
APPENDIX M

**DOCUMENTS RELATING TO
MARTHA'S VINEYARD**

October 27, 2004
Senate Finance Committee Letter

Question 26: Narrative Re: Martha's Vineyard

Questions regarding Martha's Vineyard: (a) Why did the Wallaces make an \$18.5 million cash contribution to be used by TNC to pay purchase price back to the Wallaces, instead of selling the property to TNC for a bargain sale price of \$18.5 million less than the property's value? (b) Why did TNC pay \$14 million to HCAC directly, rather than to the Wallaces to be used by the Wallaces to pay HCAC?

Herring Creek (Martha's Vineyard) was described in detail in TNC's letter to the Committee dated April 15, 2004 (the "2004 Letter"). As described in that letter, the transaction was the product of extensive and often acrimonious multi-party negotiations that lasted for more than a year. All of the parties, including the Wallaces, were represented by independent counsel of their own choosing and TNC was not an active participant in the financial and tax planning undertaken by the Wallaces or any of the other parties to the transaction. These parties worked independently of TNC and consistent with its policies then in effect (as previously described to the Committee) TNC made no tax or financial representations to any of these parties, each of whom had their own professional advisors and counsel and made their own decisions.

a. As described in the 2004 Letter, under the relevant transactional documents, the Wallaces had the right to specify, based on a final appraisal, the purchase price to be paid for the land involved, but those documents also limited TNC's obligation (from its own resources) to \$45.5 million. If the final purchase price designated by the Wallaces exceeded this amount (as it did), TNC was not obligated to close the transaction unless it received additional contributions in an amount equal to the excess. It was understood by the parties that the Wallaces would undertake to make any solicitations of such contributions. TNC was not privy to any such efforts or to the decision by the The Wallace Foundation to make the contribution necessary to facilitate closing of the transaction. As a result, TNC is not in a position to speculate why the particular contribution structure was selected.

b. The parties insisted that TNC negotiate directly with HCAC to secure a waiver of its pre-emptive rights. At the time of the transaction, the Wallaces and HCAC (and its predecessors) had been in litigation with respect to their respective rights and obligations under various agreements dating originally from the purchase of the land by the Wallaces in 1969. Had TNC not undertaken to deal directly with HCAC as a separate transaction, it is unlikely that the acquisition and preservation of the Herring Creek property could have been completed.

Question 12

Please provide information regarding ownership of the following entities or parties to the transactions, including any changes in such ownership during contractual negotiations, as of the dates they were involved in the Martha's Vineyard transaction:

- owners of Windsor Capital Corporation
- owners of Herring Creek Acquisition Company, LLC
- owners of Real Estate Equity Limited Partnership
- owners or beneficiaries of the Herring Creek Farm Trust

Windsor Capital Corporation – The Conservancy has no knowledge as to the identity of the ownership of this corporation. According to Conservancy records and according to Karen G. Stratton, Vice President and Director of Taxes of General Investment & Development Co., (the firm which filed the tax returns for the Seller), Windsor Capital Corporation is the parent company of Windsor Investment Co. Inc., which, in turn, is the holder of the beneficial interest of Herring Creek Farm Trust, a nominee trust. Our contact with the Trust (aside from the attorneys representing the Trust) throughout the negotiations and at the time of conveyance was Stuart R. Johnson. Mr. Johnson was the Trustee of Herring Creek Farm Trust at the time of the conveyance as evidenced by his representations and supporting documentation to this effect provided to the satisfaction of the title insurance company that provided title insurance to the Conservancy for this transaction. The Conservancy is not aware of any changes in ownership or in beneficiaries of the Trust occurring during the contractual negotiations.

Herring Creek Acquisition Company, LLC – The Conservancy has no knowledge as to the identity of the members of this LLC. The Conservancy's contact with this LLC (aside from attorneys representing the LLC) was and remains Robert Hughes. Mr. Hughes represented that he had the authority to act on behalf of the LLC, signed documents on behalf of the LLC as manager and provided representations and documentation to this effect and to the effect that the LLC is a Commonwealth of Massachusetts limited liability company in good standing, all to the satisfaction of the title insurance company that provided title insurance to the Conservancy for this transaction. Erik H. Aldeborgh, II also was involved in the Conservancy's negotiations on behalf of this LLC. The Conservancy is not aware of any changes in ownership of the LLC occurring during the contractual negotiations.

Real Estate Equity Limited Partnership – The Conservancy has no knowledge as to the identity of the owners of Real Estate Equity Limited Partnership.

Herring Creek Farm Trust – see description above under Windsor Capital Corporation.

Privileged and Confidential

April 24, 2001

Stuart R. Johnson, Trustee, Herring Creek Farm Trust (the "Trust")
c/o General Investment & Development Co.
600 Atlantic Avenue - Suite 2000
Boston, MA 02210

Dear Mr. Johnson:

The purpose of this letter is to confirm your intentions with regard to certain gifts which you hope to arrange in favor of The Nature Conservancy ("TNC") to be made by certain persons and entities affiliated with you, as Trustee u/d/t dated October 21, 1970, and recorded in the Dukes County Registry of Deeds in Book 281, Page 158 and Book 286, page 158, as amended by Certificate of Amendment of Trust dated May 11, 1971, and recorded in the Dukes County Registry of Deeds in Book 290, Page 558 and Book 291, Page 580 and registered in the Dukes County Registry District Office of the Land Court as Miscellaneous Document No. 962.

1. Source of Funding for TNC.

As you know, we have executed and delivered to you the "Definitive Agreement Regarding Herring Creek Farm, Edgartown, Dukes County, Massachusetts", of even date herewith, between TNC as Purchaser and the Trust as Seller (the "Purchase Agreement"). You understand that TNC plans to raise cash from its own sources (i.e., sources other than the "Wallace Family Donors" and "Land Donors", both defined below) for payment of the Purchase Price under the Purchase Agreement. TNC expects this cash will be raised through some combination of gifts, loans and re-sales of various portions of Herring Creek Farm. However, if the Purchase Price under the Purchase Agreement exceeds \$45,500,000, TNC will request the Trust and related parties to consider making the gifts described below.

2. Gifts.

(a) We understand that you hope to encourage the owners (the "Land Donors") of those parcels of land shown and identified on Exhibit A (the "Existing Plan") as the "Blue Heron Parcel", the "Moore Beach Parcel" and the "Sliver Parcel" to make gifts of those parcels to TNC or any other not-for-profit assignee or designee of TNC under Purchase Agreement, and that you acknowledge that in the event that you are unable to arrange such gifts,

the absence of those gifts shall not preclude TNC from waiving the condition in the Purchase Agreement relating to such gifts and closing in the absence of some or all of such gifts.

(b) We understand that that you also hope to encourage certain individuals in the Wallace family (the "Wallace Family Donors") to make, on or before June 15, 2001, gifts of cash or other assets having a value (when made and at all times thereafter) of at least \$9,500,000 to TNC, in order to assist TNC in achieving the goal of preserving large areas of farmland on Martha's Vineyard or Nantucket as designated (the "Designated Property"), and that such gifts are to be evidenced initially by a charitable pledge agreement accompanied by a promissory note. The promissory note is to be interest free and is to be payable at the time of the closing on the acquisition of the Designated Property. In the event that the promissory note is not paid at the time of a closing on the Designated Property (so that the note has been converted to immediately available cash on or before such closing date), the promissory note shall be enforceable against the Wallace Family Donors in the courts of the Commonwealth of Massachusetts, unless a bargain sale gift is made by the Trust pursuant to (c) below. In the event that the Designated Property is some or all of Herring Creek Farm, then the amount of any promissory note delivered to TNC and not so paid at such closing of such Designated Property shall be credited against the Purchase Price under the Purchase Agreement. In the event that a closing on such Designated Property does not occur on or before December 31, 2001, the charitable pledge agreement and the promissory note are to be returned to the Wallace Family Donors.

(c) We further understand that you agree that, in the event (i) that the Purchase Price under the Purchase Agreement is greater than \$55,000,000, and TNC is unable to raise the additional amount needed from the Wallace Family Donors or (ii) the Wallace Family Donors fail to make some or all of the \$9,500,000 in gifts contemplated by (b) above, the Trust will make a bargain sale gift of any Shortfall (defined below). "Shortfall" shall mean the amount equal to (i) the Purchase Price under the Purchase Agreement minus (ii) the total of (A) \$45,500,000 plus (B) the total of cash gifts actually funded by the Wallace Family Donors plus (C) any credit against the Purchase Price received by TNC for promissory notes delivered by Wallace Family Donors but not funded with cash by the closing under the Purchase Agreement.

3. Effect of Bargain Sale Gift on TNC's Requirements regarding Approval of Appraisal Under Purchase Agreement.

If the Trust does elect to make a bargain sale gift of some portion of the Herring Creek Farm, then for purposes of TNC's approval rights under Section 3.1(k) of the Purchase Agreement, TNC will review and approve the appraisals for Herring Creek Farm based on the figure that represents the actual net cash price to TNC rather than based upon the full fair market value stated in the Trust's appraisal. For example, if the Trust's appraisal indicated a fair market value figure of \$70,000,000 and the Trust had elected to make a bargain sale gift in the amount of \$15,000,000, then TNC would evaluate the appraisal to ensure that TNC and its Board were satisfied that the fair market value of Herring Creek Farm was at least \$55,000,000 (rather than the higher \$70,000,000 figure) and would grant or withhold their approval of the appraisal on that basis. However, in the event the Trust elects to make a bargain sale gift of any portion of

Herring Creek Farm, the deed delivered to TNC would have to state a figure no higher than the actual cash (plus purchase money note and mortgage) being paid by TNC to the Trust as part of the purchase transaction and, although TNC will execute a Form 8283 to acknowledge receipt of a gift, TNC will not endorse, either directly or indirectly, the dollar value of the bargain sale gift component of the transaction.

4. Conditions to the Gifts.

We further understand that the possibility of these gifts is hindered by certain legal complications which must be addressed prior to the making of any such gifts, to wit, satisfaction of the conditions enumerated in Section 3.3 of the Purchase Agreement (other than the condition (stated in Section 8.3(a) of the Purchase Agreement and incorporated by reference into said Section 3.3) regarding payment of any portion of the Purchase Price in excess of \$44,500,000, which amounts TNC will only be able to pay to the extent of the actual gifts received from the Wallace Family Donors).

5. Warranties.

TNC hereby warrants that if it is to receive a gift as herein contemplated, it presently is, and will be as of the date of any such gift, an organization qualified as tax exempt under Section 501(c)(3) of the Internal Revenue Code.

6. Remedies.

The Trust agrees that if (a) the gifts contemplated by subparagraph 2(a) above do not occur by reason of any refusal by a Land Donor to make such a gift even though all of the conditions in paragraph 4 have been satisfied, and such refusal or failure is the sole cause of the inability of TNC to close the transactions contemplated by the Purchase Agreement or (b) all of the gifts contemplated by subparagraph 2(b) above do not occur by a reason of a refusal of the Wallace Family Donors to make such a gift even though all of the conditions in paragraph 4 above have been satisfied and the Trust does not make a bargain sale gift of the Shortfall as provided in 2(c) above, then at TNC's election the Trust shall refund the Deposit under the Purchase Agreement and pay to TNC, a break-up fee in the amount of \$3,000,000. If TNC elects to collect the break-up fee, payment of such break-up fee and refund of the Deposit shall be in lieu of all other remedies at law or in equity on the part of TNC, its heirs, successors, legal representatives and assigns. If TNC elects not to collect the break-up fee, TNC shall be entitled to seek specific performance of the obligations to consummate the transactions contemplated herein and in the Purchase Agreement.

7. Miscellaneous.

The Trust agrees that if a gift is made to TNC of the Blue Heron Parcel, the Trust will take such steps as are necessary to ensure that the septic system for the Blue Heron Parcel has been properly inspected and is in compliance with all relevant requirements of Title V (310 CMR 15.00 et seq.). Further, TNC understands that any gift of the Blue Heron Parcel may be

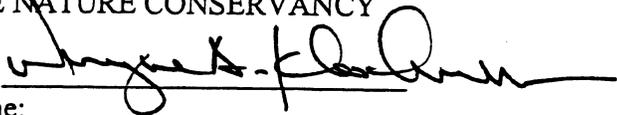
Stuart R. Johnson, Trustee, Herring Creek Farm Trust
April 10, 2001
Page -4-

made subject to a lease in favor of Mary Eberle for the period from June 16, 2001 through September 15, 2001 for a total rental of \$25,593 (plus a security deposit of \$1,000).

8. Non-Binding Nature.

The parties agree that the terms of the Confidentiality Agreement entered into by and among the parties as of December 11, 2000, a copy of which is attached hereto as Exhibit B, are incorporated herein by this reference as though fully set forth. It is acknowledged that this letter of intent is not, is not intended to be and is not to become binding on the Land Donors, the Wallace Family Donors, or you, and that the only binding effect which this letter of intent is to have is that the acknowledgments made by you in paragraph 2, the warranties made by TNC in paragraph 5 and the remedies committed to by you in paragraph 6 are to be final and binding upon execution hereof.

THE NATURE CONSERVANCY

By: 

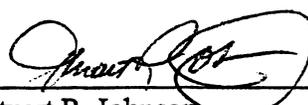
Name: _____

Its: _____

Agreed and Accepted:

April 24, 2001

HERRING CREEK FARM TRUST

By: 

Stuart R. Johnson

Trustee, but not individually

HERRING CREEK FARM TRUST
c/o General Investment & Development Co.
600 Atlantic Avenue
Boston, MA 02210
617-973-9680

June 21, 2001

The Nature Conservancy
Eastern Regional Office
11 Avenue de Lafayette
Boston, MA 02111
Attention: Hans P. Birle, Esq.

The Nature Conservancy
Massachusetts Chapter
205 Portland Street
Boston, MA 02114
Attention: Wayne A. Klockner

Re: "Gift Letter" dated April 24, 2001 – Formal Submission of Charitable Pledge Agreement and Non-Negotiable Promissory Note

Dear Messrs. Klockner and Birle:

Reference is made to paragraph 2 (b) of the so-called "gift letter" dated April 24, 2001 from The Nature Conservancy to Herring Creek Farm Trust as well as the letter of Herring Creek Farm Trust dated June 15, 2001, countersigned by Mr. Giso for and on behalf of The Nature Conservancy, extending to June 22, 2001 the date for submission to The Nature Conservancy of the charitable pledge agreements and non-negotiable promissory notes (aggregating \$9.5MM) called for under paragraph 2 (b) of the "gift letter".

I am pleased to submit herewith the original charitable pledge agreement and non-negotiable promissory note dated June 21, 2001 of Real Estate Equities Limited Partnership, a Delaware limited partnership. The undersigned reserves the right to satisfy the charitable pledge agreement and non-negotiable promissory note by causing other individuals, trusts or entities, including children within the Wallace families and trusts for the benefit of such children, to make the gifts necessary to satisfy the charitable pledge agreement and non-negotiable promissory note.

Please signify your receipt of the enclosed charitable pledge agreement and non-negotiable

copy ??

June 21, 2001

promissory note, as well as your acknowledgment of the reserved right, by executing at least one of the two (2) enclosed counterparts of the charitable pledge agreement and returning it to the undersigned at your earliest convenience.

Very truly yours,

HERRING CREEK FARM TRUST



Stuart R. Johnson
Trustee, but not individually

enclosure

NON-NEGOTIABLE PROMISSORY NOTE

\$9,500,000

Boston, Massachusetts

JUNE 21, 2001

FOR VALUE RECEIVED, REAL ESTATE EQUITIES LIMITED PARTNERSHIP, a Delaware limited partnership (the "Payor"), hereby promises to pay to the order of THE NATURE CONSERVANCY (the "Payee"), at its Eastern Regional Office, 11 Avenue de Lafayette, Boston, MA 02111, or at such other place as the Payee or any holder hereof may from time to time designate, the principal sum of NINE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$9,500,000), in lawful money of the United States, in immediately available funds, if, as and when the Payee acquires farmland on Martha's Vineyard or Nantucket as part of its program to preserve the same, so long as the Payee gives to the Payer at least seven (7) days advance written notice of the date on which this Non-Negotiable Promissory Note is to be satisfied, as aforesaid. Whenever any payment hereunder shall be due on a day which is not a business day, the due date thereof shall be extended to the next succeeding business day. No interest hereunder shall accrue under this instrument prior to the maturity date, but thereafter interest shall accrue calculated on the basis of actual days elapsed over a 360-day year at a rate 2% per annum in excess of the Prime Rate (as defined below) in effect from time to time, which interest rate shall change as the Prime Rate changes. In no event shall the rate of interest hereunder exceed the maximum interest rate permitted by applicable law.

"Prime Rate" shall mean the rate which announced from time to time as the prime rate of Fleet BankBoston, N.A. or its successor, as in effect from time to time. The Prime Rate is a reference rate and does not necessarily represent the lowest or best rate actually charged to any customer. The Payee may make commercial loans or other loans at rates of interest at, above or below the Prime Rate.

If the Payor or any obligor, maker, endorser, acceptor, surety or guarantor of, or any party to any indebtedness, obligations and liabilities of any kind of the Payor to the Payee (together with the Payor, the "Obligors"), shall default in the punctual payment of any sum payable with respect to, or in the observance or performance of any of the terms and conditions of, any indebtedness, obligations and liabilities of such Obligor owing to the Payee, whether now existing or hereafter arising, direct or indirect, absolute or contingent, arising by operation of law, through assignment or otherwise, or arising pursuant to any agreement with the Payee, (collectively, the "Obligations"), or if a default or event of default shall occur for any reason under any of the Obligations, or if the Payee shall, in its sole discretion, consider any of the Obligations insecure or any collateral unsafe, insecure or insufficient and the Payor shall not on demand furnish or cause to be furnished other collateral or make payment of the Obligations satisfactory to the Payee, or if any Obligor (being a natural person) shall die or any Obligor (being a corporation) shall be dissolved or shall fail to maintain its existence in good standing, or if the usual business of any Obligor shall be suspended or terminated, or if any Obligor shall terminate, contest or fail to perform its obligations to the Payee for any reason whatsoever, or if any lien, levy, execution, seizure, attachment or garnishment shall be issued, made or filed on or

against any property of any Obligor, or if any Obligor shall become insolvent (however defined or evidenced), make an assignment for the benefit of creditors or make or send a notice of intended bulk transfer, or if a meeting of creditors is convened or a committee of creditors is appointed for, or any petition or proceeding for any relief under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, receivership, liquidation or dissolution law or statute now or hereinafter in effect (whether at law or in equity) is filed or commenced by or against, any Obligor or any property of any Obligor, or if any trustee or receiver is appointed for any Obligor or any such property (each of the foregoing, an "Event of Default")-- then and in any such event and at any time thereafter, in addition to all rights and remedies of the Payee hereunder, applicable law and otherwise, all such rights and remedies being cumulative, not exclusive and enforceable alternatively, successively and concurrently, the Payee may, at its option, declare any or all of the Obligations, including, without limitation, all amounts owing under this Note, to be due and payable, whereupon the maturity of the then unpaid balance thereof shall be accelerated and the same, together with all interest accrued thereon, shall forthwith become due and payable, provided that if any petition or proceeding for any relief under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, receivership, liquidation or dissolution law or statute now or hereinafter in effect (whether at law or in equity) is filed or commenced by or against any Obligor or any property of any Obligor, all Obligations, including without limitation all amounts owing under this Note, shall be, without notice, declaration or any action by the Payee, accelerated, and immediately due and payable.

The Payor hereby waives diligence, demand, presentment, protest and notice of any kind, and assents to extensions of the time of payment, release, surrender or substitution of security, or forbearance or other indulgence, without notice.

The Payor may, at its option, at any time and from time to time, prepay all or any part of the principal balance of this Note, without penalty or premium..

No act, omission or delay by the Payee or course of dealing between the Payee and the Payor shall constitute a waiver of the rights and remedies of the Payee hereunder. No single or partial waiver by the Payee of any Event of Default or right or remedy which it may have shall operate as a waiver of any other Event of Default, right or remedy or of the same Event of Default, right or remedy on a future occasion.

This Note shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts (without giving effect to the conflict of laws principles thereof). Any legal action or proceeding with respect to this Note may be brought in the courts of the Commonwealth of Massachusetts or of the United States of America for the District of Massachusetts, and, by execution and delivery of this Agreement, the Payor hereby accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts. The Payor hereby knowingly, voluntarily, intentionally and irrevocably waives, in connection with any such action or proceeding: (i) any objection, including, without limitation, any objection to the laying of venue or based on the grounds of forum non conveniens, which it may now or hereafter have to the bringing of any such action or proceeding in such respective jurisdictions, (ii) the right to interpose any setoff, non-compulsory counterclaim or

cross-claim and (iii) to the maximum extent not prohibited by law, any right it may have to a trial by jury in respect of any litigation directly or indirectly arising out of, under or in connection with this Note. The Payor irrevocably consents to the service of process of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to the Payor at its address set forth below. Nothing herein shall affect the right of the Payee to serve process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against the Payor in any other jurisdiction.

Unless otherwise provided herein, all notices, requests and other communications to any party hereunder shall be in writing and shall be personally delivered or sent by certified mail, postage prepaid, return receipt requested, or by a reputable courier delivery service or by telecopy and shall be given,

If to the Payor: REAL ESTATE EQUITIES LIMITED PARTNERSHIP
600 Atlantic Avenue, Suite 2000
Boston, Massachusetts 02210
Attn: Stuart R. Johnson
Facsimile No.: 617-367-3417

With a copy to: Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.
One Financial Center
Boston, MA 02111
Facsimile No.: (617) 542-2241
Attention: Christopher H. Milton, Esquire

If to the Payee: THE NATURE CONSERVANCY
Eastern Regional Office
11 Avenue de Lafayette
Boston, MA 02111
Attn: Hans P. Birle, Esquire
Facsimile No.: (617) 482-5866:

With a copy to: Frank Giso, P.C.
Choate, Hall & Stewart
Exchange Place
Boston, MA 02109
Facsimile No.: (617) 248-4000

or such other address or telecopy number as such party may hereafter specify by notice to the Payee and the Payor. Each such notice, request or other communication shall be effective (i) if given by telecopy, when such telecopy is transmitted to the telecopy number specified herein and the appropriate confirmation is received, (ii) if given by certified mail, 72 hours after such communication is deposited with the post office,

addressed as aforesaid, or (iii) if given by any other means (including, without limitation, by air courier), when delivered at the address specified in accordance herewith.

No provision hereof shall be modified, altered or limited except by a written instrument expressly referring to this Note and to such provision, and executed by the Payor and the Payee.

In the event that any court of competent jurisdiction shall determine that any provision, or any portion thereof, contained in this Note shall be unreasonable or unenforceable in any respect, then such provision shall be deemed limited to the extent that such court deems it reasonable and enforceable, and as so limited shall remain in full force and effect. In the event that such court shall deem any such provision, or portion thereof, wholly unenforceable, the remaining provisions of this Note shall nevertheless remain in full force and effect.

This Note and all obligations evidenced hereby shall be binding upon the heirs, executors, administrators, successors and assigns of the Payor and shall, together with the rights and remedies of the Payee hereunder, inure to the benefit of the Payee, provided that this note shall not in any respect be a negotiable instrument.

In the event the Payee or any holder hereof shall refer this Note to an attorney for collection, the Payor agrees to pay, in addition to unpaid principal and interest, all the costs and expenses incurred in attempting or effecting collection hereunder, including reasonable attorney's fees, whether or not suit is instituted.

This Note shall take effect as an instrument under seal in the Commonwealth of Massachusetts.

This Note is intended to secure the obligations of the Payor under that certain Charitable Pledge Agreement between the Payor and the Payee dated of even date herewith, and is subject to applicable terms thereof.

REAL ESTATE EQUITIES LIMITED PARTNERSHIP
a Delaware limited partnership

By: FIRST CAPITAL FINANCIAL CORPORATION,
its corporate general partner

By: 
Stuart R. Johnson, Vice President

CHARITABLE PLEDGE AGREEMENT

AGREEMENT made in Boston, Massachusetts, this 21ST day of JUNE, 2001, between REAL ESTATE EQUITIES LIMITED PARTNERSHIP, a Delaware limited partnership, having an address for purposes hereof at 600 Atlantic Avenue, Suite 2000, Boston, Massachusetts 02210 ("Pledgor") and THE NATURE CONSERVANCY, a non-profit corporation organized and existing under the laws of the District of Columbia ("Pledgee"), having an address for purposes hereof at its Eastern Regional Office, 11 Avenue de Lafayette, Boston, MA 02111.

WHEREAS, it is the desire of Pledgor to assure the Pledgee of the availability of certain funds by donation and thereby to encourage the Pledgee to carry out and fulfill its charitable program to preserve large areas of farmland on Martha's Vineyard or Nantucket and to seek additional contributions from other donors; and

WHEREAS, in consideration of and in reliance upon such donations or funds, the Pledgee will secure gifts, donations and pledges from other individuals, foundations or corporations to the Pledgee and will incur expenses to carry out this charitable program in anticipation of the fulfillment of this Charitable Pledge Agreement; and

WHEREAS, Pledgee is willing to accept such donations of funds to continue to undertake this program in reliance upon the undertakings and assurances hereby given;

NOW, THEREFORE, in consideration of the premises and reliance herein recited, it is hereby agreed by and between the parties as follows:

1. The undersigned Pledgor does hereby pledge to pay the sum of \$9,500,000 to the Pledgee specifically for the charitable program described above.
2. It is understood that the above donation is made in reliance on the fact that the Pledgee is now, and will be at the time(s) of payment exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1954, as amended.
3. Pledgor will execute and keep in effect a valid non-negotiable promissory note to evidence the commitment of the Pledgor to complete the gifts contemplated herein consisting of funds equivalent to the sum due under said non-negotiable promissory note.
4. This Pledge may be enforced by said Pledgee by an action for specific performance or by any other appropriate remedy by any court having jurisdiction. It is further understood that this Pledge is a binding obligation on the undersigned Pledgor and the executors, administrators and representatives of Pledgor's estate.
5. This Pledge shall be governed in all respects by the laws of the Commonwealth of Massachusetts.

IN WITNESS WHEREOF, STUART R. JOHNSON has set his/her hand and seal, and the Pledgee has caused this Agreement to be signed by _____, the day and year first above written.

SIGNATURES:

WITNESS:

Real Estate Equities Limited Partnership, a Delaware limited partnership

By: First Capital Financial Corporation, its corporate general partner

Barry E. Jones

Stuart R. Johnson
Stuart R. Johnson, Vice President

PLEDGEE:

WITNESS:

The Nature Conservancy

Kimberly Lambert

By: *Dennis B. Wolkoff*
Name: Dennis B. Wolkoff
Title: Vice President

HERRING CREEK FARM TRUST
c/o General Investment & Development Co.
600 Atlantic Avenue
Boston, MA 02210
617-973-9680

June 21, 2001

The Nature Conservancy
Eastern Regional Office
11 Avenue de Lafayette
Boston, MA 02111
Attention: Hans P. Birle, Esq.

The Nature Conservancy
Massachusetts Chapter
205 Portland Street
Boston, MA 02114
Attention: Wayne A. Klockner

**Re: Acquisition of Herring Creek Farm, Edgartown, Dukes County, Massachusetts
Section 3.3 (h) of Definitive Agreement**

Dear Wayne and Hans:

Reference is made to Section 3.3 (h) of that certain Definitive Agreement regarding Herring Creek Farm, Edgartown, Dukes County, Massachusetts between The Nature Conservancy and Herring Creek Farm Trust, dated April 24, 2001 (the "Agreement"). Herring Creek Farm Trust is satisfied with the Complete Appraisal in Self-Contained Format, prepared by Martin J. Coleman, Jr. and Kenneth J. Croft, III, Coleman & Sons Appraisal Group, Waltham, MA, effective June 5, 2001 for the purposes of the Agreement and the transactions contemplated thereby.

In Seller's view, there are facts which would support a fair market value of Herring Creek Farm in excess of the amount set forth in the Appraisal. For example, the fair market value of Herring Creek Farm would have exceeded the value set forth in the Appraisal if the appraiser had attributed value to some portion of the eastern end of the beach (even if such value were the result of significant discounts by reason of access issues and permitting issues). Herring Creek Farm Trust also believes that the value would exceed the amount set forth in the Appraisal for other reasons, including (a) the manner of application of present worth factors, (b) contingencies re: infrastructure costs and (c) the like.

June 21, 2001

Nevertheless, for the purposes of our Agreement, Seller hereby expresses its satisfaction with the Appraisal. The approval is given only in the context of the consummation of the transactions contemplated by the Definitive Agreement and is not to be deemed approval in other contexts.

Very truly yours,

HERRING CREEK FARM TRUST



Stuart R. Johnson
Trustee, but not individually

PROMISSORY NOTE

\$1,000,000

Boston, Massachusetts
July 20th, 2001

FOR VALUE RECEIVED, The Nature Conservancy, a non-profit organization, having an office at 11 Avenue de Lafayette, Boston, Massachusetts 02111 (hereinafter, the "Borrower"), promises to pay to the order of Stuart R. Johnson, Trustee of Herring Creek Farm Trust u/d/t dated October 21, 1970 and recorded at the Dukes County Registry of Deeds (the "Registry") in Book 286, Page 158 as amended by Certificate of Amendment of Trust dated May 11, 1971, and recorded in the Dukes County Registry of Deeds in Book 290, Page 558, and registered in the Dukes County Registry District Office of the Land Court (the "Land Court") as Miscellaneous Document No. 962 and as further affected by a Certificate of Amendment of Trust dated May 11, 1971 and recorded in the Dukes County Registry of Deeds in Book 291, Page 580 and registered in the Dukes County Registry District Office of the Land Court as Document No. _____ (herein, together with its successors and assigns as Holders of this Note, the "Holder") the sum of One Million (\$1,000,000) Dollars, with interest on the unpaid principal balance (based upon a three hundred and sixty (360) day year and thirty (30) day months) at an interest rate of (a) five and twelve hundredths percent (5.12%) per annum prior to the occurrence of an Event of Default hereunder, and (b) eight percent (8%) after the occurrence of an Event of Default hereunder and during the continuation thereof.

1. Payment of Principal and Interest

Principal and interest of this Note shall be repaid as follows:

A. On the anniversary of this Note and on each subsequent anniversary thereafter until the Maturity Date, as defined below, the undersigned shall make annual payments of interest in arrears on the unpaid principal balance from time to time. The annual payments shall be in the amount \$51,200. Payments shall be pro rated for any portion of a year to which an annual payment may apply.

B. Borrower acknowledges and agrees that the entire original principal sum evidenced by this Note and all accrued and unpaid interest and all other sums evidenced by the Note or secured by the Mortgage (as hereinafter defined) shall be due and payable on JULY 17, 2004 (the "Maturity Date").

2. Late Charge, Prepayment, Application of Payments

The Borrower shall pay a late charge equal to three percent (3.0%) of any monthly installment amount not paid within seven (7) days after written notice to Borrower of Borrower's failure to pay any monthly installment amount (all notices hereunder shall be governed by the notice provisions of the Mortgage (as defined herein)) and this charge will be in addition to Holder's other remedies and charges.

The undersigned may prepay this Note from time to time in whole or in part without premium or penalty.

Any payments received by Holder on account of this Note prior to demand or acceleration shall be applied first, to any costs, expenses, or charges then owed Holder by the Borrower, second, to accrued and unpaid interest, and third, to the unpaid principal balance hereof. Any payments so received after demand or acceleration shall be applied in such manner as Holder may determine in its sole discretion.

3. Security

This Note is secured by that certain Mortgage, Security Agreement and Assignment of even date herewith (the "Mortgage") granted by Borrower to Holder. Each capitalized term used herein, unless otherwise defined herein, shall have the same meaning as set forth in the Mortgage. The obligations, covenants and agreements of the Mortgage are made a part of this Note to the same extent and with the same effect as if they were fully set forth in the Note, and Borrower agrees to perform each and every obligation, covenant and agreement set forth in the Note, and in the Mortgage and any other document evidencing the loan ("Loan Documents"). This Note shall evidence, and the Mortgage shall secure, the indebtedness described in this Note, any future loans or advances that may be made to or on behalf of Borrower by Holder at any time or times hereafter under the Mortgage, and any other amounts required to be paid by Borrower under the Loan Documents, and any such loans, advances or amounts shall be added to the indebtedness evidenced by this Note, and shall bear interest at the interest rate set forth herein.

4. Acceleration Upon Default

Holder, at its option, may declare the entire unpaid principal balance of this Note and accrued unpaid interest thereon to be immediately due and payable without demand, notice or protest (which are hereby waived) upon the occurrence of any one or more of the following events (herein, "Events of Default"):

(a) The failure by the Borrower to pay any amount due under this Note when due and the continued existence of such monthly installment payment default for a period of seven (7) days after written notice to Borrower of such default; (b) the failure by the Borrower to pay upon demand (or when due, if not payable on demand) any of the Borrower's other monetary liabilities, obligations, and indebtedness to Holder which

failure continues for seven (7) days after written notice to Borrower of such failure; (c) The failure by the Borrower to promptly, punctually, and faithfully perform, discharge, or comply with any of the Borrower's non-monetary liabilities, obligations, indebtedness or covenants to Holder (the Note, liabilities, obligations, indebtedness, and covenants described in (a), (b), and (c) are referred to herein as the "Liabilities") within thirty (30) days of written notice to Borrower of such failure or, if such non-monetary failure is not reasonably capable of cure within such thirty days, then such longer period of time as is necessary, provided Borrower timely commenced cure and is diligently proceeding to cure; (d) Any act by, against, or relating to the Borrower, or its property or assets, which act constitutes the application for, consent to, or sufferance of the appointment of a receiver, trustee, or other person, pursuant to court action or otherwise, over all, or substantially all of the Borrower's property; the granting of any trust mortgage or execution of an assignment for the benefit of the creditors of the Borrower, or the occurrence of any other voluntary or involuntary liquidation or extension of debt agreement for the Borrower (provided, it shall not constitute an Event of Default hereunder upon the filing of any petition for involuntary liquidation if such petition is being diligently contested by the Borrower until the earlier of (a) the entry of an order for relief; or (b) the expiration of sixty (60) days without the dismissal thereof); the failure by the Borrower to generally pay the debts of the Borrower as they mature; adjudication of bankruptcy or insolvency relative to the Borrower; the entry of an order for relief or similar order with respect to the Borrower in any proceeding pursuant to the federal bankruptcy law; the filing of any complaint, application, or petition by or against the Borrower initiating any matter in which the Borrower is or may be granted any relief from the debts of the Borrower pursuant to the Bankruptcy Code or to any other insolvency statute or procedure (provided, it shall not be an Event of Default hereunder if such complaint, application or petition is filed against the Borrower, which complaint, application or petition is being diligently contested until the earlier of (x) the entry of an order for relief against the Borrower, or (y) the expiration of sixty (60) days without dismissal of such complaint, application or petition); the calling or sufferance of a meeting of creditors of the Borrower; the meeting by the Borrower with a formal or informal creditors' committee; the offering by, or entering into by, the Borrower of any composition, extension or any other arrangement seeking relief or extension for the debts of the Borrower, or the initiation of any other judicial or non-judicial proceeding or agreement by, against, or including the Borrower which seeks or intends to accomplish a reorganization or arrangement with creditors; (e) The entry of any judgment against the Borrower for the payment of an amount in excess of \$10,000.00 in the aggregate which is not covered by insurance, which judgment is not satisfied or appealed from (with execution or similar process stayed) within forty-five (45) days of its entry; (f) The death, termination of existence, dissolution, winding up, or liquidation of the Borrower.

