESENT VALUE:	$25,412,208
LESS MORTGAGE BALANCE:	
Market Value (Rounded)	$25,400,000

Indicated Average Unit Value: *$152,095*

ASSUMPTIONS:		# Units		Unit Value	Description
Tax Rate/$1,000 of Value @ 100% Valuation	$11.54	4	@	$420,000	Tier 1: Exceptional view/frontage
Market & Advertising Cost	0%	7	@	$325,000	Tier 2: Front Row/Plum Island Sound (values consider erosion)
CPI (Costs)	3.0%	2	@	$240,000	Tier 3: Front Row/Neck Cove/Prime
Appreciation Rate	0.0%	7	@	$230,000	Tier 4: Front Row/Neck Cove/Average
		4	@	$365,000	Tier 5: Front Row - Ipswich River/Prime
Discount Rate:	15.00%	19	@	$265,000	Tier 6: Front Row/Ipswich River/Avg.
(Unleveraged IRR)		22	@	$250,000	Tier 7: Interior-Excellent View
		69	@	$220,000	Tier 8: Interior-Average-Good View
		33	@	$135,000	Tier 9: Interior-Marginal View
		167		$37,675,000	(TOTAL RETAIL VALUE)

NUMBER SALES/YEAR	YEARS	0	1	2	3	4	5	6	7	8	9	10	TOTAL
Tier 1: Exceptional view/frontage		0	4	0	0	0	0	0	0	0	0	0	4
Tier 2: Front Row/Plum Island Sound (values consider erosion)		0	4	3	0	0	0	0	0	0	0	0	7
Tier 3: Front Row/Neck Cove/Prime		0	2	0	0	0	0	0	0	0	0	0	2
Tier 4: Front Row/Neck Cove/Average		0	3	4	0	0	0	0	0	0	0	0	7
Tier 5: Front Row - Ipswich River/Prime		0	2	2	0	0	0	0	0	0	0	0	4
Tier 6: Front Row/Ipswich River/Avg.		0	6	5	4	4	0	0	0	0	0	0	19
Tier 7: Interior-Excellent View		0	8	8	6	0	0	0	0	0	0	0	22
Tier 8: Interior-Average-Good View		0	8	15	25	21	0	0	0	0	0	0	69
Tier 9: Interior-Marginal View		0	5	13	10	5	0	0	0	0	0	0	33
TOTAL SALES/YR		0	42	50	45	30	0	0	0	0	0	0	167
	APPRECIATION	0.0%	0.0%	0.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
PROJECTED REVENUES ($000)													
Tier 1: Exceptional view/frontage		$0	$1,680	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1,680
Tier 2: Front Row/Plum Island Sound (values consider erosion)		$0	$1,300	$975	$0	$0	$0	$0	$0	$0	$0	$0	$2,275
Tier 3: Front Row/Neck Cove/Prime		$0	$480	$0	$0	$0	$0	$0	$0	$0	$0	$0	$480
Tier 4: Front Row/Neck Cove/Average		$0	$690	$920	$0	$0	$0	$0	$0	$0	$0	$0	$1,610
Tier 5: Front Row - Ipswich River/Prime		$0	$730	$730	$0	$0	$0	$0	$0	$0	$0	$0	$1,460
Tier 6: Front Row/Ipswich River/Avg.		$0	$1,590	$1,325	$1,060	$1,060	$0	$0	$0	$0	$0	$0	$5,035
Tier 7: Interior-Excellent View		$0	$2,000	$2,000	$1,500	$0	$0	$0	$0	$0	$0	$0	$5,500
Tier 8: Interior-Average-Good View		$0	$1,760	$3,300	$5,500	$4,620	$0	$0	$0	$0	$0	$0	$15,180
Tier 9: Interior-Marginal View		$0	$675	$1,755	$1,350	$675	$0	$0	$0	$0	$0	$0	$4,455
TOTAL ANNUAL GROSS REVENUES ($000)		$0	$10,905	$11,005	$9,410	$6,355	$0	$0	$0	$0	$0	$0	$37,675
	Ann. Gross Rev w/Appreciation		$10,905	$11,005	$9,598	$6,612	$0	$0	$0	$0	$0	$0	
	Cummulative Gross Revenues		$10,905	$21,910	$31,508	$38,120	$38,120	$38,120	$38,120	$38,120	$38,120	$38,120	
	Remaining Gross Retail Value	$37,675	$26,770	$15,770	$6,490	$10	$10	$10	$10	$10	$10	$10	

DIRECT COSTS	Length/Unit	Unit Cost											
Soil Testing/Septic Designs	0	$0.00		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Erosion Control/Mitigation	1	$900,000.00		$300	$309	$318	$0	$0	$0	$0	$0	$0	$927
Streetscape	0	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
				$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
				$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	DIRECT SUBTOTAL X CPI			$309	$328	$347	$0	$0	$0	$0	$0	$0	$984
INDIRECT COSTS													
Marketing & Advertising		0.00%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Condominium Declaration		$400,000		$400	$0	$0	$0	$0	$0	$0	$0	$0	$400
Legal - Lot Sales (Title/Deed/Recording)		$700 /Lot		$29	$35	$31	$21	$0	$0	$0	$0	$0	$116
Survey/Subdivision Plan and Approval		$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Demolition/Site Restoration		$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
				$0	$0	$0	$0	$0	$0	$0	$0	$0	$15
				$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Interest on Direct Costs		0.00%		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
R.E. Taxes (Actual)		$11.54		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Property Maintenance		$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Transfer Tax		0.460%		$50	$51	$44	$30	$0	$0	$0	$0	$0	$175
Project Management & Overhead		2.00%		$218	$220	$192	$132	$0	$0	$0	$0	$0	$762
Contingency(%Dir+Indir Costs)		0.00%		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	INDIRECT SUBTOTAL X CPI		$0	$718	$324	$292	$207	$0	$0	$0	$0	$0	$1,469
Profit as % of Gross Sales		0.00%		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TOTAL COSTS ($000)			$0	$1,245	$672	$831	$339	$0	$0	$0	$0	$0	$3,286
NET REVENUES ($000)			$0	$9,660	$10,133	$8,767	$6,273	$0	$0	$0	$0	$0	$34,832
Discount Factor			1.00	0.87	0.76	0.66	0.57	0.50	0.43	0.38	0.33	0.28	0.25	
Present Value of Annual Receipts			$0	$8,400	$7,662	$5,764	$3,586	$0	$0	$0	$0	$0	$0	
CURRENT MARKET VALUE ESTIMATE ($000)			>>>>>>>	>>>>>>>	>>>>>>>>>	>>>>>>>>>	>>>>>>>>

7. Direct Capitalization – Summary Analysis

The following summary application of the income approach is intended as a basic "check" on the third party market value of $25,400,000. While the last few years of operation are not considered stabilized, I have attempted to disseminate average fixed and variable expenses from the Feoffees' 2009 operating statement in the calculation of a reasonably accurate Net Operating Income (NOI). I have also assumed an average year-round market rental rate of $10,800, as provided by the Feoffees. Direct Capitalization involves the analysis of a single year's income and expenses where the resulting net operating income is capitalized by an overall rate to derive value. It is most applicable in cases where income and expenses are not expected to fluctuate greatly from year to year.

A summary application of Direct Capitalization is summarized as follows:

Potential Gross Income: (167 units x $10,800)	**$1,803,600**
Less Vacancy/Collection Loss: (Assumed at 4%)	($72,252)
Effective Gross Income:	**$1,731,348**

Less operating Expenses:

- Taxes:	$18,572
- General Legal Fees:	$120,000
- Management Fees:	$44,000
- Repairs:	$74,575
- Utilities:	$18,658
- Accounting:	$10,000
- Billing:	$10,653
- Police Details:	$5,983
- Engineering:	$6,490
- Insurance:	$5,668
- Office Expense:	$4,303
- Dock Removal/Storage:	$2,057
- State Fees:	$1,570
Total Expenses:	**($285,385)**

Net Operating Income:	**$1,428,035**
Cap Rate Range; .0525 - .0625 (Prime plus 2 and 3)	($1,428,035/.0525 & .0635)
Indicated Market Value Range:	**$22,848,560 - $27,200,666**
Rounded Range:	**$22,850,000 - $27,200,000**

The mid-point of the above outlined value range is $25,025,000. The technical accuracy of this analysis is diminished, to some extent, by the absence of market-derived capitalization rates from comparable sales and the lack of any published market index of rates for the subject property type. However, though it was not employed as a primary valuation method, the direct capitalization analysis provides a reasonable measure of support for the third party fee value of $25,400,000.

C. VALUATION OF *PLAN B* – LAND AS THOUGH VACANT

Concept Plan B illustrates our opinion as to the potential carrying capacity of the subject property as though vacant and available for conforming development to highest and best use. The conceptual subdivision plan assumes an overall density of 24 conventional lots accessed by a 2,900 l.f. interior subdivision road laid out to either Lane or Local Street standards. Road gradient waivers would be required as several areas of the new road (partially laid out over the existing road network) would exceed 10%. Hence, the approval of Plan B is considered *quite speculative* and the valuation of the subject property as though vacant is largely intended to illustrate the approximate value premium associated with the non-conforming density of 167 units on 35± gross acres (28± upland acres).

Retail Lot Valuation

Unlike the preceding condo analysis, the 24 subject lots per ***Plan B*** would include fee simple ownership. There are no directly comparable, 1+ acre waterfront comparables in the recent market. Accordingly, I have applied gross positive adjustments to the previously applied base waterfront unit value ($395,000) of 15% (for fee simple ownership) and 20% for increased lot size and privacy. The resulting retail value estimate for the average waterfront lot amounts to $535,000. Interior lots offering exceptional offsite views are valued based on a similar set of positive adjustments to Tier 7 – Excellent view units ($250,000) from the condominium analysis, though I have applied a more significant positive adjustment of 25% for view enhancement at the lesser density at the top of the hill. The resulting average retail value estimate for the interior view lots per concept ***Plan B*** amounts to $400,000, rounded.

The discounted cash flow statement (*Table II – DCF* - two pages forward) provides a tabular summary of all pricing, absorption, cost and profit assumptions incorporated over a projected four-year project duration.

Based on this analysis, it is my opinion that the Market Value (rounded) of the subject property as though vacant as of September 11, 2010 assuming speculative approval of a 24-lot conventional subdivision was:

$7,220,000

(SEVEN MILLION TWO HUNDRED TWENTY THOUSAND DOLLARS)

The above-outlined market value estimate indicates unit values of $206,285 per gross acre and $300,833 per approved residential building lot. These net unit values reflect an overall discount of approximately 71.7% from the Condominium Conversion option outlined under ***Plan A***.

TABLE II - DISCOUNTED CASH FLOW ANALYSIS
Third Party Buyer - Value as Though Vacant

LandVest

ESTIMATED PV OF LAND:	$7,223,610	
Blank	$0	
Total Market Value of Subject Property:	$7,223,610	
		$300,984 Price Per Approved Lot
Rounded:	$7,220,000	15.00% IRR
		25.48% Profit as % of Appreciated Gross Sales

ASSUMPTIONS:		# Units		Unit Value	Description
Tax Rate/$1,000 of Value @ 100% Valuation	$11.54	16	@	$535,000	Category 1: Waterfront Lots
Market & Advertising Cost	5%	8	@	$400,000	Category 2: Interior View Lots
CPI (Costs)	3.0%	0	@	$0	Category 3:
Appreciation Rate	3.0%	0	@	$0	Category 4:
		0	@	$0	Category 5:
Discount Rate:	15.00%	0	@	$0	Category 6:
		0	@	0	Category 9:
		24		$11,760,000	(TOTAL RETAIL VALUE)

NUMBER SALES/YEAR	YEARS	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	TOTAL
Category 1: Waterfront Lots		0	4	4	4	4	0	0	0	0	0	0	16
Category 2: Interior View Lots		0	2	2	2	2	0	0	0	0	0	0	8
Category 3:		0	0	0	0	0	0	0	0	0	0	0	0
Category 4:		0	0	0	0	0	0	0	0	0	0	0	0
Category 5:		0	0	0	0	0	0	0	0	0	0	0	0
Category 6:		0	0	0	0	0	0	0	0	0	0	0	0
Category 9:		0	0	0	0	0	0	0	0	0	0	0	0
TOTAL SALES/YR		0	6	6	6	6	0	0	0	0	0	0	24
	APPRECIATION	0.0%	0.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
PROJECTED REVENUES ($000)													
Category 1: Waterfront Lots		$0	$2,140	$2,140	$2,140	$2,140	$0	$0	$0	$0	$0	$0	$8,560
Category 2: Interior View Lots		$0	$800	$800	$800	$800	$0	$0	$0	$0	$0	$0	$3,200
Category 3:		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Category 4:		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Category 5:		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Category 6:		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Category 9:		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TOTAL ANNUAL GROSS REVENUES ($000)		$0	$2,940	$2,940	$2,940	$2,940	$0	$0	$0	$0	$0	$0	$11,760
	Ann. Gross Rev w/Appreciation		$2,940	$3,028	$3,119	$3,213	$0	$0	$0	$0	$0	$0	
	Cummulative Gross Revenues		$2,940	$5,968	$9,087	$12,300	$12,300	$12,300	$12,300	$12,300	$12,300	$12,300	
	Remaining Gross Retail Value	$11,760	$8,820	$6,060	$3,120	$0	$0	$0	$0	$0	$0	$0	

DIRECT COSTS	Length/Unit	Unit Cost											
Wetland Crossing	1	$50,000 /LS		$50	$0	$0	$0	$0	$0	$0	$0	$0	$0	$50
New Road Construction	2900	$250 /LS		$365	$374		$0	$0	$0	$0	$0	$0	$0	$739
Site Clean-up & House Demo	1	$75,000 /LS		$75	$0	$0	$0	$0	$0	$0	$0	$0	$0	$75
Sewer Connection Fees	1	$5,000 /Lot		$5	$0	$0	$0	$0	$0	$0	$0	$0	$0	$5
	0	$0 /Lot		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	DIRECT SUBTOTAL X CPI			$510	$397	$0	$0	$0	$0	$0	$0	$0	$0	$907
INDIRECT COSTS														
Marketing & Advertising		5.00%	$0	$147	$147	$147	$147	$0	$0	$0	$0	$0	$0	$588
Legal Services (Permitting)		$25,000 /LS		$25	$0	$0	$0	$0	$0	$0	$0	$0	$0	$25
Legal - Lot Sales (Title/Deed/Recording)		$700 /Lot		$4	$4	$4	$4	$0	$0	$0	$0	$0	$0	$17
Filing & Inspection Fees (Town, Utilities, Services)		$10,000 /LS		$10	$0	$0	$0	$0	$0	$0	$0	$0	$0	$10
Surveying & Engineering		$2,500 /Lot		$60	$0	$0	$0	$0	$0	$0	$0	$0	$0	$60
Wetland Delineation & Lot Surveys		$1,000 /Lot		$24	$0	$0	$0	$0	$0	$0	$0	$0	$0	$15
Security Bond Carrying Cost @ Prime+2%		0.00%		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Interest on Direct Costs		0.00%		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
R.E. Taxes (Actual)		$11.54		$81	$59	$37	$13	$0	$0	$0	$0	$0	$0	$190
Property Maintenance		$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Transfer Tax		0.460%		$14	$14	$14	$15	$0	$0	$0	$0	$0	$0	$57
Project Management & Overhead		0.00%		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Contingency(%Dir-Indir Costs)		0.00%		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	INDIRECT SUBTOTAL X CPI		$0	$375	$238	$221	$201	$0	$0	$0	$0	$0	$0	$1,036
Profit as % of Gross Sales		0.00%		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TOTAL COSTS ($000)			$0	$885	$635	$221	$201	$0	$0	$0	$0	$0	$0	$1,942
NET REVENUES ($000)			$0	$2,055	$2,393	$2,898	$3,012	$0	$0	$0	$0	$0	$0	$10,357
Discount Factor			1.00	0.87	0.76	0.66	0.57	0.50	0.43	0.38	0.33	0.28	0.25	
Present Value of Annual Receipts			$0	$1,787	$1,810	$1,905	$1,722	$0	$0	$0	$0	$0	$0	
CURRENT MARKET VALUE ESTIMATE ($000)			>>>>>>>>>	>>>>>>>>>	>>>>>>>>>	>>>>>>>>>	>>>>>>>>>	>>>>>>>>>	>>>>>>>>>	>>>>>>>>>	>>>>>>>>>	>>>>>>>>>	>>>>>>>>>	$7,224

APPENDIX

Appraiser Certification

Qualifications of the Appraiser

Sales *Exhibit A*

Current and Expired Listing Sheets – Little Neck

Sales *Exhibit B*

Sales *Exhibit C*

LandVest®

Appraiser Certification

LandVest®

CERTIFICATION OF VALUE

I hereby certify that:

1. I have made a personal inspection of the property that is the subject of this report.

2. To the best of my knowledge and belief, the statements of fact and the opinions contained in this report are true and correct.

3. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and my personal, unbiased professional analyses, opinions, and conclusions.

4. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.

5. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

6. This appraisal was not based on a requested minimum valuation, specific valuation or approval of a loan.

7. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of The Appraisal Institute, as well as the Uniform Standards of Professional Appraisal Practice of the Appraisal Institute. I am currently licensed as a Certified General Appraiser in Massachusetts (CG #3481), Vermont (C.G.#0000212), and New Hampshire (C.G.#669).

8. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

9. No one provided significant professional assistance to the person(s) signing this report.

Appraiser: _____ Date: 10/25/10

James E. Monahan

Qualifications of the Appraiser

LandVest®

JAMES E. MONAHAN

Senior Advisor, Real Estate Consulting Group, LandVest, Inc.