15

1

1

5. Limitation on Interest

The Note and Mortgage and other documents made by Borrower relating directly or indirectly to the indebtedness evidenced by this Note are expressly limited so that in no

event shall the amount of interest received, charged or contracted for by Holder exceed the highest lawful amount of interest permissible under the laws of the Commonwealth of Massachusetts. If performance of any provision of this Note or related documents shall result in the highest lawful rate of interest permissible under Massachusetts law being exceeded, then ipso facto, the amount of interest received, charged or contracted for by Holder shall be reduced to the highest lawful amount of interest permissible under Massachusetts law, and if Holder shall ever receive, charge or contract for, as interest, an amount which would be deemed unlawful, such amount of interest deemed unlawful shall promptly be refunded to Borrower.

6. Liability of Borrower

Notwithstanding anything to the contrary contained in this Note or in any related documents, but without in any way releasing or impairing this Note or any of the related documents, the validity of these documents, or the lien of the Mortgage, (except as expressly set forth in this Section 6), the liability of Borrower or any partner, director, officer, shareholder or employee or entity comprising of any of the foregoing, shall not be personal and shall be limited to and satisfied out of the Mortgaged Premises.

No delay or omission by Holder in exercising or enforcing any of Holder's powers, rights, privileges, remedies, or discretions hereunder shall operate as a waiver thereof on that occasion nor on any other occasion. No waiver of any default hereunder shall operate as a waiver of any other default hereunder, nor as a continuing waiver.

The Borrower shall indemnify, defend, and hold Holder harmless against any claim brought or threatened against Holder by the Borrower or any claim brought or threatened by any other person (as well as from attorneys' reasonable fees and expenses in connection therewith) on account of Holder's relationship with the Borrower unless the Borrower demonstrates that such claim is due to Holder's negligence, willful misconduct or actual bad faith or such claim is not due to any fault of the Borrower. If any such action is brought or threatened against Holder by any person or entity other than the Borrower, Holder shall notify the Borrower thereof. Thereafter, the Borrower shall be entitled to assume the defense thereof with counsel reasonably satisfactory to Holder and upon the Borrower actually assuming (and while diligently pursuing) such defense with satisfactory counsel, the Borrower shall not be liable to Holder for any legal or other expenses subsequently incurred by Holder in connection with the defense thereof.

In any action between the parties to enforce the terms of this Note, the prevailing party shall pay the reasonable and actual legal fees of the non prevailing party. The Borrower or the Holder, as the case may be, will pay on demand, all attorneys' reasonable fees, out-of-pocket expenses incurred by the other party's attorneys and all reasonable costs incurred by the other party, including, without limitation, costs and expenses associated with travel on behalf of the other party, which costs and expenses are incurred in good faith and are directly or indirectly related to the preservation, protection,

collection or enforcement of any of the other party's rights against the Borrower or the Holder and against any collateral given to secure this Note or any other Liabilities.

The Borrower of this Note respectively waives presentment, demand, notice, and protest, and also waives any delay on the part of the Holder hereof. Each of the Borrower and the Holder assents to any extension or other indulgence (including, without limitation, the release or substitution of collateral) permitted the Borrower by Holder with respect to this Note and/or any collateral given to secure this Note or any extension or other indulgence, as described above, with respect to any other liability or any collateral given to secure any other liability of the Borrower to Holder.

This Note shall be binding upon the Borrower and upon its respective heirs, successors, assigns, and representatives, and shall inure to the benefit of Holder and its successors, endorsees, and assigns.

The Borrower makes the following waiver knowingly, voluntarily, and intentionally, and understands that Holder, in the establishment and maintenance of Holder's relationship with the Borrower contemplated by the within Note, is relying thereon. **THE BORROWER, TO THE EXTENT ENTITLED THERETO, WAIVES ANY PRESENT OR FUTURE RIGHT OF THE BORROWER, OR OF ANY OTHER PERSON LIABLE TO HOLDER ON ACCOUNT OF OR IN RESPECT TO THE LIABILITIES, TO A TRIAL BY JURY IN ANY CASE OR CONTROVERSY IN WHICH HOLDER IS OR BECOMES A PARTY (WHETHER SUCH CASE OR CONTROVERSY IS INITIATED BY OR AGAINST HOLDER OR IN WHICH HOLDER IS JOINED AS PARTY LITIGANT), WHICH CASE OR CONTROVERSY ARISES OUT OF, OR IS IN RESPECT TO, ANY RELATIONSHIP AMONGST OR BETWEEN THE BORROWER, ANY SUCH PERSON, AND HOLDER.**

This Note is delivered to Holder at its office in Massachusetts, shall be governed by the laws of The Commonwealth of Massachusetts, and shall take effect as a sealed instrument. The Borrower submits to the jurisdiction of the courts of The Commonwealth of Massachusetts for all purposes with respect to this Note, any collateral given to secure its liabilities, obligations and indebtedness to Holder, and its relationship with Holder.

WITNESS

Signed in my Presence

[Handwritten signature]

THE NATURE CONSERVANCY

By: *[Handwritten signature]*
Name: Walter A. Klockner
Title: V.P.

15
16
17
18
19
20
21
22

The Wallace Foundation
c/o General Investment & Development Co.
600 Atlantic Avenue
Suite 2000
Boston, Massachusetts 02210
617-937-9680

July 18,2001

By Hand

The Nature Conservancy
Eastern Regional Office
11 Avenue de Lafayette
Boston, MA 02111
Attention: Hans P. Birle, Esq.

The Nature Conservancy
Massachusetts Chapter
205 Portland Street
Boston, MA 02114
Attention: Wayne A. Klockner

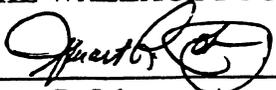
Dear Messrs. Birle and Klockner:

There is being remitted to you today by wire transfer Eighteen Million Five Hundred Thousand Dollars (\$18,500,000). The remittance satisfies in full a certain Non-Negotiable Note dated June 21, 2001 of Real Estate Equities Limited Partnership in the original principal amount of \$9,500,000 as well as a Charitable Pledge Agreement also dated June 21, 2001 of Real Estate Equities Limited Partnership in favor of The Nature Conservancy. The funds have been donated to The Nature Conservancy so that The Nature Conservancy can carry out and fulfill its charitable programs of preserving large areas of farmland on Martha's Vineyard and Nantucket. We trust that if The Nature Conservancy is unable to utilize the donated amount for such purposes this summer then the donation will be returned to the undersigned for further return to the donors.

Please signify your receipt of this covering letter and the donated funds by executing at least one of the two (2) counterparts of this letter and return the same to the undersigned.

Very truly yours,

THE WALLACE FOUNDATION



Stuart R. Johnson, Attorney-in-fact

enclosure

Receipt Acknowledgment:

THE NATURE CONSERVANCY

By: 

Name: _____
Title: _____

The Wallace Foundation
c/o General Investment & Development Co.
600 Atlantic Avenue
Suite 2000
Boston, Massachusetts 02210
617-937-9680

923

July 18, 2001

By Hand

The Nature Conservancy
Eastern Regional Office
11 Avenue de Lafayette
Boston, MA 02111
Attention: Hans P. Birle, Esq.

The Nature Conservancy
Massachusetts Chapter
205 Portland Street
Boston, MA 02114
Attention: Wayne A. Klockner

Dear Messrs. Birle and Klockner:

There is being remitted to you today by wire transfer Eighteen Million Five Hundred Thousand Dollars (\$18,500,000). The remittance satisfies in full a certain Non-Negotiable Note dated June 21, 2001 of Real Estate Equities Limited Partnership in the original principal amount of \$9,500,000 as well as a Charitable Pledge Agreement also dated June 21, 2001 of Real Estate Equities Limited Partnership in favor of The Nature Conservancy. The funds have been donated to The Nature Conservancy so that The Nature Conservancy can carry out and fulfill its charitable programs of preserving large areas of farmland on Martha's Vineyard and Nantucket. We trust that if The Nature Conservancy is unable to utilize the donated amount for such purposes this summer then the donation will be returned to the undersigned for further return to the donors.

Please signify your receipt of this covering letter and the donated funds by executing at least one of the two (2) counterparts of this letter and return the same to the undersigned.

Very truly yours,

THE WALLACE FOUNDATION

Stuart R. Johnson, Attorney-in-fact

enclosure

The Wallace Foundation
c/o General Investment & Development Co.
600 Atlantic Avenue
Suite 2000
Boston, Massachusetts 02210
617-937-9680

July 18, 2001

By Hand

The Nature Conservancy
Eastern Regional Office
11 Avenue de Lafayette
Boston, MA 02111
Attention: Hans P. Birle, Esq.

The Nature Conservancy
Massachusetts Chapter
205 Portland Street
Boston, MA 02114
Attention: Wayne A. Klockner

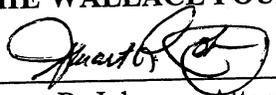
Dear Messrs. Birle and Klockner:

There is being remitted to you today by wire transfer Eighteen Million Five Hundred Thousand Dollars (\$18,500,000). The remittance satisfies in full a certain Non-Negotiable Note dated June 21, 2001 of Real Estate Equities Limited Partnership in the original principal amount of \$9,500,000 as well as a Charitable Pledge Agreement also dated June 21, 2001 of Real Estate Equities Limited Partnership in favor of The Nature Conservancy. The funds have been donated to The Nature Conservancy so that The Nature Conservancy can carry out and fulfill its charitable programs of preserving large areas of farmland on Martha's Vineyard and Nantucket. We trust that if The Nature Conservancy is unable to utilize the donated amount for such purposes this summer then the donation will be returned to the undersigned for further return to the donors.

Please signify your receipt of this covering letter and the donated funds by executing at least one of the two (2) counterparts of this letter and return the same to the undersigned.

Very truly yours,

THE WALLACE FOUNDATION



Stuart R. Johnson, Attorney-in-fact

enclosure

Receipt Acknowledgment:

THE NATURE CONSERVANCY

By: 
Name: _____
Title: _____

Filed
7-18-01
617-367-3417

The Wallace Foundation
c/o General Investment & Development Co.
600 Atlantic Avenue
Suite 2000
Boston, Massachusetts 02210
617-937-9680

July 18, 2001

By Hand

The Nature Conservancy
Eastern Regional Office
11 Avenue de Lafayette
Boston, MA 02111
Attention: Hans P. Birle, Esq.

The Nature Conservancy
Massachusetts Chapter
205 Portland Street
Boston, MA 02114
Attention: Wayne A. Klockner

Dear Messrs. Birle and Klockner:

There is being remitted to you today by wire transfer Eighteen Million Five Hundred Thousand Dollars (\$18,500,000). The remittance satisfies in full a certain Non-Negotiable Note dated June 21, 2001 of Real Estate Equities Limited Partnership in the original principal amount of \$9,500,000 as well as a Charitable Pledge Agreement also dated June 21, 2001 of Real Estate Equities Limited Partnership in favor of The Nature Conservancy. The funds have been donated to The Nature Conservancy so that The Nature Conservancy can carry out and fulfill its charitable programs of preserving large areas of farmland on Martha's Vineyard and Nantucket. We trust that if The Nature Conservancy is unable to utilize the donated amount for such purposes this summer then the donation will be returned to the undersigned for further return to the donors.

Please signify your receipt of this covering letter and the donated funds by executing at least one of the two (2) counterparts of this letter and return the same to the undersigned.

Very truly yours,

THE WALLACE FOUNDATION



Stuart R. Johnson, Attorney-in-fact

enclosure

Receipt Acknowledgment:

THE NATURE CONSERVANCY

By: 
Name: HANS P. BIRLE
Title: ASSISTANT SECRETARY

OCT. 18. 2000 1:36PM

CHOATE HALL & STEWART 723-7881

NO. 987 P.2

CHOATE, HALL & STEWART

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

EXCHANGE PLACE

53 STATE STREET

BOSTON, MASSACHUSETTS 02109-2891

TELEPHONE (617) 248-5000

FACSIMILE (617) 248-4000

October 18, 2000

VIA FACSIMILE
(650) 633-1823

Roger Bamford
555 Manzanita Way
Woodside, CA 94062

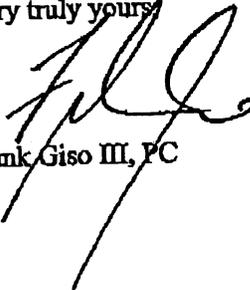
RE: Herring Creek Farm, Martha's Vineyard

Dear Roger:

Enclosed for your review is the revised form of the Agreement between The Nature Conservancy and you regarding the arrangements for financing the Wallace land purchase, etc. The principal difference between the enclosed Agreement and the form of this Agreement which I circulated under my cover letter dated October 12, 2000, is a much more streamlined mechanism for providing collateral on the indemnity that TNC will need to receive from you as the back-up for the indemnity which it gives to HCAC under the HCAC Agreement.

I hope that everyone feels the enclosed Agreement accurately describes prior discussions and that we are able to sign this Agreement quickly. By a copy of this letter I am forwarding the Agreement to Ted Kaplan for his review as well. As soon as you have had an opportunity to touch base with Ted, either you or he should give me a call so that I can incorporate your comments into an execution copy.

Very truly yours



Frank Giso III, PC

FG/mb
Enclosure

cc: Ted Kaplan, Esq. (w/enc., by fax)
Hans P. Birle, Esq. (w/enc., by fax)

3183215_1.doc

AGREEMENT REGARDING MARTHA'S VINEYARD LAND

This Agreement is made as of the 18th day of October, 2000, by and between The Nature Conservancy ("TNC"), a District of Columbia corporation having a business address at 201 Devonshire Street, Boston, Massachusetts 02110-1402 and Roger Bamford ("RB"), an individual residing at 555 Manzanita Way, Woodside, California 94062.

I. BACKGROUND FACTS

A. Neil Wallace and Monte Wallace (collectively, the "Wallaces"), either directly or through one or more entities in which they hold the beneficial ownership, hold title to land in Edgartown, Martha's Vineyard, Massachusetts containing 215 acres more or less (the "Wallace Land"), which land is also referred to as "Herring Creek Farm" in the HCAC Agreement (as defined below).

B. TNC and RB both desire for TNC to attempt to purchase the Wallace Land from the Wallaces on the terms and conditions described in more detail below.

C. Because the Wallace Land is subject to a right of first refusal and other restrictions and covenants in favor of Herring Creek Acquisition Company LLC ("HCAC"), it is necessary to obtain the consent of HCAC to any purchase of the Wallace Land, and therefore TNC has entered into an agreement with HCAC in the form attached hereto as Exhibit AGR (the "HCAC Agreement").

D. TNC and RB entered into a Preliminary Agreement Regarding Martha's Vineyard Land (the "Preliminary Agreement"), dated as of October 10, 2000, in order to permit TNC to be able to execute the HCAC Agreement.

E. TNC and RB now desire to execute this Agreement in order to supplement the Preliminary Agreement and also to set forth herein the respective rights and responsibilities of each party in connection with the HCAC Agreement and the attempted acquisition of the Wallace Land.

II. AGREEMENTS

NOW, THEREFORE, for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, TNC and RB agree as follows:

A. RB agrees that he will loan TNC up to Forty Million Dollars (\$40,000,000.00) to finance the acquisition of the Wallace Land from the Wallaces and that if it is not possible for TNC to negotiate an agreement with the Wallaces whereby TNC acquires the Wallace Land for the price of Forty Million Dollars (\$40,000,000.00) or less, then TNC shall have no obligation to enter into an agreement with the Wallaces, whereupon the break-up fee will be due to HCAC under the HCAC Agreement and the terms of Section II.A. of the Preliminary Agreement shall apply.

B. If TNC is successful in signing an agreement with the Wallaces for the purchase of the Wallace Land, then at the closing of such purchase (the "Wallace Land Closing") RB will

make a loan to TNC (the "Acquisition Loan") in the amount of the purchase price owed to the Wallaces (but not more than \$40 million) and TNC will execute and deliver to RB as evidence of, and security for, the Acquisition Loan, (1) a non-recourse promissory note bearing interest at 7% per annum, maturing on the sixth anniversary of the Wallace Land Closing (the "Maturity Date") and requiring no payments of interest until the Maturity Date and (2) a mortgage (the "Purchase Mortgage") securing such note and encumbering all of the Wallace Land acquired by TNC and not conveyed to HCAC pursuant to the terms of the HCAC Agreement. It is agreed that TNC shall have no liability for the Acquisition Loan and no other assets of TNC shall be subject to execution for payment of the Acquisition Loan other than foreclosure of the Purchase Mortgage.

C. The Purchase Mortgage will be subject to all of the conservation and architectural restrictions imposed upon Wallace Land pursuant to the HCAC Agreement and will also contain a provision which commits RB to subordinate the Purchase Mortgage to any further conservation easement or restriction which TNC may place on the Wallace Land during the term of the Acquisition Loan, provided that no such additional conservation easement or restriction shall limit the right to develop single family residences on the Wallace Land to a greater extent than the restrictions already contained in the HCAC Agreement.

D. Simultaneously with the Wallace Land Closing, TNC shall grant RB an option (the "Option") to purchase for fair market value all or any portion of the Wallace Land covered by the Purchase Mortgage. The Option will permit RB to buy such land in one or more increments provided all such closings occur on or before the Maturity Date. However, any land sold by TNC pursuant to the Option shall be subject to all conservation and architectural restrictions created pursuant to the HCAC Agreement and to any of the further conservation restrictions created by TNC as contemplated by Section II.C. above. Any proceeds paid to TNC by RB in connection with the exercise of the Option shall be used by TNC to pay down the Acquisition Loan.

E. Whether or not TNC is successful in negotiating an agreement with the Wallaces to purchase the Wallace Land or is successful in actually acquiring the Wallace Land, RB shall provide TNC with all monies which TNC is obligated to pay HCAC or its counsel under the HCAC Agreement or which are needed to cover any other costs, expenses and payments owed by TNC under or in connection with the HCAC Agreement, including, without limitation, all surveying and engineering expenses incurred by TNC in connection with any of the transactions or activities contemplated by the HCAC Agreement, all reasonable attorneys fees incurred by TNC in connection with the preparation and negotiation of the HCAC Agreement, negotiations with the Wallaces and any real estate closings with the Wallaces for the Wallace Land or with HCAC under the HCAC Agreement, and any other costs and expenses reasonably associated with any of the foregoing. Further, all such amounts shall be paid to TNC as soon as reasonably practicable after TNC presents an invoice for such item (with reasonably detailed supporting information) to RB. Finally, if TNC is successful in acquiring the Wallace Land, RB shall provide funds to TNC to establish an operating endowment (not to exceed \$500,000.00) out of which TNC will pay the costs of implementing and maintaining its various conservation programs for the Wallace Land. TNC agrees that any and all amounts referenced above in this Section II.E. may be paid with one or more gifts of low basis stock from RB to TNC, provided such stock at the time of the gift has a present fair market value equal to or greater than the

funding obligation owed by RB pursuant to the foregoing provisions of this Section II.G. in each instance.

F. RB and TNC will share the obligation to deliver the indemnity (the "Exhibit C Indemnity") in favor of HCAC under the HCAC Agreement on a basis whereby TNC assumes responsibility to HCAC for the first \$1,000,000 which HCAC may be owed in connection with the Exhibit C Indemnity (this \$1,000,000 indemnity from TNC hereinafter called the "TNC Indemnity") and any obligations or liabilities owed to HCAC under the Exhibit C Indemnity in excess of \$1,000,000 (but subject to the \$25 million cap which is included as part of the Exhibit C Indemnity) shall be paid directly by RB. TNC and RB will cooperate with one another to cause HCAC to accept this dual indemnity arrangement in lieu of a single indemnity from a single indemnitor as presently contemplated by the HCAC Agreement.

G. RB agrees to indemnify, defend and hold harmless TNC from any loss, liability, damages, cost or expenses (including, without limitation, reasonable attorneys fees) incurred in any way by TNC as a result of either (1) the TNC Indemnity or (2) TNC's having executed the HCAC Agreement with HCAC. The obligations of RB set forth in the preceding sentence will be called the "RB Indemnity".

H. As security for the RB Indemnity and as a precondition to TNC delivering the TNC Indemnity, RB shall provide TNC with reasonably satisfactory collateral for RB's obligations under the RB Indemnity, which collateral may be any of the following forms as RB may elect:

(1) a letter of credit in the amount of \$1 million (a) issued in favor of TNC and having a term of five (5) years, (b) issued by a financial institution reasonably acceptable to TNC and (c) otherwise reasonably acceptable to TNC in form and substance. If RB is unable to obtain a letter of credit having a five-year term, then TNC will accept a letter of credit having a one-year term, provided TNC will be entitled to draw against the letter of credit in its possession if a substitute letter of credit having a minimum term of at least one year is not provided to TNC within 30 days prior to the expiration date of the letter of credit then held by TNC; however, TNC will agree that if it does draw upon a letter of credit because a substitute letter of credit has not been delivered on a timely basis, then immediately upon delivery of a substitute letter of credit TNC will pay over to RB or RB's designee all cash held by TNC as a result of its having drawn on such prior letter of credit;

(2) a cash collateral account in the amount of \$1 million which is pledged to TNC pursuant to a pledge agreement reasonably acceptable in form and substance to TNC and which pledge shall have a duration of five (5) years from the Wallace Land Closing; or

(3) a surety bond in the amount of \$1 million in favor of TNC in form and substance reasonably acceptable to TNC and issued by a surety reasonably acceptable to TNC, also having a duration of five (5) years from the Wallace Land Closing.

Further, TNC agrees that it will give RB the opportunity to honor RB's obligations under the RB Indemnity with one or more gifts of low basis stock having a then fair market value equal to or greater than the monetary amount which is owed by RB to TNC under the RB Indemnity and will only make recourse to the collateral described in (1), (2) or (3) above if RB fails to make the gift of such low basis stock within thirty (30) days after written notice to RB indicating the amount owed pursuant to the RB Indemnity.

I. This Agreement shall be governed by, and construed in accordance with, the internal laws of the Commonwealth of Massachusetts.

Executed as an instrument under seal.

The Nature Conservancy

Roger Bamford

By: _____
Name:
Title:

CHOATE, HALL & STEWART

MEMORANDUM

To: Stuart R. Johnson (by fax)
 David A. Peters (by fax)
 Christopher H. Milton (by fax)
 Thomas P. Bloch (by fax)

cc: Hans P. Birtle (by fax)

From: Frank Giso III, PC

Date: January 8, 2001

Re: Letter of Intent for Herring Creek Farm

Attached is my 1/2/01 mark up of Tom Bloch's 12/20/00 draft of the Letter of Intent ("LOI") which in a number of places makes cross-reference to this memo for explanation of my comments.

Let me begin by saying that The Nature Conservancy ("TNC") understands the desire of the Sellers to maximize the gift component of the contemplated transaction involving Herring Creek Farm and the adjacent properties and is willing to cooperate with the Sellers to the greatest extent possible in this regard, subject obviously to the constraints imposed upon TNC by the IRS and also by some of TNC's own internal policies and procedures regarding the acquisition and disposition of real estate. At the same time, TNC (and I suspect the Regency Group as well) would like the final form of this agreement to have as few moving parts as possible so that the final agreement between the parties looks, feels and smell like real Purchase and Sale Agreement (because, in fact, should be real).

Toward that end, TNC makes the following conceptual comments regarding the LOI (in addition to the specifically marked changes on the attached LOI):

1. General Structure of Transaction

The so-called "definitive agreement" referenced in the LOI should be broken down into two, or possibly three, separate agreements. The first agreement (the "Sellers/TNC Agreement") would be an agreement between TNC and the Sellers covering all of the subject property (i.e., everything currently owned by Herring Creek Farm Trust ("HCFT") as well as all of the adjacent properties owned by various Wallace family members, all of which is sometimes hereinafter referred to, collectively, as the "Property") for a fixed stated purchase price (the "Initial Purchase Price"); this Initial Purchase Price would be subject to adjustment as discussed more fully in Section 2 below. The second definitive agreement (the "TNC/FARM Agreement") would run between TNC and the Farm Institute ("FARM") and would cover the portions of the Property that are to be conveyed from TNC to FARM for \$28,000,000. A third definitive agreement (the

Letter of Intent for Herring Creek Farm
Memorandum
January 8, 2001
Page 2

"FARM/Regency Agreement") would run between FARM and The Regency Group and would cover the transaction that is intended to take place between FARM and The Regency Group. While there will also be an agreement between TNC and the TNC's benefactor, there is no reason for that particular agreement to be part of the LOI or any of the definitive agreements referenced in the LOI.

The Sellers/TNC Agreement should allow TNC to designate FARM as a direct grantee from the Sellers for the that portion of the Property which is ultimately to pass through FARM as a form of safety net to avoid the potential problem of TNC's being unable to agree with the final appraised values for the Property (although, as discussed further in Section 2 below, the likelihood of this problem ever coming to pass can be made very remote).

With respect to the portions of the Property not currently owned by HCFT, the Sellers/TNC Agreement should provide that HCFT will on or before the expiration of the due diligence period acquire all such properties from the relevant Wallace family members in exchange for various purchase money notes and mortgages securing 100% of the "purchase price" for each of such family-owned parcels. At the closing under the Sellers/TNC Agreement, these purchase money notes and mortgages will either be fully paid off by the Sellers out of the sale proceeds received from TNC or TNC will agree to take on such parcels subject to those purchase money mortgages based on the assumption that the purchase money notes and mortgages will be forgiven by the holders thereof as part of the gift component of the transaction; however, if binding commitments to forgive the purchases money notes and mortgages are not delivered to TNC as part of the closing, then TNC will receive a credit against the cash portion of the purchase price (i.e., that portion of the purchase price stated in the 12/20 draft of the LOI to be \$45,500,000).

2. Establishing a Final Purchase Price

Based upon current (albeit preliminary) appraisals for the Property mentioned by one or both of Stuart or David, the Property has a fair market value somewhere between \$53,000,000 and 55,000,000. Therefore, the Initial Purchase Price set out in the Sellers/TNC Agreement should be stated as a specific price somewhere within that range. The Sellers/TNC Agreement should also provide that the Initial Purchase Price may be adjusted upward to reflect any increase in property values occurring between the signing of the Sellers/TNC Agreement and the closing thereunder (such adjusted purchase price is sometimes hereinafter referred to as the "Final Purchase Price"). The Final Purchase Price (as well as the Initial Purchase Price) would have to be based upon an appraisal of the Property meeting the standards set forth below in this Section 2. This approach allows for the making of restricted gifts by the Wallace family to TNC during the due diligence period (as discussed more fully in Section 3 below) and also allows TNC's board to approve a transaction at a purchase price that is presumably much closer to the Final Purchase Price range than is the \$45,500,000 cash component of the purchase price stated in the LOI.

Letter of Intent for Herring Creek Farm
Memorandum
January 8, 2001
Page 3

From TNC's standpoint, there are several problems that need to be addressed due to the possibility that the Final Purchase Price may increase above the Initial Purchase Price: (a) the updated appraisal that establishes the Final Purchase Price may not be one which TNC feels that it could successfully defend to the IRS if there were any charges of "private inurement" alleged in connection with the transaction; (b) any increase in the Final Purchase Price above the Initial Purchase Price would have to be approved by TNC's board in advance of the closing; and (c) any increase above the Initial Purchase Price could potentially create a shortfall between the new higher purchase price and the cash actually available to TNC to close the transaction (i.e., the \$45,500,000 cash portion of the purchase price presently stated in the LOI plus the actual cash value of the restricted gifts made to TNC, as described in Section 3 below). Fortunately, there are relatively simple solutions to these problems as discussed in the next paragraph and in Section 3 below.

The appraised value of the Property as determined by the Sellers' appraiser and TNC's appraiser should not differ materially as long as both appraisers (i) prepare their appraisal in conformance with the "Uniform Standards of Professional Appraisal Practice", (ii) assume that the highest and best use of the Property is a 32 lot residential subdivision subject to the covenants, agreements and restrictions that are set out in the MVC approval for that 32 lot subdivision, and (iii) use the same absorption rate and discount rate to account for the fact that the lots will be sold over a period of time rather than all at once. TNC is currently conferring with its appraiser to determine his view of an appropriate absorption rate and a discount rate and I will pass these numbers on to you as soon as TNC receives them. If the Sellers/TNC Agreement incorporates these appraisal standards, then there is very little likelihood that the Final Purchase Price (as the Initial Purchase Price) would create any of the problems noted in item (i) of the prior paragraph above. In order to avoid the problem noted in item (ii) of the prior paragraph, the Seller would have to specify the new higher purchase price and provide TNC with a copy of its appraisal no later than thirty (30) days prior to the scheduled closing date so that TNC's board action could be taken in a timely manner to approve the purchase of the Property at the increased Final Purchase Price.

3. Dealing with Gift Portion of the Transaction

The difference between \$45,500,000 and the Initial Purchase Price should be covered by restricted gifts made by Wallace family members to TNC during the due diligence period under the Sellers/TNC Agreement. These restricted gifts would require TNC to use the gift only to purchase land of a specified nature on Martha's Vineyard on or before a specified date and would require TNC to return the gift to the relevant donor if such conditions were not met. (Given the likely timing of the transaction, these gifts will be made and either returned or used all within the same calendar year and so there would be no issues arising from the possibility of the gift being reported in one tax year and then rescinded in a different tax year; alternatively, TNC could agree not to treat any of the gifts as a completed gift until the conditions of the gift were actually met.) With the making of these restricted gifts, the potential for there being a "shortfall" between the Initial Purchase Price and actual cash available to TNC in order to close

Letter of Intent for Herring Creek Farm
Memorandum
January 8, 2001
Page 4

is all but eliminated, especially if the Final Purchase Price never increases above the Initial Purchase Price. However, if any portion of a restricted gift is anything other than cash, then there is some risk that the non-cash gift (for instance, stock) will not have a cash value as of the closing date adequate to cover the full portion of the Initial Purchase Price over and above \$45,500,000. This situation would have to be addressed in the same manner as described in the next paragraph.

If the Final Purchase Price does exceed the Initial Purchase Price and the gifts from Wallace family members are not adequate to cover the difference between \$45,500,000 and the Final Purchase Price, then the Sellers should nevertheless be required to sell the Property to TNC for amount equal to the total of \$45,500,000 plus the current cash value of gifts made (calculated as of the day before the closing) and any remaining unpaid portion of the Final Purchase Price would then be a bargain sale gift from HCFT to TNC. TNC should have the right to obtain specific performance of a sale of the Property on these terms.

However, in recognition of the fact that circumstances could change over the period of time which it takes for TNC to obtain specific performance of the Sellers/TNC Agreement (such as new litigation affecting the Property, lapse of permits or approvals, etc.), TNC should have the alternative to take the "breakup fee" in lieu of pursuing specific performance if it reasonably determines that specific performance is no longer a completely adequate remedy because of changes (either actual or reasonably likely) in conditions extraneous to the Sellers and TNC. Since The Regency Group expects that it would receive at least \$1,000,000 out of such breakup fee, the breakup fee needs to be increased to \$2,500,000 to adequately cover the losses, costs and expenses that will be incurred by TNC over and above the \$1,000,000 to be paid to The Regency Group. Since HCFT and the Wallace family have complete control over choosing to increase the Final Purchase Price over the Initial Purchase Price and to arrange the needed gifts to TNC, neither the specific performance remedy nor the breakup fee should present much of an issue for them.

4. Martha Vineyard's Land Bank Tax

A conveyance to either TNC or FARM will not trigger payment of the Martha Vineyard's Land Bank Tax. However, a subsequent grant from either TNC or FARM to any grantee other than another not-for-profit will trigger payment of Land Bank Tax in an amount based upon the consideration stated in the deed to such grantee. TNC is highly skeptical that the Land Bank will waive the Land Bank fee with respect to any part of this transaction where the conveyance is not already exempt by statute and so the LOI should omit the condition that parties are not obligated to consummate the transaction unless the Land Bank fee is waived by the Land Bank with respect to the entire transaction.

[1/28/01]

DRAFT

Privileged and Confidential

January 29, 2001

Stuart R. Johnson, Trustee, Herring Creek Farm Trust
c/o General Investment & Development Co.
600 Atlantic Avenue - Suite 2000
Boston, MA 02210

Dear Mr. Johnson:

The purpose of this letter is to confirm your intentions with regard to certain gifts which you hope to arrange in favor of The Nature Conservancy, Inc. ("TNC") and The F.A.R.M. Institute, Inc. (the "Farm Institute") to be made by certain persons and entities affiliated with you, as Trustee u/d/t dated October 21, 1970, and recorded in the Dukes County Registry of Deeds in Book 286, page 158, as amended by Certificate of Amendment of Trust dated May 11, 1971, and recorded in the Dukes County Registry of Deeds in Book 290, Page 558 and registered in the Dukes County Registry District Office of the Land Court as Miscellaneous Document No. 962 (the Farm Institute and TNC may collectively be referred to herein as the "Not-for Profit Parties" or "NFP Parties").

1. Gifts

(a) We understand that you hope to encourage the owners (the "Land Donors") of those parcels of land shown and identified on Exhibit A (the "Existing Plan") as the "Blue Heron Parcel", the "Moore Beach Parcel" and the "Sliver Parcel" to make gifts of those parcels to TNC (or the Farm Institute, if TNC fails to proceed with the transaction under the Sale Letter of Intent), and that you acknowledge that in the event that you are unable to arrange such gifts, the absence of those gifts shall not preclude the Acquiring Parties under that certain letter of intent of even date herewith (the "Sale Letter of Intent") between you, TNC, the Farm Institute, MV Regency Group LLC ("Regency") and Choate, Hall & Stewart on behalf of an unnamed benefactor represented by them (the "N/C Benefactor") (together TNC, the Farm Institute, Regency and the N/C Benefactor are the "Acquiring Parties"), from waiving the condition in the Sale Letter of Intent relating to such gifts and closing in the absence of some or all of such gifts.

(b) We understand that that on or before May 1, 2001 you hope to encourage certain individuals in the Wallace family (the "Wallace Family Donors") to make gifts of cash or other assets having a value (when made and as of the Closing Date) of at least \$9,500,000 to TNC, the Farm Institute, or both, in order to assist them in achieving their mutual goal of preserving large areas of farmland on Martha's Vineyard or Nantucket as designated (the "Designated Property"), and that such gifts are to be evidenced initially by a charitable pledge agreement accompanied by

a promissory note. The promissory note is to be interest free and is to be payable at the time of the closing on the acquisition of the Designated Property. In the event that the promissory note is not paid at the time of a closing on the Designated Property, the promissory note shall be enforceable against the Wallace Family Donors in the courts of the Commonwealth of Massachusetts. In the event that the Designated Property is some or all of Herring Creek Farm, than any amount not paid at such closing of such Designated Property may be credited against the Final Purchase Price. In the event that a closing on such Designated Property does not occur on or before December 31, 2001, the charitable pledge agreement and the promissory note are to be returned to the Wallace Family Donors.

(c) We further understand that you agree that, in the event that the Final Purchase Price under the Sale Letter of Intent is greater than \$55,000,000, then to the extent TNC or the Farm Institute is unable to raise the additional amount needed, you are willing to make a bargain sale gift of any shortfall. Similarly, you agree that in the event the Farm Institute is not a party to the transaction at the the time of the closing under the Sale Letter of Intent, you are willing to make a bargain sale gift of the \$1,000,000 shortfall which would result.

2. Conditions to the Gifts

We further understand that the possibility of these gifts is hindered by certain legal complications which must be addressed prior to any such gifts, to wit:

(a) An enforceable commitment from the parties described below (the "Abutters") must have been obtained in form satisfactory to the Wallace Family Donors and the Acquiring Parties providing for the delivery at the Closing under the Sale Letter of Intent of all waivers and consents necessary under the terms of the Cohan Aldeborgh 1969 Agreement (as defined below), the extinguishment of the so-called "pre-emptive purchase" provisions in the Cohan Aldeborgh 1969 Agreement, and the termination of all litigation regarding the Cohan Aldeborgh 1969 Agreement, all to the satisfaction of, and pursuant to instruments in form and substance acceptable to the Land Donors. "Cohan Aldeborgh 1969 Agreement" shall mean that certain Agreement made as of the 30th day of December 1969 by and between B. Harrison Cohan and Hildegard W. Cohan, John E. Aldeborgh and Janet H. Aldeborgh, Marshall W. Cohan and Judith J. Cohan and Marshall N. Cohan, Trustee, recorded with the Dukes County Registry of Deeds in Book 281, Page 15.

(b) Edgartown's Board of Selectmen must have notified the Seller and the Acquiring Parties in writing in form and substance satisfactory to the Land Donors that the transactions contemplated hereby are not subject to the right of first refusal option to accept a bona fide offer to purchase, or to the option to purchase at full and fair market value to be determined by impartial appraisal, or both, as such options are set forth in Section 14 of M.G.L. Chapter 61A, or that any such right is not to be exercised, or a notice of intent must have been transmitted to the Edgartown Board of Selectmen, the Edgartown Planning Board, the Edgartown Board of Assessors and the Edgartown Conservation Commission with regard to the transactions contemplated and the 120-day period for the exercise of such options must have expired. The

Edgartown Assessor shall have issued a certification under M.G.L., c. 61A, Section 19A that no conveyance tax or roll back taxes are due in connection with the proposed transactions contemplated hereby.

(c) [Intentionally Deleted]

(d) The NFP Parties shall continue to be organizations qualified as tax exempt under Section 501(c)(3) of the Internal Revenue Code.

(e) The Land Donors are satisfied, in the good faith exercise of their reasonable business judgment, with the appraisals of the respective parcels being gifted.

3. Warranties

(a) TNC hereby warrants that if it is to receive a gift as herein contemplated, it presently is, and will be as of the date of any such gift, an organization qualified as tax exempt under Section 501(c)(3) of the Internal Revenue Code.

(b) The Farm Institute hereby warrants that if it is to receive a gift as herein contemplated, it presently is, and will be as of the date of any such gift, an organization qualified as tax exempt under Section 501(c)(3) of the Internal Revenue Code.

4. Remedies

Seller agrees that if the gifts contemplated by subparagraphs 1(a) and 1(b) above do not occur by reason of a "wilful" refusal of one of the Land Owners to execute and deliver a deed of gift or the "wilful" refusal of the members of the families of Monte J. Wallace and Neil M. Wallace to make gifts of cash or other assets to TNC in the amounts indicated, and if such failure is the sole cause of the inability of the Acquiring Parties to close the transactions contemplated by the Sale Letter of Intent, Seller shall pay: (1) jointly to TNC and the N/C Benefactor, a break-up fee in the amount of \$2,000,000, and (b) to Regency, a break-up fee in the amount of \$1,000,000. If TNC and/or Regency elects to collect the break-up fee, payment of such break-up fee to the applicable party shall be in lieu of all other remedies at law or in equity on the part of the applicable Acquiring Party, their heirs, successors, legal representatives and assigns. If neither TNC nor Regency elects to collect the break-up fee, they shall each be entitled to seek specific performance of the obligations to consummate the transactions contemplated herein and in the Sale Letter of Intent.

5 Non-Binding Nature.

The parties agree that the terms of the Confidentiality Agreement entered into by and among the parties as of December 11, 2000, a copy of which is attached hereto as Exhibit B, are

incorporated herein by this reference as though fully set forth. It is acknowledged that this letter of intent is not, is not intended to be and is not to become binding on the Land Donors, the Wallace Family Donors, or you, and that the only binding effect which this letter of intent is to have is that the acknowledgments made by you in paragraph 1, the warranties made by TNC and the Farm Institute in paragraph 3 and the remedy committed to by you in paragraph 4 are to be final and binding upon execution hereof.

SIGNATURES

160 FEDERAL STREET
BOSTON, MASSACHUSETTS 02110-1701

TELEPHONE 617-330-8000 FAX 617-330-8130 E-MAIL mail@m-g.com

July 9, 2001

Mr. Hans P. Birle
Legal Counsel/Northeast Division
The Nature Conservancy
11 Avenue DeLafayette, 5th Floor
Boston, MA 02111-1736

RE: Lots 5 and 6
Exhibit C Consolidation Plan
Herring Creek Farm
Edgartown, Massachusetts

Dear Attorney Birle:

In accordance with your request for an estimate of the market value of the real estate identified as Lots 5 and 6 within the consolidated Herring Creek Farm subdivision in Edgartown, Massachusetts, I have examined the property and submit herewith my appraisal.

The objective of my appraisal was to provide you with an estimate of the market value of each of the subject lots. The appraisal will function as the basis of a price to be paid by Roger Bamford for these two lots. The subject property has been subdivided from a larger parcel of land owned by the Trustees of Herring Creek Farm. The subject property is scheduled to be acquired by Roger Bamford as a result of a series of transactions from Herring Creek Farm Trust to The Nature Conservancy (TNC).

The date of my value estimate is May 22, 2001, the date of my property inspection with Susan Arnold of The Nature Conservancy and the property's caretaker.

Lot 5 is a 9.62-acre lot that fronts on Edgartown Great Pond. The vacant parcel of land has frontage on Herring Creek Farm Lane. The lot will include beach rights along Edgartown's South Beach and the right to use the existing barn and fields located in the Central Field for horses.

Lot 6 is 15.85 acres and includes the existing "Neil Wallace residence" and an abandoned cottage known as the Movius Camp. In addition to the rights previously conveyed under Lot 5, this lot will include the additional right to build a caretaker's house of approximately 2,500 square feet to replace the Movius Camp. This lot, with frontage on Herring Creek Farm Lane, has commanding views of Edgartown Great Pond and distant views of the sand dunes and the Atlantic Ocean.

Mr. Hans P. Birle
July 9, 2001
Page Two

Both of these lots are located within the Herring Creek Farm property which contains approximately 240 acres of land. Previously, Herring Creek Farm Trust had a subdivision approved for 33 lots. In their acquisition of the property, The Nature Conservancy intends for a more limited development so that rather than 33 development lots, there will be 8 lots. The more important physical features of this farm will remain unchanged. The East Field, containing 62 acres and fronting on Slough Cove Road will remain as it is today. The Central Field, containing 40 acres of farming land will also remain as it is today.

In addition to the two subject lots, three new lots located between the subject and Slough Cove Road will be created and they are known as Lots 2, 3, and 4 on the consolidated plan of Herring Creek Farm. A new Lot 1 will contain all of the farm buildings and is scheduled to be sold to the F.A.R.M. Institute who will additionally lease the Central Field from the Nature Conservancy for organic farming purposes.

M.V. Regency Group, LLC is acquiring the new Lots 7, 8, 9 and 10 as depicted on the subdivision plan. Lot 8 contains similar style house to Lot 6 and is known as the "Monty Wallace Estate". Both houses were constructed in the early 1970's by brothers.

The subject property is part of a subdivision that includes a 19.52-acre beach parcel along the Atlantic Ocean and Crackatuxet Cove. Each subject lot includes access rights to this beach.

The Herring Creek Farm is located in Edgartown, Massachusetts, on the island of Martha's Vineyard. The Herring Creek Farm, located at the periphery of the Katama Plains, is one of the most predominant properties in Edgartown and on the island of Martha's Vineyard. From a real estate perspective, the Herring Creek Farm has bucolic vistas along Slough Cove Road, out over the approximately 105 acres of farmland, down to Edgartown Great Pond and the Atlantic Ocean.

As will be discussed in this report, Edgartown and the island of Martha's Vineyard and Nantucket are commanding some of the highest prices in New England for resort type properties. There have been recent acquisitions of properties in the multi-million dollar price range. Despite the slowdown in the economy, brokers indicate that there still remains a demand for exclusive property.

My estimate of market value is based on the highest and best use of the subject property for single-family residential development, consistent with the description previously provided and the allowed uses under the Town's Zoning By-laws. Typically, what is being developed on lots such as the subject are houses with a minimum of 6,000 square feet of living area which may include an ancillary caretaker's cottage. These lots will be exclusive lots that will benefit from the easements to be placed on the property by TNC. These easements will preserve the farm's aesthetic quality, provide exclusivity in privacy and pond and beach access.

Mr. Hans P. Birle
July 9, 2001
Page Three

Based on examination of vacant lot sales and improved sales, it is my opinion that the estimated market value of the subject property as of May 22, 2001, is as follows:

Lot 5	\$4,750,000
Lot 6	<u>\$7,250,000</u>
Total Indicated Market Value	\$12,000,000

These values assume a package sale of the two lots.

My appraisal is subject to the attached limiting conditions and assumptions as stated in the summary appraisal report.

Very truly yours,



Robert P. LaPorte, Jr., CRE, MAI
Senior Vice President
MA General R.E. Appraiser #735

RPL/cek

#14353

SUMMARY APPRAISAL REPORT
RIGHT OF FIRST REFUSAL ENCUMBERING A PORTION OF
HERRING CREEK FARM
EDGARTOWN, MASSACHUSETTS

PREPARED FOR
MR. DANIEL J. GLEASON
HERRING CREEK ACQUISITION COMPANY LLC
C/O NUTTER, MCCLENNEN & FISH, LLC
ONE INTERNATIONAL PLACE
BOSTON, MA 02110-2699

PREPARED BY
ROBERT P. LAPORTE, JR., CRE, MAI
SENIOR VICE PRESIDENT
MA GENERAL R.E. APPRAISER #735

DATE OF VALUE ESTIMATE
JULY 15, 2001

APPRAISAL NUMBER

14364

TABLE OF CONTENTS

TABLE OF CONTENTS	1
SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS	4
INTRODUCTION	6
OBJECTIVE OF APPRAISAL AND PURPOSE OF THE REPORT	7
PROPERTY IDENTIFICATION	7
DATE OF APPRAISAL	7
OWNERSHIP AND RECENT HISTORY	8
DEFINITION OF SIGNIFICANT TERMS	11
SCOPE OF INVESTIGATION	12
GENERAL ASSUMPTIONS	13
GENERAL LIMITING CONDITIONS	15
CERTIFICATION OF VALUE	16
THE SUBJECT PROPERTY	18
ISLAND LOCATION MAP	19
AERIAL MAP SHOWING HERRING CREEK FARM	20
STREET MAP SHOWING SUBJECT LOCUS	21
LOCATION AND NEIGHBORHOOD DESCRIPTION	22
ZONING	25
ASSESSED VALUE AND REAL ESTATE TAXES	26
PROPERTY DESCRIPTION	27
HIGHEST AND BEST USE	37
VALUATION ANALYSIS	38
VALUATION TECHNIQUES	39
CONCLUSION AND ESTIMATE OF VALUE FOR THE RIGHT OF FIRST REFUSAL	56
ADDENDA	
APPROVAL OF DEFINITIVE SUBDIVISION PLAN HERRING CREEK FARM	
100-YEAR FLOOD BOUNDARY	
ECONOMIC & HOUSING PRICE STATISTICS FOR THE END OF 2000	
FEDERAL RESERVE BOARD BEIGE BOOK	
DIVISION OF EMPLOYMENT & TRAINING NEWS RELEASE	
QUALIFICATIONS OF APPRAISER	

August 24, 2001

Mr. Daniel J. Gleason
Herring Creek Acquisition Company LLC
c/o Nutter, McClennen & Fish, LLC
One International Place
Boston, MA 02110-2699

Re: Valuation of Right of First Refusal
Herring Creek Farm
Edgartown, Massachusetts

Dear Attorney Gleason:

In accordance with your request, I have estimated the market value of a right of first refusal that encumbers a portion of the Herring Creek subdivision in Edgartown, Massachusetts. The right of first refusal (right) runs to the benefit of the Marshall Cohans, the Benjamin Cohans and the Aldeborghs as stated in the Agreement attached to this report. If the real estate is sold during the remaining term (8 1/2 years) of the contract, a cash payment is payable to the beneficiaries of the right of first refusal. The objective of my appraisal was to provide Herring Creek Acquisition Company LLC and The Nature Conservancy with an estimate of the market value of these rights so that their value can be compared to the market value of four lots that are about to be transferred to Herring Creek Acquisition Company LLC.

The date of my value estimate is July 15, 2001. The property was inspected with Susan Arnold of The Nature Conservancy and the property's caretaker, Ron Mann, on May 22, 2001. A second inspection was completed on August 16, 2001, with Ron Mann.

As of the valuation date of my appraisal, the subject property was under agreement for sale from Herring Creek Farm Trust to The Nature Conservancy (TNC) for a deeded price of approximately \$64 million. After TNC acquires the property, there will be a series of sales from TNC to others. After the sales, TNC will own the fields and beach lot and will have restrictions over the remaining property through deeded covenants.

The Herring Creek Farm property has been the subject of much litigation during the past twenty years. The litigation resulted in an approval by the Edgartown Planning Board and the Martha's Vineyard Commission of a 33-lot subdivision. A copy of that subdivision is included in the addenda of this report. The 33-lot subdivision was superceded by the proposed subdivision as illustrated on Exhibit C of the Consolidated Plan. This will result in nine development lots, the farm buildings and residence (the nine lots and farm building will be sold), the Central Field, East Field, barn and beach lots which are intended to remain as they now exist.

Mr. Daniel J. Gleason
August 24, 2001
Page Two

The more important physical features of this farm will remain unchanged. The East Field, containing 62 acres and fronting on Slough Clove Road, will remain as it is today. The Central Field, containing 40 acres of farming land, will also remain as it is today.

My valuation of the right was based on a 33-lot subdivision of the property, plus Blue Heron which is a single-family house next to the subdivision. The right covers 25 of the 33 lots and they are listed in the report. This highest and best use is different from TNC's planned use of the property. TNC has plans to conserve the farm on a limited development basis.

My valuation was based on a number of special assumptions and limiting conditions that will be stated in the report. The underlying assumptions are:

1. That a sale of the real estate is about to occur.
2. That a sale would never take place without a negotiation as to the price for this right.
3. That the value is based on two options: the first is that the ownership has the option of holding onto the property until the right of first refusal expires; and the second involves a limited sale of the lots not included in the right of first refusal and retention of the remaining lots until the right expires.
4. The analysis is based on the approved 33-lot subdivision plus Blue Heron but excluding the lots not included in the right of first refusal.

The Herring Creek Farm is located in Edgartown, Massachusetts, on the island of Martha's Vineyard. The Herring Creek Farm, located at the periphery of the Katama Plains, is one of the most predominant properties in Edgartown and on the island of Martha's Vineyard. From a real estate perspective, the Herring Creek Farm has bucolic vistas along Slough Cove Road, out over the approximately 105 acres of open farmland, down to Edgartown Great Pond and the Atlantic Ocean.

As will be discussed in this report, Edgartown and the island of Martha's Vineyard and Nantucket are commanding some of the highest prices in New England for resort type properties. There have been recent acquisitions of properties in the multi-million dollar price range. Despite the slowdown in the economy, brokers indicate that there still remains a demand for exclusive property.

My estimate of market value is based on the highest and best use of the subject property as approved for a 33-lot plus Blue Heron residential subdivision. This is consistent with the description previously provided and the allowed uses under the Town's Zoning By-laws.

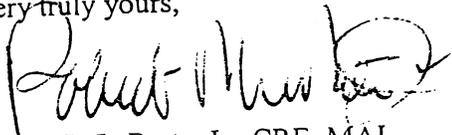
Based on examination of the property and the right of first refusal, it is my opinion that the estimated market value of this right as of July 15, 2001, was:

\$14,000,000

Mr. Daniel J. Gleason
August 24, 2001
Page Three

My appraisal is subject to the attached limiting conditions and assumptions as stated in the summary appraisal report.

Very truly yours,



Robert P. LaPorte, Jr., CRE, MAI
Senior Vice President
MA General R.E. Appraiser #735

RPL/bjc
#14364

SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

LOCATION & IDENTIFICATION OF PROPERTY SUBJECT TO RIGHT OF FIRST REFUSAL

Herring Creek Farm (all lots but excluding 2, 3, 4,
6, 7, 8, 9, 10, 11 and ½ of 12)

OWNER

All lots – Herring Creek Family Trust
Blue Heron – John H. Wallace, et al

LAND AREA

Total area of farm: 220 acres
Total area estimated of Right of First Refusal: 175
acres

IMPROVEMENTS

Four residential homes and farm buildings

ASSESSED VALUE AND TAXES

Herring Creek Farm

Land	\$14,787,100
Buildings	<u>\$ 1,745,900</u>
Total	\$16,533,000

Most of the land is subject to a Chapter 61A credit.
It reduces the land assessment to \$6,404,500. The
total tax bill subject to Chapter 61A is \$41,893.06.

Blue Heron

Land	\$201,900
Buildings	<u>\$168,000</u>
Total	\$369,900

ZONING DISTRICT

RA-120 Residence-Agricultural District

ENCUMBRANCES AND EASEMENTS

The subject property is being sold subject to the
benefit of access to South Beach and subject to
various conservation restrictions and easements as
noted in the deeds found in the addenda.

PROPERTY RIGHTS APPRAISED

Right of First Refusal

PROPERTY INTEREST APPRAISED

Fee simple valuation of the real estate subject to
above rights and easements.

FIVE-YEAR SALES HISTORY

The subject parcels are currently owned by Herring
Creek Farm Trust or John Wallace, et al, and have

been for more than five years (see sales history for more detailed discussion).

HIGHEST AND BEST USE

For a single-family residential use on each lot.

DATE OF VALUE ESTIMATE

July 15, 2001

INDICATED VALUE:

OWNERSHIP HOLDS ON
TO ENTIRE PROPERTY FOR
8.5 YEARS AND SELLS:

\$16,330,000

OWNERSHIP SELLS LOTS NOT
SUBJECT TO FIRST REFUSAL
AND HOLDS REMAINING LOTS
FOR 8.5 YEARS AND SELLS:

\$12,410,000

ESTIMATED MARKET VALUE
OF FIRST REFUSAL:

\$14,000,000

INTRODUCTION

OBJECTIVE OF APPRAISAL AND PURPOSE OF THE REPORT

The objective of the appraisal is to estimate the market value of the right of first refusal as of July 15, 2001. The value is based on the following special conditions:

1. That a sale of the real estate is about to occur.
2. That a sale would never take place without a negotiation as to the value of this right.
3. That the value is based on two options: the first option is that the ownership has the option of holding onto the property until the right of first refusal expires in eight years; and the second involves a limited sale of the lots not included in the right of first refusal and retention of the remaining lots until the right expires.
4. The analysis is based on the approved 33-lot subdivision plus Blue Heron but excluding the lots not included in the right of first refusal as listed under the property identification.

The appraisal is to be used by TNC and the beneficiaries of this right for tax purposes.

PROPERTY IDENTIFICATION

Herring Creek Farm is a 220 acre farm located on Slough Cove Road in Edgartown, Massachusetts. The property subject to the right of first refusal includes all of the real estate shown on the following plan except the following lots:

Lots: 2, 3, 4, 6, 7, 8, 9, 10, 11 and ½ of 12

Included in the right of first refusal is Blue Heron located at 7 Butler's Cove Road. A second plan following the 33-lot (plus Blue Heron) plan also identifies the subject parcels.

DATE OF APPRAISAL

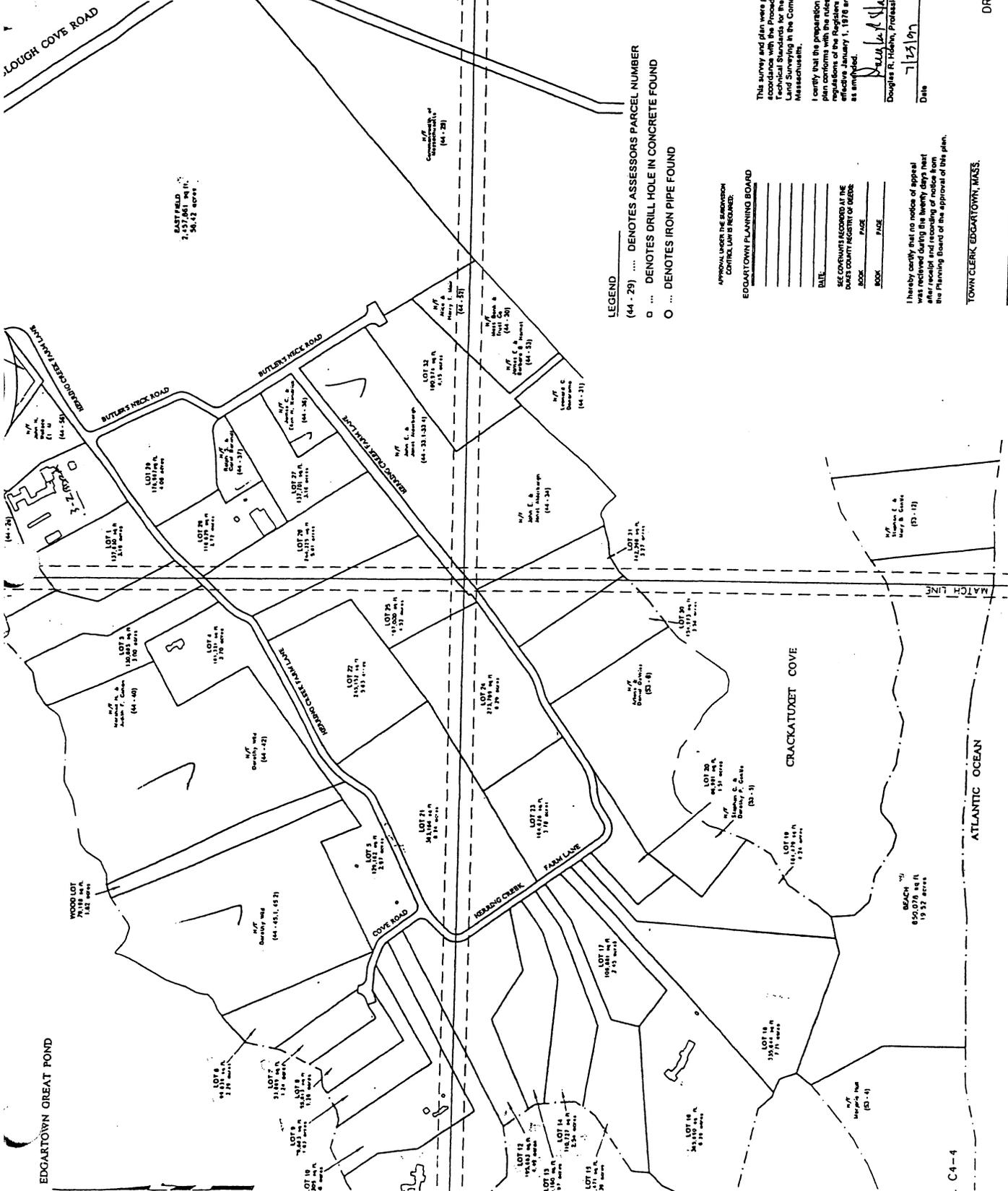
The date of this appraisal is July 15, 2001. The subject was inspected by Robert P. LaPorte, Jr., on May 22, 2001, and on August 16, 2001, with the caretaker, Ron Mann. Susan Arnold also accompanied me on my May 22, 2001 inspection.

OWNERSHIP AND RECENT HISTORY

As of the date of this value estimate, Herring Creek Farm was about to be transferred from Herring Creek Farm Trust to The Nature Conservancy (TNC) for a deeded price of approximately \$64,000,000. At about the time the property will be acquired by TNC, there will be a series of out-sales of property to Roger Bamford; M.V. Regency Group, LLC; the F.A.R.M. Institute; and David Peters. It is my understanding that the F.A.R.M. Institute will be acquiring Lot 1, shown on the consolidated plan, for approximately \$1,000,000. The Regency Group and David Peters will acquire Lots 8, 9 and 10 for approximately \$16,000,000; and Lot 7 will be sold for approximately \$12,000,000. TNC will remain the owners of the East Field, the Central Field and the beach. Lots 2, 3, Sanderling (Lot 4) and Blue Heron will be transferred from TNC to Herring Creek Acquisition Company, LLC.

In the addenda of this report is the amended and restated conservation restriction and conservation easements that will encumber the Herring Creek Farm property. The Herring Creek Farm property has been the subject of much litigation during the past twenty years. The litigation resulted in an approval by the Edgartown Planning Board and the Martha Vineyard Commission of a 33-lot subdivision. The 33-lot subdivision was superceded by the proposed subdivision as illustrated on Exhibit C of the Consolidated Plan. This will result in a total of ten development lots including three existing houses and the farm buildings, plus the Central Field, East Field, barn and beach lots which are intended to remain as they now exist.

HERRING CREEK FARM SUBDIVISION PLAN



LEGEND
 (44-29) ... DENOTES ASSESSORS PARCEL NUMBER
 □ ... DENOTES DRILL HOLE IN CONCRETE FOUND
 ○ ... DENOTES IRON PIPE FOUND

APPROVAL UNDER THE SUBDIVISION CONTROL LAW IS REQUIRED:
EDGARTOWN PLANNING BOARD

DATE	AGE	MODE	PAGE

I hereby certify that no notice of appeal was received during the twenty days next after the filing of this plan, and that the Planning Board of the approval of this plan.

TOWN CLERK, EDGARTOWN, MASS.

DATE

This survey and plan were prepared in accordance with the Technical Standards for Professional Land Surveying in the Commonwealth of Massachusetts. I certify that the preparation of this plan conforms with the rules and regulations of the Registrars of Professional Land Surveyors effective January 1, 1978 and as amended.

Douglas R. Hahn
 Douglas R. Hahn, Professional Land Surveyor
 7/25/97
 Date

DRA

DEFINITION OF SIGNIFICANT TERMS

Market Value is 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 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 in 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."¹

Fee Simple Estate is defined as:

"Absolute ownership unencumbered by any other interest or estate subject only to the four powers of government."²

Highest and Best Use is defined as:

"The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability."³

Right of First Refusal is defined as:

"An option that gives the holder, who is usually the lessee, the right to purchase a property before any offer to purchase can be made by a third party."⁴

¹The Appraisal Foundation, *Uniform Standards of Professional Appraisal Practice* (United States of America, 1990), Page B-7. Also see Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), 12 U.S.C. 3339, Final Rules effective August 24, 1990, by the Office of the Comptroller of the Currency (OCC) and on August 20, 1990, by the Federal Deposit Insurance Corporation (FDIC).

²American Institute of Real Estate Appraisers of the National Association of Realtors, *The Dictionary of Real Estate Appraisal* (Chicago, IL, Author 1989).

³Ibid.

⁴Ibid.

SCOPE OF INVESTIGATION

This appraisal is being completed in conjunction with an appraisal of the entire property for TNC. My investigation and analysis has included an inspection of the subject property and the entire Herring Creek Farm ownership and conversations with TNC and legal counsel regarding the political and legal issues surrounding the entire Herring Creek Farm ownership.

Herring Creek Farm Trust has additionally retained Coleman and Sons Appraisal Group to prepare an appraisal for Herring Creek Farm Trust of their ownership and I have reviewed their report and data.

Additionally, I have completed my own investigation of comparable sales and have spoken to brokers, buyers and sellers regarding the sale of high-end property on the island of Martha's Vineyard. I have also relied on previous work that I have completed over the last 25 years on the island including other valuation work within this neighborhood for TNC, work for the Commonwealth of Massachusetts in their acquisition of sections of South Beach, and a valuation of the 3,500 acre estate owned by the Pohognot Trust located at the Edgartown West Tisbury town line.

GENERAL ASSUMPTIONS

1. The legal description used in this report is assumed to be correct.
2. No survey of the property has been made by the Appraiser and no responsibility is assumed in connection with such matters. Sketches in this report are included only to assist the reader in visualizing the property.
3. No responsibility is assumed for matters of a legal nature affecting title to the property nor is an opinion of title rendered. The title is assumed to be good and merchantable.
4. Information furnished by others is assumed to be true, correct, and reliable. A reasonable effort has been made to verify such information; however, no responsibility for its accuracy is assumed by the Appraiser.
5. All mortgages, liens, encumbrances, leases, and servitudes have been disregarded unless so specified within the report. The property is appraised as though under responsible ownership and competent management.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.
7. 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.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report.
9. It is assumed that all required licenses, 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.
10. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted within the report.
11. Included in this report are sales and rentals from many sources. A concerted effort has been made to personally verify the market data contained herein with a reliable source. Occasionally, some new information is found on these sales or errors may be found and corrected. If any errors or omissions are discovered, they will be brought to the Client's attention. The Appraiser must reserve the right to change the conclusion, if required, due to a subsequent discovery.

12. The value is estimated under the assumption that there will be no international or domestic, political, economic, or military actions that will seriously affect real estate values throughout the country.

13. In this appraisal assignment, the existence of potentially hazardous material used in the construction or maintenance of the building, such as the presence of urea-formaldehyde foam insulation, asbestos, and/or the existence of toxic waste, which may or may not be present on the property, has not been considered. The Appraiser is not qualified to detect such substances. The Client is urged to obtain an expert in this field if desired.

GENERAL LIMITING CONDITIONS

1. In the event that my appearance due to this appraisal is required for court testimony, hearings, or conferences, further financial arrangements will have to be made.
2. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the Appraiser, and in any event, only with properly written qualification and only in its entirety.
3. The distribution of the total valuation in this report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and the Appraiser hereby reserves the right to alter, amend, revise or rescind any of the value opinions based upon any subsequent environmental impact studies, research or investigation.
5. Neither all nor any part of the contents of this report, or copy thereof, shall be conveyed to the public through advertising, public relations, news, sales or any other media without written consent and approval of the Appraiser. Nor shall the Appraiser, firm or professional organization of which the Appraiser is a member be identified without written consent of the Appraiser.
6. In preparing this appraisal, only the matters referred to herein have been examined and relied upon and except to the extent specifically noted therein, title, licenses, permits, zoning, survey, environmental, latent defects, subsoil conditions, the possible presence of hazardous substances and other such matters have not been examined or relied upon even though they might affect the opinions and conclusions set forth in this appraisal.
7. Acceptance of and/or use of this appraisal report constitutes acceptance of the foregoing general assumptions and general limiting conditions.
8. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. I have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since I have no direct evidence relating to this issue, I did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

CERTIFICATION OF VALUE

I certify that, to the best of my knowledge and belief:

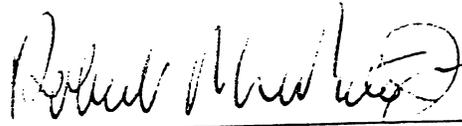
- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present 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.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- my engagement in this assignment was not contingent upon developing or reporting predetermined results.
- my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have made a personal inspection of the property that is the subject of this report.
- no one provided significant professional assistance to the person signing this report.
- the appraisal was not based on a requested minimum valuation, specific valuation, or the approval of a loan.

This appraisal report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the Appraisal Institute.

The Appraisal Institute conducts a voluntary program of continuing education for its designated members. MAIs and RMs who meet the minimum standards of this program are awarded periodic educational certification. As of the date of this report, Robert P. LaPorte, Jr., has not completed the requirements of the continuing education program of the Appraisal Institute.

I am of the opinion that we have complied with the client's instructions, standards and specifications in conducting the research, analysis and in formulating the value conclusion.