James E. Monahan is a *Senior Advisor* with the Real Estate Consulting Group of LandVest, a broad-based real estate company involved in all aspects of land planning, real estate brokerage, broad-scope consulting, development, and conservation planning. As Senior Advisor, he is responsible for oversight and management of residential and commercial real property appraisals, development feasibility studies, land use planning and design, conservation planning and implementation of limited development projects. Mr. Monahan's specific area of expertise involves the design, valuation and implementation of multi-use disposition plans for privately-held land in the context of generational asset/estate planning.

Prior to joining the firm in 1989, Mr. Monahan was Project Manager with the Massachusetts Department of Environmental Management where his responsibilities included design and engineering studies, contract documents, and construction management on a variety of projects including site design for the restoration of Walden Pond Reservation in Concord, acquisition and site planning for Halibut Point State Park, and site design and contract administration for the expansion of Ashland State Park. Additionally, as co-founder of Landforms, Inc., he has worked as a design/build consultant on various residential and commercial design projects throughout Boston's North Shore.

Mr. Monahan received a Bachelor of Arts degree in Liberal Studies from St. Anselm's College, Manchester, New Hampshire in 1982 and a Master of Arts degree in Landscape Design from the Conway School of Design in 1985. He is a Certified General Appraiser in the state of Massachusetts (CG-#3481), Vermont (CG #080-212), Virginia (CG #4001008676) and New Hampshire (CG #669) and is an *Affiliate Member* of *The Appraisal Institute*.

Sales *Exhibit A*

EXHIBIT A

Little Neck Sales and Listings Overview

2007 - Present

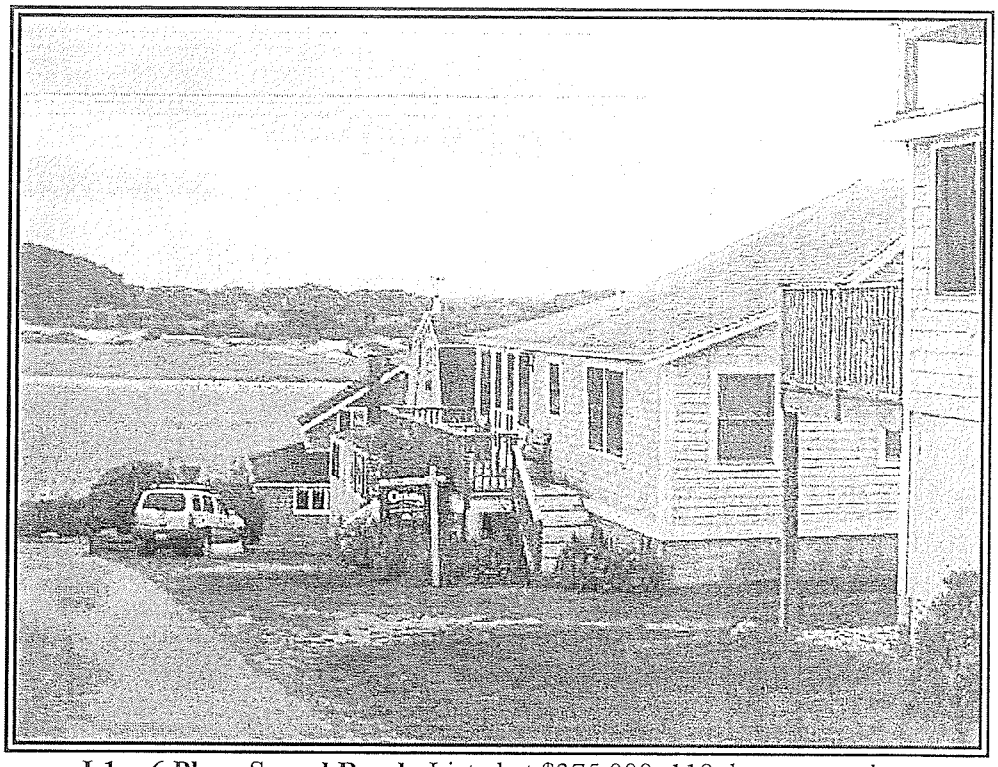
Sale No.	Location	Date of Sale	Sale Price	Lot Size	Indicated Lot Price / sf	Living Area	Owner	Tax Parcel ID	Assessed Value at Sale Date (Building/ Land)	Comments
SALES										
A1	42 Middle Road Ipswich	8/31/07	***$550,000***	3,000 sf	$183/sf	1,378 sf	Daniel Leonard	Map 24C, Block 69, Lot 161	$345,500 ($132,200 / $213,300)	C1910 seasonal cottage in good condition with four bedrooms and one and a half baths. Listed at $575,000, sold after 852 days on market.
A2	9 Cove Road Ipswich	10/12/07	***$339,000***	3,000 sf	$113/sf	1,354 sf	George P. Sousa	Map 24C, Block 69, Lot 87	$423,800 ($210,500 / $213,300)	C1910 summer cottage, rebuilt in 1998, with two bedrooms and one and a half baths. Sold fully furnished, after 15 days on market.
A3	24 Plum Sound Road Ipswich	4/14/08	***$400,000***	3,000 sf	$133/sf	1,392 sf	Kerri McDonald-Shaub	Map 24C, Block 69, Lot 144	$291,400 ($105,900 / $185,500)	C1910 cottage, fully renovated and well maintained, with three bedrooms and one and a half bathrooms. Listed at $445,000. Sold fully furnished, after 185 days on market.
A4	3 King's Way Ipswich	11/6/08	***$465,000***	3,000 sf	$155/sf	912 sf	Michael Torrisi	Map 24C, Block 69, Lot 133	$362,700 ($72,400 / $290,300)	C1920 Seasonal camp with three bedrooms and one bath in 912 sf living area.
A5	27 King's Way Ipswich	7/23/08	***$335,000***	3,000 sf	$112/sf	892 sf	John Cook	Map 24C. Block 69, Lot 122	$284,600 ($104,500 / $180,100)	C1936 summer cottage, updated in 1989, with two bedrooms and one bath. Originally listed at $425,000, price reduced five times, sold after 778 days on market.

Sale No.	Location	Date of Sale	Sale Price	Lot Size	Indicated Lot Price / sf	Living Area	Owner	Tax Parcel ID	Assessed Value at Sale Date (Building/ Land)	Comments
A6	26 Baycrest Road Ipswich	12/16/09	***$165,000***	3,000 sf	$55/sf	1,032 sf	Not Available	Map 24C, Block 69, Lot 96	$255,000 ($74,900 / $180,100)	C1930 seasonal cottage with three bedrooms and one bath, and large screened porch. Listed at $319,000, reduced six times, sold after 541 days on market.
LISTINGS – Current and Recently Ended										
A-L1	6 Plum Sound Road Ipswich	Current Listing, 110 days on market	$375,000	3,000 sf	$125/sf	1,160 sf	Not Available	Map 24C, Block 69, Lot 136	$329,400 ($106,600 / $222,800) FY2010	C1920 two-story seasonal cottage with interior and exterior updates. Includes three bedrooms, one bath and a screened-in porch. Views of the Ipswich River towards Fox Creek.
A-L2	23 Bay Road Ipswich	Current Listing, 368 days on market	$259,000	3,000 sf	$86/sf	800 sf	Not Available	Map 24C, Block 69, Lot 65	$287,000 ($64,200 / $222,800) FY2010	C1910 two-story seasonal cottage with two bedrooms, an updated kitchen and bath, and a screened-in porch.
A-L3	24 Hilltop Road Ipswich	Current Listing, 80 days on market	$399,000	3,000 sf	$133/sf	1,408 sf	Not Available	Map 24C, Block 69, Lot 127	$303,000 ($107,200 / $195,800) FY2010	C1930 summer cottage with three bedrooms, one bath, a stone fireplace and wrap-around porch. Reduced from asking price of $415,000.
A-L4	35 Hilltop Road Ipswich	Current Listing, 551 days on market	$579,900	3,000 sf	$193/sf	852 sf	Not Available	Map 24C, Block 69, Lot 114	$284,200 ($88,400 / $195,800) FY2010	C1935 summer cottage with four bedrooms, one bath, a fireplace, wrap-around porch, and second-level deck.
A-L5	50 River Road Ipswich	Current Listing, 437 days on market	$599,000	3,360 sf	$178/sf	1,779 sf	Not Available	Map 24C, Block 69, Lot 12	$432,300 ($84,500 / $347,800) FY2010	C1910 waterfront summer cottage with nine rooms, including five bedrooms, one bathroom, a living room with fireplace, an enclosed and an open porch. Reduced twice from original asking price of $625,000.

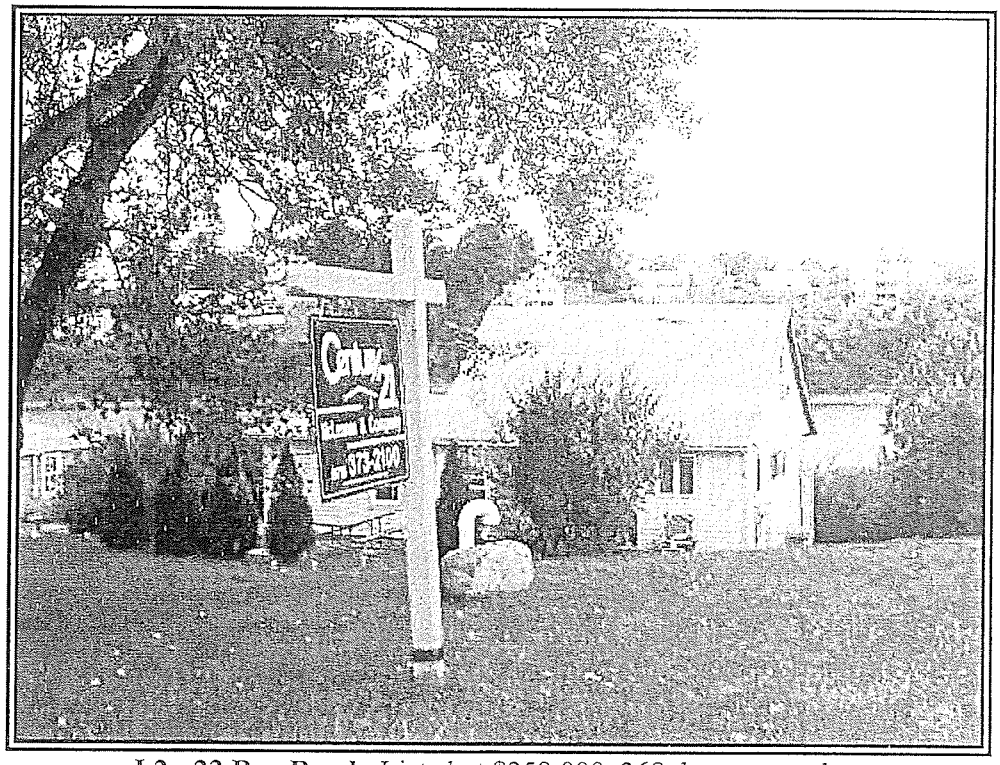
Sale No.	Location	Date of Sale	Sale Price	Lot Size	Indicated Lot Price / sf	Living Area	Owner	Tax Parcel ID	Assessed Value at Sale Date (Building/ Land)	Comments
A-L6	33 Bay Road Ipswich	Expired 8/30/10, 920 days on market	$585,000	2400 sf	$244/sf	1,318 sf	Not Available	Map 24C, Block 69, Lot 60	$303,600 ($125,400 / $178,200) FY2010	C1930 waterfront summer cottage with three bedrooms, one bath, a living room with fireplace, an enclosed porch, and a separate storage shed. To be sold partially furnished. Reduced from original asking price of $625,000.
A-L7	25 Plum Sound Road Ipswich	Cancelled 9/3/10, 218 days on market	$595,000	4680 sf	$127/sf	2,265 sf	Not Available	Map 24C, Block 69, Lot 148	$574,600 ($207,800 / $366,800) FY2010	C2005 waterfront Contemporary includes three bedrooms, two bathrooms and a lavatory. Cottage was last sold in 2004 for $370,000, and the buyers built a new home in 2005.
A-L8	21 Bay Crest Road Ipswich	Cancelled 8/19/10, 870 days on market	$339,900	3000 sf	$113/sf	926 sf	Not Available	Map 24C, Block 69, Lot 102	$278,000 ($82,200 / $195,800) FY2010	C1935 seasonal cottage with two bedrooms and one bath.
A-L9	55 River Road Ipswich	Expired 9/6/10, 193 days on market	$425,000	3000 sf	$142/sf	1,018 sf	Not Available	Map 24C, Block 69, Lot 005	$412,400 ($80,200 / $332,200) FY2010	C1910 seasonal cottage, with two bedrooms and one bathroom. Property listed for sale on and off (974 days total) since March 2006, with listing price ranging from a high of $575,000 to a low of $425,000.

LandVest®

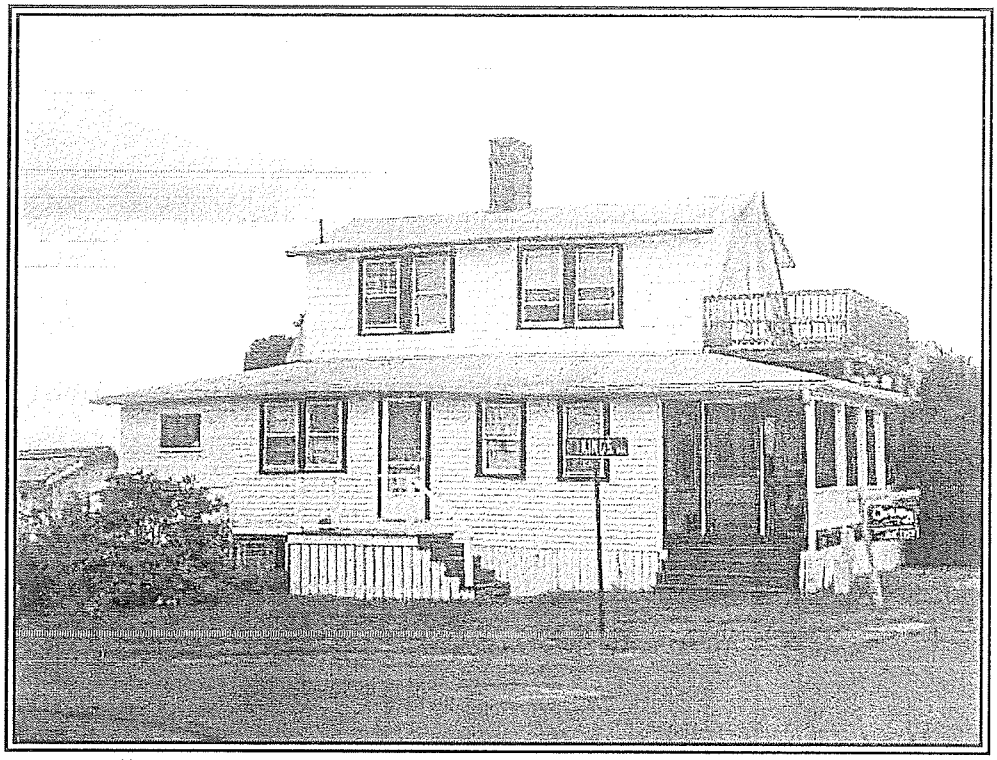
Current and Expired Listing Sheets – Little Neck



L1: 6 Plum Sound Road. Listed at $375,000, 110 days on market.



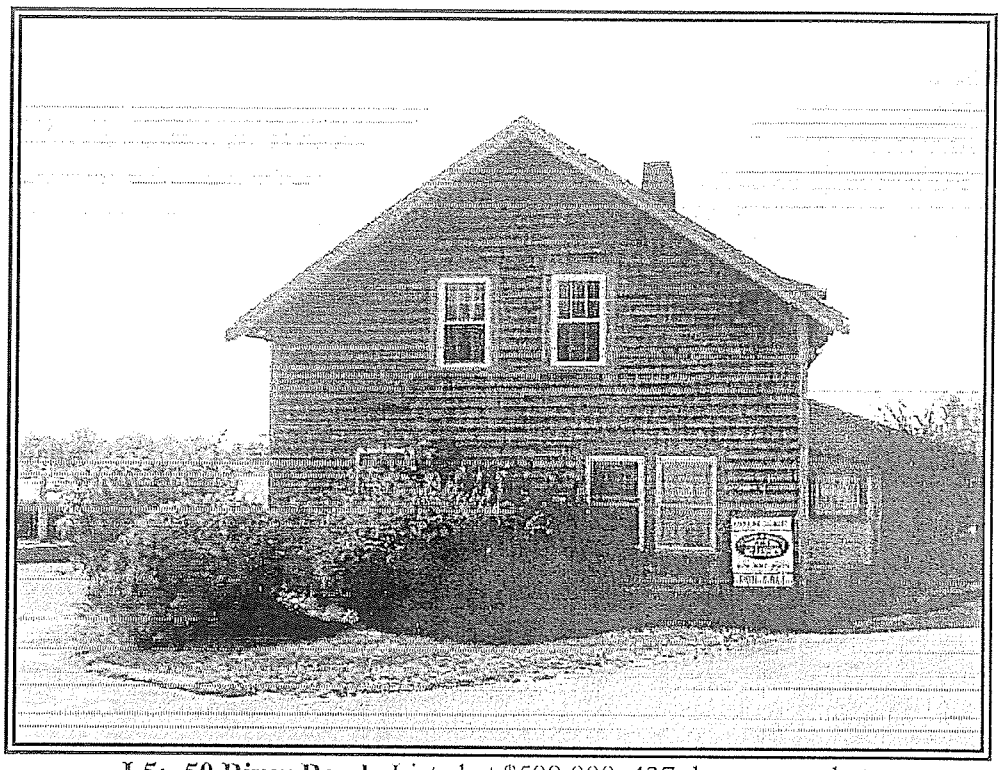
L2: 23 Bay Road. Listed at $259,000, 368 days on market.



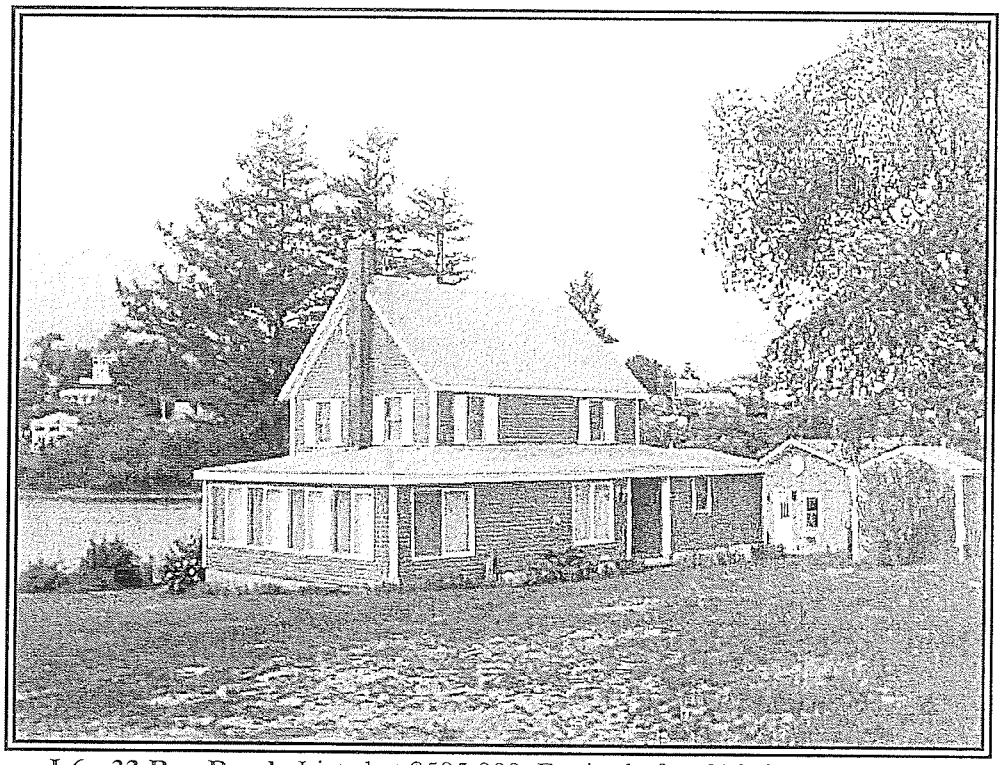
L3: 24 Hilltop Road. Listed at $399,000, 80 days on market.



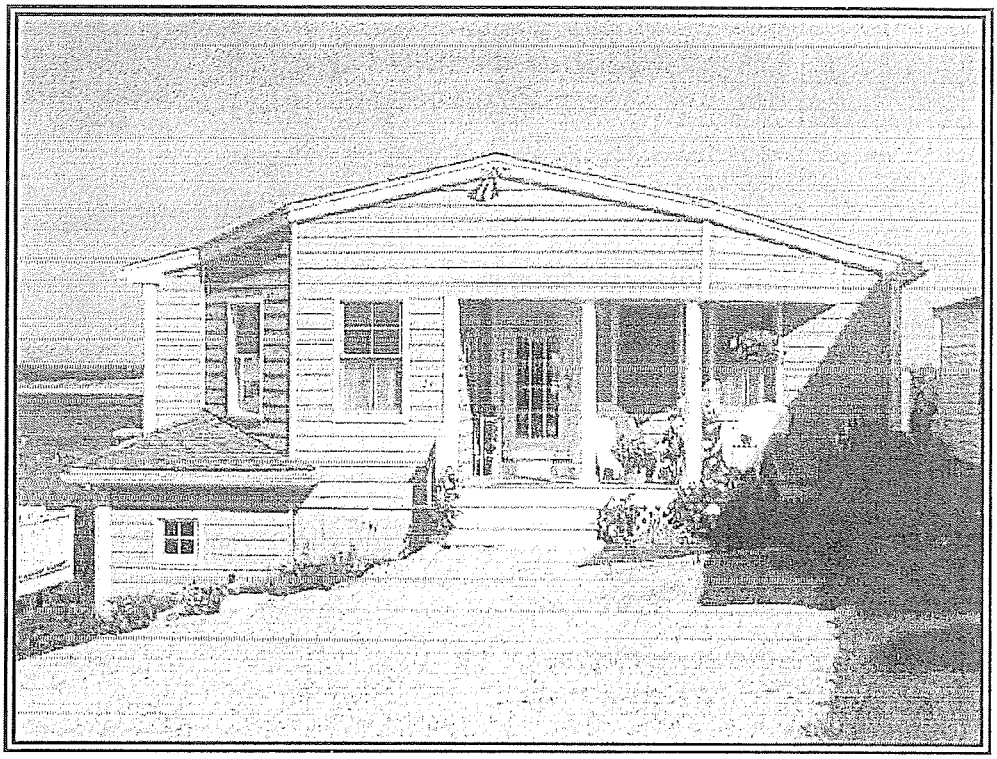
L4: 35 Hilltop Road. Listed at $579,900, 551 days on market.



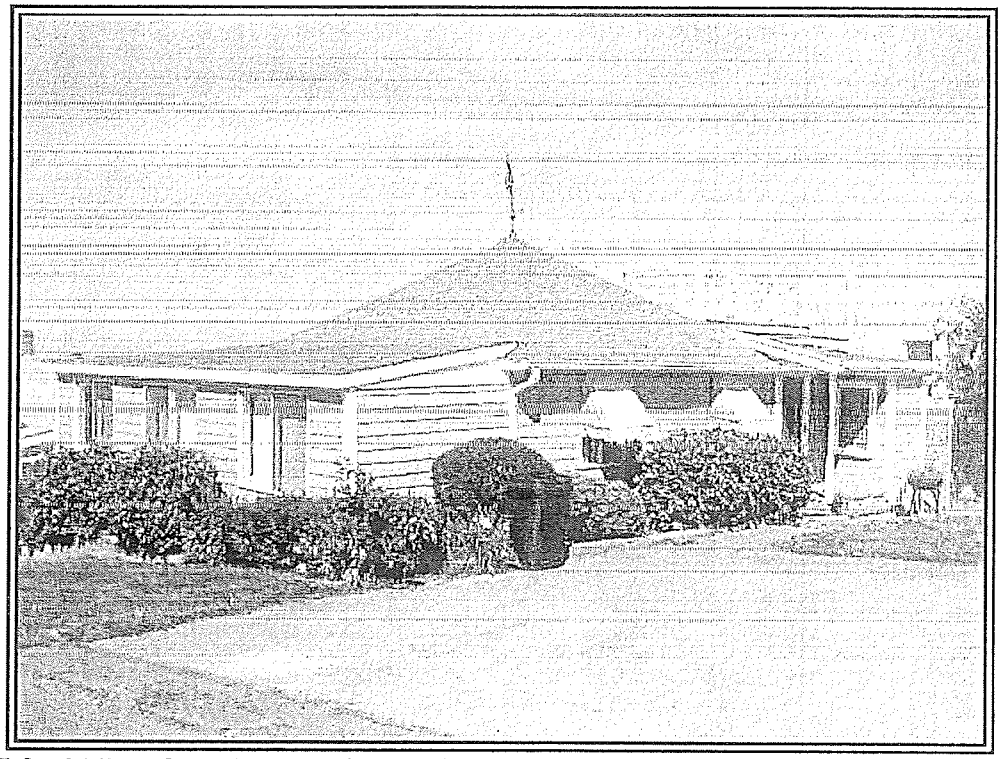
L5: 50 River Road. Listed at $599,000, 437 days on market.



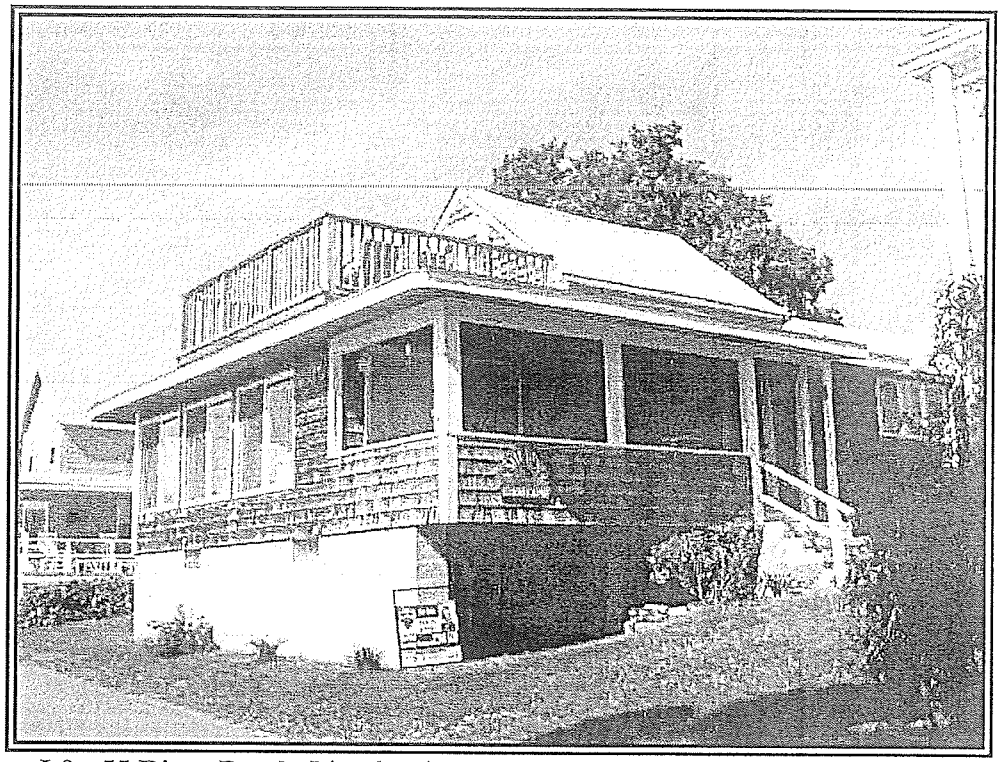
L6: 33 Bay Road. Listed at $585,000, Expired after 920 days on market.



L7: 25 Plum Sound Road. Listed at $595,000, Cancelled after 218 days on market.



L8: 21 Bay Crest Road. Listed at $399,900, Cancelled after 870 days on market.



L9: 55 River Road. Listed at $425,000, Expired after 193 days on market.

Sales *Exhibit B*

EXHIBIT B
Residential Estate Sales Overview
Great Neck Market
2007-Present

Sale No.	Location	Date of Sale	Sale Price	Lot Size (Acres)	Indicated Price / Acre	Grantor / Grantee	Book / Page	Comments
B1	22 Bay View Road Ipswich	1/31/07	*$630,000*	.083	$7,590,361	Derek Carroll, Tr. / Kathleen Marie Guay	26529 / 10 Map 24A, Lot 64	C2004 Colonial with three bedrooms, one bathroom and one lavatory in 1,658 sf living area. Located at the corner of Bayview and Clark Roads, this elevated site offers partially-obstructed but panoramic water views of Ipswich Bay, Plum Island, and Crane Beach. Assessed at $684,800 ($242,800 building, $442,000 land). Listed for $709,000, reduced twice and sold after 276 days on market.
B2	69 Skytop Road Ipswich	2/1/07	*$370,000*	.306	$1,209,150	William Stobbs / Cynthia B. Brown	26532 / 281 Map 15C, Lot 77	C1967 Ranch with three bedrooms, two bathrooms and a lavatory in 2,764 sf living area. The house abuts conservation land and has elevated, unobstructed marsh views to the southeast and limited distant water views towards Gloucester. Includes a prepared 4-bedroom septic design, to be installed by purchaser. Assessed at $638,100 ($224,200 building, $413,900 land). Listed at $500,000, sold after 196 days on market.
B3	25 North Ridge Road Ipswich	2/5/07	*$499,900*	.189	$2,644,974	Arthur H. Leslie, Jr., Tr., / Ann B. McMenemy	26541 / 147 Map 15C, Lot 10	C1940 Raised Ranch with 1,750 sf living area in three levels, including two bedrooms, one bathroom a family room with wood stove, an updated kitchen and open living dining room. Located on the south side of North Ridge road, the site has northwesterly views of the Eagle Hill River towards the Parker River. Assessed at $546,700 ($156,100 improvements, $390,600 land). Reduced twice from $579,000, sold after 487 days on market.
B4	100 Little Neck Road Ipswich	5/21/07	*$575,000*	.138	$4,166,667	Thomas P. Fuller / Bart Lawrence, Tr.	26884 / 555 Map 23D, Lot 13	C1927 Camp style building with two bedrooms and one bath in 1,479 sf living area. Assessed at $503,500 ($116,000 building, $387,500 land).

Sale No.	Location	Date of Sale	Sale Price	Lot Size (Acres)	Indicated Price / Acre	Grantor / Grantee	Book / Page	Comments
B5	81 North Ridge Road Ipswich	5/31/07	*$473,000*	.632	$748,418	Charles R. Richey, Tr. / Joseph R. Doyle	26888 / 149 Map 15B, Lot 33, and Map 15D, Lot 113	C1947 Ranch with two bedrooms and one bath in 1,092 sf living area. Irregularly-shaped, rolling parcel has 160 sf frontage on North Ridge Road and 100 sf frontage on Skytop Road. Assessed at $602,700 ($113,900 building, $488,800 land).
B6	19 Skytop Road Ipswich	6/29/07	*$400,000*	.238	$1,680,672	Paul. R. VanAlmkerk / Peter M. Tisevich	26981 / 270 Map 15D, Lot 118	C1950 Contemporary, completely renovated in 1990, with three bedrooms and two baths in 2,042 sf living area. Located at the corner of Skytop and Merganser roads, across from the US Naval Radar Station, and with obstructed northerly views to Ipswich Bay. Assessed at $561,000 ($112,400 building, $448,600 land). Reduced six times from original list of $587,000, sold after 287 days on market.
B7	10 Appomattox Road Ipswich	8/10/07	*$400,000*	.294	$1,360,544	Cynthia M. Dooley / Gregory J. Smith, Tr.	27094 / 510 Map 23D, Lot 51A	C1960 Ranch with three bedrooms and one bathroom in 1,440 sf living area. Assessed at $549,900 ($137,900 building, $412,000 land).
B8	41 Island Park Road Ipswich	8/23/07	*$417,000*	.229	$1,820,961	Brent A. Bagley / Ian Guarino, Tr.	27129 / 179 Map 23C, Lot 31A	C1953 Conventional style home with three bedrooms and one bath in 2,164 sf living area. Assessed at $492,000 ($257,700 building, $234,400 land). Reduced twice from $459,000, sold after 152 days on market.
B9	1 Bunker Hill Road Ipswich	8/23/07	*$477,000*	.284	$1,679,577	Ronald F. Lennon, Tr. / Robert D. Hill	28102 / 51 Map 24A, Lot 4	C1945 Contemporary, fully modernized in recent years, with two bedrooms and two baths, a 24x24 great room, office, den, loft and new kitchen in 2,556 sf living area. Elevated, corner lot on Stage Hill and Bunker Hill Roads, with distant views to Plum Island sound. Assessed at $597,800 ($187,400 building, $410,400 land). Reduced eight times from original list of $725,000, sold after 444 days on market.

Sale No.	Location	Date of Sale	Sale Price	Lot Size (Acres)	Indicated Price / Acre	Grantor / Grantee	Book / Page	Comments
B10	47 North Ridge Road Ipswich	9/13/07	*$360,000*	.119	$3,025,210	James O'Donohoe, Tr. / Gerard A. Beauchamp, Tr.	27181 / 539 Map 15C, Lot 1	C1960 ranch with two bedrooms and one bathroom in 1,016 sf living area. Corner lot on the south side of Northridge and the west side of Goldfinch. Assessed at $561,000 ($112,400 building, $448,600 land). Listed at $539,000, reduced to $349,000, sold after 76 days on market.
B11	2 Alamo Road Ipswich	10/5/07	*$375,000*	.23	$1,630,435	Robert P. Riley / Michael Mroz	27236 / 125 Map 24A, Lot 52	C1935 Camp style building with one bedroom and one bathroom in 988 sf living area. House may have one or two allowable bedrooms, depending on final septic inspection. Views to south end of Plum Island, Crane Beach and Cape Ann. Assessed at $569,300 ($100,400 building, $468,900 land). Listed at $519,900, sold after 105 days on market.
B12	121 Littleneck Road Ipswich	11/26/07	*$750,000*	.499	$1,503,006	Prudential Relocation Inc. / Anthony Lochtefeld, Tr.	27350 / 187 Map 24C, Lot 195	C1987 Cape with three bedrooms and two baths in 2,351 sf living area. Road-bisected lot has direct tidal access to Ipswich River and house has southerly views to Little Neck, the Ipswich River and marshes. Living room and dining room with cathedral ceiling and fireplace, new granite kitchen, wrap around deck with enclosed 3-season porch, landscaped lot with in-ground irrigation system. Assessed at $658,100 ($190,100 improvements, $458,000 land). Listed at $789,000, sold after 124 days on market.
B13	106 North Ridge Road Ipswich	12/19/07	*$775,000*	.172	$4,505,814	Gerald E. Smith, Tr / Charles A. Laughton, Tr	27402 / 305 Map 15B, Lot 24	C1943 Cape, recently updated, with two bedrooms and three baths, screened porch, hardwood floors, marble fireplace, and central air in 2,363 sf living area. Elevated location on north side of the road offers views distant panoramic views from the Maine Coast to Cape Ann. Assessed at $665,100 ($229,600 building, $435,500 land). Listed at $875,300, sold after 94 days on market.
B14	66 North Ridge Road Ipswich	1/8/08	*$1,000,000*	.337	$2,967,359	John T. Beagan / Richard B. Fairbanks Tr.	27444 / 414 Map 15A, Lot 11	C1981 Colonial with 2,911 sf living area. Direct waterfront access and expansive views of Plum Island and the Atlantic Ocean from this steeply sloping site. Assessed at $881,000 ($270,400 improvements, $610,600 land). Purchasers built a new house in 2008.