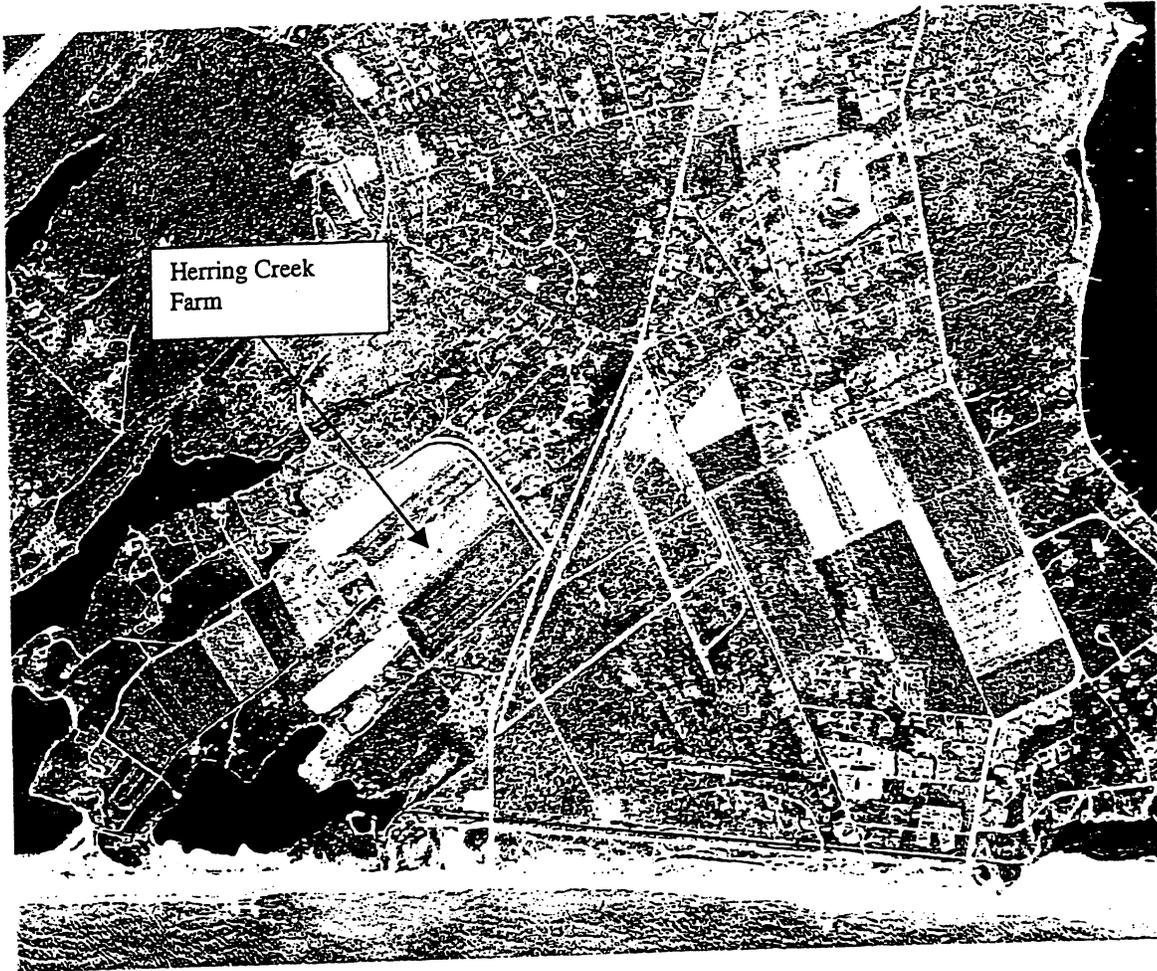
I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.



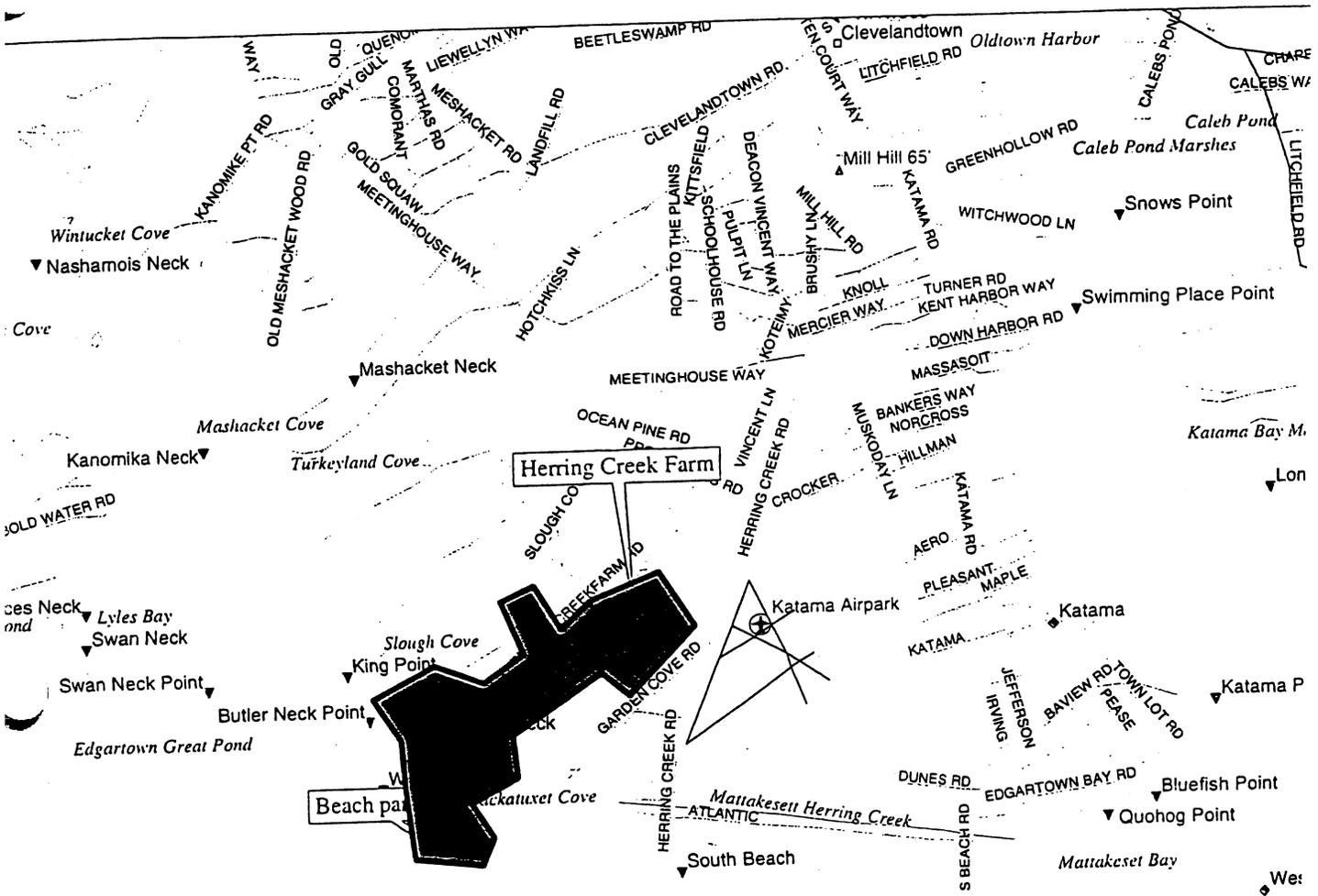
Robert P. LaPorte, Jr., CRE, MAI
Senior Vice President
MA General R.E. Appraiser #735

THE SUBJECT PROPERTY

AERIAL MAP SHOWING HERRING CREEK FARM



STREET MAP SHOWING SUBJECT LOCUS



LOCATION AND NEIGHBORHOOD DESCRIPTION

Included in the Addenda of this report are various economic publications prepared by the Federal Reserve Bank, the Dismal Scientist, the Commonwealth of Massachusetts, and the Massachusetts Association of Realtors (MAR) that describe the general state of today's economy. Edgartown's real estate market, as that of most of Massachusetts, is at an unprecedented high level of activity and pricing. According to recent reports of the MAR, there has been a modest slowdown in the number of transactions; however, demand for "trade-up" and second homes is especially strong. As of July 2001, it is felt that the market is close to its peak and that we are likely approaching a contraction phase.

The subject property is situated in a desirable residential area of Edgartown. In part, the desirability is created by the area's south coastal beaches, ponds and conservation land.

Over the last four years, Edgartown and West Tisbury have witnessed unprecedented price increases. Table 1 is a recap of the median prices and number of sale transactions for the last five years in Edgartown and West Tisbury as reported by the Banker & Tradesman.

TABLE 1

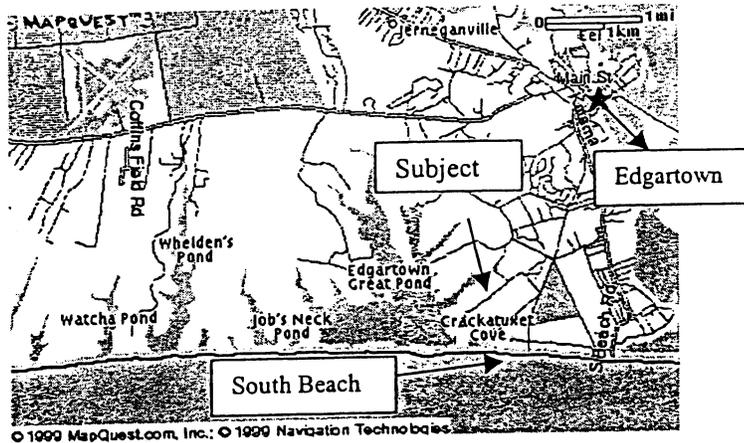
	Edgartown	% change	West Tisbury	% change
Number of Sales				
2001 (to July)	70		13	
2000	79		22	
1999	103		30	
1998	127		46	
1997	135		26	
1996	55		27	
Median Sale Prices				
2001 (to July)	\$378,500		\$549,000	
2000	\$336,000	41%	\$410,000	13%
1999	\$252,000	13%	\$302,250	17%
1998	\$191,000	19%	\$230,000	35%
1997	\$168,700	-1%	\$236,250	-11%
1996	\$153,000		\$169,900	
Price increase 1996-2001		147.4%		223%

In addition, the Banker & Tradesman reports that since January 1, 1999 through 2000, there have been 42 transactions over \$1 million in Edgartown and 8 transactions over \$1,000,000 in West Tisbury. As will be shown and illustrated in the valuation section, it appears that pricing for high-end real estate has witnessed a significant increase over the last five years. The subject property benefit from their views over open fields, access to Edgartown Great Pond, access easements to a private barrier beach and exclusivity.

A valuation issue regarding my appraisal is that the real estate market may have reached its peak. It is within this general real estate context that this appraisal and my value estimates have been completed. While the immediate impact of the economy's downturn has not been felt in this real estate market, there is some expectation that there will be a "cooling off" of prices.

The property is located in the southwest section of Edgartown. The neighborhood is generally bounded by Edgartown Great Pond on the west; Slough Cove on the north; Slough Cove Road on the east and the Atlantic Ocean on the south.

The predominant uses in this area consist of the Martha's Vineyard State Forest, vacant land and scattered residential properties. Some of the predominant land features include the Edgartown Great Pond, Job's Neck Pond and Oyster (Watcha) Pond. Almost all of the properties fronting on these



bodies of water are priced in excess of \$1 million. Recently, there have been three transactions along Oyster Pond each at prices in excess of \$6 million. Located north of the subject property on the north side of the Edgartown/West Tisbury Road is an under-construction golf course. Most of this land was recently sold by Fidelity Title Insurance Company to the developers. Attorney John Henn, who represents the seller, stated to me that Fidelity sold this property for \$15 million.

As shown on the previous maps, Katama Airpark is located to the east of Herring Creek Farm. This grass stripped airport services recreational planes only. It is not viewed as having a negative impact on the subject. In fact, as a result of conservation easements, the area of Katama Plains stretching from Herring Creek Road to South Beach Road is mostly restricted from future development.

ZONING

District: RA-120 Residence-Agricultural District

Lot Area: 120,000 Square Feet

Allowed Uses: One single family dwelling plus one guest house on a 15,000 square foot lot that has a building at least five years old.

ASSESSED VALUE.

Herring Creek Farm
FY 2001 Assessed value

Assessed to Herring Creek Farm Trust and or Wallace

Map	Lot	Land area (acres)	Land valuation	Improvements	Total
44	27	4.9	\$244,600	\$192,400	\$437,000
44	28	61.3	\$965,500	\$0	\$965,500
44	32	4	\$132,300	\$0	\$132,300
44	34	6.6	\$499,000	\$0	\$499,000
44	35	89.8	\$7,576,000	\$655,900	\$8,231,900
44	38	1.1	\$36,400	\$0	\$36,400
44	39	9.3	\$960,800	\$234,400	\$1,195,200
44	43.1	1.9	\$71,800	\$0	\$71,800
44	43.2	0.04	\$2,800	\$0	\$2,800
44	44	0.15	\$2,800	\$0	\$2,800
44	46	6	\$356,400	\$0	\$356,400
44	47	11.7	\$2,298,000	\$462,900	\$2,760,900
44	48	4.6	\$1,259,900	\$32,300	\$1,292,200
44	49	1.2	\$39,700	\$0	\$39,700
44	50	0.81	\$45,900	\$0	\$45,900
44	51	0.9	\$14,200	\$0	\$14,200
44	54	1	\$33,100	\$0	\$33,100
44	55	0.7	\$14,300	\$0	\$14,300
44	56 [1]	1.9	\$201,900	\$168,000	\$369,900
53	10	7.7	\$14,400	\$0	\$14,400
53	11	7.2	\$16,400	\$0	\$16,400
53	7	1	\$900	\$0	\$900
		223.8	\$14,787,100	\$1,745,900	\$16,533,000

Less Chapter 61 A exemption

-\$8,382,600

Adjusted total

\$8,150,400

tax rate

\$5.14

real estate taxes

\$41,892.06

[1] Blue Heron

PROPERTY DESCRIPTION

The property that is the subject of the right of first refusal comprises an estimated 186 acres of the 220-acre Herring Creek Farm. Exhibit I is a copy of the 33-lot subdivision plan that was approved for the Herring Creek Farm. The following exhibit is an ownership plan of the Herring Creek Farm Trust property. Based on information provided to me the following is a summary of the lots subject to the right of first refusal:

Identification		Land area (acres)	Improved
Lot 1		3.16	
Lot 2	excluded		
Lot 3	excluded		
Lot 4	excluded		
Lot 5		2.97	
Lot 6	excluded		
Lot 7	excluded		
Lot 8	excluded		
Lot 9	excluded		
Lot 10	excluded		x
Lot 11	excluded		x
Lot 12	1/2 excluded	2.245	
Lot 13		3.89	
Lot 14		2.54	
Lot 15		3.39	
Lot 16		8.39	x
Lot 17		2.45	
Lot 18		7.71	
Lot 19		4.24	
Lot 20		1.51	
Lot 21		8.34	
Lot 22		5.63	
Lot 23		3.78	
Lot 24		6.29	
Lot 25		4.52	
Lot 26		5.61	
Lot 27		3.16	
Lot 28		2.72	
Lot 29		4.06	
Lot 30		3.56	
Lot 31		3.27	
Lot 32		4.15	
Lot 33		3	x
Blue Heron		1.9	
Total		102.485 acres	

East Field, Moore Wood lot, sliver parcel and beach lot

77.76 acres

Total land area

180,245 acres excluding roads

The total acreage in the subdivision excluding the roadway system is 219.85 acres. The Herring Creek Farm is a waterfront farm located along the easterly shoreline of Edgartown Great Pond and on the shoreline of South Beach. Additionally, the site has water frontage on Crackatuxet Pond in Edgartown.

The following are the salient features of the property:

- Land area total: 220 acres
- Estimated land area of right of first refusal: 180,245 square feet
- Site characteristics: Major development parcel with significant water frontage. Site includes over 100 acres of agricultural fields. Existing ways in the subdivision subject to the rights of others. The property has been approved for subdivision after a lengthy and contested approval process. A copy of the approval is attached to the report.
- Improvements: The two most significant structures on the property are the Monty and Neil Wallace homes located along the shoreline of Edgartown Great Pond. These are Royal Barry Wills designed homes constructed in the early 1970's. An inspection of each house was completed in May and indicated that each was in very good condition. However, although well maintained, interior finishes such as the kitchens exhibited original conditions. Assessors' cards giving room counts and dimensions maybe found in the addenda.

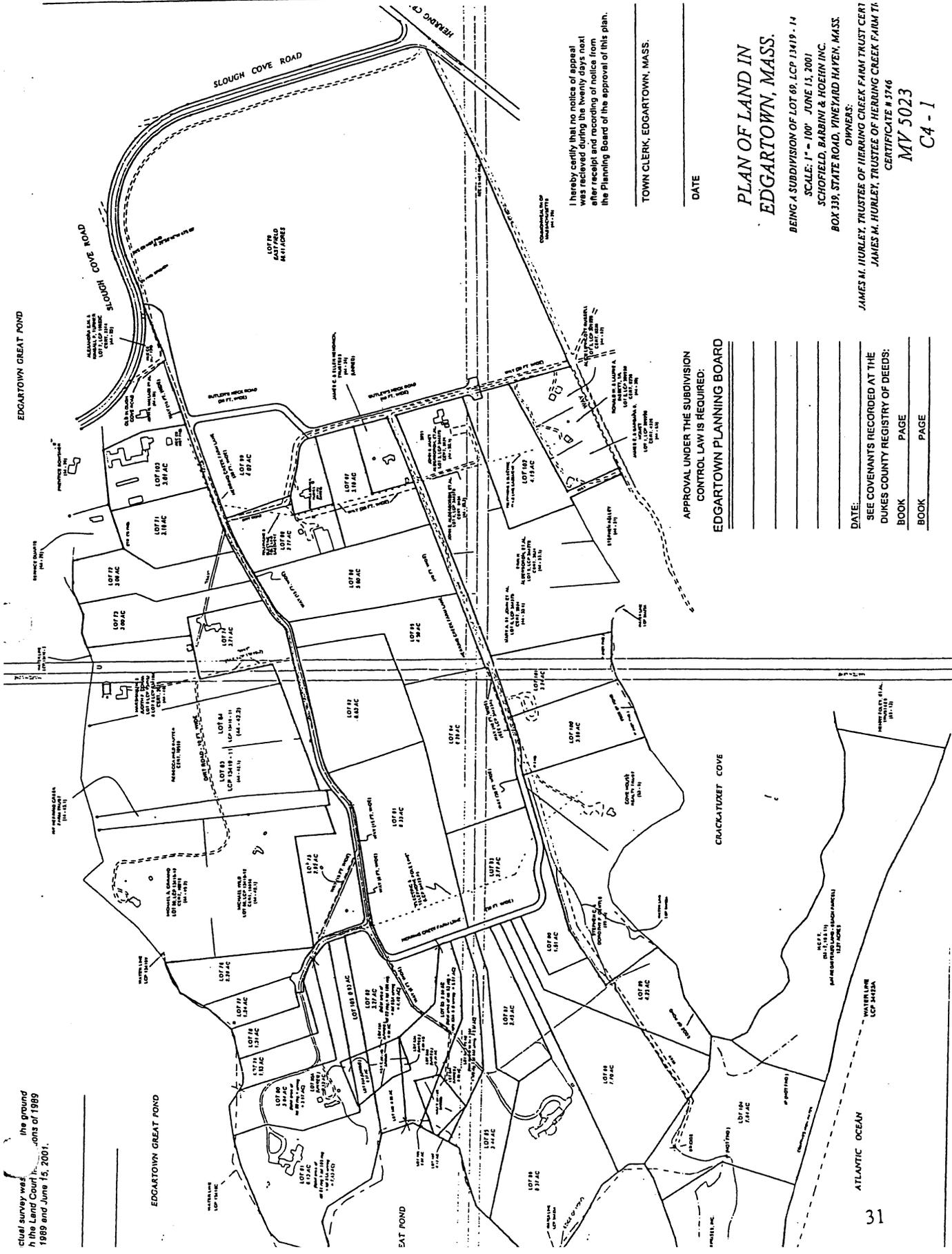
Additionally there are two additional homes: Blue Heron was the subject of an appraisal prepared for you; and the caretaker's cottage that is part of the farm complex of buildings. The farm buildings have an effective age of 50 years and are in average condition. The Sanderling house is not included as part of the right of first refusal. The Movius cottage is located on Lot 10, however, this is in poor condition and is a "tear down".

This appraisal estimates the market value of a right of first refusal that is to be found on the following exhibit.

The right of first refusal runs to the benefit of the Marshall Cohans, the Benjamin Cohans and the Aldeborghs as stated in the Agreement. If the real estate identified previously is sold during the remaining term (8 1/2 years from July 2001) of the contract, a cash payment is payable to the beneficiaries of the right of first refusal. The objective of my appraisal was to provide Herring Creek Acquisition Company LLC and The Nature Conservancy with an estimate of the market value of these rights so that their value can be compared to the market value of four lots that are about to be transferred to Herring Creek Acquisition Company LLC.

PLAN OF HERRING CREEK FARM

THE SUBJECT PROPERTY



the ground
in the Land Court
cases of 1989
and June 15, 2001.

I hereby certify that no notice of appeal
was received during the twenty day period
after receipt and recording of notice from
the Planning Board of the approval of this plan.

TOWN CLERK, EDGARTOWN, MASS.

DATE

PLAN OF LAND IN EDGARTOWN, MASS.

BEING A SUBDIVISION OF LOT 69, LCP 13419 - 14
SCALE: 1" = 100' JUNE 15, 2001
SCHOFIELD, BARBINI & HOERN INC
BOX 339, STATE ROAD, YNEWARD HAYEN, MASS.

OWNERS:

JAMES M. HURLEY, TRUSTEE OF HERRING CREEK FARM TRUST CERT
JAMES M. HURLEY, TRUSTEE OF HERRING CREEK FARM TR
CERTIFICATE # 3746

MV 5023

C4 - 1

APPROVAL UNDER THE SUBDIVISION
CONTROL LAW IS REQUIRED:
EDGARTOWN PLANNING BOARD

DATE:	SEE COVENANTS RECORDED AT THE DUKES COUNTY REGISTRY OF DEEDS:
BOOK	PAGE
BOOK	PAGE

RIGHT OF FIRST REFUSAL

AGREEMENT made this 30th day of December, 1969, by and between D. HARRISON COHAN and HILDEGARDE N. COHAN, husband and wife, both of Boston, Suffolk County, Massachusetts (hereinafter called the "Benjamin Cohans"), JOHN E. ALDEBORGH and JANE E. ALDEBORGH, husband and wife, both of Hyde Park, New York (hereinafter called the "Aldeborghs") and MARSHALL N. COHAN and JUDITH S. COHAN, husband and wife, both of Uxbridge, Worcester County, Massachusetts (hereinafter called the "Marshall Cohans"), and MARSHALL N. COHAN Trustee under Declaration of Trust dated November 4, 1969 (hereinafter called the "Trustee").

Recital of Facts

A. Hildegarde N. Cohan is the owner of certain land (the Benjamin Cohan land) in Edgartown, County of Dukes County, Massachusetts, being a portion of Lot B- shown on Land Court Plan 13419D.

B. The Aldeborghs are the owners of certain land (the Aldeborgh land) in said Edgartown shown as Lot 1 on Land Court Plan 34427 (pending). See Dukes County Deeds, Book 255, Page 2+5.

C. The Marshall Cohans are the owners of certain land (the Marshall Cohan land) in said Edgartown shown as Lots 6 and 8 on Land Court Plan 13419H.

D. The Trustee is the owner of certain land (the Trustee's land) in said Edgartown which adjoins the lands referred to in paragraphs A, B and C above, which land (including the ownership of various rights of way) is shown on a plan by Doan R. Swift, M.C. Land Surveyor, dated December 11, 1969 (hereinafter called the "Swift plan") and is described in two deeds from the Benjamin Cohans to the Trustee dated December 30, 1969, said plan and one of said deeds being recorded with County of Dukes County Deeds herewith, the other deed covering registered land to be registered with Dukes County Registry District of the Land Court.

E. The Trustee is willing to grant to the Benjamin Cohans, the Aldeborghs and the Marshall Cohans and their issue and the spouses of such issue certain rights and easements for access to public ways and for access to and use of the Beach shown as "beach dunes" on the Swift plan, all as hereinafter more specifically provided.

F. The Trustee is willing to hold a portion of the Trustee's land (hereinafter called the "Restricted Area", as shown on the Swift plan) subject to certain restrictions for the personal benefit only, of the Benjamin Cohans, the Aldeborghs and the Marshall

AGREEMENT made this 30th day of December, 1969, by and between D. HARRISON COHAN and HILDEGARDE N. COHAN, husband and wife, both of Boston, Suffolk County, Massachusetts (hereinafter called the "Benjamin Cohans"), JOHN S. ALDEBORGH and JAMES H. ALDEBORGH, husband and wife, both of Hyde Park, New York (hereinafter called the "Aldoborghs") and MARSHALL N. COHAN and JUDITH J. COHAN, husband and wife, both of Uxbridge, Worcester County, Massachusetts (hereinafter called the "Marshall Cohans"), and MARSHALL N. COHAN Trustee under Declaration of Trust dated November 4, 1969 (hereinafter called the "Trustee").

Recital of Facts

A. Hildegarde N. Cohan is the owner of certain land (the Benjamin Cohan land) in Edgartown, County of Dukes County, Massachusetts, being a portion of Lot B- shown on Land Court Plan 13419D.

B. The Aldoborghs are the owners of certain land (the Aldoborgh land) in said Edgartown shown as Lot 1 on Land Court Plan 134427 (pending). See Dukes County Deeds, Book 255, Page 2+5.

C. The Marshall Cohans are the owners of certain land (the Marshall Cohan land) in said Edgartown shown as Lots 6 and 8 on Land Court Plan 13419H.

D. The Trustee is the owner of certain land (the Trustee's land) in said Edgartown which adjoins the lands referred to in paragraphs A, B and C above, which land (including the ownership of various rights of way) is shown on a plan by Dean R. Swift, Reg. Land Surveyor, dated December 11, 1969 (hereinafter called the "Swift plan") and is described in two deeds from the Benjamin Cohans to the Trustee dated December 30, 1969, said plan and one of said deeds being recorded with County of Dukes County Deeds herewith, the other deed covering registered land to be registered with Dukes County Registry District of the Land Court.

E. The Trustee is willing to grant to the Benjamin Cohans, the Aldoborghs and the Marshall Cohans and their issue and the spouses of such issue certain rights and easements for access to public ways and for access to and use of the Beach shown as "beach dunes" on the Swift plan, all as hereinafter more specifically provided.

F. The Trustee is willing to hold a portion of the Trustee's land (hereinafter called the "Restricted Area", as shown on the Swift plan) subject to certain restrictions for the personal benefit only, of the Benjamin Cohans, the Aldoborghs and the Marshall

for all purposes of access for which public ways are now or may hereafter be used in the Town of Edgartown and to connect with and use the existing electric and telephone lines now servicing the Aldeborgh land or as such services from time to time may be replaced or enlarged; (b) to use the "Right of Way (30 ft. wide)" and the "Right of Way (15 ft. wide)" shown on the Swift plan as access on foot or by vehicle from the Aldeborgh land to and from the Benjamin Cohen land and the Marshall Cohen land; and (c) to use the "Right of Way (40 ft. wide)" and the extension thereof as access to the Restricted Area and the Beach and Atlantic Ocean, all as shown on the Swift plan, together with the right to use the Beach for swimming, fishing, picnicking and boating, and other usual recreational activities (but not for the erection or placing of any cabins, tents, or other structures or shelters thereon). The rights of use and access to and from the Aldeborgh land to and from the Restricted Area, the Beach and the Ocean which are granted in clauses (b) and (c) hereof are rights which are personal to the Aldeborghs and their issue and the spouses of such issue, and shall endure only so long as the Aldeborghs or their issue or any spouse of such issue shall continue to own of record any part or all of the Aldeborgh land, and while there is a dwelling house on the land so retained. Said rights shall terminate and expire without instrument of release when all such record ownership shall cease.

3. The Trustee hereby grants to the Marshall Cohans the rights and easements (a) to use the "Right of Way (15 ft. wide)" shown on the Swift plan as access to Slough Cove Road and Herring Crock Road to and from the Marshall Cohen land for all purposes of access for which public ways are now or may hereafter be used in the Town of Edgartown and to connect with and use the existing electric and telephone lines now servicing the Marshall Cohen land; (b) to use the "Right of Way (15 ft. wide)" and the "Right of Way (30 ft. wide)" shown on the Swift plan as access on foot or by vehicle from the Marshall Cohen land to and from the Aldeborgh land; and (c) to use the "Right of Way (15 ft. wide)", the "Right of Way (30 ft. wide)" and the "Right of Way (40 ft. wide)" and the extension thereof as access to the Restricted Area and the Beach and Atlantic Ocean, all as shown on the Swift plan, together with the right to use the Beach for swimming, fishing, picnicking and boating, and other usual recreational activities (but not for the erection or placing of any cabins, tents, or other structures or shelters thereon). The rights of use and access to and from the Marshall Cohen land and to and from the Restricted Area, the Beach and the Ocean which are granted in clauses (b) and (c) hereof are rights which are personal to the Marshall Cohans and their issue and the spouses of such issue, and shall endure only so long as the Marshall Cohans or their issue or any spouse of such issue shall continue to own of record any part or all of the Marshall Cohen

the following persons who shall then own of record any part or all of said land on which there then is located a dwelling house, to wit: the Benjamin Cohans, the Aldeborghs, the Marshall Cohans, or any issue of the Benjamin Cohans or any spouse of such issue. Any offer to sell as aforesaid shall be at the price and in accordance with the offering procedure stipulated in subparagraph (d) below.

(b) Any such offer made by the Benjamin Cohans, the Aldeborghs or the Marshall Cohans or any of them or any issue of them or spouse of such issue may be accepted by the offeres only in the following order of priority: (i) the Trustee or his successor or successors in trust; (ii) said Trustees of Jenkins Point Trust (including their successors); (iii) said Monte J. Wallace or his spouse if either is the then owner; (iv) said Neil W. Wallace or his spouse if either is the then owner; (v) any issue of said Monte J. Wallace or Neil W. Wallace or spouses of such issue who are owners of record and who are then under no legal disability.

(c) Any such offer made by the Trustee or any successors of the Trustee referred to in subparagraph (a) above may be accepted by the offeres only in the following order of priority: (i) the Benjamin Cohans or either of them if then such owners; (ii) the Aldeborghs or either of them if then such owners; (iii) the Marshall Cohans or either of them if then such owners; (iv) any of their issue or spouses of such issue who are owners of record and who are then under no legal disability.

(d) Price per acre of the land:

\$ 7,000 per acre until January 1, 1980
8,000 per acre until January 1, 1990
9,000 per acre until January 1, 2000
10,000 per acre until January 1, 2010

(and at the same rate for any portion of an acre). The price for any buildings and structures on the land so offered shall be on the basis of the then reproduction cost thereof as determined by an individual estimator recommended by the senior real estate mortgage officer of The First National Bank of Boston or any corporate successor to the major part of its banking business.

(e) Any such offer shall be made in writing and addressed to the offeres or offeres at the addresses designated in the assessor's records for the offeres's land, shall be delivered in hand or sent by registered mail, return receipt requested, and shall state in precise terms the land being offered and contain a description of the buildings and structures thereon, together with

None of the parties shall be personally liable for any breach of the foregoing covenants unless and to the extent that such breach relates to land owned by such party at the time of the breach.

Witness the execution hereof under seal on the day and year first above mentioned.

B. Harrison Cohen
B. Harrison Cohen

Marshall H. Cohen
Marshall H. Cohen

Hildagard H. Cohen
Hildagard H. Cohen

Judith J. Cohen
Judith J. Cohen

John E. Aldeborch
John E. Aldeborch

Marshall H. Cohen
Marshall H. Cohen
Trustee as aforesaid

Janet H. Aldeborch
Janet H. Aldeborch

Commonwealth of Massachusetts

December 30, 1969

Suffolk ss

Then personally appeared the above named Hildagard H. Cohen and B. Harrison Cohen and acknowledged the foregoing instrument to be their free act and deed, before me.

Richard B. Johnson
Notary Public

Recorded and entered in Public Office of the County of Suffolk, Massachusetts, on December 31, 1969, at 10:28 AM, Book 281, Page 21.

RICHARD B. JOHNSON, Notary Public
My Commission Expires October 23, 1974

Philip J. Norton, Register

HIGHEST AND BEST USE

The highest and best use estimate for the property being appraised has considered the following four criteria.

What is legally permissible?

What is physically possible?

What is financially feasible?

What is the maximum productive use of the property?

The highest and best use of the real estate is estimated to be the subdivision that was approved by the Edgartown Planning Board and the Martha's Vineyard Commission. A copy of the approval is attached to the report.

VALUATION ANALYSIS

VALUATION TECHNIQUES

The purpose of this report is to arrive at an estimate of the Market Value of a property right identified as the Right of First Refusal. This is achieved by a systematic gathering, classification, and analysis of data which is required in the development of the three basic approaches to value: the cost approach, the sales comparison approach, and the income approach.

Cost Approach

This approach consists of estimating the replacement cost new of all improvements, deducting accrued depreciation from all sources, and adding the value of the underlying land, estimated by comparison to recent land sales. The indication of value via this approach is a process of summation of the various property components contributing to the total property value; it is applicable when each component is independently measurable, and when the sum of all components is believed to reflect market value. This approach is especially useful in estimating insurable value, or in estimating the market value of fairly new improvements and special purpose properties which because of their design and single-use nature, have a limited market and would not be valued more accurately by another approach. This approach is not applicable to unimproved land or obsolete improvements.

Sales Comparison Approach

The Sales Comparison Approach involves a comparison of the subject property to similar properties that have actually sold in arm's-length transactions or are offered for sale. Sale and asking prices are adjusted to reflect the significant differences, if any, that exist between the sale property and the subject property; the adjusted prices are correlated into a final value estimate of subject market value. This approach demonstrates what buyers have been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market and is particularly useful in estimating the value of the land and properties that are typically owner occupied.