Sale No.	Location	Date of Sale	Sale Price	Lot Size (Acres)	Indicated Price / Acre	Grantor / Grantee	Book / Page	Comments
B15	104 Little Neck Road Ipswich	1/25/08	*$300,000*	.133	$2,255,639	Catherine M. Breaker / Benhamin M. Gorniewicz	27478 / 364 Map 23D, Lot 15	C1940 Camp style home with two bedrooms and one bath in 1,485 sf living area. Located at the "back" of Great Neck, with views towards the Ipswich River and marshes. Assessed at $349,400 ($40,000 building, $309,400 land).
B16	65 Skytop Road Ipswich	3/14/08	*$515,000*	.306	$1,683,007	Richard S. Emery, Tr / Skytop Realty LLC	27607 / 413 Map 15C, Lot 75	C1970 Conventional home with three bedrooms and two and a half baths in 2,302 sf living area. House built into side of sloping site, with southerly views towards the marshes, and westerly views to Eagle Hill River. Assessed at $536,000 ($205,500 improvements, $331,000 land). Reduced three times from $649,000, sold after 253 days on market.
B17	3 Chattanooga Road Ipswich	4/15/08	*$334,000*	.096	$3,479,167	Pamela W. Carlson / John F. Mara	27694 / 220 Map 24C, Lot 186	C1946 Bungalow with one bedroom and one bath in 1,288 sf living area, with southeasterly views towards Pavilion Beach and Little Neck. Assessed at $373,600 ($96,100 building, $277,500 land). Listed at $369,000, sold after 154 days on market.
B18	32 Appomattox Road Ipswich	6/11/08	*$430,000*	.16	$2,687,500	Wayne A. Sanborn / Elizabeth Raycroft	27843 / 362 Map 23B, Lot 21A	C1940 Ranch with two bedrooms and one bath in 1,330 sf living area, located on an elevated site with frontage on Plover Hill Road and Appomattox Road. Northerly views to Clark Pond and Beach, Ipswich Bay and Plum Island. Seller to provide approved septic design. Assessed at $442,700 ($129,000 building, $312,800 land) at time of sale. Listed at $469,000; sold after 171 days on market.
B19	39 Bay View Road Ipswich	1/29/09	*$486,000*	.171	$2,842,105	Albert J. Howes, Tr. / Charles J. Badavas, Tr.	28277 / 535 Map 24A, Lot 82	C1945 Cape with two four bedrooms and two bathrooms in 1,650 sf living area. Distant panoramic views to the Parker River, Clark Pond and Beach, Plum Island and beyond. Assessed at $562,000 ($144,700 building, $417,300 land). Listed at $590,000, sold after 190 days on market. *Extracted Land Value: $340,000.*

Sale No.	Location	Date of Sale	Sale Price	Lot Size (Acres)	Indicated Price / Acre	Grantor / Grantee	Book / Page	Comments
B20	116 Little Neck Road Ipswich	3/17/09	*$252,500*	.227	$1,112,335	Edward R. Herling / Robert Thomson Smith, Tr.	28410 / 178 Map 24C, Lot 178	C1935 Camp style building with one bedroom and one bath in 952 sf living area. House gutted and partially renovated at time of sale. Southerly views to Little Neck, Ipswich River and marshlands. Assessed at $370,600 ($59,200 improvement, $307,800 land). Listed at $305,500, sold after three days on market. *Extracted Land Value: $200,000.*
B21	11 Bunker Hill Road Ipswich	3/24/09	*$320,000*	.239	$1,338,912	Robert R. Sweet, Sr., Tr. / Kathleen D. Schildbach, Tr.	28430 / 3 Map 23D, Lot 45	C1952 Camp style building with three bedrooms and two bathrooms in 1,402 sf living area. Lot has frontage on both Appomattox and Bunker Hill Roads, and offers distant marsh views. 3-Bedroom septic system installed in 2006. Assessed at $396,900 ($$87,700 building, $309,200 land). Listed at $349,000, sold after 65 days on market. *Extracted Land Value: $240,000.*
B22	3 Island Park Road Ipswich	3/31/09	*$430,000*	.501	$858,283	Meredith C. McMorrow / Bruce M. Barker	27655 / 338 Map 23C, Lot 41	C1962 Ranch with two bedrooms and two baths in 1,204 sf living area. Located at the south side of Island Park Road, with little, if any, view of the marshes. Assessed at $373,500 ($134,600 improvements, $238,900 land). *Extracted Land Value: $270,000.*
B23	4 North Ridge Road Ipswich	7/31/09	*$595,000*	.183	$3,251,366	Elizabeth M. Graves / Susan M. McGrath	28830 / 400 Map 15C, Lot 25	C1999 waterfront Bungalow with two bedrooms, one bath, one lavatory, a living room with fireplace and cathedral ceilings and deck, in a single level with 1,262 sf living area. Unobstructed, northerly panoramic views to Plum Island from this low-elevation, direct water frontage lot. Assessed at $708,400 ($132,900 building, $575,500 land). Listed at $699,000, sold after 134 days on market. *Extracted Land Value: $475,000.*
B24	26 Bay View Road Ipswich	12/7/09	*$645,000*	.165	$3,909,091	David H. Bryant / Julanne Phillips	29126 / 572 Map 24A, Lot 66	Northerly views over neighboring houses to the sand bars of Clark Beach, the Ipswich Bay, Plum Island and the Atlantic ocean beyond. Ipswich 120 feet of frontage on Bay View Road. Assessed at $629,100 ($212,800 Improvements, $416,300 land). Reduced three times from $749,900, sold after 236 days on market. *Extracted Land Value: $410,000.*

Sale No.	Location	Date of Sale	Sale Price	Lot Size (Acres)	Indicated Price / Acre	Grantor / Grantee	Book / Page	Comments
B25	112 Little Neck Road Ipswich	1/15/10	*$330,000*	.184	$1,793,478	Mary J. Putur / Keith W. Iwanicki	29216 / 418 Map 23D, Lot 19	C1939 Ranch, with four bedrooms and two baths in 1,546 sf living area. The property has southerly views across the street and a town-owned waterfront strip parcel towards the Ipswich River and the dunes and marshes of the Crane Estate. Parcel has 100 feet frontage on Little Neck Road and 80 feet of frontage on an undeveloped paper road known as Ironside Way. Assessed at $444,600 ($173,200 Improvements, $271,400 Land). Reduced four times from $495,000, sold after 152 days on market. *Extracted Land Value: $190,000.*
B26	29 Chattanooga Road Ipswich	1/22/10	*$395,000*	.175	$2,257,143	Joseph F. Nixon / Edward Sullivan	29232 / 357 Map 23D, Lot 26	C1989 Split Entry home with two bedrooms and two baths in 1,700 sf living area. 100 feet road frontage. Assessed at $425,300 ($168,400 building, $256,900 land). *Extracted Land Value: $230,000.*
B27	10 Goldfinch Way Ipswich	3/19/10	*$385,000*	.308	$1,250,000	The 10 Goldfinch Way Trust / Raymond D. Moore	29341 / 510 Map 15D, Lot 129	C1966 Ranch with 100 feet of road frontage on a cul-de-sac, abutting conservation land. The 1,066 sf house has two bedrooms, one bathroom and a fireplace, as well as limited distant marsh views from a wrap-around deck. Installation of new 3-bedroom septic system included in purchase price. Assessed at 405,500 at time of sale ($120,800 building, $284,700 land). Sold at $10,000 above asking price after 3 days on market. *Extracted Land Value: $265,000.*
B28	15 Bunker Hill Road Ipswich	4/26/10	*$551,000*	.287	$1,919,861	Cheryl Henderson / Robert A. Imlach	29423 / 490 Map 23D, Lot 44	C1997 Colonial with three bedrooms and three baths in 2,080 sf of living area. Elevated site, with southerly views to the Essex River. Little Neck and tidal marshland. 60 feet of frontage on Appomattox Road and 90 feet of frontage on Bunker Hill Road. Assessed at $572,300 ($318,100 improvements, $254,200 land). Listed at $595,500, sold after 145 days on market. *Extracted Land Value: $240,000.*

Sale No.	Location	Date of Sale	Sale Price	Lot Size (Acres)	Indicated Price / Acre	Grantor / Grantee	Book / Page	Comments
B29	24 North Ridge Road Ipswich	5/18/10	*$612,500*	.262	$2,337,786	Geraldine E. Sotiropoulos, TR / Patricia H. Bodenstab	29469 / 192 Map 15C, Lot 35	C1940 Ranch with water frontage on Plum Island Sound and northwest views to hundreds of acres of marchland and Plum Island. The updated two-bedroom, two-bath home has 2,309 sf living area. Buyer to pay for 2-bedroom septic installation. Assessed at $697,900 ($163,700 improvements, $534,200 land). Listed at $699,900, sold after 217 days on market. *Extracted Land Value: $450,000.*
B30	86 Little Neck Road Ipswich	6/15/10	*$558,600*	.143	$3,906,294	George E. Perkins / Stephen D. Kelleher	29530 / 331 23D, Lot 7 and Map 23D, Lot 52A	C1940 updated home with two bedrooms and two baths in 2,613 sf living area. Sale includes two land parcels: a .143 acre parcel with improvements on the north side of Little Neck road, and a vacant, .147 acre unbuildable strip parcel on the south side of the road, with nearly 100 feet of frontage on the Great Neck Creek and unobstructed views of the Ipswich River and marshes. The improved parcel is assessed at $438,300 ($171,400 improvements, $266,900 land) and the strip parcel is assessed at $5,100. Listed at $599,900, sold after 78 days on market. *Extracted Land Value: $335,000.*
B31	16 Chattanooga Road Ipswich	7/2/10	*$290,000*	.242	$1,198,347	Kenneth J. Torok, Sr. / Gjyl Mustafa	29581 / 147 Map 23D, Lot 16	C1952 Seasonal Camp in average condition with one bedroom and one bathroom in 480 sf living area. The parcel has 160 feet road frontage and is approximately 60 feet deep. Subject to slope easement rights and a notice of restriction. Assessed at $299,600 ($49,700 improvements, $249,900 land). *Extracted Land Value: $230,000.*
B32	4 Alamo Road Ipswich	8/6/10	*$637,000*	.199	$3,201,005	Edward J. Pineault / Julie Bellet	29663 / 397 Map 24A, Lot 53	C2002 Contemporary with two bedrooms and two bathrooms in a two-level home with 2,320 sf of living area. Property has 65 feet of frontage on Alamo Road and 74 feet of frontage on Hillside Road. Set on an elevated site, the property has northeast views across the top of other properties toward the Ipswich Bay and Plum Island. Assessed at $507,200 ($234,200 building, $273,000 land). Property last sold in October 2004 for $695,000. Listed for $699,000, sold after 51 days on market. *Extracted Land Value: $335,000.*

Sale No.	Location	Date of Sale	Sale Price	Lot Size (Acres)	Indicated Price / Acre	Grantor / Grantee	Book / Page	Comments
B33	46 Skytop Road Ipswich	8/12/10	***$880,000***	.457	$1,925,602	Donald E. Bowen, Jr. / Thomas Paul Hamilton	29677 / 237 Map 15C, Lot 82	C1965 home, completely renovated and updated, with three bedrooms, two and a half baths, radiant heat, central vacuum, two fireplaces and hardwood floors throughout the 3,156 sf of living area. Elevated site at the top of Skytop Road, with northerly views to Plum Island Sound, Plum Island, and the Atlantic ocean. Energy-efficient home with solar collectors. 100 feet of road frontage. Assessed at $621,700 ($320,800 building, $300,900 land). Listed at $925,000, sold after 134 days on market. ***Extracted Land Value: $395,000.***
B34	59 Skytop Road Ipswich	10/14/20	***$550,000***	.34	$1,617,647	Not Yet Recorded	Map 15C, Lot 70	C1986 Contemporary with two bedrooms and two baths in 1,410 sf living area. Features a wall of windows facing Plum Island Sound. Title V approved system in 2010. Assessed at $492,600 ($204,600 building, $288 land). Reduced from $629,900 to $550,000, under agreement after 73 days on market. ***Extracted Land Value: $315,000.***

Sales *Exhibit C*

EXHIBIT C

Residential Lot Sales and Listings Overview
Ipswich Waterfront Market
2004-Present

Sale No.	Location	Date of Sale	Sale Price	Lot Size (Acres)	Indicated Price / Acre	Grantor / Grantee	Book / Page	Comments
SALES								
C1	40 and 42 Chattanooga Road Ipswich	11/5/04	$248,000	1.5	$165,333	Sara Carpenter, Tr / Eric L. Primack	23595 / 489 Map 23B, Lot 75 and 75A	Two parcel assemblage of wooded, elevated, sloped site on Great Neck with views to the Great Marsh. Lot has frontage on both Chattanooga and Little Neck Roads. Purchased as a foreclosure sale, with a then-current assessment of $442,000. Property has subsequently been marketed for more than three years with an asking price reduced from a high of $425,000 to the current listing at 389,000.
C2	7 Egret Court Ipswich	4/14/06	$440,000	1.67	$263,473	Proprietors of Great Neck / Michael J. Hoey	25569 / 107 Map 15C, Lot 69	Sloping, hilltop site overlooking Plum Island sound and Great Marsh. Three bedroom septic installed, land cleared. Subject to easements. 628 DOM.
C3	11 Mulholland Drive Ipswich	5/4/06	250,000	.47	$531,914	Estelle B. Bolles, Tr / Hugh F. O'Flynn, Tr	Map 23B, Parcel 107	Elevated parcel with 125 feet of road frontage on Mulholland Drive, purchased by abutter at Map 23A, Parcel 20. Property not exposed to open market.
C4	9 Mulholland Drive Ipswich	5/4/06	250,000	.47	$531,914	Estelle B. Bolles, Tr / Hugh F. O'Flynn, Tr	25636 / 481 Map 23A, Lot 22	Elevated parcel with 125 feet of road frontage on Mulholland Drive, purchased by abutter at Parcel 20. Property not exposed to open market.

Sale No.	Location	Date of Sale	Sale Price	Lot Size (Acres)	Indicated Price / Acre	Grantor / Grantee	Book / Page	Comments
C5	26 Hillside Road Ipswich	6/4/08	$164,160	.116	$1,415,.72	Town of Ipswich / Paul Gilligan, TR	27826 / 316 Map 23B, Lot 33	Vacant, level, parcel located at the southwest corner of Hillside and Capeview Roads. The subject of a 1989 tax taking by the town, the property sold at public auction, at which time it was assessed at $307,300. Purchasers installed a mounded septic system and built a new home in 2009 with two bedrooms and two baths.
LISTINGS								
C-L1	50 Labor in Vain Road Ipswich	6/25/08 List Date	$450,000	2	$225,000	Not Available	Map 44, Lot 9	Irregularly-shaped field and forest lot with seasonal views to the Ipswich River across the adjacent, town-owned Nichols Field conservation property. 322 feet of frontage on quiet, dead-end country road near Labor in Vain Creek and Ipswich River. Property perked in 2008. Reduced from $495,000. May be purchased with adjacent riverfront single family house at 46 Labor in Vain Road.
C-L2	75 Jeffreys Neck Road Ipswich	2/19/09 List Date	$75,000	.13	$576,923	Not Available	Map 22D, Lot 4	Vacant lot with 60 feet of road frontage. Buyer to assume all engineering, permitting and testing fees. Listing price reduced from $150,000.
C-L2	53 Island Park Road Ipswich	4/25/09 List Date	$175,000	1.22	$143,443	Not Available	Map 23C, Lot 39A	Private, wooded and wetland lot at the end of a dead end street, surrounded by protected marshland. Road extension to the site is the responsibility of the buyer. Plans are available for road and building site.
C-L3	85 North Ridge Road Ipswich	8/28/09 List Date	$365,000	.21	$1,738,095	Not Available	Map 15D, Lot 79A	Level lot with 100 feet of road frontage and views to the Ipswich Bay and Plum Island. Two good perk tests on file with the Ipswich Board of Health. Reduced from $395,000; listing expired in September 2010 after 369 days on market. Property had previously been listed but not sold in November 2007 and cancelled in September 2008 with an asking price of $350,000.
C-L4	40 Chattanooga Road Ipswich	9/16/09 List Date	$374,900	1.26	$297,540	Not Available	Map 23B, Lot 75	Two-tax parcel assemblage of wooded, elevated, sloping site on Great Neck with views across the Ipswich marsh to the Eagle Hill River. Located on unpaved road. Lot has frontage on both Chattanooga and Little Neck Roads. Reduced from $389,000; listing expired in August 2010 after 319 days on market.

Sale No.	Location	Date of Sale	Sale Price	Lot Size (Acres)	Indicated Price / Acre	Grantor / Grantee	Book / Page	Comments
C-L5	118 North Ridge Road Ipswich	2/16/2010 List Date	$375,000	.19	$1,974,648	Not Available	Map 15D, Lot 5	Water views from cleared, sloping lot with 60 feet of road frontage. Price includes an approved three-bedroom septic design, building permit, and a set of cape-style house plans. Assessed at $378,300. Asking price reduced from $398,500.
C-L6	51 North Ridge Road Ipswich	3/2/10 List Date	$399,000	.28	$1,425,000	Not Available	Map 15A, Lot 16	Elevated, sloping, corner lot with views of Plum Island Sound. Property contains a C1950 single family home in average condition, although the property value resides in the underlying land. Reduced from original price of $420,000; assessed in 2010 at 476,100 (393,800 for land portion).

LandVest®

APPRAISAL REPORT

Feoffees Of The Grammar School Property
Ipswich, Massachusetts

Located at:
Little Neck Estate
Ipswich, Massachusetts 01938

Effective Valuation Date:
December 16, 2005

Report Date:
January 6, 2006

Requested by:
Alexander B. C. Mulholland, Jr., Chairman
Feoffees of the Grammar School
PO Box 790
Ipswich, MA 01938

Prepared by:
Slater W. Anderson, Project Manager
Real Estate Consulting Group
LandVest, Inc.
Ten Post Office Square
Boston, MA 02109

Report #4539

LandVest®
Distinctive Properties • Real Estate Consulting & Appraisal • Forestry Consulting
TEN POST OFFICE SQUARE, BOSTON, MASSACHUSETTS 02109

REGIONAL OFFICES

148 Middle Street
Portland, ME 04101
Telephone 207 774-8518
Fax 207 774-5845

22 Bayview Street
P.O. Box 1262
Camden, ME 04843
Telephone 207 236-3543
Fax 207 236-2172

4A Tracy Road
P.O. Box 1068
Northeast Harbor, ME 04662
Telephone 207 276-3840
Fax 207 276-3837

126 College Street
Burlington, VT 05401
Telephone 802 660-2900
Fax 802 660-2543

One The Green
Woodstock, VT 05091
Telephone 802 457-4977
Fax 802 457-9021

19 South Summer Street
P.O. Box 459
Martha's Vineyard
Edgartown, MA 02539
Telephone 508 627-4400
Fax 508 627-7044

16 Centre Street
Concord, NH 03301
Telephone 603 228-2020
Fax 603 226-4391

January 6, 2006

Alexander B. C. Mulholland, Jr., Chairman
Feoffees of the Grammar School
PO Box 790
Ipswich, MA 01938

RE: Appraisal Report Update
"Little Neck Estate" - Ipswich, Massachusetts

Dear Mr. Mulholland:

In accordance with your request, we have re-inspected the above-referenced real property generally known as the *Little Neck Estate* in Ipswich, southern Essex County, Massachusetts for the purposes of providing the Feoffees of the Grammar School in Ipswich with an updated opinion of the property's *Market Value.*

The attached document represents a "complete appraisal" within a USPAP-compliant Restricted Use Report format. The attached report includes updated opinions regarding the subject property's market value to a third party buyer and investment value assuming purchase by the currant tenancy. The attached appraisal constitutes an update of LandVest's original real estate advisory report dated April 15, 1997 and update reports as of December 1, 2000 and February 13, 2004. The previous reports are included herein by reference.

Based on our inspections, research and analyses, it is our opinion that as of December 16, 2004 (date of most recent inspection) that the market value of a fee simple interest in the subject property, assuming a condominium conversion of the underlying land was:

Market Value - Third Party Buyer:	$10,800,000
Investment Value - To Current Tenancy:	$13,400,000

TELEPHONE: 617 723-1800
FAX: 617 482-7957
WEB: www.landvest.com

Additional documentation in support of the above-outlined value opinions is provided within the attached report, respectfully submitted for your review.

Sincerely,

Slater W. Anderson
Project Manager
Real Estate Consulting Group
LandVest, Inc.
(MA Gen. Cert. #70909)

APPRAISAL REPORT

1. **Report Type**:

USPAP-complaint, *Restricted-Use* appraisal report intended for Client use only.

2. **Intended Use of Appraisal**:

This appraisal report is intended for use by the Feoffees of the Grammar School in Ipswich, Massachusetts and authorized assigns to facilitate an internal accounting of Market Value and a review on-going management/disposition options.

3. **Property Identification:**

The subject property is *generally* located at the end of Jeffrey's Neck Road in the easterly portion of the Town of Ipswich. The address is commonly referred to as the *Little Neck Estate* (Ipswich Assessor's Map 24C). As of the effective valuation date, Fee Simple Title of the subject property vested in The Feoffees of the Grammar School in Ipswich, c/o Donald Whiston.

4. **Property Interest Appraised:**

Fee Simple Estate

Fee Simple Estate is defined as:

Absolute ownership unencumbered by any other interest or estate; subject only to the limitations of eminent domain, escheat, police power, and taxation.[1]

5. **Purpose of Appraisal:**

The purpose of this appraisal is to provide the Client with updated opinions regarding the *Highest and Best Use* and *Market Value* to a third party buyer. The property's *Investment Value* to the current tenancy is included. *Highest and Best Use, Market Value* and *Investment Value* are defined as follows.

---

[1] The Dictionary of Real Estate Appraisal: The Appraisal Institute, 1993.

Highest and Best Use of real estate is defined as:

The reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and results in the highest value.[2]

Market Value is defined as follows:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

(1)Buyer and seller are typically motivated;
(2) Both parties are well-informed or well-advised, and acting in what they consider their best interests;
(3) A reasonable time is allowed for exposure to the open market;
(4) Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
(5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.[3]

Investment Value is defined as:

The specific value of an investment to a particular investor or class of investors based on individual investment requirements; distinguished from market value, which is impersonal and detached.4

This document represents a re-appraisal of the subject property. LandVest's original summary-format appraisal report with an effective valuation date of April 15, 1997 and Restricted-Use update reports with effective valuation dates of December 1, 2000 and February 13, 2004 are incorporated herein by reference. As of February 13, 2004, the subject property's *Market Value* to a third party buyer was estimated at $10,700,000 and its *Investment Value* to the

---

[2]Dictionary of Real Estate Appraisal, American Institute of Real Estate Appraisers, Chicago, Illinois, 3rd printing, 1987; Page 152.

[3]The Uniform Standards of Professional Appraisal Practice (USPAP): The Appraisal Foundation, 1997.

current tenancy was estimated at $13,800,000.

6. **Effective Valuation Date:**

The subject property was most recently inspected by Slater W. Anderson on December 16, 2005. The inspection date serves as the effective valuation date of this re-appraisal.

7. **Report Date:**

January 6, 2006

8. **Scope of Analysis:**

In consideration of the intended use/users of the report and in accordance with our agreement, LandVest's *Market Value* opinion is set forth in a ***Restricted Use Appraisal Report*** prepared and delivered in full conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) Standards Rule 2-2(c) and 8-2(c). This appraisal is intended for client use only and the full extent of the valuation process cannot be fully understood without a review of additional documentation contained in LandVest's original/previous appraisal reports and the appraiser's current working file. This report is not intended for third party use and the appraiser is not responsible for unauthorized use of this report.

The specific scope of analysis involved a review of: The subject property's title ownership and history; Pertinent land use regulations governing legal use; Consideration of the subject property's local and regional market position; Real estate market supply/demand trends and pricing as of the effective valuation date; and, updated information regarding sewage disposal solution.

9. **Property Identification and Description:**

The subject property comprises a total of approximately 211 individually-assessed parcels of land with leasehold improvements occupying 35 to 36± acres of coastal upland surrounded by the Ipswich River, Plum Island Sound and Neck Cove in the easterly portion of Massachusetts. Approximately 172 of the total parcels (168 improved and 4 vacant) are the subject of an annual land lease (tenancy at will) dating back to the 1760's. The remaining 39± mostly vacant parcels (one improved) are retained by the Feoffees.

Table I on the following page of this report summarizes the current parcel inventory and Fiscal 2005 assessed values for the parcels comprising the subject property.

Table I
PARCEL INVENTORY
Little Neck Estate - Ipswich, Massachusetts

I. Leased Parcel Inventory/Assessments - F.Y. 2005:

			Assessments		
Parcel #	Address	Lot Area	Land	Bldg.	Total
1	63 River Road	3,060 SF	$203,800	$126,900	$330,700
2	61 River Road	2,843 SF	$202,100	$66,700	$268,800
3	59 River Road	3,327 SF	$205,900	$83,400	$289,300
4	57 River Road	3,400 SF	$206,400	$83,400	$289,800
5	55 River Road	3,210 SF	$205,000	$85,600	$290,600
6	53 River Road	3,458 SF	$206,900	$203,300	$410,200
7	49 River Road	2,400 SF	$198,700	$123,500	$322,200
8	47 River Road	1,980 SF	$179,200	$64,900	$244,100
9	44 River Road	2,860 SF	$202,300	$136,200	$338,500
10	46 River Road	5,160 SF	$220,000	$127,300	$347,300
11	48 River Road	3,720 SF	$208,900	$278,100	$487,000
12	50 River Road	3,360 SF	$206,100	$98,000	$304,100
13	45 River Road	2,600 SF	$183,600	$53,600	$237,200
14	43 River Road	2,340 SF	$198,200	$198,400	$396,600
15	41 River Road	2,350 SF	$198,300	$180,100	$378,400
16	39 River Road	2,400 SF	$198,700	$225,500	$424,200
17	37 River Road	2,600 SF	$200,300	$93,100	$293,400
18	35 River Road	2,500 SF	$199,500	$44,200	$243,700
20	31 River Road	3,000 SF	$203,300	$135,700	$339,000
21	29 River Road	3,250 SF	$205,300	$77,200	$282,500
22	27 River Road	2,770 SF	$201,600	$111,200	$312,800

Parcel #	Address	Lot Area	Assessments Land	Bldg.	Total
23	25 River Road	2,400 SF	$198,700	$119,500	$318,200
24	6 Bay Crest Rd.	3,000 SF	$186,400	$75,400	$261,800
25	31 Middle Road	2,980 SF	$186,300	$92,300	$278,600
26	29 Middle Road	3,540 SF	$190,200	$80,400	$270,600
28	21 Middle Road	3,000 SF	$186,400	$129,500	$315,900
29	19 Middle Road	3,000 SF	$186,400	$166,200	$352,600
30	15 Middle Road	2,000 SF	$35,900	$0	$35,900
31	11 Middle Road	2,780 SF	$184,800	$119,000	$303,800
32	9 Middle Road	4,020 SF	$193,600	$88,100	$281,700
33	7 Middle Road	3,870 SF	$192,600	$67,400	$260,000
34	5 Middle Road	3,870 SF	$192,600	$120,100	$312,700
35	3 Middle Road	3,870 SF	$192,600	$67,000	$259,600
37	1 Hilltop Road	2,159 SF	$136,300	$90,400	$226,700
38	4 Middle Road	2,230 SF	$151,800	$201,400	$353,200
39	6 Middle Road	2,400 SF	$152,900	$156,100	$309,000
40	8 Hilltop Road	4,240 SF	$156,400	$275,700	$432,100
41	12 Hilltop Road	3,840 SF	$156,400	$90,500	$246,900
42	16 Hilltop Road	5,300 SF	$149,200	$69,700	$218,900
43	20 Hilltop Road	4,360 SF	$156,400	$78,600	$235,000
44	22 Hilltop Road	4,280 SF	$156,400	$175,900	$332,300
45	24 Hilltop Road	3,590 SF	$156,400	$126,200	$282,600
46	26 Hilltop Road	3,370 SF	$156,400	$90,400	$246,800
47	28 Middle Road	3,240 SF	$157,800	$117,900	$275,700
48	30 Middle Road	3,000 SF	$156,400	$127,300	$283,700
49	25 Hilltop Road	4,225 SF	$163,700	$265,200	$428,900
50	23 Hilltop Road	3,591 SF	$159,900	$61,700	$221,600
51	21 Hilltop Road	3,450 SF	$159,100	$87,100	$246,200

Parcel #	Address	Lot Area	Assessments		
			Land	Bldg.	Total
52	19 Hilltop Road	3,575 SF	$159,800	$97,000	$256,800
53	15 Hilltop Road	3,950 SF	$162,100	$134,600	$296,700
54	11 Hilltop Road	7,420 SF	$182,700	$165,700	$348,400
55	9 Hilltop Road	3,500 SF	$159,400	$173,100	$332,500
56	10 Middle Road	3,210 SF	$149,800	$122,300	$272,100
57	7 Hilltop Road	3,660 SF	$160,300	$155,000	$315,300
59	35 Bay Road	4,550 SF	$197,400	$228,700	$426,100
60	33 Bay Road	2,400 SF	$182,200	$150,000	$332,200
61	31 Bay Road	2,160 SF	$180,500	$71,200	$251,700
62	29 Bay Road	2,400 SF	$182,200	$128,100	$310,300
63	27 Bay Road	2,470 SF	$182,600	$243,500	$426,100
64	25 Bay Road	3,000 SF	$186,400	$51,500	$237,900
65	23 Bay Road	3,000 SF	$186,400	$68,800	$255,200
66	19 Bay Road	3,600 SF	$190,600	$107,900	$298,500
67	17 Bay Road	3,180 SF	$187,700	$75,200	$262,900
68	15 Bay Road	3,230 SF	$188,000	$90,000	$278,000
70	16 Bay Road	4,510 SF	$165,400	$125,200	$290,600
71	18 Bay Road	4,410 SF	$164,800	$222,300	$387,100
72	5 Gala Way	3,000 SF	$156,400	$100,100	$256,500
75	8 Hilltop Road	3,000 SF	$156,400	$275,700	$432,100
76	10 Hilltop Road	3,000 SF	$156,400	$92,600	$249,000
77	12 Hilltop Road	3,000 SF	$156,400	$86,200	$242,600
79	4 Cove Road	5,110 SF	$169,000	$88,700	$257,700
80	6 Cove Road	3,000 SF	$156,400	$62,800	$219,200
81	8 Cove Road	3,000 SF	$156,400	$95,600	$252,000
82	10 Cove Road	3,000 SF	$156,400	$106,000	$262,400
83	12 Cove Road	5,100 SF	$168,900	$94,200	$263,100
84	12 Bay Road	4,260 SF	$163,900	$125,400	$289,300
85	17 Cove Road	3,000 SF	$156,400	$77,400	$233,800
86	15 Cove Road	3,000 SF	$156,400	$97,500	$253,900
87	9 Cove Road	3,000 SF	$156,400	$180,100	$336,500
89	5 Cove Road	3,000 SF	$156,400	$92,100	$248,500

Parcel #	Address	Lot Area	Assessments		
			Land	Bldg.	Total
90	3 Cove Road	3,000 SF	$156,400	$88,600	$245,000
91	16 Hilltop Road	1,786 SF	$149,200	$66,600	$215,800
92	18 Hilltop Road	3,140 SF	$157,300	$72,900	$230,200
93	18 Baycrest Rd.	3,000 SF	$156,400	$110,900	$267,300
94	22 Baycrest Rd.	3,000 SF	$156,400	$67,100	$223,500
95	24 Baycrest Rd.	3,000 SF	$156,400	$125,100	$281,500
96	26 Baycrest Rd.	3,000 SF	$156,400	$81,500	$237,900
97	28 Baycrest Rd.	3,000 SF	$156,400	$215,300	$371,700
98	30 Baycrest Rd.	3,870 SF	$161,600	$150,500	$312,100
99	8 Bay Road	3,750 SF	$160,900	$106,800	$267,700
100	27 Baycrest Rd.	3,000 SF	$156,400	$78,200	$234,600
101	25 Baycrest Rd.	3,000 SF	$156,400	$96,400	$252,800
102	21 Baycrest Rd.	3,000 SF	$156,400	$88,700	$245,100
103	20 Hilltop Road	3,000 SF	$156,400	$78,600	$235,000
104	33 Hilltop Road	3,000 SF	$156,400	$91,500	$247,900
105	9 Baycrest Rd.	3,000 SF	$148,600	$63,800	$212,400
106	32 Middle Road	3,000 SF	$156,400	$100,600	$257,000
107	35 Middle Road	3,000 SF	$186,400	$93,600	$280,000
108	3 Baycrest Rd.	3,000 SF	$203,300	$89,600	$292,900
109	21 River Road	3,000 SF	$203,300	$95,100	$298,400
110	4 Kings Way	3,000 SF	$186,400	$103,000	$289,400
111	37 Middle Road	3,000 SF	$186,400	$126,900	$313,300
112	8 Kings Way	3,000 SF	$156,400	$176,100	$332,500
113	10 Kings Way	3,000 SF	$148,600	$114,300	$262,900
114	35 Hilltop Road	3,000 SF	$156,400	$105,100	$261,500
115	22 Hilltop Road	3,000 SF	$156,400	$195,000	$351,400
116	16 Kings Way	3,000 SF	$156,400	$107,800	$264,200
117	20 Kings Way	3,000 SF	$156,400	$120,500	$276,900
118	22 Kings Way	3,000 SF	$156,400	$100,800	$257,200
120	6 Bay Road	2,700 SF	$154,600	$61,700	$216,300