Income Approach

The Income Approach involves an analysis of the income earning capabilities of the subject property by estimating the fair rental value and deducting the operating expenses necessary to support the estimated rent. The projected net income or earnings stream remaining after expenses is converted into the equivalent capital sum or market value. This approach is particularly applicable in estimating the value of properties that are normally rented to provide a fair return on investment (acquisition cost) and that are typically purchased for investment purposes.

In the valuation of vacant unimproved land there are six valuation techniques. They are as follows.

Sales Comparison Approach

This technique compares the property to recently sold parcels of land. Adjustments are completed for various differences such as date of sale, location, land size, and highest and best use.

Land Residual Approach

The land is assumed to be improved to its highest and best use and the net income attributable by deducting all the building expenses. The net income is then capitalized into a value indication of the land only.

Development Approach

The total of undeveloped land is estimated by the market value of finished lots and then deducting the development and incentive costs which will be incurred in the sale of the retail lots. The net sales income is estimated during the forecasted marketing period and discounted to reflect the time value of money.

Ground Rent Capitalization

In certain instances, unimproved land may be leased or used for retail purposes. In such cases, a net income is estimated and the income is capitalized into an indication of value.

Allocation

In areas where sales of land occur so seldom, this approach is based upon allocating sale prices of improved property through the use of typical ratios found between land and property values.

Extraction

This is a form of allocation where the land value is extracted from the sale price of improved property. Here, the appraiser estimates the depreciated value of the improvements and this value is deducted from the sale price to produce the residual land value.

Subject Valuation

The valuation of the subject involves the valuation of a property right based on a valuation of real estate. The underlying assumptions are:

- That a sale of the real estate is about to occur.
- That a sale would never take place without a negotiation as to the price for this right
- That the value is based on two options: The first is that the ownership has the option of holding onto the property until the right of first refusal expires; and the second involves a limited sale of the lots not included in the right of first refusal and retention of the remaining lots until the right expires.
- The analysis is based on the 33-lot subdivision plan plus Blue Heron. Of these 33 lots the following lots are excluded: Lots: 2, 3, 4, 6, 7, 8, 9, 10, 11 and ½ of 12.

The approach to value used in analysis involved three steps. They are:

1. *A valuation of the cost for the right of first refusal.*
Comment: This required me to estimate the market value of the lots subject to the right of first refusal and to deduct the allowance for the land cost (\$10,000 per acre) and for the replacement cost of the buildings. I used a subdivision analysis technique to value the lots.
2. *A valuation of the property assuming that the ownership would retain ownership until the right of first refusal expires in 8 ½ years.*
Comment: Because of the cost of the right of first refusal as measured under "1" above, there would be no motivation to sell the property today unless there were a negotiated deal on the value of this right. On the other hand, the ability to sell this valuable real estate today rather than holding onto this real estate (basically a non-income producing property) would benefit the ownership.

3. *A valuation of the property on a limited basis by selling initially the lots not subject to the right of first refusal and once the right expires selling the remaining lots.*
 Comment: Somewhat similar to the above noted analysis this would cause a two phased development where the excluded lots are sold today and the remaining lots are held until the right of first refusal expires.

I have utilized a subdivision analysis to estimate the market value of the real estate. Because there is no motivation to sell this property until the right expires, it is my opinion that the property is impacted by two factors. They are:

- 1) Lack of marketability.
- 2) Holding period risk.

I have, therefore, discounted today's value of the real estate for lack of marketability and holding period risk. This discount would be at a defined rate over today's perceived land appreciation rate that may or may not occur.

The exhibits on the following pages were used as the basis of my analysis:

Exhibit I is a reduced copy of the subdivision plan.

Exhibit II is a subdivision analysis of the lots subject to the right of first refusal and my estimate as to the gross cost of the right based on the formulae that includes a credit of \$10,000 per acre plus the replacement value of the improvements.

Exhibit III is a subdivision analysis of property assuming sale of all the lots today.

Exhibit IV is a subdivision analysis of the lots not subject to the right of first refusal.

My estimate of today's cost associated with the right of first refusal:

Value fee simple of lots subject to option:	\$35,000,000
Calculation of price basis:	<u>\$ 7,802,450</u>
Cost of the option (value fee simple less the cost basis):	\$27,197,550

Comments: The calculation of the property's land value included estimates of the average price for lots in the subdivision based on my characterization into five general lot categories. Estimated development costs were partly based on cost estimates supplied to me (such as road costs and infrastructure) and on my own estimates, such as marketing and profit. I have given a general estimate as to the replacement cost of buildings.

EXHIBIT II

SUBDIVISION ANALYSIS OF LOT
SUBJECT TO RIGHT OF FIRST REFUSAL
AND ESTIMATE COST OF THE RIGHT
IF SOLD AS OF THE DATE OF VALUE

in 1 Sale proceeds

Identification	Land area (acres)	Improved	Comment	Quality Category	Lot quality categories
Lot 1	3.16			D	A prime waterfront lot with frontage either on pond or ocean views
Lot 2			excluded	C	B superior quality waterfront lot with views and or frontage on ponds
Lot 3			excluded	C	C waterfront lot
Lot 4			excluded	D	D secondary lots
Lot 5	2.97			D	E field lots
Lot 6			excluded	C	
Lot 7			excluded	C	
Lot 8			excluded	C	
Lot 9			excluded	C	
Lot 10		x		B	
Lot 11		x		A	
Lot 12	2.245		1/2 excluded	B	
Lot 13	3.89			B	
Lot 14	2.54			B	
Lot 15	3.39			A	
Lot 16	8.39			A	
Lot 17	2.45			D	
Lot 18	7.71			A	
Lot 19	4.24			A	
Lot 20	1.51			D	
Lot 21	8.34			E	
Lot 22	5.63			E	
Lot 23	3.78			E	
Lot 24	6.29			E	
Lot 25	4.52			E	
Lot 26	5.61			E	
Lot 27	3.16			E	
Lot 28	2.72			E	
Lot 29	4.06			E	
Lot 30	3.56			B	
Lot 31	3.27			B	
Lot 32	4.15			D	
Lot 33	3			D	
Blue Heron	1.9			D	
Total	102.485 acres				
East Field, Moore Wood lot, silver parcel and beach lot					

Breakdown	Market Value	# of lots
A prime waterfront lot with frontage either on pond or ocean views	\$7,000,000	1
B superior quality waterfront lot with views and or frontage on ponds	\$3,500,000	1
C waterfront lot	\$2,000,000	6
D secondary lots	\$750,000	1
E field lots	\$500,000	0
Miscellaneous sale revenues		
East Field, Moore Wood lot, silver parcel, Blue Heron, and beach lot		9
Average value per lot		

77.76 Total land area except roads 180.245 acres

Aggregate
\$7,000,000
\$3,500,000
\$12,000,000
\$750,000
\$0
\$0
\$23,250,000
\$2,583,333

as provided included in road
 9 lots at \$2,500 per lot
 9 lots at \$2,500 per lot
 5% of sales proceeds
 \$125,000 per year for 7 years
 \$5,000 per lot
 \$2,500 per lot

Legal
 Marketing
 Holding costs
 Management
 Real estate taxes
 Miscellaneous
 Mitigation costs
 Affordable housing off-site
 Affordable housing on-site
 Profit
 TOTAL COSTS

\$22,500
 \$22,500
 \$1,162,500
 \$875,000
 see below
 \$960,000
 \$100,000
 \$100,000
 \$2,325,000
 \$9,067,500
 \$14,182,500

NET PROCEED BEFORE TIME DISCOUNTING

7.5 years
 Net average cash flow per period
 \$1,575,833 average price for a lot
 7.0%
 6.002

Method 1
 Estimated marketing period
 Average cash flow
 Discounted at
 Present worth factor

Method 2
 7.5 year discounted cash flow

Number of lots sold
 4 per year except for the Year 8 (2 lots remaining) assuming full development of all 34 lots

Method 1
 Estimated marketing period
 Average cash flow
 Discounted at
 Present worth factor

Method 2
 7.5 year discounted cash flow

Year	Average annual revenue	Time increased @ 5%	Less expenses: road	Legal and housing	taxes and misc.	Profit & marketing	management	Total	Net revenues	Discounted revenues @ 7%
1	\$3,100,000	\$3,100,000	\$3,500,000	\$2,500	\$7,500	15%	\$125,000	\$4,525,000	-\$1,425,000	-\$1,331,776
2	\$3,255,000	\$3,255,000	\$0	\$10,000	\$225,000	\$488,250	\$125,000	\$818,250	\$2,436,750	\$2,128,352
3	\$3,417,750	\$3,417,750	\$0	\$10,000	\$165,000	\$512,663	\$125,000	\$812,663	\$2,605,088	\$2,126,527
4	\$3,588,638	\$3,588,638	\$0	\$10,000	\$135,000	\$538,296	\$125,000	\$808,296	\$2,780,342	\$2,121,110
5	\$3,768,069	\$3,768,069	\$0	\$10,000	\$105,000	\$565,210	\$125,000	\$805,210	\$2,962,859	\$2,112,477
6	\$3,956,473	\$3,956,473	\$0	\$10,000	\$75,000	\$593,471	\$125,000	\$803,471	\$3,153,002	\$2,100,978
7	\$4,154,296	\$4,154,296	\$0	\$10,000	\$45,000	\$623,144	\$125,000	\$803,144	\$3,351,152	\$2,086,929
7.5	\$2,181,006	\$2,181,006	\$0	\$5,000	\$15,000	\$327,151	\$0	\$347,151	\$1,833,855	\$1,122,878
	\$27,421,232	\$27,421,232	\$3,500,000	\$275,000	\$960,000	\$4,113,185	\$875,000	\$9,723,185	\$17,698,047	\$12,467,476
										\$12,000,000

The estimate of the value to the seller by being able to sell the entire ownership today:

Market value today disregarding the cost of 1st refusal:	\$50,000,000
Marketability and holding period discount (5%) (Value of property discounted at 5% for 8 ½ years)	<u>\$33,026,379</u>
Value benefit to ownership for the ability to sell today (Market value today less discounted value)	 \$16,973,261

Comment: In my opinion there is an impact to market value by having a right to sell this real estate today rather than waiting until the option expires. Not deducted were the holding costs associated with ownership such as taxes, insurance and maintenance nor was any rental income accounted for to offset expenses.

The discount accounts for marketability and holding period risk. This property, based on the full cost of the right of first refusal would not be sold during the remaining 8 ½ year term.

This lack of marketability and the associated risk, in my opinion, warrant a need to discount the future sale proceeds at 5%. The 5% marketability/risk rate is in addition to any value appreciation. Currently, real estate investor perceptions are that values have peaked and the market is about to transition into a contraction phase.

The estimate of value assuming that the lots excluded from the right of first refusal are sold today and the remaining lots are retained until the right of first refusal expires:

Today's value of lots not subject to right of 1st refusal:	\$12,000,000
Market value today not accounting for the cost of the right of 1st refusal:	\$50,000,000
Remaining value attributable to 1st refusal lots:	\$38,000,000
Marketability and holding period discount 5% (value of property discounted at 5% for 8 ½ years)	\$25,899,952
Value of property (all 34 lots) with delayed sale of the first refusal lots:	<u>\$37,100,048</u>
Difference between value not subject to option and the delayed sale:	\$12,899,952

This estimate is based on a phased development where the lots outside of the right of first refusal are sold immediately for \$12,000,000 and the remaining lots carried until the right expires. The same discount rate as the first analysis is applied.

CONCLUSION AND ESTIMATE OF VALUE FOR THE RIGHT OF FIRST REFUSAL

This appraisal estimates the market value of a property right that is associated with the land. This right is not normally traded or valued in the real estate market. My approach to value is based on a systematic approach to value of this special property right. It is based on the assumptions and conditions stated elsewhere in this report.

My analysis indicates a value ranging from \$12,900,000 to \$17,000,000 for this right. This assumes that the property would be sold today rather than the ownership waiting until the option expires. In my opinion the value indications reflect a negotiated arms length price where both the owner of the real estate and the holders of the right are motivated.

In my opinion the estimated market value of the right of first refusal as of July 15, 2001 was \$14,000,000. This is less than the average of the two indicated values. It represents a 21.9% discount when applied against the \$64 million deeded price.

ADDENDA

APPROVAL OF DEFINITIVE SUBDIVISION PLAN
HERRING CREEK FARM



*Town of Edgartown
The Planning Board*

*P. O. Box 1065
Edgartown, Massachusetts 02539*

HERRING CREEK FARM TRUST
CERTIFICATE OF APPROVAL OF DEFINITIVE PLAN FOR SUBDIVISION

*Telephone (508) 627-6170
Fax (508) 627-6128*

Edgartown, Mass
Town Clerk's Office
Feb 15 2001
Rec'd For Record
AT 2 H26 M P M

Wanda Williams
Town Clerk
Town of Edgartown
Edgartown, Massachusetts

It is hereby certified by the Planning Board of the Town of Edgartown, Massachusetts, that at a duly called and properly posted meeting of the Planning Board, held on January 30, 2001, it was voted to approve a definitive subdivision plan entitled: Herring Creek Farm, Edgartown, Massachusetts, by Sasaki Associates, Inc., 64 Pleasant Street, Watertown, MA 02172, Project No. 71800 and Schofield, Barbini & Hoehn, Inc., 97 State Road, Vineyard Haven, MA 02568, which plan is in several parts ("the Plan") being subtitled:

- o C1-1 Existing Conditions, 4/15/99
- o C2-1 Lotting And Development Envelope Plan 4/15/99
- o C3-1 Illustrative Master Plan 4/15/99
- o Flood Zone Overlay, Lotting and Development Envelope Plan, 2/17/00
- o Proposed Open Space Plan, January 2000
- o Existing Vegetation and Wetlands, January 2000
- o RUCK CFT System Layout Plan System #1, sheets dated March 1, 2000 and numbered C8-1, C8-2, C8-3, C8-4, C10-1, C10-2, C10-3, C10-4, C10-5, C10-6, and dated May 16, 2000 numbered C10-7, and C10-8, consisting of twelve (12) sheets
- o RUCK CFT System Layout Plan, System #2, sheets dated March 1, 2000 and numbered C11-1, C11-2, C11-3, C11-4, C11-5, C12-1, C12-2, C12-3, C12-4, C12-5, C12-6, and dated May 16, 2000 numbered C12-7, and C12-8, consisting of thirteen (13) sheets
- o Definitive Subdivision, sheets dated July 23, 1999 and numbered C1-1, C2-1, C3-1, C3-1 through C3-4, C4-1 through C4-5, C5-1 through C5-4, C6-1 through C6-4, C7-1 through C7-4, C8-1 through C8-5, C9-1 through C9-8, C10-1 through C10-5, and C11-1

and as proposed in the application dated December 12, 2000, concerning property located on Slough Cove Road to be divided into thirty-three lots and two open-space parcels, submitted by Herring Creek Farm Trust, owner ("Applicant").

The approval was so voted subject to the following conditions:

1. The conditions set forth in the Decision of the Martha's Vineyard Commission (MVC) dated November 20, 2000 concerning the application of Herring Creek Farm Trust and filed at the County of Dukes County Registry District of the Land Court on December 5, 2000 and noted as Document No. 47212 on Certificate of Title 5746 are made part of this approval of the Edgartown Planning Board.
2. In accordance with the Edgartown Board of Health recommendations in letter to the Edgartown Planning Board dated January 29 2001:
 - a. The study of the Crackatuxet Pond nitrogen loading limit, to which the Applicant will contribute \$15,000, shall be coordinated with work on the sluiceway and the availability of the Martha's Vineyard Commission Water Resource Planner to assure that appropriate conditions exist in the field at the time of study.
 - b. Inspection of all existing on-site septic disposal systems on the property shall be done by a Professional Engineer or Registered Sanitarian with submittal of inspection reports to the Board of Health no later than August 31, 2001.
 - c. At the time that the RUCK CFT (communal system) is brought on-line, the existing individual on-site septic systems will be abandoned per Title 5 abandonment protocol with the approval of the Edgartown Board of Health

- d. Quarterly effluent monitoring will be provided for all individual RUCK systems for those systems that are used year-round and on a modified schedule which provides sampling 4 times during each use period for those systems that are used seasonally. The parameters tested shall include, but not necessarily be limited to: pH, NH3, NO3, TKN, TSS, and BOD. Said monitoring reports must be submitted to the Board of Health as results become available and as an annual report, in January of each year, for the entire operating year as a compilation of the year's test results.
- e. Any increases to the nitrogen allocation for farm uses will require the approval of the Edgartown Conservation Commission and the Edgartown Board of Health relative to nitrogen transfers from conservation land acquisitions within the Edgartown Great Pond Watershed.
- f. Any nitrogen fertilizers, pesticides, herbicides or fungicides applied as part of any farm activity are subject to prior approval from the Edgartown Board of Health.

- 3. Conservation Restriction and Conservation Easements:
 - a. The terms and conditions of the final Conservation Restrictions and Conservation Easements ("Conservation Restrictions") which include by reference the Open Space Management Plan shall be acceptable to the Edgartown Conservation Commission.
 - b. The final Conservation Restrictions shall further the following primary purposes and standards:
 - i. The uses of the East Field shall be agricultural, farming or other conservation uses as may be approved by the Edgartown Conservation Commission
 - ii. Management plans for components of the open space (beach and dune, thicket, oak woodlands, fields, etc.) shall be developed in conjunction with the Edgartown Conservation Commission and incorporated into the final Conservation Restrictions
 - iii. The growth to be fostered in the central field (hay, meadow grass, etc.) shall be better defined in the final Conservation Restrictions and agriculture and/or farming shall be encouraged consistent with measures contained in the MVC decision to protect the Edgartown Great Pond and the Crackatuxet Cove.

- 4. Landscape Design of Lots 6,7,8 and 9: In accordance with the Applicant's offer, the landscape on these lots facing Slough Cove will be augmented with a combination of trees and shrubs to further screen views to new homes from the Great Pond and Slough Cove. To this end:
 - a. The Applicant will provide a budget of \$25,000 per lot (\$100,000 for combined lots 6-9 inclusive) for this screening landscaping.
 - b. At such time that Lots 6-9 commence to be improved, the budget above will be used to pay for trees and shrubs as follows:
 - i. a minimum of twenty trees of 5" to 6" caliper
 - ii. trees to be 14' to 20' when planted, in a mixture of heights
 - iii. the Edgartown Conservation may add to this number and size on site
 - iv. all trees and shrubs so planted must be maintained in perpetuity by the owners of the lots
 - c. The budget above will also be used to pay for temporary irrigation for the plant establishment period.
 - d. Final design of the planting for the lots will be reviewed and approved by the Edgartown Conservation Commission, with field verification, prior to the planting.

- 5. Site Lighting: Unless specifically approved by the Edgartown Conservation Commission, exterior lighting shall be limited to (a) the minimum fixtures required by the MA Building Code for building entrances and doors, such fixtures to have a light-source intensity no greater than a 60-watt incandescent bulb and to use a "cut-off" fixture which will shield the light when viewed from above or the side, (b) exterior lighting of walkways, ground level patios and/or decks and paths, each to be no higher than 8" above ground level, (c) in-ground swimming pool lighting, and (d) exterior lighting prompted by security or safety related concerns.

- 6. Road Construction:
 - a. All roadways within the subdivision will be finished to a 10 feet traveled width with three foot shoulders and constructed in accordance with the Edgartown Subdivision Regulations Section VA-3 "Unpaved Road Base - Cross Section, K.A. Healy" dated February 21, 1984 with the exception that the roadway, or traveled width, be a total of ten feet wide.
 - b. Roadways will be unpaved
 - c. At least one turnout will be provided where horizontal site distance is less than 200 feet or at the discretion of the Planning Board.

Edgartown, Mass
 Town Clerk's Office
 2/15/01 2:01 PM
 Rec'd For Record
 2/16/01 2:46 PM

- 7. Utilities
 - a. All lots to be served by Town water, to be installed underground in the roadway shoulders.
 - b. Electricity, and telecommunications utilities to be installed underground in the roadway shoulders
 - c. Sewer pipes will be constructed beneath the roadways, or traveled way of the roads, within the subdivision.

- 8. Road and Utility Maintenance: Prior to endorsement of the Plan, documents establishing the Homeowners' Trust, being the Declaration of Trust for the Homeowners' Trust and the Declaration of Covenants, Restrictions and Easements, will be prepared for recording simultaneously with the Plan. The Homeowners Trust will be responsible for the on-going maintenance of the roads and utilities.

- 9. Farmstead Lot and Buildings: The Homeowners' Trust documents shall provide in terms and conditions satisfactory to the Planning Board and the Applicant that the Trust will:
 - a. retain the existing farm buildings for farm uses
 - b. maintain the existing farm buildings in substantially their present condition
 - c. retain the exterior appearance of the farm buildings in substantially their present appearance.
 - d. build and maintain any affordable unit apartments which may be built on the farmstead lot under Section 12 of this approval in compliance with all applicable MA building codes.

- 10. Public Vistas:
 - a. Above ground structures of the RUCK CTF (combined system) shall be limited to venting pipes, all of which will be located within the existing vegetation and hedge row and fence line along Slough Cove Road so as to screen the vent pipes from public view from Slough Cove Road.
 - b. All other structures of the RUCK CTF shall be located underground.
 - c. The building envelopes of Lots 21, 22, 28, and 29 are modified as illustrated in the plan entitled "Central Field View Study, Sasaki," dated Nov. 5, 2000, to allow a view corridor from Slough Cove Road into the central field.
 - d. There shall be a selective pruning of the existing vegetation for 400 feet on either side of the existing white entrance gate, to allow for public vista from Slough Cove Road.

- 11. Sluiceway: In accordance with the Applicant's offer:
 - a. Prior to endorsement of the Plan, the Applicant shall execute and record a perpetual easement in favor of the Town of Edgartown which:
 - i. permits the Town to enter upon the Herring Creek Farm in order to inspect, restore and maintain the sluiceway (the "sluiceway" to encompass the existing wooden sluiceway, gate, and the channel to be re-excavated running from the Edgartown Great Pond to Crackatuxet Cove), and
 - ii. assures that the Town incurs no unusual liability (for example, for pre-existing hazardous materials) during inspection, restoration or maintenance of the sluiceway
 - b. Prior to endorsement of the Plan, the Applicant shall execute and record a covenant to be binding upon all successors in title to Herring Creek Farm Trust setting forth Applicant's agreement to cooperate with the Town of Edgartown in its undertaking to restore the sluiceway on Herring Creek Farm, as defined in 11.a.i above. The covenant shall provide that the Applicant shall cooperate in:
 - i. the permitting with respect to such restoration
 - ii. the actual restoration itself
 - iii. the long-term year in and year out maintenance by the Town of the sluiceway
 - iv. ensuring that the Town incurs no unusual liability during restoration or maintenance of the sluiceway
 - d. The Applicant's offer is accepted to contribute to the Town of Edgartown Dredge/Gift Account the cost of obtaining all permits necessary to enable restoration of the sluiceway, to a "cap" of \$80,000.
 - e. The Applicant's offer is accepted to contribute \$100,000 to the Town of Edgartown Dredge/Gift Account, with the understanding that the Town will use it for the construction and renovation of the sluiceway and that should there be a sum remaining, remainder will be used in the renovation of the Herring Creek from Crackatuxet Cove to Katama Bay.

Edgartown, Mass
 Clerk's Office
 2:15 20 01
 Filed For Record
 2 H26M P M

- 12. The Applicant's offer is accepted to provide opportunities for affordable housing as follows:
 - a. before the first building permit is issued within the subdivision, or before the sale or transfer of any land within the subdivision, whichever is first, the Applicant (or its successor) will provide to the Dukes County Regional Housing Authority either:
 - i. One on-site buildable lot of three acres, or
 - ii. One off-site buildable lot of three acres, or
 - iii. A combination of buildable lots off-site which total three acres
 - b. before the eleventh building permit is issued, the Applicant (or its successors) will construct two on-site apartments, subject to the following:
 - i. each apartment shall have at least two bedrooms, constructed to State building codes and approved by the Edgartown Building Inspector
 - ii. the apartments shall be owned and maintained in perpetuity by the Applicant (or its successors)
 - iii. the apartments shall be rented through the guidelines of, and under the control of, the Dukes County Regional Housing Authority
 - d. documents to assure b. and c. above shall be recorded with the County of Dukes County Registry.
- 13. Katama Airfield: The Declaration of Covenants, Restrictions, and Easements will contain a notice that close proximity to Katama Airfield and the existence of low-flying aircraft may produce noise within any or all lots within the subdivision.
- 14. The Planning Board will review house plans and house siting plans including driveways before building permits are issued.
- 15. Any "Beach Club", parking areas, or related facilities, are prohibited.
- 16. Prior to endorsement of the Plan, the Applicant shall provide a performance guarantee, in the form of a covenant duly executed and approved; the form of this performance guarantee may be modified by the Applicant (or its successors) subject to agreement on the adequacy and amount of said guarantee by the Planning Board.

Edgartown, Mass
 Town Clerk's Office
 Feb 15 2001
 Rec'd For Record
 AT 2 H 26 P. M.

Michael J. Donaromo
M. Rankow
Alan O. Wilson
H. Smith

EDGARTOWN PLANNING BOARD

A true copy, attest

 Clerk, Edgartown Planning Board



*Town of Edgartown
The Planning Board*

*P. O. Box 1065
Edgartown, Massachusetts 02529*

HERRING CREEK FARM TRUST
SPECIAL PERMIT DECISION
CLUSTER SUBDIVISION

*Telephone (508) 627-6770
Fax (508) 627-6723*

Edgartown, Mass
Town Clerk's Office
Feb 15 2001
Rec'd For Record
AT 2 H24M P M

It is hereby certified by the Planning Board of the Town of Edgartown, Massachusetts, that at a duly called and properly posted meeting of the Planning Board, held on January 30, 2001, Planning Board members Michael Donaroma, Norman Rankow, Kenneth Southworth, and Alan Wilson voted to approve the application of Herring Creek Farm Trust for a special permit in accordance with Edgartown Zoning Bylaws Article XII to allow division of land as a cluster development as shown on the definitive subdivision plan entitled: Herring Creek Farm, Edgartown, Massachusetts, by Sasaki Associates, Inc., 64 Pleasant Street, Watertown, MA 02172, Project No. 71800 and Schofield, Barbini & Hoehn, Inc., 97 State Road, Vineyard Haven, MA 02568, which plan is in several parts ("the Plan") being subtitled:

- o C1-1 Existing Conditions, 4/15/99
- o C2-1 Lotting And Development Envelope Plan 4/15/99
- o C3-1 Illustrative Master Plan 4/15/99
- o Flood Zone Overlay, Lotting and Development Envelope Plan, 2/17/00
- o Proposed Open Space Plan, January 2000
- o Existing Vegetation and Wetlands, January 2000
- o RUCK CFT System Layout Plan System #1, sheets dated March 1, 2000 and numbered C8-1, C8-2, C8-3, C8-4, C10-1, C10-2, C10-3, C10-4, C10-5, C10-6, and dated May 16, 2000 numbered C10-7, and C10-8, consisting of twelve (12) sheets
- o RUCK CFT System Layout Plan, System #2, sheets dated March 1, 2000 and numbered C11-1, C11-2, C11-3, C11-4, C11-5, C12-1, C12-2, C12-3, C12-4, C12-5, C12-6, and dated May 16, 2000 numbered C12-7, and C12-8, consisting of thirteen (13) sheets
- o Definitive Subdivision, sheets dated July 23, 1999 and numbered C1-1, C2-1, C3-1, C3-1 through C3-4, C4-1 through C4-5, C5-1 through C5-4, C6-1 through C6-4, C7-1 through C7-4, C8-1 through C8-5, C9-1 through C9-8, C10-1 through C10-5, and C11-1

and as proposed in the application dated December 12, 2000, concerning property located on Slough Cove Road to be divided into thirty-three lots and two open-space parcels, submitted by Herring Creek Farm Trust, owner ("Applicant").

The special permit was so voted subject to the following conditions:

1. The conditions set forth in the Decision of the Martha's Vineyard Commission (MVC) dated November 20, 2000 concerning the application of Herring Creek Farm Trust and filed at the County of Dukes County Registry District of the Land Court on December 5, 2000 and noted as Document No. 47212 on Certificate of Title 5746 are made part of this approval of the Edgartown Planning Board.
2. In accordance with the Edgartown Board of Health recommendations in letter to the Edgartown Planning Board dated January 29 2001:
 - a. The study of the Crackatuxet Pond nitrogen loading limit, to which the Applicant will contribute \$15,000, shall be coordinated with work on the sluiceway and the availability of the Martha's Vineyard Commission Water Resource Planner to assure that appropriate conditions exist in the field at the time of study.
 - b. Inspection of all existing on-site septic disposal systems on the property shall be done by a Professional Engineer or Registered Sanitarian with submittal of inspection reports to the Board of Health no later than August 31, 2001.
 - c. At the time that the RUCK CFT (communal system) is brought on-line, the existing individual septic systems will be abandoned per Title 5 abandonment protocol with the approval

- d. Quarterly effluent monitoring will be provided for all individual RUCK systems for those systems that are used year-round and on a modified schedule which provides sampling 4 times during each use period for those systems that are used seasonally. The parameters tested shall include, but not necessarily be limited to: pH, NH3, NO3, TKN, TSS, and BOD. Said monitoring reports must be submitted to the Board of Health as results become available and as an annual report, in January of each year, for the entire operating year as a compilation of the year's test results.
- e. Any increases to the nitrogen allocation for farm uses will require the approval of the Edgartown Conservation Commission and the Edgartown Board of Health relative to nitrogen transfers from conservation land acquisitions within the Edgartown Great Pond Watershed.
- f. Any nitrogen fertilizers, pesticides, herbicides or fungicides applied as part of any farm activity are subject to prior approval from the Edgartown Board of Health.

3. Conservation Restriction and Conservation Easements:

- a. The terms and conditions of the final Conservation Restrictions and Conservation Easements ("Conservation Restrictions") which include by reference the Open Space Management Plan shall be acceptable to the Edgartown Conservation Commission.
- b. The final Conservation Restrictions shall further the following primary purposes and standards:
 - i. The uses of the East Field shall be agricultural, farming or other conservation uses as may be approved by the Edgartown Conservation Commission
 - ii. Management plans for components of the open space (beach and dune, thicket, oak woodlands, fields, etc.) shall be developed in conjunction with the Edgartown Conservation Commission and incorporated into the final Conservation Restrictions
 - iii. The growth to be fostered in the central field (hay, meadow grass, etc.) shall be better defined in the final Conservation Restrictions and agriculture and/or farming shall be encouraged consistent with measures contained in the MVC decision to protect the Edgartown Great Pond and the Crackatuxet Cove.

Edgartown, Mass
 town Clerk's Office
 Feb 15 2001
 Rec'd For Record
 AT 2:33 PM

- 4. Landscape Design of Lots 6,7,8 and 9: In accordance with the Applicant's offer, the landscape of these lots facing Slough Cove will be augmented with a combination of trees and shrubs to further screen views to new homes from the Great Pond and Slough Cove. To this end:
 - a. The Applicant will provide a budget of \$25,000 per lot (\$100,000 for combined lots 6-9 inclusive) for this screening landscaping.
 - b. At such time that Lots 6-9 commence to be improved, the budget above will be used to pay for trees and shrubs as follows:
 - i. a minimum of twenty trees of 5" to 6" caliper
 - ii. trees to be 14' to 20' when planted, in a mixture of heights
 - iii. the Edgartown Conservation may add to this number and size on site
 - iv. all trees and shrubs so planted must be maintained in perpetuity by the owners of the lots
 - c. The budget above will also be used to pay for temporary irrigation for the plant establishment period.
 - d. Final design of the planting for the lots will be reviewed and approved by the Edgartown Conservation Commission, with field verification, prior to the planting.

- 5. Site Lighting: Unless specifically approved by the Edgartown Conservation Commission, exterior lighting shall be limited to (a) the minimum fixtures required by the MA Building Code for building entrances and doors, such fixtures to have a light source intensity no greater than a 60-watt incandescent bulb and to use a "cut-off" fixture which will shield the light when viewed from above or the side, (b) exterior lighting of walkways, ground level patios and/or decks and paths, each to be no higher than 8" above ground level, (c) in-ground swimming pool lighting, and (d) exterior lighting prompted by security or safety related concerns.

6. Road Construction:

- a. All roadways within the subdivision will be finished to a 10 feet traveled width with three foot shoulders and constructed in accordance with the Edgartown Subdivision Regulations Section VA-3 "Unpaved Road Base - Cross Section, K.A. Healy" dated February 21, 1984 with the exception that the roadway, or traveled width, be a total of ten feet wide.
- b. Roadways will be unpaved
- c. At least one turnout will provided where horizontal site distance is less than 200 feet or at the discretion of the Planning Board.

16/2001 11:36 FAI
02-15-2001 02:45PM FROM 44GARTOWN

TO 916173673417 P.03

- 7. Utilities
 - a. All lots to be served by Town water, to be installed underground in the roadway shoulders.
 - b. Electricity, and telecommunications utilities to be installed underground in the roadway shoulders
 - c. Sewer pipes will be constructed beneath the roadways, or traveled way of the roads, within the subdivision.

- 8. Road and Utility Maintenance: Prior to endorsement of the Plan, documents establishing the Homeowners' Trust, being the Declaration of Trust for the Homeowners' Trust and the Declaration of Covenants, Restrictions and Easements, will be prepared for recording simultaneously with the Plan. The Homeowners Trust will be responsible for the on-going maintenance of the roads and utilities.

- 9. Farmstead Lot and Buildings: The Homeowners' Trust documents shall provide in terms and conditions satisfactory to the Planning Board and the Applicant that the Trust will:
 - a. retain the existing farm buildings for farm uses
 - b. maintain the existing farm buildings in substantially their present condition
 - c. retain the exterior appearance of the farm buildings in substantially their present appearance.
 - d. build and maintain any affordable unit apartments which may be built on the farmstead lot under Section 12 of this approval in compliance with all applicable MA building codes.

- 10. Public Vistas:
 - a. Above ground structures of the RUCK CTF (combined system) shall be limited to venting pipes, all of which will be located within the existing vegetation and hedge row and fence line along Slough Cove Road so as to screen the vent pipes from public view from Slough Cove Road.
 - b. All other structures of the RUCK CTF shall be located underground.
 - c. The building envelopes of Lots 21, 22, 28, and 29 are modified as illustrated in the plan entitled "Central Field View Study, Sasaki," dated Nov. 6, 2000, to allow a view corridor from Slough Cove Road into the central field.
 - d. There shall be a selective pruning of the existing vegetation for 400 feet on either side of the existing white entrance gate, to allow for public vista from Slough Cove Road.

- 11. Sluiceway: In accordance with the Applicant's offer:
 - a. Prior to endorsement of the Plan, the Applicant shall execute and record a perpetual easement in favor of the Town of Edgartown which:
 - i. permits the Town to enter upon the Herring Creek Farm in order to inspect, restore and maintain the sluiceway (the "sluiceway" to encompass the existing wooden sluiceway gate and the channel to be re-excavated running from the Edgartown Great Pond to Crackatuxet Cove), and
 - ii. assures that the Town incurs no unusual liability (for example, for pre-existing hazardous materials) during inspection, restoration or maintenance of the sluiceway
 - b. Prior to endorsement of the Plan, the Applicant shall execute and record a covenant to be binding upon all successors in title to Herring Creek Farm Trust setting forth Applicant's agreement to cooperate with the Town of Edgartown in its undertaking to restore the sluiceway on Herring Creek Farm, as defined in 11.a.i above. The covenant shall provide that the Applicant shall cooperate in:
 - i. the permitting with respect to such restoration
 - ii. the actual restoration itself
 - iii. the long-term year in and year out maintenance by the Town of the sluiceway
 - iv. ensuring that the Town incurs no unusual liability during restoration or maintenance of the sluiceway
 - d. The Applicant's offer is accepted to contribute to the Town of Edgartown Dredge/Gift Account the cost of obtaining all permits necessary to enable restoration of the sluiceway, to a "cap" of \$30,000.
 - e. The Applicant's offer is accepted to contribute \$100,000 to the Town of Edgartown Dredge/Gift Account, with the understanding that the Town will use it for the construction and renovation of the sluiceway and that should there be a sum remaining, remainder will be used in the renovation of the Herring Creek from Crackatuxet Cove to Katama Bay.

Edgartown, Mass
Clerk's Office
15 2001
For Record
4:29 PM

- 12. The Applicant's offer is accepted to provide opportunities for affordable housing as follows:
 - a. Before the first building permit is issued within the subdivision, or before the sale or transfer of any land within the subdivision, whichever is first, the Applicant (or its successor) will provide to the Dukes County Regional Housing Authority either:
 - i. One on-site buildable lot of three acres, or
 - ii. One off-site buildable lot of three acres. or
 - iii. A combination of buildable lots off-site which total three acres
 - b. before the eleventh building permit is issued, the Applicant (or its successors) will construct two on-site apartments, subject to the following:
 - i. each apartment shall have at least two bedrooms, constructed to State building codes and approved by the Edgartown Building Inspector
 - ii. the apartments shall be owned and maintained in perpetuity by the Applicant (or its successors)
 - iii. the apartments shall be rented through the guidelines of, and under the control of, the Dukes County Regional Housing Authority
 - d. documents to assure b. and c. above shall be recorded with the County of Dukes County Registry.
- 13. Katama Airfield: The Declaration of Covenants, Restrictions, and Easements will contain a notice that close proximity to Katama Airfield and the existence of low-flying aircraft may produce noise within any or all lots within the subdivision.
- 14. The Planning Board will review house plans and house siting plans including driveways before building permits are issued.
- 15. Any "Beach Club", parking areas, or related facilities, are prohibited.

The proceedings of the Planning Board were conducted in accordance with the provisions of MGL Ch. 40A, the Zoning Act. A detailed record of these proceedings is on file with the Edgartown Town Clerk and the Edgartown Planning Board. Persons aggrieved by this decision may appeal it in accordance with MGL Ch. 40A Sec. 17 by filing notice of such appeal with the Town Clerk within 20 days of the filing of this decision with the Town Clerk

Edgartown, Mass
Town Clerk's Office
Feb 15 2001
Rec'd For Record
AT 2 H 29 M P M

Michael Dan
W. Paulson
H. Smith
A. O. White

EDGARTOWN PLANNING BOARD

A true copy, attest:

Clerk, Edgartown Planning Board

Telephone (508) 627-5170
Fax (508) 627-5128



*Town of Edgartown
The Planning Board*

*P. O. Box 1065
Edgartown, Massachusetts 02529*

HERRING CREEK FARM TRUST
SPECIAL PERMIT DECISION
SUBDIVISION GREATER THAN TEN LOTS

Edgartown, Mass
Town Clerk's Office

Feb 15 2001
Rec'd For Record
AT 2 H28MP M

It is hereby certified by the Planning Board of the Town of Edgartown, Massachusetts, that at a duly called and properly posted meeting of the Planning Board, held on January 30, 2001, Planning Board members Michael Donaroma, Norman Rankow, Kenneth Southworth, and Alan Wilson voted to approve the application of Herring Creek Farm Trust for a special permit in accordance with Edgartown Zoning Bylaws Article XI.1 to allow division of land creating more than ten lots as shown on the definitive subdivision plan entitled: Herring Creek Farm, Edgartown, Massachusetts, by Sasaki Associates, Inc., 64 Pleasant Street, Watertown, MA 02172, Project No. 71800 and Schofield, Barbini & Hoehn, Inc., 97 State Road, Vineyard Haven, MA 02568, which plan is in several parts ("the Plan") being subtitled:

- o C1-1 Existing Conditions, 4/15/99
- o C2-1 Lotting And Development Envelope Plan 4/15/99
- o C3-1 Illustrative Master Plan 4/15/99
- o Flood Zone Overlay, Lotting and Development Envelope Plan, 2/17/00
- o Proposed Open Space Plan, January 2000
- o Existing Vegetation and Wetlands, January 2000
- o RUCK CFT System Layout Plan System #1, sheets dated March 1, 2000 and numbered C9-1, C8-2, C8-3, C8-4, C10-1, C10-2, C10-3, C10-4, C10-5, C10-6, and dated May 16, 2000 numbered C10-7, and C10-8, consisting of twelve (12) sheets
- o RUCK CFT System Layout Plan, System #2, sheets dated March 1, 2000 and numbered C11-1, C11-2, C11-3, C11-4, C11-5, C12-1, C12-2, C12-3, C12-4, C12-5, C12-6, and dated May 16, 2000 numbered C12-7, and C12-8, consisting of thirteen (13) sheets
- o Definitive Subdivision, sheets dated July 23, 1999 and numbered C1-1, C2-1, C3-1, C3-1 through C3-4, C4-1 through C4-5, C5-1 through C5-4, C6-1 through C6-4, C7-1 through C7-4, C8-1 through C8-5, C9-1 through C9-8, C10-1 through C10-5, and C11-1

and as proposed in the application dated December 12, 2000, concerning property located on Slough Cove Road to be divided into thirty-three lots and two open-space parcels, submitted by Herring Creek Farm Trust, owner ("Applicant").

The special permit was so voted subject to the following conditions:

1. The conditions set forth in the Decision of the Martha's Vineyard Commission (MVC) dated November 20, 2000 concerning the application of Herring Creek Farm Trust and filed at the County of Dukes County Registry District of the Land Court on December 5, 2000 and noted as Document No. 47212 on Certificate of Title 5746 are made part of this approval of the Edgartown Planning Board.
2. In accordance with the Edgartown Board of Health recommendations in letter to the Edgartown Planning Board dated January 29 2001:
 - a. The study of the Crackatuxet Pond nitrogen loading limit, to which the Applicant will contribute \$15,000, shall be coordinated with work on the sluiceway and the availability of the Martha's Vineyard Commission Water Resource Planner to assure that appropriate conditions exist in the field at the time of study.
 - b. Inspection of all existing on-site septic disposal systems on the property shall be done by a Professional Engineer or Registered Sanitarian with submittal of inspection reports to the Board of Health no later than August 31, 2001.
 - c. At the time that the RUCK CFT (communal system) is brought on-line, the existing individual on-site septic systems will be abandoned per Title 5 abandonment protocol with the approval of the Edgartown Board of Health

- d. Quarterly effluent monitoring will be provided for all Individual RUCK systems for those systems that are used year-round and on a modified schedule which provides sampling 4 times during each use period for those systems that are used seasonally. The parameters tested shall include, but not necessarily be limited to: pH, NH3, NO3, TKN, TSS, and BOD. Said monitoring reports must be submitted to the Board of Health as results become available and as an annual report, in January of each year, for the entire operating year as a compilation of the year's test results.
- e. Any increases to the nitrogen allocation for farm uses will require the approval of the Edgartown Conservation Commission and the Edgartown Board of Health relative to nitrogen transfers from conservation land acquisitions within the Edgartown Great Pond Watershed.
- f. Any nitrogen fertilizers, pesticides, herbicides or fungicides applied as part of any farm activity are subject to prior approval from the Edgartown Board of Health.

3. Conservation Restriction and Conservation Easements:

- a. The terms and conditions of the final Conservation Restrictions and Conservation Easements ("Conservation Restrictions") which include by reference the Open Space Management Plan shall be acceptable to the Edgartown Conservation Commission.
- b. The final Conservation Restrictions shall further the following primary purposes and standards:
 - i. The uses of the East Field shall be agricultural, farming or other conservation uses as may be approved by the Edgartown Conservation Commission
 - ii. Management plans for components of the open space (beach and dune, thicket, oak woodlands, fields, etc.) shall be developed in conjunction with the Edgartown Conservation Commission and incorporated into the final Conservation Restrictions
 - iii. The growth to be fostered in the central field (hay, meadow grass, etc.) shall be better defined in the final Conservation Restrictions and agriculture and/or farming shall be encouraged consistent with measures contained in the MVC decision to protect the Edgartown Great Pond and the Crackatuxet Cove.

- 4. Landscape Design of Lots 6,7,8 and 9: In accordance with the Applicant's offer, the landscape of these lots facing Slough Cove will be augmented with a combination of trees and shrubs to further screen views to new homes from the Great Pond and Slough Cove. To this end:
 - a. The Applicant will provide a budget of \$25,000 per lot (\$100,000 for combined lots 6-9 inclusive) for this screening landscaping.
 - b. At such time that Lots 6-9 commence to be improved, the budget above will be used to pay for trees and shrubs as follows:
 - i. a minimum of twenty trees of 5" to 6" caliper
 - ii. trees to be 14' to 20' when planted, in a mixture of heights
 - iii. the Edgartown Conservation may add to this number and size on site
 - iv. all trees and shrubs so planted must be maintained in perpetuity by the owners of the lots
 - c. The budget above will also be used to pay for temporary irrigation for the plant establishment period.
 - d. Final design of the planting for the lots will be reviewed and approved by the Edgartown Conservation Commission, with field verification, prior to the planting.

- 5. Site Lighting: Unless specifically approved by the Edgartown Conservation Commission, exterior lighting shall be limited to (a) the minimum fixtures required by the MA Building Code for building entrances and doors, such fixtures to have a light source intensity no greater than a 60-watt incandescent bulb and to use a "cut-off" fixture which will shield the light when viewed from above or the side, (b) exterior lighting of walkways, ground level patios and/or decks and paths, each to be no higher than 8" above ground level, (c) in-ground swimming pool lighting, and (d) exterior lighting prompted by security or safety related concerns.

6. Road Construction:

- a. All roadways within the subdivision will be finished to a 10 feet traveled width with three foot shoulders and constructed in accordance with the Edgartown Subdivision Regulations Section VA-3 "Unpaved Road Base - Cross Section, K.A. Healy" dated February 21, 1984 with the exception that the roadway, or traveled width, be a total of ten feet wide.
- b. Roadways will be unpaved
- c. At least one turnout will provided where horizontal site distance is less than 200 feet or at the discretion of the Planning Board.

Edgartown, Mass
Town Clerk's Office
Feb 15 2001
Rec'd For Record
AT 2:48 PM

- 7. Utilities
 - a. All lots to be served by Town water, to be installed underground in the roadway shoulders.
 - b. Electricity, and telecommunications utilities to be installed underground in the roadway shoulders
 - c. Sewer pipes will be constructed beneath the roadways, or traveled way of the roads, within the subdivision.

- 8. Road and Utility Maintenance: Prior to endorsement of the Plan, documents establishing the Homeowners Trust', being the Declaration of Trust for the Homeowners' Trust and the Declaration of Covenants, Restrictions and Easements, will be prepared for recording simultaneously with the Plan. The Homeowners Trust will be responsible for the on-going maintenance of the roads and utilities.

- 9. Farmstead Lot and Buildings: The Homeowners' Trust documents shall provide in terms and conditions satisfactory to the Planning Board and the applicant that the Trust will:
 - a. retain the existing farm buildings for farm uses
 - b. maintain the existing farm buildings in substantially their present condition
 - c. retain the exterior appearance of the farm buildings in substantially their present appearance..
 - d. build and maintain any affordable unit apartments which may be built on the farmstead lot under Section 12 of this approval in compliance with all applicable MA building codes.

- 10. Public Vistas:
 - a. Above ground structures of the RUCK CTF (combined system) shall be limited to venting pipes, all of which will be located within the existing vegetation and hedge row and fence line along Slough Cove Road so as to screen the vent pipes from public view from Slough Cove Road.
 - b. All other structures of the RUCK CFT shall be located underground.
 - c. The building envelopes of Lots 21, 22, 28, and 29 are modified as illustrated in the plan entitled "Central Field View Study, Sasaki," dated Nov. 5, 2000, to allow a view corridor from Slough Cove Road into the central field.
 - d. There shall be a selective pruning of the existing vegetation for 400 feet on either side of the existing white entrance gate, to allow for public vista from Slough Cove Road.

- 11. Sluiceway: In accordance with the Applicant's offer:
 - a. Prior to endorsement of the Plan, the Applicant shall execute and record a perpetual easement in favor of the Town of Edgartown which:
 - i. permits the Town to enter upon the Herring Creek Farm in order to inspect, restore and maintain the sluiceway (the "sluiceway" to encompass the existing wooden sluiceway gate and the channel to be re-excavated running from the Edgartown Great Pond to Crackatuxet Cove), and
 - ii. assures that the Town incurs no unusual liability (for example, for pre-existing hazardous materials) during inspection, restoration or maintenance of the sluiceway
 - b. Prior to endorsement of the Plan, the Applicant shall execute and record a covenant to be binding upon all successors in title to Herring Creek Farm Trust setting forth Applicant's agreement to cooperate with the Town of Edgartown in its undertaking to restore the sluiceway on Herring Creek Farm, as defined in 10.a.i above. The covenant shall provide that the Applicant shall cooperate in:
 - i. the permitting with respect to such restoration
 - ii. the actual restoration itself
 - iii. the long-term year in and year out maintenance by the Town of the sluiceway
 - iv. ensuring that the Town incurs no unusual liability during restoration or maintenance of the sluiceway
 - d. The Applicant's offer is accepted to contribute to the Town of Edgartown Dredge/Gift Account the cost of obtaining all permits necessary to enable restoration of the sluiceway, to a "cap" of \$30,000.
 - e. The Applicant's offer is accepted to contribute \$100,000 to the Town of Edgartown Dredge/Gift Account with the understanding that the Town will use it for the construction and renovation of the sluiceway and that should there be a sum remaining, remainder will be used in the renovation of the Herring Creek from Crackatuxet Cove to Katama Bay.

Edgartown, Mass
1 Clerk's Office
15 2001
D For Record
2 H23M PM

12. The Applicant's offer is accepted to provide opportunities for affordable housing as follows:
- a. Before the first building permit is issued within the subdivision, or before the sale or transfer of any land within the subdivision, whichever is first, the Applicant (or its successor) will provide to the Dukes County Regional Housing Authority either:
 - i. One on-site buildable lot of three acres, or
 - ii. One off-site buildable lot of three acres, or
 - iii. A combination of buildable lots off-site which total three acres
 - b. before the eleventh building permit is issued, the Applicant (or its successors) will construct two on-site apartments, subject to the following:
 - i. each apartment shall have at least two bedrooms, constructed to State building codes and approved by the Edgartown Building Inspector
 - ii. the apartments shall be owned and maintained in perpetuity by the Applicant (or its successors)
 - iii. the apartments shall be rented through the guidelines of, and under the control of, the Dukes County Regional Housing Authority
 - d. documents to assure b. and c. above shall be recorded with the County of Dukes County Registry.

13. Katama Airfield: The Declaration of Covenants, Restrictions, and Easements will contain a notice that close proximity to Katama Airfield and the existence of low-flying aircraft may produce noise within any or all lots within the subdivision.

14. The Planning Board will review house plans and house siting plans including driveways before building permits are issued.

15. Any "Beach Club", parking areas, or related facilities, are prohibited.

The proceedings of the Planning Board were conducted in accordance with the provisions of MGL Ch. 40A, the Zoning Act. A detailed record of these proceedings is on file with the Edgartown Town Clerk and the Edgartown Planning Board. Persons aggrieved by this decision may appeal it in accordance with MGL Ch. 40A Sec. 17 by filing notice of such appeal with the Town Clerk within 20 days of the filing of this decision with the Town Clerk.

Edgartown, Mass
 Town Clerk's Office
 Feb 15 2001
 Rec'd For Record
 AT 2:42 PM

Michael D. Dore
W. Rankin
Alan O. Wilson
J. S. Smith

EDGARTOWN PLANNING BOARD

A true copy, at test

Clerk, Edgartown Planning Board
 Clerk, Edgartown Planning Board

100-YEAR FLOOD BOUNDARY



ECONOMIC & HOUSING PRICE STATISTICS FOR THE END OF 2000

NEWS RELEASE

250 Second Avenue, Waltham, MA 02154 Telephone: (781) 890-3700 E-Mail: massreal@marcaliars.com

SINGLE-FAMILY HOME SALES SLIP IN BAY STATE DURING THIRD QUARTER AS DEMAND SOFTENS

(Waltham, MA.) – The pace of single-family home sales continued to moderate across Massachusetts during the summer of 2000, according to data issued today by the Massachusetts Association of Realtors® (MAR). Fluctuations in the financial markets, growing reluctance on the part of consumers to take on additional debt, and rising interest rates late in the spring all factored into softened demand for residential real estate. Sales of detached single-family homes declined 9.8 percent in the third quarter, from 13,918 units in the July-September period a year ago to 12,554 in the same period in 2000. Also, condominium sales fell 3.4 percent, from 3,832 units in the third quarter of 1999 to 3,702 in the comparable period this year.

The decrease in sales over the three-month summer season marks the fifth consecutive quarter in which detached single-family home sales have declined from the same period one year earlier. Meanwhile condominium sales have fallen for the last three quarters across Massachusetts. Historically, however, sales in the third quarter of 2000 remained quite high, with the 16,256 residential sales recorded this year ranking fourth all-time, exceeded only by the third quarter of 1997-99.

"Previously, over the past three years, we've satisfied a record level of buyer demand, so the current level of activity now marks a return to a more normal market," stated MAR President Fred Meyer. "In most regions, we continue to see a fairly steady flow of traffic, especially from high-end buyers and first-time buyers looking for relief from today's escalating rents. However, some buyers are also being more cautious as they enter the market, not wanting to overextend themselves."

Regionally, in the third quarter, sales of detached single-family homes declined in all seven regions of the Bay State, with the most modest decreases occurring in the greater Boston and Northeast regions, where sales dropped 6.6 percent and 7.6 percent respectively from the same period in 1999. Elsewhere, sales fell 10-12 percent in the Central, West, and South Shore regions, and 15-16 percent on Cape Cod and in southeastern Massachusetts.

"Across the state, housing is drawing much of its strength from the healthy local economy. This is most evident in eastern Massachusetts where income and job growth are acting as catalysts to pull new buyers into the market," Meyer remarked. "The steady influx of out-of-state residents relocating to the Boston area for work, along with the region's growing immigrant population, are two elements helping to stabilize our market," he added.

While detached single-family home sales were down from year ago levels in every region of Massachusetts during the third quarter, sales of condominiums improved in several areas, the MAR report found. Condo sales rose modestly over last year in the Central (+0.5%), West (+6.5%) and

Southeast (+9.3%) regions, with slight declines reported in all other areas.

"First-time buyers are eager to get into the market, but their ability to save for a down payment has been hampered by the high rents they have had to pay and the recent slide in stock and mutual fund values," Meyer observed. "As a result, many are now turning to the less expensive condo market to buy their first home."

Meanwhile, trade-up buyers also are showing some hesitation at entering the market, with many expressing concern over assuming a new mortgage at a higher rate than they now hold. "When interest rates jumped over 8 ½ percent for a 30-year fixed loan in May, that caused many current homeowners to rethink their decision to move-up. Consequently, the trade-up market was less active than normal over the first half of the summer," Meyer said.

One positive result of the more tempered sales pace is the partial replenishment of market listings that has occurred since last year. In fact, after sharp inventory declines of 22 percent and 17 percent in the first and second quarters of 2000, the number of single-family homes for sale is now down just 9.1 percent from the third quarter of 1999 (30,569 vs. 33,646).

"The shift to a less frenetic sales pace should be good for buyers in the long run because it will take some pressure off prices. But, as of now, housing supply has not yet sufficiently increased to meet demand in most markets," Meyer said.

The MAR report confirms this observation, with statewide average selling prices up sharply across the residential market. Specifically, the statewide average selling price for detached single-family homes has increased 17.3 percent in the last year, from an average price of \$256,407 in the third quarter last year to \$300,730 in the same three-month period in 2000. Double-digit price gains also were reported in all but two regions – the Southeast and West – where average prices rose 0.2 percent and 2.5 percent respectively. Similarly, the statewide average selling price for condominiums climbed 16.4 percent this past year, from an average of \$161,396 in the third quarter of 1999 to \$187,912 in the comparable quarter this year. Again, most regions saw prices appreciate steadily in the summer quarter, but average selling prices decreased 1.6 percent in southeastern Massachusetts and 4.5 percent in the state's four western-most counties compared to the same period last year.

Along with a tight supply, today's higher average selling prices also reflect a significant increase in the sale of expensive luxury and second home properties throughout the state. Strikingly, the MAR data show sales of upper-end homes priced at or above \$500,000 rose 41.3 percent in the third quarter of 2000 over the same period a year ago, while the sale of low- to moderately-priced single-family homes and condos of \$300,000 or less declined 15.7 percent in the same period.

"This dichotomy clearly points out the need for more affordable starter homes that will open doors into housing for entry-level buyers," Meyer asserted. "The construction of smaller single- and multi-family homes is vital to keeping this market strong."

Sales and price data from the MAR report reflects transactions occurring through Realtor®-affiliated multiple listing services in the commonwealth, and account for at least 50 percent of all real estate sales in Massachusetts.

DETACHED SINGLE FAMILY HOME SALES

AND AVERAGE SELLING PRICES

REGIONAL COMPARISONS FOR 3RD QUARTER OF 2000 vs 3RD QUARTER OF 1999

SALES

<u>Region</u>	<u>1999</u>	<u>2000</u>	<u>Percentage Change</u>
Cape Cod	1,040	876	- 15.8 %
Central	2,389	2,131	- 10.8 %
Greater Boston	3,660	3,419	- 6.6 %
Northeast	2,846	2,630	- 7.6 %
Southeast	631	527	- 16.5 %
South Shore	1,269	1,116	- 12.1 %
West	2,083	1,855	- 10.9 %
STATEWIDE	13,918	12,554	- 9.8 %

AVERAGE
SELLING
PRICES

<u>Region</u>	<u>1999</u>	<u>2000</u>	<u>Percentage Change</u>
Cape Cod	\$240,306	\$319,260	+ 32.9 %
Central	\$192,496	\$220,738	+ 14.7 %
Greater Boston	\$369,418	\$449,483	+ 21.7 %
Northeast	\$271,961	\$307,179	+ 12.9 %
Southeast	\$170,702	\$171,011	+ 0.2 %
South Shore	\$249,795	\$277,036	+ 10.9 %

West	\$147,918	\$151,664	+ 2.5 %
STATEWIDE	\$256,407	\$300,730	+ 17.3 %

CONDOMINIUM SALES AND
AVERAGE SELLING PRICES

REGIONAL COMPARISONS FOR 3RD QUARTER OF 2000 vs 3RD QUARTER OF 1999

SALES

<u>Region</u>	<u>1999</u>	<u>2000</u>	<u>Percentage Change</u>
Cape Cod	179	171	- 4.5 %
Central	439	441	+ 0.5 %
Greater Boston	1,725	1,621	- 6.0 %
Northeast	931	913	- 1.9 %
Southeast	43	47	+ 9.3 %
South Shore	254	231	- 9.1 %
West	261	278	+ 6.5 %
STATEWIDE	3,832	3,702	- 3.4 %

AVERAGE
SELLING
PRICES

<u>Region</u>	<u>1999</u>	<u>2000</u>	<u>Percentage Change</u>
Cape Cod	\$114,164	\$161,304	+ 41.3 %
Central	\$106,692	\$119,499	+ 12.0 %
Greater Boston	\$208,743	\$251,754	+ 20.6 %
Northeast	\$134,956	\$151,587	+ 12.3 %

Southeast	\$ 97,463	\$ 95,892	- 1.6 %
South Shore	\$129,971	\$154,198	+ 18.6 %
West	\$108,311	\$103,420	- 4.5 %
STATEWIDE	\$161,396	\$187,912	+ 16.4 %

FEDERAL RESERVE BOARD BEIGE BOOK

//

August 8, 2001

Summary

Prepared at the Federal Reserve Bank of San Francisco based on information collected before July 30, 2001. This document summarizes comments received from businesses and other contacts outside of the Federal Reserve System and is not a commentary on the views of Federal Reserve officials.

Reports from most Federal Reserve Districts point to slow growth or lateral movement in economic activity in June and July. Retail sales generally were sluggish and frequently below expectations, despite substantial discounting on a wide range of consumer goods. Manufacturing activity in nearly all sectors and regions declined further in recent months as producers adjusted to weak domestic and foreign demand and worked through accumulated inventories. Sustained weakness in the manufacturing sector spilled over to other businesses, with many Districts indicating declines in demand for office space and trucking and shipping services. In contrast, residential real estate markets remained stable and even expanded in some areas, with the relative strength of the sector attributed in part to lower mortgage interest rates. Agricultural producers continued to struggle against low prices, weak exports, higher energy costs, and the weather, although some regions reported improvement in growing conditions since the last survey period. Financial institutions across the country reported reduced demand for a wide variety of loans, tighter credit standards, and stable-to-deteriorating quality of existing loans and leases; residential mortgages were the notable exception to these trends.

Continued slow economic growth loosened labor markets and eased wage pressures in most Districts in June and July, but rising benefit costs continued to add to compensation costs. Prices for energy, fuel, and many material inputs fell in most regions. Falling input costs and stiff domestic and foreign competition kept prices of most consumer goods in check.

Consumer Spending

Retail sales generally remained weak in June and July, although there were scattered reports of a pickup in sales. Boston, Chicago, Cleveland, New York, Richmond, and San Francisco reported sales below expectations and well beneath comparable store sales for the same period last year. Atlanta, Dallas, Minneapolis, and St. Louis noted a slight pickup in sales since the last survey period, though sales were flat to down compared to last year. Kansas City and Philadelphia reported flat sales during the last survey period. The weakness in retail sales was broad-based across product lines and types of outlets. Within the sector, sales were strongest at large discount retailers, though many other retailers were offering discounts to promote sales. Auto sales apparently fared better than other areas of consumer spending in some Districts. Districts attributed the better-than-expected sales in part to manufacturer incentives and lower financing charges. Districts reporting on inventories at retail outlets indicated that most

businesses were able to keep stocks in balance. Still, there were scattered reports of retailers canceling orders or asking manufacturers to warehouse deliveries until existing inventories are cleared. Contacts noted that orders for back-to-school and Christmas merchandise were running lower than last year in anticipation of slower sales.

Services and Tourism

Districts reporting on the services sector indicated continued weak demand in June and July. In Dallas, Cleveland, and San Francisco, demand for business services, including advertising, computing and data processing services, and temporary employment agencies, was stagnant or declining in recent months, resulting in employment reductions in some areas. In Cleveland and Dallas, transportation and shipping activity declined further in June and July, as businesses continued to reduce orders in an effort to control inventories. Accounting, insurance, and legal firms also saw demand soften in some Districts, prompting more rigorous monitoring of payroll costs and other expenses. Dallas noted a pickup in demand for legal services related in part to energy market developments and increased bankruptcy filings.

Layoffs and slower economic growth reportedly damped tourism in many parts of the country. Many Districts noted that airline bookings, hotel occupancies, and hotel room rates fell in recent months. However, hotels principally struggled with a decline in business travel as companies worked to cut costs in light of slower earnings growth.

Manufacturing

Manufacturing activity declined further in recent weeks, as producers responded to ongoing weakness in demand and worked to balance inventories. Reports of reduced work hours, lost overtime, forced furloughs, planned shutdowns, and layoffs were pervasive. Nearly every District reported that new orders and shipments for durable and non-durable manufactured products remained sluggish during the recent survey period, with declines recorded for producers in some sectors. Weakness was especially evident among producers of apparel and textiles, computers, semiconductors, steel, and telecommunications gear. In addition to conditions in the domestic economy, Districts attributed the current malaise in manufacturing to softening international demand for U.S. goods -- particularly in Europe and Asia. On the up side, Districts reported that producers were making progress in running down their excess inventories.

Real Estate and Construction

Conditions in commercial real estate markets softened in several Districts in June and July, in keeping with slow economic growth. Nine Districts reported increased office vacancies in metropolitan areas in the second quarter, with signs of additional weakening in July. A number of Districts noted that the swing in market conditions was due in part to an increase in sublease space. The rise in vacancies reportedly made it a buyer's market in some metropolitan areas. However, most Districts noted little movement in posted lease rates, with landlords opting for one-time inducements such as a free month's rent or property upgrades to attract tenants. In San Francisco, where commercial lease rates have declined, contacts noted that prospective tenants appear to be waiting for rates to fall further. Rising vacancies damped new construction activity in a number of areas.

Districts indicated that residential real estate markets generally remained stable in recent months, though signs of weakness were apparent in some regions. Atlanta, Cleveland, Minneapolis, New York, Richmond, and St. Louis reported continued brisk demand for low and moderately priced

homes; one District reported that homes "priced right" continued to sell quickly, often attracting multiple bidders. In Boston, Chicago, and San Francisco, demand remained stable but weakness in the high-end market was noted. Dallas and Kansas City reported flat to slower growth in home sales, with some concerns about rising inventories. In general, Districts attributed the continued strength of residential real estate in part to lower mortgage interest rates.

Agriculture and Natural Resources

Reports on agricultural conditions were mixed across the Districts. Atlanta, Kansas City and St. Louis highlighted generally good conditions in their regions, with some crop yields coming in better than expected. Dry weather was having an adverse effect on farmers and ranchers in the Cleveland, Chicago, Dallas, and Richmond Districts. San Francisco reported favorable growing conditions, but ongoing struggles against low prices, weak export demand, and high energy costs.

Banking and Finance

Loan demand was flat to down in most Districts in recent weeks. However, the composition of the slowdown differed by region. In Kansas City and Philadelphia, commercial and industrial lending picked up, while consumer lending declined. Declines in lending in Atlanta, Chicago, and Richmond were largely in the commercial sector. In St. Louis, all types of loans declined, although the most pronounced reductions were in consumer borrowing. In Cleveland and New York, loan demand remained relatively flat, as both consumers and businesses curtailed borrowing. Several Districts reported increases in home mortgage lending.

Overall, Districts characterized financial markets as cautious, with both borrowers and lenders pulling back in response to economic uncertainty. There were some reports of deteriorating credit quality, particularly for credits to manufacturing and agricultural businesses. A number of Districts reported that lenders had tightened standards in recent weeks, particularly for business loans.

Labor Markets, Wages, and Prices

Most Districts reported that conditions in labor markets remained steady or loosened somewhat in recent weeks. Layoffs in many high-tech manufacturing and service firms boosted the number of highly skilled workers applying for jobs through temporary employment agencies. Employers in a number of Districts noted greater ease in finding and keeping qualified workers.

Looser labor markets in most Districts helped to contain wage pressures in recent months. However, benefit costs rose, particularly for health and other forms of insurance coverage. Rising insurance premiums and the slowing economy reportedly prompted some employers to reevaluate benefit packages. Kansas City reported that firms were working on ways to reduce employee benefits such as free parking and health club memberships.

Fuel and energy prices fell in June and July in most Districts lessening the burden on businesses and easing pressure on consumer budgets.

Lower gasoline prices allowed shippers and truckers to reduce or remove fuel surcharges imposed earlier this year. Lower energy costs also contributed to price declines for a number of manufactured goods.

However, upward price pressure was reported for pharmaceuticals, various services, and single-family housing in some regions. In addition, retail electricity rates were up sharply in California in June, as previously authorized rate hikes took effect. In general, however, declining input costs and stiff domestic and foreign competition continued to restrain

consumer prices.

//

August 8, 2001

Federal Reserve Districts

First District - Boston

The First District economy continues to slow. A majority of contacts in the retail and manufacturing sectors report declines in business activity compared with a year ago. Insurance companies say demand has slowed but not declined. Residential real estate contacts say housing markets across New England are strong although softer than a year ago. Prices for most goods other than housing are reported to be flat to down compared with a year ago. Most respondents indicate that they are stepping up efforts to cut costs.

Retail

Most retail respondents report that sales were flat or down during the May through July period compared with a year earlier. These results were generally worse than expected, yet inventories are mostly said to be close to desired levels. Most contacted sectors (discount retail, tourism, home and office furniture, computer and office technology products, office and art supplies) say consumer demand is anemic. However, sellers of building materials and hardware report modest growth in sales. Employment levels and wage rates are mostly said to be holding steady. However, some retailers say that they plan to shrink employment through attrition or shift more toward part-time help. Most report that it is now much easier than last year to hire replacement help and seasonal workers. Retail contacts say that they are not raising selling prices and they are seeing only sporadic increases in vendor prices. Most indicate that their profit margins are holding; however, retailers selling technology products are discounting prices, which has reduced profit margins slightly compared with last year.

Retail respondents expect little growth in the economy in the next year, and most say that they are not expanding their operations in 2001. The mood is cautious; while they no longer expect a rebound in the second half, they hope for some improvement late this year.