Parcel #	Address	Lot Area	Assessments Land	Bldg.	Total
121	29 Kings Way	4,410 SF	$164,800	$70,800	$235,600
122	27 Kings Way	3,000 SF	$156,400	$126,000	$282,400
123	25 Kings Way	3,000 SF	$156,400	$94,200	$250,600
124	21 Kings Way	3,000 SF	$156,400	$117,400	$273,800
125	19 Kings Way	3,000 SF	$156,400	$60,500	$216,900
126	17 Kings Way	3,000 SF	$156,400	$86,600	$243,000
127	24 Hilltop Road	3,000 SF	$156,400	$120,400	$276,800
128	37 Hilltop Road	3,000 SF	$156,400	$126,700	$283,100
129	11 Kings Way	3,000 SF	$148,600	$95,400	$244,000
130	36 Middle Road	3,000 SF	$156,400	$134,200	$290,600
131	39 Middle Road	3,000 SF	$186,400	$71,800	$258,200
132	5 Kings Way	3,000 SF	$186,400	$87,700	$274,100
133	3 Kings Way	3,000 SF	$203,300	$78,100	$281,400
134	2 Plum Sound Rd.	3,000 SF	$203,300	$158,700	$362,000
135	4 Plum Sound Rd.	3,000 SF	$186,400	$132,900	$319,300
136	6 Plum Sound Rd.	3,000 SF	$186,400	$102,700	$289,100
137	41 Middle Road	3,000 SF	$186 ,400	$104,500	$104,686
138	38 Middle Road	3,000 SF	$156,400	$174,900	$331,300
139	12 Plum Sound Rd.	3,000 SF	$156,400	$135,300	$291,700
140	14 Plum Sound Rd.	3,000 SF	$156,400	$75,300	$231,700
141	26 Hilltop Road	3,000 SF	$156,400	$90,400	$246,800
142	20 Plum Sound Rd.	3,000 SF	$156,400	$113,100	$269,500
143	22 Plum Sound Rd.	3,000 SF	$156,400	$92,400	$248,800
144	24 Plum Sound Rd.	3,000 SF	$156,400	$120,300	$276,700
145	28 Plum Sound Rd.	3,000 SF	$156,400	$105,900	$262,300
146	30 Plum Sound Rd.	3,950 SF	$162,100	$122,600	$284,700
147	27 Plum Sound Rd.	4,490 SF	$196,900	$62,400	$259,300
148	25 Plum Sound Rd.	4,680 SF	$198,300	$100,200	$298,500
149	23 Plum Sound Rd.	3,000 SF	$156,400	$124,800	$281,200

Parcel #	Address	Lot Area	Assessments Land	Bldg.	Total
150	21 Plum Sound Rd.	3,000 SF	$156,400	$122,800	$279,200
151	19 Plum Sound Rd.	3,750 SF	$160,900	$72,900	$233,800
152	15 Plum Sound Rd.	3,000 SF	$156,400	$108,600	$265,000
153	13 Plum Sound Rd.	3,000 SF	$156,400	$125,300	$281,700
154	40 Middle Road	3,000 SF	$156,400	$133,800	$290,200
155	43 Middle Road	3,000 SF	$186,400	$138,700	$325,100
156	5 Plum Sound Rd.	3,000 SF	$186,400	$72,000	$258,400
157	3 Plum Sound Rd.	3,000 SF	$203,300	$129,300	$332,600
158	15 River Road	3,000 SF	$203,300	$98,000	$301,300
159	11 River Road	3,000 SF	$203,300	$132,800	$336,100
160	45 Middle Road	3,000 SF	$186,400	$127,500	$313,900
161	42 Middle Road	3,000 SF	$156,400	$149,100	$305,500
162	3 River Road	3,000 SF	$156,400	$75,600	$232,000
163	43 Hilltop Road	3,000 SF	$186,400	$255,800	$442,200
164	2 River Road	3,500 SF	$207,200	$211,300	$418,500
165	6 River Road	2,470 SF	$199,300	$199,700	$399,000
166	10 River Road	3,325 SF	$205,900	$157,800	$363,700
167	12 River Road	3,000 SF	$203,300	$125,500	$328,800
168	16 River Road	7,820 SF	$240,600	$159,400	$400,000
169	2 Cliff Road	3,020 SF	$203,500	$205,800	$409,300
170	4 Cliff Road	4,790 SF	$217,200	$128,000	$345,200
171	6 Cliff Road	3,520 SF	$207,400	$130,700	$338,100
172	8 Cliff Road	3,700 SF	$208,800	$82,500	$291,300
173	10 Cliff Road	2,430 SF	$198,900	$83,800	$282,700
101A	23 Baycrest Rd.	3,000 SF	$156,400	$78,800	$235,200
102A	17 Baycrest Rd.	3,000 SF	$156,400	$175,900	$332,300
116A	18 Kings Way	3,000 SF	$156,400	$97,000	$253,400
118A	24 Kings Way	3,000 SF	$156,400	$88,200	$244,600
41A	14 Middle Road	4,900 SF	$167,700	$163,700	$331,400
	TOTALS:	12.53± ac.	$28,960,486	$19,808,900	$48,769,386

II. Leased Parcels - Vacant

Parcel #	Address	Lot Area	Assessments			Total
			Land	Yard	Bldg.	
29A	Middle Road	3,000 SF	$37,300	0	0	$37,300
66A	21 Bay Road	3,400 SF	$38,100	0	0	$38,100
78	Middle/Cove Road	2,400 SF	$30,600	0	0	$30,600
159A	River Road	3,000 SF	$40,700	0	0	$40,700
	TOTALS:		**$146,700**	**0**	**0**	**$146,700**

Table II

LOT INVENTORY/ASSESSMENT UNDER FEOFFEE'S OWNERSHIP

Parcel #	Lot Area	Assessments		Total
		Land	Bldg.	
69	11 acres	$582,600	$106,100	$688,700
6A	.4 acres	$38,700	0	$38,700
19	2,200 SF	$39,400	0	$39,400
36	3,960 SF	$38,600	0	$38,600
58	2,190 SF	$151,600	0	$151,600
73	6,000 SF	$17,400	0	$17,400
74	3,000 SF	$31,300	0	$31,300
88	3,000 SF	$31,300	0	$31,300
119	3,000 SF	$31,300	0	$31,300
101B	3,000 SF	$31,300	0	$31,300
102B	3,000 SF	$31,300	0	$31,300
103A	3,000 SF	$31,300	0	$31,300
109A	1,500 SF	$38,400	0	$38,400
124A	3,000 SF	$31,300	0	$31,300
134A	1,500 SF	$38,400	0	$38,400

Parcel #	Lot Area	Assessments		
		Land	Bldg.	Total
141A	3,000 SF	$31,300	0	$31,300
144A	3,000 SF	$31,300	0	$31,300
152A	3,000 SF	$31,300	0	$31,300
153A	3,000 SF	$31,300	0	$31,300
158A	1,250 SF	$38,000	0	$38,000
165A	2,000 SF	$39,100	0	$39,100
166A	3,000 SF	$40,700	0	$40,700
166B	3,700 SF	$41,800	0	$41,800
169A	3,000 SF	$37,300	0	$37,300
23A	3,000 SF	$40,700	0	$40,700
25A	3,000 SF	$37,300	0	$37,300
27A	3,000 SF	$37,300	0	$37,300
27B	3,380 SF	$37,800	0	$37,800
27C	3,360 SF	$37,800	0	$37,800
43A	4,360 SF	$32,900	0	$32,900
49A	2,915 SF	$31,200	0	$31,200
52A	3,875 SF	$32,300	0	$32,300
70A	3,000 SF	$15,600	0	$15,600
71A	3,000 SF	$31,300	0	$31,300
75A	4,120 SF	$16,300	0	$16,300
87A	3,000 SF	$31,300	0	$31,300
92A	3,000 SF	$31,300	0	$31,300
93A	3,000 SF	$31,300	0	$31,300
72	3,000 SF	$156,400	$103,800	$156,400
Totals		**$2,087,100**	**$106,100**	**$2,193,200**

Tabulation - F.Y. 2005 Assessment

Total Assessed Value - Leased Parcels With Improvements:	$ 48,769,386
Total Assessed Value - Leased Parcels - Vacant:	$ 146,700
Total Assessed Value - Feoffee's Ownership:	$ 2,193,200
TOTAL ASSESSED VALUE - SUBJECT PROPERTY:	*$51,109,286*

Based on the F.Y. 2005 mill rate of $9.35, the total annual tax liability owing to the subject property amounts to approximately $477,871.82. It should be noted that the effective valuation date for F.Y. 2005 taxation is June 30, 2005.

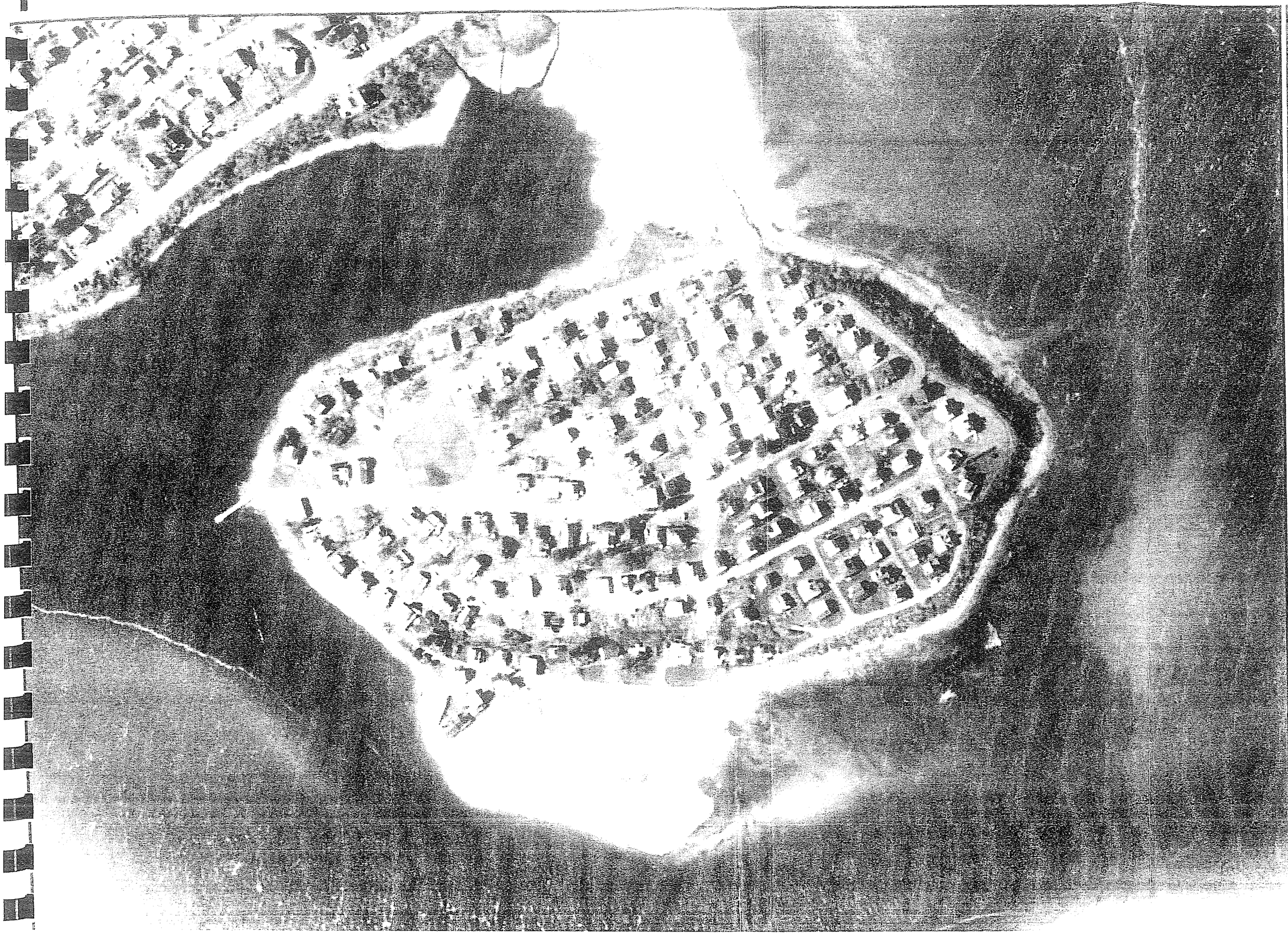
The above-outlined valuation of the entire subject property indicates a 13.98% increase since F.Y. 2004. The valuation of the land comprising the 168 leased parcels increased from $23,348,934 to $28,960,486 (24.03%) over the one-year assessment update period and the privately-owned improvements increased from $18,943,700 to $19,808,900 (4.57%). **The updated assessment indicates an *average* per parcel (land and improvements) value of approximately $290,294 per *improved* lease parcel and an *average* annual tax liability of $2,714.25.** The average annual tax burden for the underlying land only (paid by tenants) amounts to $1,611.79 based on an average assessed parcel value of $172,384.

Site Description

Based on our re-inspection of the subject land, the most significant physical changes to the property are related to the new community sewer system being installed.

The issue of on-site sewage disposal is the single greatest issue presently effecting the subject property. The implemented solution of a common tank field serviced by frequent pump-out truck visits in the high season has both supports and detractors. The supporters applaud the environmental benefits of the project while detractors dislike the added costs ($1,800 annual fee plus a $40,000 betterment fee payable at $3,500 per year over 20 years) and the impact from the increased truck traffic. Abutters to the pump-out facility are especially upset about the impact of the site on the market value of their properties. The combined effects of these issues are considered in the current valuation of the subject property.

Compiled Base Plans of the subject property are included on the following pages of this report.



Legend:

Notes:

Project Number: 3962

Date: March 15, 2004

Base Plan
Orthophotogragh

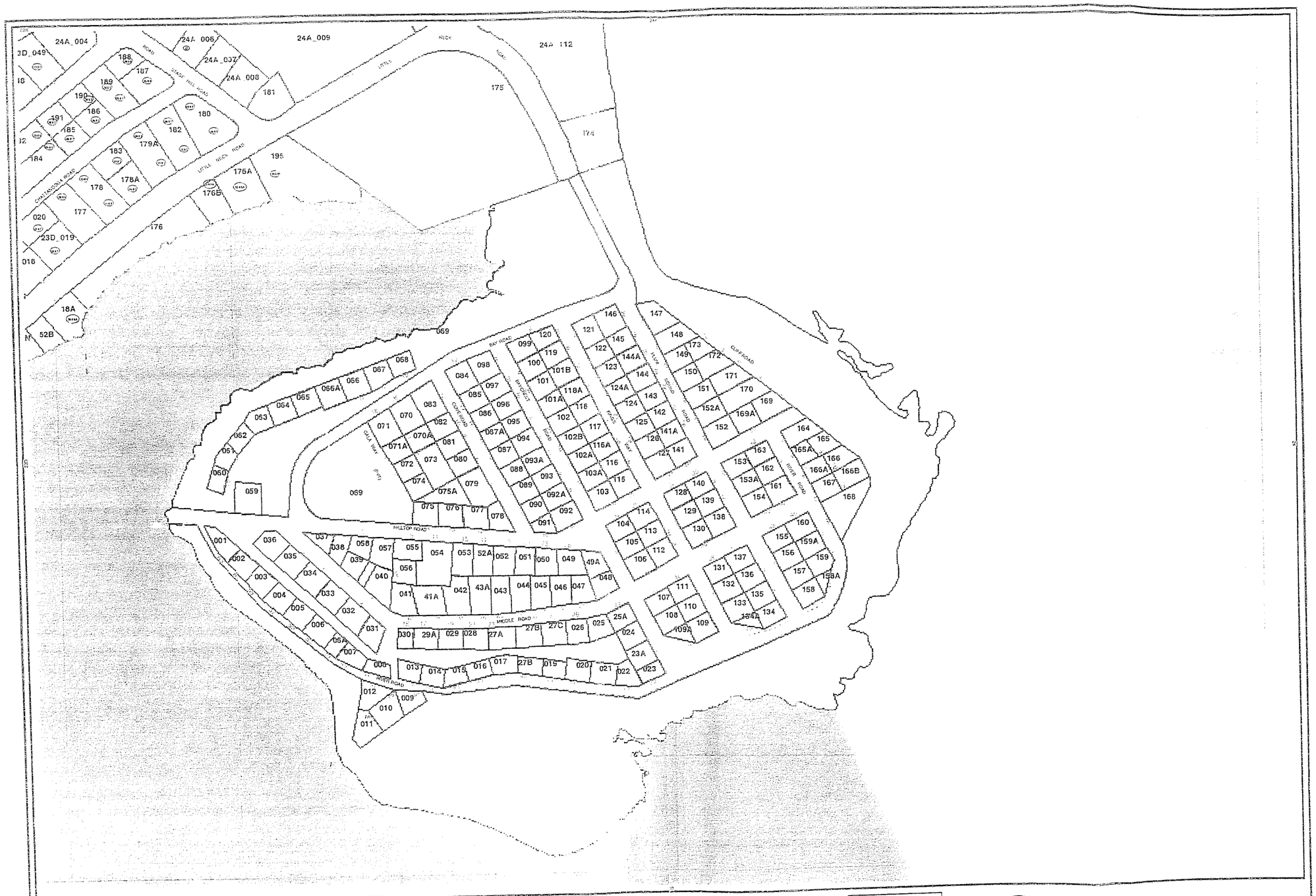
Little Neck Estate
Ipswich, Massachusetts

Scale: 1" = 200'

100 0 100 200 Feet

This plan is conceptual only and is not represented as an engineered plan.

Landvest
Ten Post Office Square, Boston, MA 02109



Index Grid

N W E S

0 100 200
Feet

Town of Ipswich
Massachusetts

Legend

- Easements
- Lot Lines
- Hooks
- Map Grid

IPSWICH · MASSACHUSETTS · U.S.A. · INCORPORATED · THE RIFTON ACT OF AMERICAN INDEPENDENCE 1687

For Assessment Purposes Only
Not For Property Conveyances

The Town of Ipswich makes no claims, representations or warranties, expressed or implied, concerning the validity, reliability, or accuracy of the GIS data / products as they relate to the configuration of the parcels on this map.

Revised 2003

Map Number

24C

10. Current Use - 20-Year Lease Agreement

As of 2005, a new lease agreement was in place providing for a 20-year rental term for cottage owners. With the exception of cottages grandfathered in 1966 and those recently permitted to allow for year-round occupancy, the balance of the cottages may be occupied only within the designated eight month season.

Under the new rental terms, individual *seasonal* parcel rents are assessed equally throughout the property with *year-round* parcels leased at a slightly higher rent. 144 tenants pay $5,000 annually for seasonal use and 24 year-round tenants pay $5,500. Thus, potential gross income (PGI) amounts to approximately $852,000. This indicates a 39.2% increase since 2004. Individual tenants (cottage owners) are responsible for the land rent, real estate taxes, insurance and all utilities. Additionally, tenants are now responsible for a $40,000 sewer betterment fee paid in one lump sum or over the 20-year lease period at $3,500 per year (principle plus debt service of 6.5%). The betterment fee covers the $6,483,000 loan for installation of the new sewer system. There is also a separate $1,800 annual sewer charge going forward for annual operation and maintenance.

11. Previous Valuation and Recent Purchase Offers

There are no pending purchase offers for the subject property and the property is not actively listed for sale.

12. Highest and Best Use:

The analysis of *Highest and Best Use* involves consideration of existing land use regulations, any *reasonably probable* modifications to those regulations, the subject property's physical adaptability, and economic demand for the physically and legally permissible uses of the subject property type. This analysis also accounts for prevailing market trends, established neighborhood development patterns and aesthetic issues affecting market demand.

1. Conceptual Development Analysis

As described in LandVest's original appraisal report in 1997 and 2000 and 2004 updates, the highest and best use of the subject property calls for continued seasonal and year-round residential use (168± parcel density) and conversion of the current tenancy at will land lease structure to a condominium form of ownership.

13. Real Estate Market Analysis

Table II on the following page summarizes market trends in real estate sales volume and median residential value in both Ipswich and surrounding communities from 2001 through November 2005.

Table II

Calendar Year Median Sales Price Chang
North Shore Regional Market Overvie
2001-2005

Town	2001		2002			2003			20		Through November 2005			01 - 05 Four Year Median Value Trend
	Median Price	No. Sales	Median Price	No. Sales	Median Price Change	Median Price	No. Sales	Median Price Change	Median Price	No Price Salnge	Median Price	No. Sales	Median Price Change	
Ipswich	$325,000	149	$344,000	143	5.8%	$408,000	159	18.6%	$455,000	165%	$480,500	130	5.3%	47.8%
Beverly	$285,000	364	$316,000	340	10.9%	$345,000	370	9.2%	$375,000	42(%	$384,000	339	2.3%	34.7%
Essex	$273,500	22	$363,200	35	32.8%	$359,000	33	-1.2%	$495,000	33?%	$435,000	36	-13.8%	59.0%
Topsfield	$411,000	66	$482.500	62	17.4%	$527,500	68	9.3%	$532,250	76%	$531,240	68	-0.2%	29.3%
Wenham	$533,000	53	$530,000	52	-.01%	$575,000	52	8.5%	$542,300	527%	$521,950	40	-3.9%	-2.1%
Hamilton	$330,750	78	$378,750	68	14.5%	$462,250	90	22.0%	$479,500	122%	$503,000	67	4.7%	52.1%
Rockport	$311,600	77	$375,000	69	20.3%	$390,000	71	4.0%	$445,000	911%	$420,000	79	-6.0%	34.8%
Rowley	$299,950	58	$313,500	48	4.5%	$409,425	54	30.6%	$378,300	53%	$454,500	66	16.8%	51.5%
Gloucester	$249,000	235	$295,000	214	18.5%	$330,000	278	11.9%	$365,000	255%	$382,500	230	4.6%	53.6%
Manchester	$520,000	79	$494,000	70	-5%	$602.500	58	22.0%	$554,000	61!%	$647,500	62	14.4%	24.5%

As outlined above, the median residential home price in Ipswich increased approximately 5.8% in 2002; 18.6% in 2003; 11.5% in 2004; and 5.3% through November 2005. **The 4-year total appreciation amount to approximately 47.8%.**

A comparison of market appreciation rates and assessed value increases over the same 3-year time period is summarized as follows:

Market Appreciation (12/01-11/05):	47.80%
Assessed Value Increase (FY01-FY05):	77.68%

Accordingly, there is a +29.88% discrepancy between appreciation rates by both measures.

Sales volumes is Ipswich have held relatively steady over the four year period within a range of 143 and 165 sales annually. 2005 totals are projected to be within this range. Rising interest rates and escalating home values have finally slowed the housing market in greater Boston. Overall annual appreciation was the lowest in three years in Ipswich and the surrounding North Shore communities.

a. <u>Little Neck Sales Activity</u>

We have reviewed sales activity on Little Neck between February 13, 2004 and December 16, 2005. There have been eight sales in the 22 month update period. There is presently one active listing. A table of these sales is included in the appendix to this report. It should be noted that this information does not account for intra-family transfers occurring within the update period.

These eight sales occurred between April 2004 and May 2005 and indicate sale prices ranging between $230,000 and $545,000. The average sale price is $420,000 and the indicated median price is $435,000. Prices per square foot of gross building area exhibit a wide range of value between $227 and $515. The two most recent sales sold between $460 and $560 per square foot of building area. Most importantly, these two sales occurred after the new land rents and sewer project were established giving modest support to the market viability of Little Neck properties under the updated carrying cost structure. However, there is clearly growing concern that increased carrying costs (taxes, land rents, and sewer fees) are limiting the marketability of Little Neck properties. We note that during the 22 month update period, there have been four properties that have been listed on MLS and have gone unsold. Three of these listings expired in the

past four months while only two of the eight sales occurred during 2005. These two facts support statements by local brokers that Little Neck properties are becoming increasingly unsaleable in the $400,000± price range given the ownership structure, seasonal use, limited expansion potential, broader market softening, and increased carrying costs.

Based on a review of apportionment of *assessed* land-to-building value, and indicated range of land value (*as though held in fee simple*) amounts to between $140,000 and $330,000.

Seasonal rental rates in July and August currently range from $850 per week to $4,000 for the month. When cottages are rented on a weekly basis, typical rents range from $750 to $850 per week for a 2 or 3 bedroom cottage. Year-round rentals average $750 to $850 per month. Based on this information, owners of year-round cottages have the potential to capture an additional $3,000 to $3,400 (or 20% more) per year in rents compared to owners of seasonal homes.

Although increased ground rents, higher assessed values, and betterment fees have caused some owners to consider raising rents, it does not appear likely that the market will bear substantially higher rents in the foreseeable future.

b. **Market Value Estimate - Condominium Conversion**

As outlined in LandVest's 1997 report and 2000 and 2004 updates, *Planning Option C* assumes condominium ownership of the land underlying the existing cottages. All land outside the individual building "footprints" would be considered common land and the property's would be assessed as units with apportioned association dues. Under this planning option, the 168 unit density would be made legal and eligible for bank financing without the need for any formal approval at the state of local level.

Based on a review of local and real estate market trends since 2004 and with specific reference to the 12 value tiers delineated in LandVest's original 1997 report, land unit pricing has been appreciated at a rate of 6% over the 22-month update period. The indicated rate is consistent with the indicated town-wide median residential rate for the period adjusted for the softening broader market.

The initial financial analysis of the subject property as a condominium conversion assumes outside sale to a third party buyer. **Based on an updated Discounted Cash Flow Analysis with unit pricing ranging from $80,000 - $255,000, it is our opinion that the Market Value of the subject property (assuming condominium conversion) to a third party buyer as of December 16, 2005 was:**

$10,800,000

(TEN MILLION EIGHT HUNDRED THOUSAND DOLLARS)

c. Value Estimate - *Investment Value* to Current Tenancy

The second updated valuation of the subject property assumes a sale to the existing tenancy. In this *investment value* analysis, developer profit allowances and cost of resale allowances have been reduced to reflect a largely internal buyer pool and control over the property's disposition. All unit pricing, internal absorption and line item development expenses remain the same.

In accordance with this analysis, it is my opinion the Investment Value of the subject property to the current tenancy as of December 16, 2005 was:

$13,900,000

(THIRTEEN MILLION NINE HUNDRED THOUSAND DOLLARS)

d. Land Rental Analysis

An evaluation of *current* land rental rates levied by the Feoffees relative to "market-rate" rents requires careful consideration of real market value gains and the extent to which these gains may be offset, or tempered by escalating carrying costs. Given the indicated range of underlying land values of $80,000 - $255,000 per our appraisal, capitalized at an appropriate rate of 8.00%, the indicated market land rents range between $6,400 to $20,400. The capitalization rate selected is based on the average capitalization rate for residential land leases surveyed in the 3rd quarter 2005 by RealtyRates.com, an industry leader in providing investor surveys to industry professionals.

It is important to note that these market rental rates are derived from arm's length transactions where the fee interest in the underlying land is not transferred. Perhaps as notable as the upward trend in values on Little Neck is the continued trend whereby the market continues to function or behave as a fee simple market. In other words, buyers continue to pay, (and sellers continue to receive) *significant* value for the right to assume the long-term land leases (20 years) with full knowledge that the Feoffees are bringing rents into alignment with the market.

The 2004-2005 annual land rents of $5,000 to $5,500 were intended to account for the instability and uncertainty caused by the implementation of the community sewage disposal solution. During this period the land rents have remained constant. During this period the sales market has cooled on Little Neck largely due to this instability and uncertainty. Additionally, the newly added special sewer fees along with increased property taxes (a condition of the lease agreement) amount to an additional $8,000 per tenant. This *doubling* of carrying costs will certainly diminish the appeal of Little Neck relative to other fee simple, Title V-compliant seasonal investment options on the North Shore and is seen to offset the marginal stability associated with the new lease structure.

As previously noted, current indicated *market rents* derived from a stratified range in market value for the underlying land are between $6,400 to $20,400 with an average land rent of $11,600. Based on the continued uncertainty resulting from the physical and financial changes on Little Neck, it is recommend that the contract land rent for year-round tenancy be $6,400, the low end of the range in estimated market rents. Accordingly, the seasonal contract rent should amount to $5,300 based on a shorter annual rental period.

CASH FLOW ANALYSIS - PLAN B - LITTLE NECK ESTATE
RESALES ANALYSIS

Project: Little Neck Estate - Ipswich, MA
Date: December 2005

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Totals
SALES PROCEEDS :									
Total Lots (Beginning of Year)	168	114	59	15	0	0	0	0	
Lots/Unit Sold	54	55	44	15	0	0	0	0	168
Gross Sales Price	$6,874,400	$6,978,400	$4,940,000	$1,872,000	$0	$0	$0	$0	20,664,800
Cum. Gross Sales Price	$6,874,400	$13,852,800	$18,792,800	$20,664,800	$20,664,800	$20,664,800	$20,664,800	$20,664,800	
DEVELOPMENT COSTS :									
DIRECT COSTS :									
Engineering/Survey	$122,304	$0	$0	$0	$0	$0	$0	$0	$122,304
Legal Fees	$72,800	$0	$0	$0	$0	$0	$0	$0	$72,800
Soil Testing/Septic	$314,496	$222,412	$119,056	$31,485	$0	$0	$0	$0	$687,448
Wetland Delineations	$0	$0	$0	$0	$0	$0	$0	$0	$0
Road Improvements	$131,144	$0	$0	$0	$0	$0	$0	$0	$131,144
Septic Upgrades	$611,520	$432,467	$231,497	$61,221	$0	$0	$0	$0	$1,336,705
Contingency	$32,037	$11,121	$5,953	$1,574	$0	$0	$0	$0	$50,685
Total Direct Costs	$1,284,301	$665,999	$356,505	$94,280	$0	$0	$0	$0	$2,401,086
INDIRECT COSTS :									
Construction Loan Fee	$26,315	$0	$0	$0	$0	$0	$0	$0	$26,315
Developer's Overhead	343,720	348,920	247,000	93,600	0	0	0	0	$1,033,240
Real Estate Taxes	118,458	62,258	45,038	17,257	0	0	0	0	$243,011
Transfer Taxes	31,966	32,450	22,971	8,705	0	0	0	0	$96,091
Sales Commission	0	0	0	0	0	0	0	0	$0
Advertising Expense	0	0	0	0	0	0	0	0	$0
Interest Charges	62,540	29,350	0	0	0	0	0	0	187,286
Contingency	29,150	12,281	318	275	0	0	0	0	$42,024
Total Indirect Costs	$612,149	$485,259	$315,327	$119,837	$0	$0	$0	$0	$1,532,571
TOTAL COSTS :	$1,896,450	$1,151,258	$671,832	$214,117	$0	$0	$0	$0	$3,933,657
NET CASH PROCEEDS	$4,977,950	$5,827,142	$4,268,168	$1,657,883	$0	$0	$0	$0	$16,731,143
DISCOUNT FACTOR (PW @ 9.25%)	0.9153	0.8378	0.7669	0.7020	0.6425	0.5881	0.5383	0.4928	
PRESENT VALUE	$4,556,476	$4,882,168	$3,273,235	$1,163,772	$0	$0	$0	$0	
CUMULATIVE PRESENT VALUE $13,875,651			SAY:	$13,900,000	($83,000/Unit)				

Lenox Est

DISCOUNTED CASH FLOW ANALYSIS Project : *Little Neck Estate - Ipswich, MA*

Condominium Conversion - 168 Unit Density (Tenant Sale) Date: December 2005

SALES ASSUMPTIONS		# Units	Unit Value	Subtotal (*)	SALES SCHEDULE (UNIT) YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8	TOTAL
Tier 1 :	Exceptional view/frontage	4	255,000	$1,020,000	2	2	0	0	0	0	0	0	4
Tier 2 :	Front Row - Plum Island Sound	7	195,000	$1,365,000	2	2	2	1	0	0	0	0	7
Tier 3 :	Front Row - Neck Cove/Prime	2	190,000	$380,000	1	1	0	0	0	0	0	0	2
Tier 4 :	Front Row - Neck Cove/Average	7	140,000	$980,000	2	2	2	1	0	0	0	0	7
Tier 5 :	Front Row - Ipswich River/Prime	4	150,000	$600,000	1	1	1	1	0	0	0	0	4
Tier 6 :	Front Row - Ipswich River/Average	19	160,000	$3,040,000	8	8	1	2	0	0	0	0	19
Tier 7:	Interior - Excellent view	24	120,000	$2,880,000	8	8	6	2	0	0	0	0	24
Tier 8	Interior - Good view	33	105,000	$3,465,000	10	10	10	3	0	0	0	0	33
Tier 9:	Interior - Avg view	35	100,000	$3,500,000	10	11	12	2	0	0	0	0	35
Tier 10:	Interior - Marginal view	33	80,000	$2,640,000	10	10	10	3	0	0	0	0	33
Tier 11:		0	0	$0	0	0	0	0	0	0	0	0	0
Tier 12:		0	0	$0	0	0	0	0	0	0	0	0	0
				$0	0	0	0	0	0	0	0	0	0
				---	0	0	0	0	0	0	0	0	0
	TOTAL	168		$19,870,000	54	55	44	15	0	0	0	0	168
				Appreciation:	4%	4%	4%	4%	4%	4%	4%	4%	

COST ASSUMPTIONS	Size/Length	Unit Cost	Subtotal (*)	COST SCHEDULE (%) 1YR	2YR	3YR	4YR	5YR	6YR	7YR	8YR	TOTAL
DIRECT COSTS												
Engineering/Survey/Plan Prep ($700/lot)	168	$700	117,600	100%	0%	0%	0%	0%	0%	0%	0%	100%
Legal Fees/Condo Declaration	1	$70,000	70,000	100%	0%	0%	0%	0%	0%	0%	0%	100%
Sewer Assessment	168	$1,800	302,400	100%	68%	35%	9%	0%	0%	0%	0%	212%
Wetland Delineations/Coastal Bank/NOI	0	$0	0	90%	10%	0%	0%	0%	0%	0%	0%	100%
Road Improvements	9,700	$13	126,100	100%	0%	0%	0%	0%	0%	0%	0%	100%
Sewer Betterment	168	$3,500	588,000	100%	68%	35%	9%	0%	0%	0%	0%	212%
Contingency (% of Direct Costs)		5.00%	60,205									
CPI				4%	4%	4%	4%	4%	4%	4%	4%	
INDIRECT COSTS												
Developer Overhead Allowance		5.00%	$993,500									
Real Estate Taxes (Per Unsold Lot @50%)		1,150	216,200									
Transfer Taxes ($/1000)		0.47%	92,396									
Sales Commission (% of Gross Sales)		0.00%	0									
Advertising Expense (% of Gross Sales)		0.00%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%
Contingency (% of Indirect Costs)		5.00%	65,105									
CPI				0%	3%	3%	3%	3%	3%	3%	3%	
	TOTAL :		$2,631,505									

LITTLE NECK ESTATE - IPSWICH

BANK FINANCING	
Prime Rate	7.3%
Interest Rate - Prime + 2.50%	9.8%
% Land Costs	0.0%
% Development Costs (Direct & Indirect)	100.0%
Annual Drawdown Rate (Ave outstanding loan balance)	50.0%
Construction Loan Fee	1.0%
Discount Rate:	9.25%