Manufacturing and Related Services

Close to two-thirds of First District manufacturing contacts report that recent sales or orders are down from a year earlier; only about one-third report increases. Expectations about future revenues vary considerably, but virtually all contacts are taking new steps to reduce costs. Reports from makers of computer hardware, communications gear, and semiconductor-related equipment have deteriorated noticeably, and some of these contacts are not expecting much recovery until late 2002. Manufacturers of other types of equipment are less gloomy but nevertheless cite examples of customers eliminating discretionary purchases or demanding concessionary terms. One contact that sells a

broad range of parts and supplies to manufacturers describes the environment as the worst in 30 years. On the other hand, several manufacturers are heartened that their business, while down from a year ago, does not appear to be deteriorating further. These include makers of paper products and residential construction components.

By contrast with the general trends, demand for pharmaceuticals, medical equipment, publications, aircraft parts, and defense equipment has continued to increase. However, several contacts point to vulnerabilities in aviation-related business, and one producer of medical equipment has noticed a recent weakening. Across a range of industries, manufacturers are concerned about deteriorating conditions in foreign markets, particularly Europe and Latin America.

Respondents say their selling prices and materials costs generally are flat or down. Some indicate that their corporate customers are pressuring them for more favorable terms. They in turn are applying similar pressures on their suppliers.

Almost all manufacturing respondents report initiatives to control or reduce labor costs. Actions vary from company to company but include layoffs, furloughs, controls on new hires, and restrictions on pay increases. Most contacts say that capital spending is slated to be reduced this year. Many report efforts to cut back on information technology expenditures.

Residential Real Estate

Residential real estate markets in New England are still strong, although signs of softening are emerging. The number of listings has begun to grow slowly, while the number of sales is starting to decline. Real estate contacts indicate that the lower half of the market still enjoys very robust activity because low interest rates stimulate demand among potential buyers, while the level of activity at the top of the market has slowed. Contacts in Rhode Island report that the market is as strong as ever, with most new listings selling very quickly and the average sales price up from last year. In Vermont, the average sales price is slightly higher than a year ago, but prices of new properties coming on the market are the same as those of existing properties, indicating that prices have stabilized. New Hampshire contacts say the average selling price rose 10 percent over the past year, but the number of sales dropped 12 percent during the same period. Some respondents attribute the slowdown to seasonal rather than cyclical changes.

Insurance

Insurance respondents report modest sales growth in the second quarter of 2001, similar to first-quarter growth. In some cases, demand was generally off, while in others, falling demand for financial products such as annuities and mutual funds offset increased insurance demand. One respondent sums up the reasons for the slowdown as "the general economy, uncertainty over estate and other taxes, and volatility in the financial markets." One major health insurer reports a large fall-off in revenues as they reevaluate their service offerings in light of profitability changes.

Most insurance contacts seem relatively downbeat about their company's outlook. One respondent said that they are "more uneasy" now than three months ago because they had expected to see evidence of an upturn in the economy by now. Another said that they are "no more pessimistic" now than earlier this year. Because of falling or lower-than-expected revenues, most respondents are in the process of cutting costs. Some companies have made large workforce cutbacks (3 to 12 percent), while others are instituting employment freezes with the possibility of cutbacks

in the near future. Most insurance contacts say capital and technology spending is relatively flat.

DIVISION OF EMPLOYMENT & TRAINING NEWS RELEASE

Commonwealth of Massachusetts
Division of Employment and Training

Edgartown

Employment and Wages in Edgartown

Year	Total Annual Payroll	Avg Annual Wage	Establishments	EMPLOYMENT								
				Total	Agriculture Forestry Fishing	Government	Construction	Manufacturing	TCPU	Trade	FIRE	Services
1985	\$17,964,500	\$12,686	188	1,416	49	197	138	conf	30	514	94	362
1986	\$19,967,600	\$14,323	201	1,394	62	199	127	conf	36	539	97	296
1987	\$20,931,000	\$14,667	207	1,427	74	218	128	conf	35	559	110	258
1988	\$24,861,600	\$16,050	211	1,549	79	252	147	conf	62	613	121	228
1989	\$24,738,893	\$17,385	213	1,423	61	268	115	conf	73	530	110	217
1990	\$25,921,783	\$17,865	226	1,451	60	295	94	conf	76	571	106	202
1991	\$27,609,089	\$19,186	225	1,439	61	235	87	39	73	534	98	312
1992	\$27,362,599	\$19,215	226	1,424	54	235	94	40	46	512	109	334
1993	\$29,558,932	\$19,706	228	1,500	62	223	89	44	33	505	125	419
1994	\$31,920,189	\$20,139	251	1,585	59	243	93	49	25	517	132	467
1995	\$34,970,391	\$21,028	265	1,663	68	240	105	52	29	526	115	528
1996	\$37,418,710	\$21,998	283	1,701	72	247	124	45	26	561	115	511
1997	\$41,403,831	\$24,002	282	1,725	74	260	135	45	38	559	121	493
1998	\$47,112,316	\$25,618	299	1,839	81	271	150	47	53	579	135	523
1999	\$49,767,930	\$26,180	307	1,901	95	245	153	51	50	635	136	536

TCPU = Transportation, Communication and Public Utilities

FIRE = Finance, Insurance and Real Estate

conf = data suppressed due to confidentiality

Note: Changes in industry definitions occurred in 1988, so data prior to that year are not strictly comparable to the more recent data.

Commonwealth of Massachusetts, Division of Employment and Training (ES-202 Series)

Unemployment in Edgartown

Year	Laborforce	Employment	Unemployment	Unemployment Rate	Statewide Rate
1983	1,564	1,482	82	5.2%	6.9%
1984	1,613	1,544	70	4.3%	4.8%
1985	1,649	1,597	52	3.2%	3.9%
1986	1,681	1,627	54	3.2%	3.8%
1987	1,731	1,687	44	2.5%	3.2%
1988	2,177	2,098	79	3.6%	3.3%
1989	2,158	2,047	111	5.1%	4.0%
1990	2,150	2,014	136	6.3%	6.0%
1991	2,240	2,012	228	10.2%	9.1%
1992	2,124	1,920	204	9.6%	8.6%
1993	2,234	2,054	180	8.1%	6.9%
1994	2,401	2,205	196	8.2%	6.0%
1995	2,485	2,304	181	7.3%	5.4%
1996	2,555	2,394	161	6.3%	4.3%
1997	2,635	2,476	159	6.0%	4.0%
1998	2,687	2,560	127	4.7%	3.3%
1999	2,703	2,583	120	4.4%	3.2%
2000	2,671	2,581	90	3.4%	2.6%

Note: Employment within this data series is measured by place of residence, rather than by place of employment as in the ES-202 Series.

Changes in labor market area definitions occurred in 1990 and changes in methodology occurred in 1987, so data prior to these years are not strictly comparable to the more recent data.

Commonwealth of Massachusetts, Division of Employment and Training (Local Area Unemp Statistics)

QUALIFICATIONS OF APPRAISER

QUALIFICATIONS

▶ Robert P. LaPorte, Jr., CRE, MAI
Senior Vice President
Meredith & Grew • ONCOR International
160 Federal Street
Boston, Massachusetts 02110-1701
Telephone 617-330-8101 (direct dial)
Telecopier 617-330-8130
E-MAIL rplaporte@m-g.com

Business Experience

Meredith & Grew • ONCOR International
Department Manager of Counseling & Valuation Services
Group, 1982- Present

Foster Appraisal & Consulting Co., Inc.
Vice President and General Manager, 1971-1982

United States Army
Viet Nam Veteran, 1969-1971

Foster Appraisal & Consulting Company, Inc., 1969

Education

St. Anselm College - B.A. Degree in Urban Studies.

Required courses and examinations for Membership in the
Appraisal Institute

Seminars: Sponsor - Appraisal Institute:
Real Estate Value Cycles; Subdivision Analysis;
Capitalization Workshop; Business Valuation; Market and
Feasibility Analysis; Hotel/Motel Valuation; Condominium
Appraisals; Financing terms and value; Techniques of
Industrial Valuation; Standards of Professional Practice;
R41B, Real Estate Syndications; Hands on Computer
Analysis; Rates, Ratios and Reasonableness and use of
PRO-JECT lease analysis software.

Also Highest and Best Use, Real Estate Risk Rate Analysis,
Cash Equivalency, Sales Comparison Approach,
Conservation/Preservation Easement, and Evaluating
Residential Construction. Seminar Sponsor: The
American Institute of Corporate Asset Management -
"Corporate Takeovers and the Effect on Asset
Management"; Fine and Ambrogne - "Managing Your
Environmental Risks".

Professional Memberships

The Counselors of Real Estate (CRE)
The Appraisal Institute (MAI and SRA Designation)
• President New England Chapter, AIREA – 1983
• Vice Chairman - Ethics Administration Division -
National Ethics and Counseling Committee, AIREA – 1990
The Counselors of Real Estate (CRE)
National Association of Realtors – Realtor
Massachusetts Association of Realtors
• Member, Public Policy Committee – 1989
Greater Boston Board of Realtors

Licenses

Licensed Massachusetts Real Estate Broker
General Certified Appraiser - Commonwealth of
Massachusetts (#735)
General Certified Appraiser - State of Maine (#687)
General Certified Appraiser - State of New Hampshire
(#337)

Appraisal Publications

A.I.R.E.A. Textbook "Appraising the Single Family Residence", Bloom & Harrison, 1978, - Single Family Residential Demonstration report was one of two reports used for model appraisal report and in portions of text.

Specialization

Thirty years of field variety appraisal and consulting assignments on projects located in Maine, New Hampshire, Vermont, Rhode Island, New York, Massachusetts, South Carolina, and California. Has also completed land use and marketability studies for industrial parks and central business districts, feasibility and market studies for residential and commercial uses, and review appraisals.

Approved Appraiser List for Contaminated Properties for the Commonwealth of Massachusetts Highway Department.

Testified as an expert witness before the Superior Courts of Massachusetts in Suffolk, Worcester, Middlesex, Essex, Norfolk, Dukes, and Plymouth Counties, the Federal Bankruptcy Court of Massachusetts, and the Commonwealth of Massachusetts Appellate Tax Board. In New Hampshire, he has testified before the Superior Court of Hillsborough County and the Board of Tax and Land Appeal.

Civic Organizations

Chelmsford Historic District Commission -1975-1998
• Chairman - 1976, 1980, and 1991

Leominster Rotary Club, President - 1981-1982
Westford Chapter 61A Land Committee
Westford Land Use Priorities Committee

**Partial List of Clients Served
Commercial and Industrial**

Compaq Computer Corporation
Fifty Associates
First Security Services
G.T.E. Laboratories
General Dynamics Corporation
Granite State Concrete
Harvard Management Co., Inc.
Joan Fabrics
Little Brown & Company
Massachusetts Audubon Society
Massachusetts Bar Association
Milford Water Department
The Nature Conservancy
The New England Aquarium
Polaroid
Simplex Time Recorder
The Stop and Shop Companies
Teradyne Inc.
TKC Associates
Trust for Public Land

Financial/Institutional

Anglo Irish Bank
Boston University
Brandeis University
Cambridge Trust Co.
Citicorp Real Estate Inc.
Citizens Bank
Commercial Union
Federal Deposit Insurance Corporation
Fleet Bank
John Hancock
Liberty Mutual
Lloyd's Bank International Limited
MASCO
Massachusetts Mutual Life Insurance Co.
Massachusetts General Hospital
United Bank of Kuwait
University of Massachusetts
Youville Lifecare

Law Firms
Bingham, Dana & Gould
Brown Rudnick
Choate, Hall & Stewart
Foley, Hoag & Elliott
Hale & Dorr
Hill & Barlow
Reimer & Braunstein
Ropes & Gray
Sherin & Lodgen

Government
Federal
Federal Aviation Administration
General Services Administration
United States Postal Service

State
MA Department of Attorney General
MA Department of Environmental Management
MA Department of Capital Asset and Management
MA Highway Department
Massachusetts Bay Transportation Authority
Metropolitan District Commission

Cities & Towns
Boston
Fitchburg
Harvard
Lowell
Nahant
Norwood
Concord
Gardner
Leominster
Lunenburg
Natick
Salem
Cambridge
Gloucester
Lincoln
Marlborough
Newburyport
Sudbury

Abington/Rockland Water Department
Boston Housing Authority

MEMORANDUM

CONFIDENTIAL
ATTORNEY WORK PRODUCT

TO: Philip Tabas
FROM: Hans P. Birle
DATE: June 3, 2003
RE: Herring Creek (Wallace), MA

1. 102 acres of the property are in permanent protection.
2. TNC obtained an independent, professional appraisal, dated as of July 17, 2001 and confirmed by meetings with Conservancy staff (Note: Seller's appraisal was \$78 mil. for the same land).
5. We do not have appraisals for the East Fields and Central Fields.
 1. 15.85 acres to Fairview MV Property, LLC, a Delaware limited liability company for \$7,250,000.00 (Roger Bamford and Denise Lahey); 9.62 acres to be sold for \$4,750,000.00 (option to buy \$250,000.00 paid for option); total \$12 mil. - confirmed by appraisal dated July 9, 2001.
 2. Approximately 46 acres to the F.A.R.M. Institute, Inc. for \$28 mil. F.A.R.M. then sold 39± acres to MV Regency Group, LLC. for \$27 mil. retaining the Farm Lot.

MV Regency Group, LLC retained Lots 8 & 9 (Letterman Property), transferred Lot 10 to Petergro Acquisition Company and Lot 7 to James B. Denman, Trustee of Butler's Cove Realty Trust (Daniel Stanton).

Roger Bamford has pledged to make a sizable donation to cover the balance of the purchase price and the costs of the transaction.

Phil, call me if you have any questions.

DEED OF CONSERVATION RESTRICTIONS
HERRING CREEK FARM
EDGARTOWN, MASSACHUSETTS

THIS GRANT DEED OF CONSERVATION RESTRICTIONS is made on the ___ day of July, 2001 by THE NATURE CONSERVANCY, a non-profit charitable corporation incorporated under the laws of the District of Columbia and qualified to do business and in good standing in the Commonwealth of Massachusetts, with a Massachusetts address at 11 Avenue de Lafayette, Boston, MA 02111, and a principal address at 4245 North Fairfax Drive, Arlington, Virginia 22203 ("Grantor" or "The Nature Conservancy") in favor of the CONSERVATION COMMISSION of the Town of Edgartown ("Grantee"), in the name of the Town of Edgartown (the "Town" or the "Town of Edgartown") and in favor of Grantee and The Nature Conservancy, jointly and severally, with respect to such portions of the Property as may be owned by other Owners (as defined below).

I. BACKGROUND FACTS

WHEREAS, Grantor is the sole owner in fee simple of approximately 215 acres of real property known as Herring Creek Farm on Slough Cove Road in the Town of Edgartown, Dukes County, Massachusetts, more particularly described in Exhibit A attached hereto and incorporated herein by reference (hereinafter, "Herring Creek Farm" or the "Property"); and

WHEREAS, Grantor wishes to convey Conservation Restrictions over the Property to Grantee so that the Property shall remain predominantly in or be restored to its natural, open, agricultural and scenic state in perpetuity, except for limited portions of the Property to be developed with selected improvements and related structures as permitted herein in such a manner so as to protect the Conservation Values (as defined below) of the Property; and

WHEREAS, reference is made to that certain plan (the "Plan") entitled "Plan of Land in Edgartown, Mass. Being a Subdivision of Lot 69, LCP 13419-14; Scale 1" = 100"; Date: June 15, 2001; Owners: James M. Hurley, Trustee of Herring Creek Farm Trust, Certificate #5859, James M. Hurley, Trustee of Herring Creek Farm Trust, Certificate # 5746; MV 5023, C4-1 through C4-6" prepared by Schofield, Barbini & Hoehn, Inc., Vineyard Haven, Mass. to be recorded in the Dukes County Registry of Deeds (the "Registry") as Edgartown Case File No. _____, duly filed with the Massachusetts Land Court and filed in the Dukes County Registry District Office of the Land Court (the "Land Court") as Land Court Plan No. 13419-15, the recording of which plan resulted in the subdivision of the Property into 33 lots, a parcel containing approximately 56 acres identified on the Plan as Lot 70 East Field (the "East Field") and two beach parcels containing approximately 20 acres identified on the Plan as Lots 104 and 104A (collectively, the "Beach"); and

WHEREAS, to further the conservation objectives of Grantor and Grantee with respect to the Property, Grantor has consolidated most of the 33 lots shown on the Plan (and as more particularly set forth in Exhibit E attached hereto and incorporated herein by reference), as follows:

- (a) Lots 71 and 103 have been consolidated into one (1) lot containing an existing barn and stable complex and caretaker cottage (hereinafter the "Farm");

(b) Lots 91-98 have been consolidated into one (1) lot containing approximately 40 acres (hereinafter the "Central Field");

(c) Lot 99 (hereinafter "Lot K") is considered for purposes of this instrument as part of the Central Field (Lot K and the Central Field are collectively referred to herein as the "Central Field");

(d) Lot 102 (hereinafter "Lot J") has been consolidated with and is considered part of the East Field (Lot J and the East Field are collectively referred to herein as the "East Field");

(e) Lots 74, 80+80A, 81+105+81A+82+106+82A and 86-87 (hereinafter "Lots C, E-1, E-2, and G", respectively) comprise a total of four (4) lots, of which lots, Lots C and G each contain one (1) existing single-family residence and Lot E-1 and Lot E-2 (which lots shall at all times be held in common ownership) each contain one (1) existing single-family residence (each of Lots C, E-1, E-2, and G a "Developed Lot" and collectively the "Developed Lots");

(f) Lots 72, 73 (except that portion of Lot 73 referred to as "Lot B Excluded Area" below), 75-79, 83+83A+83B+84+107+108+84A+85, 88-90 and 100-101 (hereinafter "Lots A, B, D, F, H and I", respectively) have been consolidated into six (6) lots on each of which single-family detached residential development will be permitted (each a "Developable Lot" and collectively the "Developable Lots"; the Developed Lots and the Developable Lots each a "Residential Lot" and collectively the "Residential Lots"); and

WHEREAS, as a result of the above consolidation, the Property is comprised of the East Field, the Beach and the following twelve (12) lots (the "Herring Creek Farm Lot(s)" or "Lot(s)"): A, B, C, D, E-1, E-2, F, G, H, I, the Farm and the Central Field. The consolidated lots (D, E-2, F, G, H, I, the Farm and the Central Field) are each considered for purposes of this instrument as one (1) Lot; and

WHEREAS, in addition to the Property described above, Grantor is the owner of that certain lot in the northeasterly corner of the Property that is shown on the Plan as "John H. Wallace Et. Al." and is more particularly described in a deed from Katlin D. O'Connor, Trustee of Herring Creek Farm Trust, to John H. Wallace et al. dated November 3, 1986, and recorded in the Registry in Book 459, Page 484, which lot contains one (1) existing single-family residence and is more particularly described in **Exhibit B** attached hereto and incorporated herein ("Blue Heron"). For all purposes of this instrument, Blue Heron shall be considered as one of the Developed Lots; and

WHEREAS, subsequent to the recording of this instrument, Grantor and the Owners of the Residential Lots and the Farm shall use best efforts to file and record an ANR Consolidation Plan illustrating the consolidation of the lots as discussed above (the "Consolidation Plan"). The Consolidation Plan will cross-reference and be consistent with the numbers of the lots as shown on the Plan (e.g., Lots 75-79 would be consolidated as a single lot on the Consolidation Plan)(as more particularly described in **Exhibit E**), and Grantor and Grantee may record and file a supplemental version of this Conservation Restriction solely to replace the Lot numbers as shown on the Plan with references to the Lot numbers as shown on the Consolidation Plan; and

WHEREAS, reference is made to that certain plan entitled "Development Envelope Plan, Herring Creek Farm, Edgartown, Massachusetts Prepared for The Nature Conservancy, June 12, 2001 Schofield, Barbini & Hoehn, Inc., State Road, Vineyard Haven, Mass." and recorded in the Registry as Edgartown Case File No. _____ (the "Development Envelope Plan"), which plan shows that each of the Residential Lots, the Farm, the Central Field and Lot J contain an area, namely, a development envelope (each herein a "Development Envelope"), within which Grantor reserves for itself and for the Owners thereof the right to construct the following types of development: (i) single-family residential housing and related development within the Development Envelopes on the Residential Lots; (ii) residential housing, agricultural or farming and related development (accessory to natural community management, agricultural, horticultural or silvicultural uses and educational programs intended to promote a greater understanding of conservation, agriculture and farming issues) within the Development Envelope on the Farm; (iii) a horse barn within the Development Envelope on the Central Field; and (iv) a barn within the Development Envelope on Lot J; and

WHEREAS, the Private Open Space (as defined below) is comprised primarily of salt marsh, shrub thickets, wet meadow and oak woodland, and the Herring Creek Farm Open Space (as defined below) is comprised primarily of coastal beach and dune, salt marsh, wet meadow, agricultural cropland for such crops as corn, oats and alfalfa/timothy hay and pasturage for livestock (e.g., cattle, sheep, goats, draft horses and llamas) and native grasslands; and

WHEREAS, Grantor and Grantee desire to preserve the natural, scenic, agricultural and open space values of the Property; to protect the shoreline and water quality of Edgartown Great Pond and Crackatuxet Cove; to protect globally rare sandplain grasslands, savannas, oak woodlands, heathlands and other natural communities; to preserve agricultural and farming uses on portions of the Property; to promote the restoration of native habitats; to increase the populations of native animals, birds, insects and other species; to prevent habitat fragmentation and to promote restoration of native grassland (all of the foregoing, collectively, the "Conservation Values"); and

WHEREAS, Grantor and Grantee intend to enhance the Conservation Values of the Property by limiting the number of developable lots and the size and number of permitted structures thereon; managing and restoring the native grassland on portions of the Property; designating other portions of the Property for agricultural activities; managing the Beach to protect the fragile nature of this landform and its species of plant and animal; prohibiting the introduction of and providing for the removal of certain invasive plant species; prohibiting the use of synthetic fertilizer and the application of biocides, herbicides or pesticides without The Nature Conservancy's prior approval in consultation with the Grantee and the Association and encouraging the use of native plants in landscaping and restoration; and

WHEREAS Grantor desires to convey the following conservation restrictions in perpetuity (the "Conservation Restriction"), and Grantee has determined it to be desirable and beneficial to enforce this Conservation Restriction in order to protect the Property's Conservation Values while permitting uses of the Property that do not impair the Property's Conservation Values and are not inconsistent with the purpose of this Conservation Restriction.

NOW, THEREFORE, in consideration of the above and the mutual covenants, terms, conditions and restrictions contained herein, and pursuant to the laws of the Commonwealth of

Massachusetts, in particular Sections 31-33 of Chapter 184 of the General Laws, Grantor hereby voluntarily grants and conveys to Grantee and its successors and permitted assigns, with quitclaim covenants, the Conservation Restriction in perpetuity over the Property of the nature and character and to the extent set forth below, and Grantor reserves for itself the right to enforce the terms of this Conservation Restriction against the other Owners, as more particularly set forth in Article IV hereof.

II. PURPOSE

Grantor and Grantee recognize the Conservation Values of the Property and share the common goal of protecting these Conservation Values. Therefore the Property is not to be improved with structures and improvements, except as described herein, and will be retained in a predominantly undeveloped, natural, open, agricultural and/or forested condition; threatened or endangered plants and animals that may exist will be protected.

III. DEFINITIONS

The following words when used in this instrument, unless the context shall prohibit, shall have the following meanings:

- A. ASSOCIATION: Herring Creek Farm Landowner's Association, Inc., a nonprofit corporation organized under Chapter 180 of the Commonwealth of Massachusetts and its successors and assigns.
- B. BASELINE REPORT: The report prepared by The Nature Conservancy and kept on file at the offices of The Nature Conservancy, Grantee and the Association, which report sets forth the condition of the Property as of the Effective Date of this Conservation Restriction and is intended to serve as an objective information baseline for monitoring compliance with and implementation of the terms of this Conservation Restriction, as more particularly described in Article VII.T hereof.
- C. BEACH: Collectively, those certain beach parcels containing approximately 20 acres identified as Lots 104 and 104A on the Plan, which Beach shall be managed by the Association and The Nature Conservancy in a manner that does not adversely impact the Conservation Values of the Beach and the rest of the Property.
- D. BLUE HERON: That certain parcel of land in the northeasterly corner of Herring Creek Farm that is shown on the Plan as "John H. Wallace Et. Al." and is more particularly described in a deed from Katlin D. O'Connor, Trustee of Herring Creek Farm Trust, to John H. Wallace et al. dated November 3, 1986, and recorded in the Registry in Book 459, Page 484, which lot contains one (1) existing single-family residence. Blue Heron is considered herein for all purposes as one of the Developed Lots.
- E. CENTRAL FIELD: Lots 91 through 98, inclusive, as shown on the Plan. For purposes of this instrument, Lot K will be considered part of the Central Field.
- F. CONSERVATION VALUES: As defined in Article I.

- G. **CONSOLIDATION PLAN:** That certain ANR Consolidation Plan that Grantor and the Owners of the Residential Lots and the Farm shall use best efforts to file and record subsequent to the Effective Date of this Conservation Restriction, which plan will cross-reference and be consistent with the numbers of the lots as shown on the Plan (e.g., Lots 75-79 would be consolidated as a single lot on the Consolidation Plan) as more particularly described in **Exhibit E** attached hereto, and Grantor and Grantee may record and file a supplemental version of this Conservation Restriction solely to replace the Lot numbers as shown on the Plan with references to the Lot numbers as shown on the Consolidation Plan.
- H. **DEVELOPABLE LOTS:** Lots A, B, D, F, H and I.
- I. **DEVELOPED LOTS:** Lots C, E-1, E-2, G and Blue Heron. Lots E-1 and E-2 shall at all times be held in common ownership.
- J. **DEVELOPMENT ENVELOPE PLAN and DEVELOPMENT ENVELOPES:** That certain plan entitled "Development Envelope Plan, Herring Creek Farm, Edgartown, Massachusetts Prepared for The Nature Conservancy, June 12, 2001 Schofield, Barbini & Hoehn, Inc., State Road, Vineyard Haven, Mass." and recorded in the Registry as Edgartown Case File No. _____, which plan shows the Development Envelopes on each of the Residential Lots, the Farm, the Central Field and Lot J. Each Development Envelope is intended to establish the area within which: (i) single-family detached residential housing and related Improvements are permitted on the Residential Lots; (ii) residential housing, agricultural or farming structures and related Improvements (accessory to natural community management, agricultural, horticultural or silvicultural uses and educational programs intended to promote a greater understanding of conservation, agriculture and farming issues) are permitted on the Farm; (iii) a horse barn is permitted on the Central Field; and (iv) a barn is permitted on Lot J.
- K. **EAST FIELD:** Lot J and a parcel containing approximately 56 acres identified as Lot 70 East Field on the Plan.
- L. **HERRING CREEK FARM LOT(S) or LOT(S):** Lots A, B, C, E-1 and the eight (8) consolidated lots (D, E-2, F, G, H, I, the Farm and the Central Field), each of which is considered as one (1) Lot, as such lots are shown on the Plan as may be from time to time amended or revised, which Plan as amended or revised shall continue to show the location and number of Lots. The numbers for the lots and the consolidated lots will correspond to the numbered lots shown on any Consolidation Plan which may be filed.
- M. **HERRING CREEK FARM OPEN SPACE:** All of the Property outside of (a) the Residential Lots, (b) the Farm, (c) the Development Envelope on the Central Field and (d) the Development Envelope on Lot J.
- N. **HERRING CREEK FARM OPEN SPACE MANAGEMENT PLAN or OPEN SPACE MANAGEMENT PLAN:** The Open Space Management Plan annexed

hereto as **Exhibit C**, as the same may hereafter be amended and/or modified from time to time pursuant to the terms thereof.

- O. **HOUSING DEVELOPMENT**: Shall have the meaning given in subparagraph 2 of paragraph B of Article VI of this instrument.
- P. **IMPROVEMENT**: Any structure or improvement of any kind, including, without limitation, interim or temporary improvements, and any addition to or alteration of the exterior of a previously constructed structure or other improvement.
- Q. **INVASIVE PLANT SPECIES**: Those species set forth on **Exhibit D** attached hereto, as the same may be amended from time to time by The Nature Conservancy in the good faith exercise of its professional judgment.
- R. **LOT B EXCLUDED AREA**: That portion of Lot B defined in **Exhibit F** hereto and subject to the conditions and restrictions set forth in Article IV.F hereof.
- S. **OWNER(S)**: The fee simple, record owner(s), or such other holder of an interest as the Owner(s) may designate, whether one or more persons or entities, of any portion of the Property, and their successors and assigns, but notwithstanding any applicable theory of mortgage interests, shall not mean or refer to a mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure or unless an Owner shall delegate to such mortgagee the Owner's(s') obligations and rights under this instrument. The term Owner(s) shall include tenants or occupants to whom the obligations and rights of an Owner have been delegated.
- T. **PLAN**: The plan entitled "Plan of Land in Edgartown, Mass. Being a Subdivision of Lot 69, LCP 13419-14; Scale 1" = 100'; Date: June 15, 2001; Owners: James M. Hurley, Trustee of Herring Creek Farm Trust, Certificate #5859, James M. Hurley, Trustee of Herring Creek Farm Trust, Certificate # 5746; MV 5023, C4-1 through C4-6" prepared by Schofield, Barbini & Hoehn, Inc., Vineyard Haven, Mass. to be recorded in the Dukes County Registry of Deeds as Edgartown Case File No. _____, duly filed with the Massachusetts Land Court and filed in the Dukes County Registry District Office of the Land Court as Land Court Plan No. 13419-15.
- U. **PRIVATE OPEN SPACE**: The area outside the Development Envelopes but within the boundaries of each Residential Lot and the Farm.
- V. **RESIDENTIAL LOT(S)**: Each Developed Lot and Developable Lot is a Residential Lot and collectively they are Residential Lots.
- W. **RESTRICTIONS**: The conservation restrictions herein set forth imposed upon the Property, including, without limitation, the provisions set forth in the Herring Creek Farm Open Space Management Plan annexed hereto as **Exhibit C** and which conservation restrictions are intended to be the primary source of controls over the use of and other measures for the preservation of the Property.

- X. SLUICEWAY: The sluiceway to be re-opened between Edgartown Great Pond and Crackatuxet Cove subject to that certain Perpetual Covenant and Perpetual Easement Re Sluiceway between Stuart R. Johnson, Trustee of Herring Creek Farm Trust and the Town of Edgartown, Massachusetts recorded in the Dukes County Registry of Deeds in Book ___ at Page ___ and registered in the Dukes County Registry District of the Land Court as Document No. _____

IV. RIGHTS OF GRANTEE; RESERVED RIGHTS

- A. Enforcement. Grantor hereby grants the following rights to Grantee and reserves certain of the following rights for itself (and the respective Conservation Assignees of either pursuant to Article VII.M hereof):
- (1) Grantor grants the right to Grantee to prevent Grantor, other Owners or any persons (whether or not claiming by, through, or under Grantor), and Grantor reserves the right for itself to prevent other Owners or any persons, from conducting any activity on or use of the Property that is inconsistent with the Purpose of this Conservation Restriction, and to require of Grantor, other Owners or any persons the restoration of such areas or features of the Property that may be damaged by their inconsistent activity or use;
 - (2) Grantor grants the right to Grantee only to enter upon the Property (but not within the buildings on the Property) at reasonable times and in a reasonable manner in order to monitor Grantor's or other Owners' compliance with and otherwise enforce the terms of this Conservation Restriction, provided that in the absence of evidence which gives Grantee a reasonable basis to believe there has been a violation of the provisions of this Conservation Restriction (which evidence shall be made available to Grantor and the applicable Owner(s)), such entry shall not occur more often than once annually. Entry shall be after prior reasonable written notice to Grantor and the applicable Owner(s). Grantee in the exercise of its entry rights under this subparagraph 2 of paragraph A of Article IV shall not unreasonably interfere with Grantor's or such other Owners' quiet enjoyment of the Property. In consideration of these and all other rights of entry included in this grant, Grantee hereby releases and agrees to hold harmless, indemnify, and defend Grantor and such other Owners from and against any and all liabilities, penalties, costs, losses, damages, expenses, causes of action, claims, demands, orders or judgments, including reasonable attorneys' fees, arising from or in any way connected with damage or injury resulting from any such entry onto the Property;
 - (3) Grantor grants the right to Grantee and reserves the right for itself to obtain injunctive and other equitable relief against any claimed violations, including without limitation relief requiring removal of offending structures and other restoration of the Property to the condition that existed prior to any such claimed violation (it being agreed that there would be no adequate remedy at law);

- (4) Grantor grants the right to Grantee (and reserves the right for itself with respect to other Owners or any other persons) to enforce this Conservation Restriction in the case of breaches by Grantor, other Owners or any other persons (whether or not claiming by, through, or under Grantor) by appropriate legal and equitable proceedings, after providing Grantor and the applicable Owners with reasonable written notice and a reasonable opportunity to cure; and
- (5) All powers of enforcement conferred upon Grantee hereunder or pursuant to the provisions of Massachusetts General Laws Chapter 184, Section 32, Massachusetts General Laws Chapter 40, Section 8C or other general or special law relating to the Conservation Restriction shall be exercised by a majority of the members of Grantee; to the maximum extent permitted by law, all powers of enforcement conferred upon the Town of Edgartown pursuant to the provisions of Massachusetts General Laws Chapter 184, Section 32, Massachusetts General Laws Chapter 40, Section 8C or other general or special law relating to the Conservation Restriction shall be exercised by a majority of the members of Grantee.
- (6) In any instance where either Grantor or Grantee, despite having enforcement rights with respect to any provision of this Conservation Restriction, chooses to defer enforcement of such provision to Grantee or Grantor, respectively, and not to take any action itself with respect to such provision, neither Grantor nor Grantee shall have any liability whatsoever (either legal or equitable) to the Association, to any of the Owners or to any other party on account of either Grantor's or Grantee's election to forebear from enforcement and defer enforcement to Grantee or Grantor, respectively.

B. Cost of Enforcement. The person or persons who violate the restrictions imposed hereby shall also be liable for all costs incurred in enforcing the provisions of this instrument including, but not limited to, reasonable attorneys' fees and any costs of restoration, if Grantee and/or Grantor (or the Association, as provided in Article IV.C below) prevails in its effort to enforce. The recovery of any such fees and costs shall constitute the sole permissible monetary remedy hereunder, except when restoration or other equitable, non-monetary remedy is not practicable then monetary damages shall be an available remedy.