Exhibit

CASH FLOW ANALYSIS - PLAN B - LITTLE NECK ESTATE
RESALES ANALYSIS

Project: Little Neck Estate - Ipswich, MA
Date: December 2005

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Totals
SALES PROCEEDS :									
Total Lots (Beginning of Year)	168	114	59	15	0	0	0	0	
Lots/Unit Sold	54	55	44	15	0	0	0	0	168
Gross Sales Price	$6,874,400	$6,978,400	$4,940,000	$1,872,000	$0	$0	$0	$0	20,664,800
Cum. Gross Sales Price	$6,874,400	$13,852,800	$18,792,800	$20,664,800	$20,664,800	$20,664,800	$20,664,800	$20,664,800	
DEVELOPMENT COSTS :									
DIRECT COSTS :									
Engineering/Survey	$122,304	$0	$0	$0	$0	$0	$0	$0	$122,304
Legal Fees	$72,800	$0	$0	$0	$0	$0	$0	$0	$72,800
Soil Testing/Septic	$314,496	$222,412	$119,056	$31,485	$0	$0	$0	$0	$687,448
Wetland Delineations	$0	$0	$0	$0	$0	$0	$0	$0	$0
Road Improvements	$131,144	$0	$0	$0	$0	$0	$0	$0	$131,144
Septic Upgrades	$611,520	$432,467	$231,497	$61,221	$0	$0	$0	$0	$1,336,705
Contingency	$32,037	$11,121	$5,953	$1,574	$0	$0	$0	$0	$50,685
Total Direct Costs	$1,284,301	$665,999	$356,505	$94,280	$0	$0	$0	$0	$2,401,086
INDIRECT COSTS :									
Construction Loan Fee	$62,826	$0	$0	$0	$0	$0	$0	$0	$62,826
Developer's Overhead	1,374,880	1,395,680	988,000	374,400	0	0	0	0	$4,132,960
Real Estate Taxes	118,458	62,258	45,038	17,257	0	0	0	0	$243,011
Transfer Taxes	31,966	32,450	22,971	8,705	0	0	0	0	$96,091
Sales Commission	171,860	174,460	123,500	46,800	0	0	0	0	$516,620
Advertising Expense	0	0	0	0	0	0	0	0	$0
Interest Charges	62,540	29,350	0	0	0	0	0	0	366,384
Contingency	91,127	12,281	318	275	0	0	0	0	$104,001
Total Indirect Costs	$1,913,657	$1,706,479	$1,179,827	$447,437	$0	$0	$0	$0	$5,247,399
TOTAL COSTS :	$3,197,958	$2,372,478	$1,536,332	$541,717	$0	$0	$0	$0	$7,648,485
NET CASH PROCEEDS	$3,676,442	$4,605,922	$3,403,668	$1,330,283	$0	$0	$0	$0	$13,016,315
DISCOUNT FACTOR (PW @ 9.25%)	0.9153	0.8378	0.7669	0.7020	0.6425	0.5881	0.5383	0.4928	
PRESENT VALUE	$3,365,164	$3,858,991	$2,610,254	$933,809	$0	$0	$0	$0	

CUMULATIVE PRESENT VALUE $10,768,219 SAY: $10,800,000 ($64,000/Unit)

Project

DISCOUNTED CASH FLOW ANALYSIS
Condominium Conversion - 168 Unit Density

Project : *Little Neck Estate - Ipswich, MA*
Date: December 2005

SALES ASSUMPTIONS		# Units	Unit Value	Subtotal (*)	SALES SCHEDULE (UNIT) YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8	TOTAL
Tier 1 :	Exceptional view/frontage	4	255,000	$1,020,000	2	2	0	0	0	0	0	0	4
Tier 2 :	Front Row - Plum Island Sound	7	195,000	$1,365,000	2	2	2	1	0	0	0	0	7
Tier 3 :	Front Row - Neck Cove/Prime	2	190,000	$380,000	1	1	0	0	0	0	0	0	2
Tier 4 :	Front Row - Neck Cove/Average	7	140,000	$980,000	2	2	2	1	0	0	0	0	7
Tier 5 :	Front Row - Ipswich River/Prime	4	150,000	$600,000	1	1	1	1	0	0	0	0	4
Tier 6 :	Front Row - Ipswich River/Average	19	160,000	$3,040,000	8	8	1	2	0	0	0	0	19
Tier 7:	Interior - Excellent view	24	120,000	$2,880,000	8	8	6	2	0	0	0	0	24
Tier 8:	Interior - Good view	33	105,000	$3,465,000	10	10	10	3	0	0	0	0	33
Tier 9.	Interior - Avg. view	35	100,000	$3,500,000	10	11	12	2	0	0	0	0	35
Tier 10:	Interior - Marginal view	33	80,000	$2,640,000	10	10	10	3	0	0	0	0	33
Tier 11		0	0	$0	0	0	0	0	0	0	0	0	0
Tier 12:		0	0	$0	0	0	0	0	0	0	0	0	0
				$0	0	0	0	0	0	0	0	0	0
				---	0	0	0	0	0	0	0	0	0
	TOTAL	168		$19,870,000	54	55	44	15	0	0	0	0	168
				Appreciation:	4%	4%	4%	4%	4%	4%	4%	4%	

COST ASSUMPTIONS	Size/Length	Unit Cost	Subtotal (*)	COST SCHEDULE (%) 1YR	2YR	3YR	4YR	5YR	6YR	7YR	8YR	TOTAL
DIRECT COSTS												
Engineering/Survey/Plan Prep ($700/lot)	168	$700	117,600	100%	0%	0%	0%	0%	0%	0%	0%	100%
Legal Fees/Condo Declaration	1	$70,000	70,000	100%	0%	0%	0%	0%	0%	0%	0%	100%
Sewer Assessment	168	$1,800	302,400	100%	68%	35%	9%	0%	0%	0%	0%	212%
Wetland Delineations/Coastal Bank/NOI	0	$0	0	90%	10%	0%	0%	0%	0%	0%	0%	100%
Road Improvements	9,700	$13	126,100	100%	0%	0%	0%	0%	0%	0%	0%	100%
Sewer Betterment	168	$3,500	588,000	100%	68%	35%	9%	0%	0%	0%	0%	212%
Contingency (% of Direct Costs)		5.00%	60,205	---								
CPI				4%	4%	4%	4%	4%	4%	4%	4%	
INDIRECT COSTS												
Developer Overhead Allowance		20.00%	$3,974,000	---								
Real Estate Taxes (Per Unsold Lot @50%)		1,150	216,200	---								
Transfer Taxes ($/1000)		0.47%	92,396	---								
Sales Commission (% of Gross Sales)		2.50%	496,750	---								
Advertising Expense (% of Gross Sales)		0.00%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%
Contingency (% of Indirect Costs)		5.00%	238,967	---								
CPI				0%	3%	3%	3%	3%	3%	3%	3%	
	TOTAL :		$6,282,618									

LITTLE NECK ESTATE - IPSWICH

BANK FINANCING

Prime Rate	7.3%
Interest Rate - Prime + 2.50%	9.8%
% Land Costs	0.0%
% Development Costs (Direct & Indirect)	100.0%
Annual Drawdown Rate (Ave. outstanding loan balance)	50.0%
Construction Loan Fee	1.0%
Discount Rate:	9.25%

Exhibit

APPENDIX

Certification: Slater W. Anderson

Qualifications: Slater W. Anderson

Comparable Sales

CERTIFICATION OF VALUE

I hereby certify that:

1. I have made a personal inspection of the property that is the subject of this report.

2. To the best of my knowledge and belief, the statements of fact and the opinions contained in this report are true and correct.

3. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.

4. I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.

5. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

6. This appraisal was not based on a requested minimum valuation, specific valuation or approval of a loan.

7. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

8. No one provided significant professional assistance to the person(s) signing this report.

Appraiser: _____ Date: 1/9/15
Slater W. Anderson

LandVest

SLATER W. ANDERSON

Project Manager, Real Estate Consulting Group, LandVest, Inc.

Slater W. Anderson is a Project Manager and the GIS Coordinator with the Real Estate Consulting Group of LandVest, a broad-based real estate company involved in all aspects of land planning, real estate brokerage, consulting, development, and conservation planning. As Project Manager, he is responsible for residential and commercial appraisals, development feasibility studies, land use planning and design, and implementation of development and conservation projects. As GIS Coordinator, he is responsible for overseeing the utilization of digital mapping technologies for land planning on LandVest consulting projects. Mr. Anderson has been with LandVest since August 1999.

Prior to joining the firm, Mr. Anderson was GIS Manager and Planner with the Metropolitan Area Planning Council where his responsibilities included management of GIS mapping projects, proposal writing, and public outreach. The Metropolitan Area Planning Council serves 101 cities and towns surrounding Boston, Massachusetts. From 1992 to 1994, Mr. Anderson worked for an architectural firm in Jackson, Wyoming assisting in the design of residential homes.

Mr. Anderson received a Bachelor of Arts degree in Liberal Arts from Connecticut College, New London, Connecticut in 1992 and a Master of Regional Planning degree from the University of Massachusetts - Amherst in 1996. He is a licensed Certified General Real Estate Appraiser in Massachusetts (LIC # 70909), a licensed Real Estate Salesperson in Massachusetts (LIC. # 9034418) and is a Certified Planner with the American Institute of Certified Planners (AICP - #106307).

Comparable Sales Report

01/10/2006

1

Address:	Map-Lot Number:	Property Status:	Sale Price:	Sale Date:	Current/Final Price:	Total Acres:	Water Orientation:	Vacant:	GLA:
42 Middle Road	24C/0068/161	Available			$575,000	0.07	Water View	No	1378
Village/Neighborhood:			**Seller:**		**Orig. List Price:**	**Rooms:**	**Bedrooms:**	**Baths:**	**1/2 Baths:**
					$575,000	6	3	1	1
City:			**Buyer:**		**Days on Market:**	**Year Built:**	**Effective Age:**	**Deeded Rights:**	
Ipswich					248	1910			

Property Description:

Idyllic island called Little Neck, great views of Ipswich Bay, Crane Beach, Plum Island. Attractive, meticulous cottage. Private beach, boat mooring available, community house and dock.

2

Address:	Map-Lot Number:	Property Status:	Sale Price:	Sale Date:	Current/Final Price:	Total Acres:	Water Orientation:	Vacant:	GLA:
6 Cliff Road	24C/69	Sold	$545,000	08/05/2004	$550,000	0.08	Water Front	No	1396
Village/Neighborhood:			**Seller:**		**Orig. List Price:**	**Rooms:**	**Bedrooms:**	**Baths:**	**1/2 Baths:**
					$550,000	5	3	1	
City:			**Buyer:**		**Days on Market:**	**Year Built:**	**Effective Age:**	**Deeded Rights:**	
Ispswich					83	1967			

Property Description:

Panoramic views from Maine to Cape Ann. Mint condition ranch. Private beach, wharf, boat mooring available. Seasonal use 4/1 to 12/1.

3

Address:	Map-Lot Number:	Property Status:	Sale Price:	Sale Date:	Current/Final Price:	Total Acres:	Water Orientation:	Vacant:	GLA:
27 Baycrest	24C/69/100	Sold	$230,000	09/15/2004	$255,000	0.06	Water View	No	1014
Village/Neighborhood:			**Seller:**		**Orig. List Price:**	**Rooms:**	**Bedrooms:**	**Baths:**	**1/2 Baths:**
					$255,000	4	2	1	
City:			**Buyer:**		**Days on Market:**	**Year Built:**	**Effective Age:**	**Deeded Rights:**	
Ispswich					11	1935			

Property Description:

Occupancy from April 1 thru November 30th. Area amenities: public transportation, shopping, swimming pool, tennis court, park, walk/jog trails, stables, golf course, laundromat.

Landvest

Comparable Sales Report

01/10/2006

4

Address:	Map-Lot Number:	Property Status:	Sale Price:	Sale Date:	Current/Final Price:	Total Acres:	Water Orientation:	Vacant:	GLA:
16 Hilltop Road	24C-91	Sold	$308,000	05/13/2005	$335,000	0.03	Water View	No	598
Village/Neighborhood:			**Seller:**		**Orig. List Price:**	**Rooms:**	**Bedrooms:**	**Baths:**	**1/2 Baths:**
					$335,000	4	2	1	
City:			**Buyer:**		**Days on Market:**	**Year Built:**	**Effective Age:**	**Deeded Rights:**	
Ipswich					131	1950			

Property Description:

Cottage is being sold furnished. Great views of the water and Little Neck Pier. Summer only. Occupancy from April 1 - Nov 30. Playground, community center and pier close by.

5

Address:	Map-Lot Number:	Property Status:	Sale Price:	Sale Date:	Current/Final Price:	Total Acres:	Water Orientation:	Vacant:	GLA:
25 Plum Sound	24C/148	Sold	$370,000	05/07/2004	$415,000	0.10	Water Front	No	784
Village/Neighborhood:			**Seller:**		**Orig. List Price:**	**Rooms:**	**Bedrooms:**	**Baths:**	**1/2 Baths:**
					$415,000	5	3	1	
City:			**Buyer:**		**Days on Market:**	**Year Built:**	**Effective Age:**	**Deeded Rights:**	
Ipswich					24	1920			

Property Description:

Direct waterfront to the Atlantic Ocean and Plum Island Sound. Three season home in exclusive summer community. Three bedrooms, hardwood floors, newly renovated bath and fireplace inside or enjoy porch, deck or enclosed porch. Use of Pavillion Beach and mooring.

6

Address:	Map-Lot Number:	Property Status:	Sale Price:	Sale Date:	Current/Final Price:	Total Acres:	Water Orientation:	Vacant:	GLA:
16 Kings Way		Sold	$420,000	06/30/2004	$425,000	0.06	Water View	No	1097
Village/Neighborhood:			**Seller:**		**Orig. List Price:**	**Rooms:**	**Bedrooms:**	**Baths:**	**1/2 Baths:**
					$425,000	6	3	1	
City:			**Buyer:**		**Days on Market:**	**Year Built:**	**Effective Age:**	**Deeded Rights:**	
Ipswich					47	1930			

Property Description:

Cottage on Little Neck. This vacation community offers private beach, dock. Boat mooring available. Seasonal use April 1 to December 1.

Exhibit 5

Comparable Sales Report

01/10/2006

7

Address:	Map-Lot Number:	Property Status:	Sale Price:	Sale Date:	Current/Final Price:	Total Acres:	Water Orientation:	Vacant:	GLA:
8 Hilltop Road		Sold	$450,000	05/27/2004	$449,900	0.07	Water View	No	1205
Village/Neighborhood:			**Seller:**		**Orig. List Price:**	**Rooms:**	**Bedrooms:**	**Baths:**	**1/2 Baths:**
					$449,900	6	3	1	
City:			**Buyer:**		**Days on Market:**	**Year Built:**	**Effective Age:**	**Deeded Rights:**	
Ipswich					6	2000			

Property Description:

3 yr old home at Little Neck Estates, 2-3 br, living rm, and dining area boasts F/P, French doors leading to deck, brazilian cherry floors, cabinet kitchen with d/w and compactor. Partially finished walk out basement.

8

Address:	Map-Lot Number:	Property Status:	Sale Price:	Sale Date:	Current/Final Price:	Total Acres:	Water Orientation:	Vacant:	GLA:
41 River Road	Lot 24C	Sold	$512,000	04/15/2004	$539,900	0.05	Water Front	No	2200
Village/Neighborhood:			**Seller:**		**Orig. List Price:**	**Rooms:**	**Bedrooms:**	**Baths:**	**1/2 Baths:**
					$539,900	6	3	1	1
City:			**Buyer:**		**Days on Market:**	**Year Built:**	**Effective Age:**	**Deeded Rights:**	
Ipswich					24	1930			

Property Description:

Views of Steep Hill and Crane's Beach. Pristine seasonal (April 1-Dec 1) 3 bedroom home in Little Neck Estates. Living/Dining Room w/fireplace open to enclosed wrap around porch. Steps to Little Neck's own private beach and dock.

9

Address:	Map-Lot Number:	Property Status:	Sale Price:	Sale Date:	Current/Final Price:	Total Acres:	Water Orientation:	Vacant:	GLA:
31 River Road	24C/20	Sold	$525,000	05/31/2005	$565,000	0.06	Water Front	No	1224
Village/Neighborhood:			**Seller:**		**Orig. List Price:**	**Rooms:**	**Bedrooms:**	**Baths:**	**1/2 Baths:**
					$565,000	6	3	1	1
City:			**Buyer:**		**Days on Market:**	**Year Built:**	**Effective Age:**	**Deeded Rights:**	
Ipswich					73	1980			

Property Description:

Views of Crane Beach, Cape Ann, and Ipswich River. Summer only. Private resident beach is directly across the street. Playground, ball field, community house and pier. Land rent $5,000. Special assessment for new septic system.

Exhibit 6

COMMONWEALTH OF MASSACHUSETTS

ESSEX, SS.

PROBATE & FAMILY COURT
NO. ES09E0094QC

ALEXANDER B.C. MULHOLLAND, JR, et als., as they are THE FEOFFEES OF THE GRAMMAR SCHOOL IN THE TOWN OF IPSWICH

Plaintiffs,

v.

ATTORNEY GENERAL of the Commonwealth of Massachusetts; IPSWICH SCHOOL COMMITTEE; and RICHARD KORB, as he is Superintendent of Schools in the Town of Ipswich

Defendants

NOTICE OF TAKING DEPOSITION

TO: William H. Sheehan, Esq.
MacLean, Holloway, Doherty, Ardiff & Morse, P.C.
8 Essex Center Drive
Peabody, MA 01960

Johanna Soris, Esq.
Commonwealth of Massachusetts
Office of the Attorney General
Public Charities Division
One Ashburton Place
Boston, MA 02108

PLEASE TAKE NOTICE that on September 21, 2011 at 10:00 a.m., Counsel for Defendant, Ipswich School Committee will take the deposition of **James E. Monahan,** before a Notary Public in and for the Commonwealth of Massachusetts, or before some other officer authorized by law to administer oaths. The deposition will take place at the offices of Casner & Edwards, LLP, 303 Congress St., Boston, MA 02210.

You are invited to attend and cross-examine. The deposition will continue from day to day until completed.

Respectfully submitted,

Ipswich School Committee
By its attorneys,

Richard C. Allen, BBO # 015720
Stephen M. Perry, BBO # 395955
Donna M. Brewer, BBO #545254
Andrew T. Imbriglio, BBO #676049
CASNER & EDWARDS, LLP
303 Congress Street
Boston, MA 02210
Phone: 617-426-5900
allen@casneredwards.com
perry@casneredwards.com
brewer@casneredwards.com
imbriglio@casneredwards.com

Dated: September 2, 2011

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the above document was served upon counsel for all parties by first class mail, postage pre-paid on September 2, 2011.

Andrew T. Imbriglio

7428.0/508112.1