C. Forbearance Not a Waiver. Enforcement of the terms of this instrument shall be within the discretion of Grantee and Grantor. Any forbearance by Grantee or Grantor to exercise their rights under this Conservation Restriction in the event of any violation of any term of this instrument shall not be deemed or construed to be a waiver by such parties or of any subsequent violation of the same or any other term of this instrument or of any of the rights created by this instrument. No delay or omission by any party in the exercise of any right or remedy upon any violation shall impair such right or remedy or be construed as a waiver.

D. Acts Beyond Grantor's Control. Nothing contained in this instrument shall be construed to entitle Grantee to enforce its provisions to bring any action against Grantor, other Owners or any persons (whether or not claiming by, through, or under Grantor) for any injury to or change in the Property resulting from causes beyond Grantor's, such Owners' or any persons'

control including, without limitation, fire, flood, storm and earth movement, or for any prudent action taken by Grantor, such Owners or any persons under emergency conditions to prevent, abate, or mitigate significant injury to the Property or persons resulting from such causes.

V. PROHIBITED ACTS, USES AND IMPROVEMENTS

A. The following, acts, uses and Improvements are expressly forbidden on, over or under the Property, except as otherwise provided herein and in the Open Space Management Plan attached hereto as **Exhibit C**. There shall be:

- (1) No constructing or placing any building, guest house, landing strip, mobile home, swimming pool, tennis court or similar fenced areas or impervious surfaces, asphalt or concrete pavement, outside antennae, aerials, satellite dishes (unless less than 24" in diameter), television cameras or other devices for the transmission or reception of electromagnetic or other signals unless approved in writing by Grantee, utility pole, conduit, line, tents, shacks and trailers for temporary or permanent use, external fuel tanks or fuel storage devices that are visible from either an abutting Lot or a road (except where such fuel tanks already exist or except with the written approval of the Association where such tanks or storage are adequately screened from view from either an abutting Lot or a road), clothes lines visible from a road or abutting Lot, statuary or ornamental structures (other than small garden statuary not visible from the roadways or abutting Lots) of any kind displayed on any Lot, sign, billboard or other advertising display or other temporary or permanent structure or facility upon, above or below the Property.
- (2) No commercial, commercial recreational or industrial uses of the Property, including, without limitation, large-scale commercial agricultural and farming uses, large-scale feedlots, large-scale dairy farming, farm stands, ice cream stands or other uses open to the general public.
- (3) No refuse, trash, vehicle bodies or parts, rubbish, debris, junk, or unsightly or offensive material shall be placed, stored or dumped for more than thirty (30) days on, in or under the Property and no substances or materials or soil shall be dumped or placed as landfill on the Property.
- (4) No excavation, dredging, mining or removing of loam, peat, gravel, sand, rock, hydrocarbons, soil or other mineral resource or natural deposit from the Property in such manner as to affect the surface thereof.
- (5) No introduction of non-native species of plant on the Property (except that non-native vegetable and flower gardens are permitted within the Development Envelopes and agricultural crops as permitted herein) and no cutting or destruction of trees, shrubs or other vegetation on the Property.

- (6) No polluting, altering, depleting, diverting, channelizing, damming, draining, extracting or manipulating the hydrologic regime of any surface and/or ground water.
- (7) No placing, filling, spraying, storing, or dumping on or applying to the Property of synthetic fertilizers or biocides (including but not limited to, fungicides, insecticides and herbicides, as defined under applicable federal or state law), or any toxic or hazardous substance or other substances or materials, except The Nature Conservancy in consultation with Grantee may use biocides, pesticides or herbicides in the Herring Creek Farm Open Space (or in the Development Envelopes and Private Open Space with the permission of the applicable Owner) to control or remove Invasive Plant Species, pests, or disease outbreaks, such use to be by the narrowest spectrum, least persistent material appropriate for the target species and subject to all applicable laws and regulations. Other Owners, with the written permission of The Nature Conservancy and Grantee, may use biocides, pesticides or herbicides in their respective Private Open Space and Development Envelopes, subject to the restrictions set forth in the preceding sentence.
- (8) No keeping of animals other than ordinary household pets that are normally kept inside a house (such as domestic cats and dogs). Owners shall take reasonable measures to prevent such pets from disturbing beach, wetland or ground-nesting birds and other wildlife. Notwithstanding the foregoing, the Owner of the Farm may keep livestock (excluding pigs), poultry and fowl on the Farm, the Owner of the Central Field (and lessees or licensees of such Owner) may keep livestock (excluding pigs, poultry and fowl) on the Central Field and Residential Lot Owners may keep horses on the Central Field. In no event shall any animals be allowed on the East Field without the written permission of the Owner of the East Field (except on a perimeter trail to be established by the Owner of the East Field).
- (9) No hunting or trapping shall be permitted upon the Property, except with respect to any existing rights of third parties to hunt on any portion of the Property (as identified in the Baseline Report) and except with respect to hunting or trapping on the Property by The Nature Conservancy for species management.
- (10) No exterior lighting other than sodium vapor lights or other lights determined to be least attractive to moths or other invertebrates by written agreement among all of The Nature Conservancy, Grantee and the Association and which is necessary for: (a) satisfaction of the Building Code for the Commonwealth of Massachusetts, 780 C.M.R. 101.0 et seq., for building entrances and doors, such fixtures to have a light-source intensity no greater than a 60-watt incandescent bulb, to use a "cut-off" fixture which will shield the light when viewed from above or the side; (b) exterior lighting of walkways, ground level patios and/or decks and paths, each to be no higher than 8" above ground level; (c) in-ground swimming

pool lighting; and (d) exterior lighting necessary for security or safety. All such lighting shall be kept on only as long as is necessary to fulfill its purpose and shall be controlled by motion sensors and/or timers.

- (11) No motorized vehicles on the Beach south of the Sluiceway, except for security, emergencies, The Nature Conservancy's or the Association's beach management activity, or municipal maintenance and dredging of the Sluiceway and the breach between Edgartown Great Pond and the Atlantic Ocean and only in a manner that does not adversely impact the Conservation Values of the Property. To the extent necessary to preserve or abate damage to the dunes, points of access across primary dunes will be posted by the Association in consultation with Grantee and The Nature Conservancy; however, every reasonable effort will first be made to communicate this information by other means, including orally, by posting near any parking area for the Beach designated by the Association on a sign not to exceed 1 ½ sq. ft., or by written communication at the address of record for each Owner.
- (12) No further subdivision of the Lots, the East Field, the Central Field, the Farm or the Beach after the Effective Date of this Conservation Restriction that would create one or more additional buildable lots, notwithstanding that such further subdivision or creation of additional buildable lots is or may in the future be permitted by law. Notwithstanding any provision hereof to the contrary, nothing herein shall preclude a boundary line adjustment between two contiguous Lots or between a Lot and other land contiguous to such Lot but not included within the Property.
- (13) No use of any portion of the Property to gain subdivision approval for adjacent property owned by Grantor on or following the Effective Date of this grant.

VI. PERMITTED USES, ACTIVITIES AND IMPROVEMENTS

The prohibitions of Article V notwithstanding, Grantor, for itself and for other Owners, reserves the following rights, uses and activities on and over the Property, subject to such conditions or limitations as may be imposed by law, ordinance, governmental regulation or any limitations set forth in the Open Space Management Plan:

A. Permitted Uses, Acts and Activities:

- (1) Protection of biodiversity, including protection of rare species, natural communities, and wildlife habitat, and the conservation of soil, water, plants and wildlife.
- (2) Restoration and management of native grasslands, natural community management, ecologically compatible agricultural, horticultural, silvicultural and farming activities and educational programs intended to promote a greater understanding of conservation, agriculture and farming

issues including, without limitation, crop, hay and flower production, cultivation and harvesting and grazing and pasturage for livestock in the Central Field, on the Farm and in the East Field with the express, prior, written permission of the Owner of the East Field and grazing of privately-owned horses on the Central Field.

- (3) Selective cutting of trees, shrubs or other vegetation on the Property by (a) the Owners when such cutting is required to (i) clear such vegetation to allow for construction permitted hereunder within their respective Development Envelopes, (ii) clear such vegetation from locations where it poses a safety threat to the dwellings, other structures or other improvements on their respective Lots, (iii) preserve views and selectively clear views (with the written approval of Grantee), including, without limitation, the creation of fifteen degree (15°) view channels on their respective Lots (with the written approval of Grantee), and (iv) make trails for horseback or bicycle riding or pedestrian access to or through their respective Lots in a manner that is consistent with the terms and provisions of this instrument and (b) by The Nature Conservancy with respect to the Herring Creek Farm Open Space or by the Owners in consultation with The Nature Conservancy with respect to their respective Private Open Space and Development Envelopes when such cutting is required to (i) manage rare species habitat, (ii) manage native grassland and other natural communities, (iii) remove invasive plant species, and (iv) maintain the viewshed from Herring Creek Road across the East Field to the Farm.
- (4) Outdoor recreational activities including, without limitation, hiking, bicycling, horseback riding, beach activities, fishing, clamming, boating, shellfishing or nature study which do not substantially alter natural vegetation or landforms and which do not require a permanent structure; provided all such activities are carried out in compliance with the terms of this instrument, the Open Space Management Plan and in a manner that does not adversely impact the Conservation Values of the Property and provided such activities do not interfere with those areas of the Property dedicated from time to time to agricultural use and, with respect to the East Field, only take place on a perimeter trail to be established by the Owner of the East Field (the use of such trail may be limited from time to time by the Owner in connection with the Owner's use of prescribed burning thereon).
- (5) Excluding the East Field (except with respect to any barn on Lot J), the Central Field (except with respect to the horse barn, water lines necessary or desirable for irrigation and watering of livestock, fences related to agricultural use and septic systems, as permitted in this Conservation Restriction) and the Beach, construction activities including, without limitation, drilling, cutting, clearing, grubbing, mounding, excavation and backfilling in connection with the erection or installation of any structure, alteration, well, road, driveways, pathways, trails, parking areas, unpaved cartways, septic systems, sanitary sewerage disposal systems, stump

D

dumps, utility lines, sluiceways or other improvements specifically permitted herein. Such water wells and water lines, leach fields, septic tanks and vents shall also be permitted in the Central Field provided that Grantee shall have determined and confirmed in writing that such water wells and water lines, leach fields, tanks and vents do not adversely impact the agricultural use of the Central Field or the conservation use or the water quality and health of Edgartown Great Pond and Crackatuxet Cove.

- (6) Repair, maintenance, restoration and improvement activities relating to the Property and any structure, alteration, improvement, use or activity specifically permitted herein including, without limitation, such maintenance activities as beach management with respect to the Beach, wildlife management, roadway, utility, water wells, sluiceway, and septic system, sanitary sewerage disposal systems maintenance (provided Grantee shall have determined and confirmed in writing that such maintenance shall not adversely impact the agricultural use of the Property or the conservation use or the water quality and health of Edgartown Great Pond or Crackatuxet Cove), as well as planting, pruning, organic fertilizing, plowing, cleaning and restoring, cultivating, harvesting, mowing, burning and clearing. More specifically, the management tool of prescribed burning may be used by The Nature Conservancy on the East Field and the Central Field provided The Nature Conservancy shall (a) not use prescribed burning from June 15 through September 15 more frequently than once every three (3) years, except with written permission from the Association in special circumstances, (b) take all necessary precautions and comply with all applicable laws in connection with such prescribed burning, and (c) provide the Grantee, the Association and other Owners with sixty (60) days' written notice of such prescribed burning in the manner provided in Article VII.N hereof. The Owners of the Residential Lots and the Farm may allow The Nature Conservancy to conduct prescribed burning on their respective Lots in accordance with the requirements set forth in subsections (a), (b) and (c) in the preceding sentence.
- (7) Passage and repassage, on foot or by bicycle or motor vehicle, over rights of way, roads, driveways, pathways, trails, parking areas and unpaved cartways permitted under the provisions of paragraph C of this Article VI and activities and usage of water wells, septic systems, sanitary sewerage disposal systems, including, without limitation, combined or shared sanitary sewerage collection, treatment and disposal systems (except that in no event shall such septic systems or sanitary sewerage disposal systems be permitted in the East Field or on the Beach, and provided that if such septic systems are located in the Central Field, Grantee shall have determined and confirmed in writing that they shall not adversely impact the agricultural use of the Central Field or the conservation use or the water quality and health of Edgartown Great Pond or Crackatuxet Cove), and other underground utilities permitted under such provisions, including, without limitation, transmission of gas, water, telephone, electricity, telecommunications, subsurface disposal of sanitary sewerage (except no

such disposal shall be permitted in the East Field or on the Beach and if such disposal is permitted in the Central Field, Grantee shall have determined and confirmed in writing that such disposal shall not adversely impact the agricultural use of the Central Field or the conservation use or the water quality and health of Edgartown Great Pond or Crackatuxet Cove) and surface and subsurface drainage. Notwithstanding the foregoing, the Owners of the Residential Lots will be permitted to park the following vehicles in any parking area for the Beach designated by the Association: (a) golf carts, (b) other motorized vehicles of similar size and which generate an approximate noise level comparable to an electric golf cart or (c) a car, provided, such car may only be parked temporarily to drop off individuals and beach gear, unless such car is required for those individuals whose age or physical infirmity prevents them from walking or bicycling to the Beach. In addition, The Nature Conservancy and/or the Association may temporarily park in any parking area for the Beach designated by the Association during the off-peak hours of the day (but not overnight) in connection with its management of the Beach.

- (8) Planting of native plant species, selective cutting or clearing of vegetation to allow for construction permitted hereunder within the Development Envelopes, habitat protection, removal of invasive plant species, unpaved trail and road maintenance, selective cutting of new unpaved trails, tick control, the preservation of vistas, the creation of vistas (with the written approval of Grantee), including, without limitation, the creation of fifteen degree (15°) view channels in the Private Open Space (with the written approval of Grantee), or otherwise to preserve the present condition of the Private Open Space and the Herring Creek Farm Open Space as identified in the Baseline Report (as defined below).
- (9) Any use or activity not specifically prohibited in this instrument is permitted provided such use or activity is consistent with the purpose of this Conservation Restriction and does not adversely impact the Conservation Values of the Property.

B. Permitted Residential Uses, Existing Buildings and Improvements within the Development Envelopes:

- (1) The Development Envelope Plan depicts the Development Envelopes on each Residential Lot, on the Farm, on the Central Field and on Lot J. Subject to written approval by Grantee, Owners may make minimal modifications and adjustments to the configuration of their respective Development Envelopes, so long as all federal, state and local approvals (if any) for any such modifications or adjustments are obtained. In no event shall such modifications or adjustments increase the overall size of such Development Envelopes and no such modifications or adjustments shall be valid and effective for the purposes of this instrument unless and until an amendment to the Development Envelope Plan, depicting each such reconfiguration or adjustment, is recorded in the Registry and such amendment is marginally noted on the recorded and registered copies of

this Conservation Restriction as well. No such modifications or adjustments shall adversely impact the Conservation Values of the Property.

- (2) (a) Within the Development Envelopes on each Residential Lot, single-family detached residential housing including, without limitation, the construction and/or maintenance of one (1) single-family detached residence and all Improvements normally associated therewith (excluding tennis courts) such as driveways, exterior lighting, fencing, landscaping, decks, in-ground swimming pools, trampolines, basketball hoops, patios, porches, attached garages, tool sheds and other sheds, greenhouses and septic systems (collectively, "Housing Development"), is permitted.
- (b) Such single-family detached residences shall be subject to the following limitations:

(i) On each of the Developed Lots and the Farm, the existing single-family detached residence (or the existing farmhouse building with respect to the Farm) may be expanded or reconstructed provided that no such expansion or reconstruction shall increase the square footage of interior living space (inclusive of living space above the garage floor area, but exclusive of the garage floor area itself and exclusive of enclosed porches) by more than the lesser of: (x) a twenty percent (20%) increase in the square footage contained in the currently existing residence as of the Effective Date of this Conservation Restriction or (y) 2500 square feet or (z) notwithstanding the limitations in subsection (x) and (y) above, the maximum size of the expanded or reconstructed residence on Lot E-1 shall be 3500 square feet. However, for each square foot of interior living space added to the currently existing residence as of the Effective Date of this Conservation Restriction on Lot E-1 that increases the total interior living space of such residence to more than 2500 square feet (up to a total limit on interior living space of 3500 square feet), the maximum size of the interior living space of any residence to be constructed on Lot D shall be reduced by 2 ½ square feet, e.g., if the existing residence on Lot E-1 was expanded to a total interior living space of 3500 square feet (thus enlarged by 1000 square feet over 2500 square feet), then the maximum size of the interior living space of the residence to be constructed on Lot D would be reduced from 7500 square feet to 5000 square feet ($1000 \times 2 \frac{1}{2} = 2500$, $7500 - 2500 = 5000$).

(ii) Except as provided in Article VI.B.2.i. with respect to Lot D, on each of the Developable Lots, construction, expansion and reconstruction of one (1) single-family detached residence containing 7500 square feet of interior living space (inclusive of living space above the garage floor area, but exclusive of the

garage floor area itself and exclusive of enclosed porches) is permitted.

(c) Unless specifically permitted otherwise under the provisions of this instrument, all Housing Development on the Residential Lots, all Housing Development, agricultural or farming development on the Farm, the horse barn and related structures on the Central Field and the barn on Lot J, shall be confined to the Development Envelopes, except those structures, alterations or other Improvements set forth in paragraph C of this Article VI (including, without limitation, fences, driveways, underground septic systems, sanitary sewerage disposal systems (including any clustered or shared sanitary sewerage collection, treatment and disposal system) water wells, water lines and underground utilities) to serve the proposed structures on a given Lot shall be permitted to be outside of the proposed Development Envelope on such Lot. Where it is indicated on the Plan that common driveways will be used to serve two or more Lots, such common driveways serving such Lots shall be constructed by the first Owner building on one of the Lots indicated, and such common driveway with the written consent of all Owners affected may be built on one or more Lots to serve those Lots or other adjacent Lots.

- (3) Within the Development Envelopes on the Residential Lots and the Farm, any deck, patio or other hard surface portion (exclusive of the residence and driveways), is limited to 3,000 square feet. Turf grass in what were thickets and within 300 feet of the wetland edge will be limited to 5,000 square feet. Fertilized lawn and landscaping areas shall not exceed 2,500 square feet in area and, with respect to the Development Envelopes on the Residential Lots, any other non-native landscape plantings shall be limited to the Development Envelopes and shall not be fertilized. Fertilized lawn areas shall be fertilized with only slow-release sources of nitrogen.
- (4) Within the Development Envelope on the Central Field, one (1) horse barn and related structures are permitted and within the Development Envelope on Lot J, one (1) barn and related structures are permitted.
- (5) Within the Development Envelope on the Farm, Housing Development and residential, agricultural or farming structures and related facilities (accessory to natural community management, agricultural, horticultural or silvicultural uses and educational programs intended to promote a greater understanding of conservation, agriculture and farming issues) are permitted, except that large-scale commercial agricultural and farming uses, large-scale feedlots, large-scale dairy farming, farm stands, ice cream stands or other uses open to the general public are prohibited.

C. Permitted Structures, Alterations or Other Improvements:

- (1) Existing Improvements shown on the Plan.

- (2) Water wells, septic systems, sanitary sewerage disposal systems, including, without limitation, combined or shared sanitary sewerage collection, treatment and disposal systems, and other underground utilities including, without limitation, all trenches, leach fields, septic tanks, septic pumps and grinders, vents, lines, mains, conduits, cables, pipes and transformers, antennae, valves, wires and other materials and equipment necessary or desirable in connection with the furnishing of utility services to new and existing permitted residences and Improvements on the Residential Lots, to the barn, the stable complex and the caretaker's cottage and any permitted new agricultural or related structures (accessory to natural community management, agricultural, horticultural or silvicultural uses and educational programs intended to promote a greater understanding of conservation, agriculture and farming issues) on the Farm, to the horse barn located in the Central Field, as the same may be relocated, to the barn that may be located on Lot J and to the Central Field for irrigation of crops and watering of livestock. The piping for all vents associated with septic systems or other sanitary sewerage disposal systems shall be no greater than four feet (4') in height for those vents located in the Central Field and no greater than twelve feet (12') in height for all other vents, and all such vents whether in or outside of the Central Field shall be screened from view with vegetation otherwise permissible under this Conservation Restriction. Without limiting the foregoing, any existing overhead wires shall be buried underground (subject to approval and permission of any owner of such wires) and all new utilities shall be buried underground. Notwithstanding the foregoing, in no event shall such water wells, septic systems or sanitary sewerage disposal systems be permitted in the East Field or on the Beach, and such water wells, leach fields, septic tanks and vents shall only be permitted in the Central Field provided Grantee shall have determined and confirmed in writing that such water wells, leach fields, tanks and vents shall not adversely impact the agricultural use of the Central Field or the conservation use or the water quality and health of Edgartown Great Pond or Crackatuxet Cove.
- (3) Rights of way, roads, driveways, pathways, trails, parking areas, and unpaved cartways consistent with the residential character of the Residential Lots and the agricultural character of the Farm and the Central and East Fields including, without limitation, those shown on the Plan, such as the ways shown as Herring Creek Farm Lane, Butler's Neck Road, Cove Road, "30' Way", "15' Way", "Way (8 ft. wide)" and the "Way" on the Plan, the "Way (15.00 Wide)" shown on Land Court Plan No. 13419X, the "Way (30.00 ft. wide)", the "Way 30 ft. wide", the "Way (40 ft. wide)", the "Way (8 ft. wide)", the "Way", the "Way (15 ft. wide)", all as shown on Land Court Plan No. 34423A, the "Way" shown on Land Court Plan No. 13419-2, as the same may be relocated in a manner consistent with the purpose of this Conservation Restriction, the way to the Beach, as the same may be relocated in a manner consistent with the purpose of this Conservation Restriction, and any other traveled ways that exist or may exist from time to time on Herring Creek Farm. Without limiting the foregoing, any existing paved roadways, driveways and parking areas may

be maintained as such or may be resurfaced in the manner of a new roadway as described below, but any new roadways and driveways shall be constructed in a manner substantially similar to existing roadways, except that no new roadways, driveways or parking areas will be paved with any impervious surface, but will be constructed as follows:

Each new road shall be cut in, the topsoil and grass removed from the site, screened hardener put in place so as to build the subgrade up slightly above the existing road edges, and six inches (6") of brown dense mix added to cap off the hardener. The new roads shall be plus or minus eleven feet (11') wide and would be crowned, compacted with a ten-ton roller, and have turnouts. Gravel shall not be used in the construction or maintenance of the new roads.

- (4) Temporary out-buildings and/or trailers customarily used during construction of a house shall be permitted only during such construction (which temporary structures shall also be permitted during construction within a twenty-five foot (25') construction zone around each Development Envelope).
- (5) Fences related to agricultural and farm uses and activities and any fences or shrubbery or plantings necessary or desirable to create visual boundaries and privacy around the structures or other improvements on the Lots or around the Lots or around the East Field, provided that no solid fences shall be permitted (except stone walls are permitted on the Farm and a solid fence is permitted along the boundary line between the Farm and Blue Heron) and no fences, shrubbery or plantings shall materially obstruct the viewshed from Herring Creek Road across the East Field to the Farm. Gates shall also be permitted, subject to written approval by the Association in the case of all gates except those used for agricultural and farming purposes. Fences and gates on the Central Field, East Field and Farm used for agricultural purposes shall be permitted, provided that such fences and gates shall be wooden "split rail" or, with respect to fences on the interior of the Central Field (but not on the perimeter of the Central Field), neutral colored post-and-wire or other material approved by the Association by a two-thirds (2/3) vote of the Association. Snow fencing may be used on the Beach for dune preservation or nesting area enclosures in connection with the management of the Beach.
- (6) (a) One permanent sign indicating the name and/or address of the Owner of the Lot on which such sign is located; (b) a permanent sign six (6) square feet in area indicating the name and/or address of the Owner of the Farm and (c) a permanent sign six (6) square feet in area indicating the name and/or address of the Owner of the Central Field and the East Field. No sign of the nature described in (a) above shall exceed one and one-half (1½) square feet in area.

- (7) Limited and minor Improvements customarily accessory to a residential subdivision on Martha's Vineyard including, without limitation, directional signage (meeting the size requirements set forth in this instrument), front and rear entry improvements, fire protection equipment (including, without limitation, if necessary, enunciator panels), mailboxes and dumpsters within dumpster enclosures.
- (8) Sluiceways and related structures, alterations or improvements as may, from time to time, be necessary or desirable to promote the flow of water between Edgartown Great Pond and Crackatuxet Cove, including the right for others to cross the Property in connection with the maintenance thereof.

D. Open Space Management:

The Owners shall manage their respective Private Open Space, Grantor and the Association shall manage the Beach and Grantor shall manage the Central Field and the East Field. All such management shall be in accordance with the Open Space Management Plan, as said plan may be amended from time to time pursuant to the terms thereof, which plan is annexed hereto as **Exhibit C** and incorporated herein by reference, and to that end:

- (1) Grantor may determine from time to time in the good faith exercise of its professional judgment which portions of the Central Field and the East Field will be devoted to agricultural and/or farming use, the crops that will be produced thereon, the livestock that will be allowed to exist within Central Field and the East Field and where such livestock will be permitted to graze.
- (2) Grantor may determine from time to time in the good faith exercise of its professional judgment, subject to any continuing outdoor recreational rights of the other Owners as permitted under subparagraph 4 of paragraph A of Article VI, which portions of the Central Field and the East Field shall be for restoration and management of native grasslands and other natural communities.
- (3) Grantor may ensure in the good faith exercise of its professional judgment that the uses of the Central Field and the East Field shall be limited to agricultural, farming or other conservation uses, such as natural community management, rare species protection, ecologically compatible agricultural, horticultural, silvicultural and farming activities and educational programs intended to promote a greater understanding of conservation, agriculture and farming issues including, without limitation, crop, hay and flower production, cultivation and harvesting and grazing and pasturage for livestock (with the written permission of the Owner of the East Field with respect to grazing and pasturage for livestock in the East Field) and grazing of privately-owned horses in the Central Field.

- (4) Grantor may determine from time to time in the good faith exercise of its professional judgment, subject to any continuing outdoor recreational rights of the other Owners as permitted under subparagraph 4 of paragraph A of Article VI, whether portions of the Central Field and the East Field will be allowed or encouraged to succeed from one natural condition to another (e.g., from cropland to sandplain grassland/meadow).
- (5) Grantor and Grantee may enforce against all persons the retention of the Private Open Space and the Herring Creek Farm Open Space predominantly in its natural, scenic and open space condition or in agricultural, farming, forest or other conservation use in conformity with the provisions of Article V and Article VI of this instrument.

E. Conveyance:

Nothing contained in this instrument shall be construed to prohibit the right to convey into separate ownership each of the Residential Lots (Lots A, B, C, D, E-1 and E-2 (which Lots E-1 and E-2 shall at all times be held in common ownership), F, G, H, I and Blue Heron), the Farm, the Central Field, the East Field, the Beach and Lot K, provided, pursuant to the provisions of Article VII.K hereof, Grantor incorporates the terms of this Conservation Restriction by reference in any deed or other legal instrument by which it divests itself of any interest in all or a portion of the Property, including, without limitation, a leasehold interest.

F. Lot B Excluded Area:

Grantor reserves for itself and for the Owner of Lot B the following right with respect to the Lot B Excluded Area:

Provided the Lot B Excluded Area is combined with land lying southwesterly of said Lot B which is shown on the Plan as "Marshall N. & Judith F. Cohan" (the "M. Cohan Land") at any time within five (5) years after the Effective Date of this instrument, then the Lot B Excluded Area shall not after such combination be subject to any of the restrictions or other terms of this instrument; provided, however, that during such five (5) year period no structures or other improvements shall be constructed within the Lot B Excluded Area unless the same has in fact been combined with the M. Cohan Land. If the Lot B Excluded Area is not so combined with the M. Cohan Land on or before the expiration of such five (5) year period, then the Lot B Excluded Area shall thereafter be fully subject to all restrictions and other terms of this instrument.

G. Subdivision of Lot K:

Grantor reserves for itself and for the Owner of Lot K the right to subdivide and convey into separate ownership Lot K, provided all portions of Lot K shall remain subject at all times to the restrictions set forth herein generally and specifically with respect to the Central Field.

H. Leasing:

Nothing contained in this instrument shall be construed to prohibit the right to lease or grant other less-than-fee interests in all or any portion the Property for any use permitted by this Conservation Restriction.

I. Consolidation Plan:

Nothing contained in this instrument shall be construed to prohibit Grantor and Grantee from supplementing this Conservation Restriction upon the recordation and filing of the Consolidation Plan solely to replace references herein to the Lot numbers as shown on the Plan with references to the Lot numbers as shown on the Consolidation Plan.

VII. GENERAL PROVISIONS:

A. Pre-existing Rights of the Public and General Public Access.

Approval of this Restriction pursuant to M.G.L. Chapter 184, Section 32 by any municipal officials and by the Secretary of Environmental Affairs is not to be construed as representing the existence or non-existence of any pre-existing rights of the public, if any, in and to the Property, and any such pre-existing rights of the public, if any, are not affected by the granting of this Conservation Restriction. The restrictions hereby imposed do not grant to the general public, nor to any other person, any right of access to any portion of the Property, unless and to the extent expressly herein provided.

B. Undertaking.

Grantor and Grantee understand and agree that construction activity and related development activity, such as the building of roads and residences, may have a temporary, localized adverse impact on certain of the Conservation Values of the Property and those to or in which Grantor has transferred or created enforcement rights agree herein to exercise their monitoring and enforcement responsibilities under this Conservation Restriction in recognition of the likelihood of such temporary disturbance. It is understood and agreed by Grantor that, because such construction activity and development activity may have such temporary adverse impact, Grantor will use all reasonable and necessary efforts to see to it that to the maximum extent possible such activities are carried out in a way not inconsistent with the purpose of this Conservation Restriction that minimizes any temporary adverse impact on the Conservation Values of the Property.

C. Amendment.

If circumstances arise under which an amendment to, or modification of, this instrument would be appropriate with respect to all or any portion of the Property, any Owner(s) affected by such circumstances may seek an amendment to or modification of this Conservation Restriction and Grantor, Grantee (with the

approval of the Secretary of Environmental Affairs and the Edgartown Selectmen where required by law), and the Association (with a two-thirds (2/3) vote of the Association), provided the Association (or any successor organization) is still in existence, may jointly amend this instrument, provided that no amendment shall be allowed that will affect the qualification of this instrument under any applicable laws, including Massachusetts General Laws Chapter 184, Sections 31 through 33, and any amendment shall be consistent with the purpose of this instrument, shall not affect perpetual duration and shall not adversely impact the Conservation Values of the Property. Any such amendment shall be recorded in the Registry and filed with the Land Court and shall not be effective prior to such recordation and filing. Nothing in this paragraph shall require Grantor or Grantee to agree to any amendment or to consult or negotiate regarding any amendment. Notwithstanding the foregoing, Grantor and Grantee shall have no right or power to agree to any amendment or modification that would result in the termination of this Conservation Restriction or that would allow any residences, commercial, commercial recreational, large-scale commercial agricultural or farming or industrial structures or any commercial, commercial recreational, large-scale commercial agricultural or farming or industrial activities not provided for above.

D. Effective Date.

Grantor intends that the restrictions arising hereunder take effect on the day and year above written, and to the extent any enforceability by any person ever depends upon the approval of governmental officials, such approval when given shall relate back to the day and year above written, regardless of the date of actual approval and the date of filing or recording of any instrument evidencing such approval.

E. Recording.

Grantee shall record this instrument in timely fashion in the Registry and shall file the same in a timely fashion in the Land Court and may rerecord it at any time as may be required to preserve its rights in this instrument.

F. Controlling Law.

The interpretation and performance of this instrument shall be governed by the laws of the Commonwealth of Massachusetts.

G. Liberal Construction.

Any general rule of construction to the contrary notwithstanding, this instrument shall be liberally construed in favor of the purpose of this instrument and the protection of the Conservation Values of the Property. If any provision in this instrument is found to be ambiguous, an interpretation consistent with the purpose of this instrument that would render the provision valid shall be favored over any interpretation that would render it invalid.

H. Severability.

If any provision of this instrument or the application thereof to any person or circumstances is found to be invalid, the remainder of the provisions of this instrument shall be not affected thereby.

I. **Entire Agreement.**

This instrument sets forth the entire agreement of the parties with respect to the matters covered hereby and supersedes all prior discussions, negotiations, understandings or agreements relating to such matters, all of each are merged herein and therein. No alteration or variation of this instrument shall be valid or binding unless contained in an amendment that complies with paragraph C of this Article VII.

J. **Binding Restrictions.**

The covenants, restrictions, and easements of this instrument shall run with the Property and shall be binding upon and inure to the benefit of Grantor, Grantee, all current and future Owners of the Property and Blue Heron, and their respective lessees, and the Association and their respective successors and assigns, and shall continue as a servitude running in perpetuity with the Property, provided that no Owner shall be responsible except for violations occurring on such Owner's land during the period in which such Owner is a holder of an interest therein.

K. **Subsequent Transfers.**

Grantor agrees to incorporate by reference the terms of this Conservation Restriction in any deed or other legal instrument by which it divests itself of any interest in all or a portion of the Property, including, without limitation, a leasehold interest. Grantor further agrees to give ten (10) days' prior written notice to Grantee of any such transfer of Grantor's interest in all or any portion of the Central Field (excluding any lease thereof entered into on or around the Effective Date of this Conservation Restriction) or the East Field, including, without limitation, a leasehold interest. The failure of Grantor to perform any act required by this paragraph K of this Article VII shall not impair the validity of this Conservation Restriction or limit its enforceability in any way.

L. **Merger.**

Grantor and Grantee herein agree that should Grantee come to own all or a portion of the fee interest in the Property, (i) Grantee as successor in title to Grantor shall observe and be bound by the terms of this Conservation Restriction, (ii) the Conservation Restriction shall not be extinguished, in whole or in part, through the doctrine of merger in view of the public interest in its enforcement, and (iii) Grantee as promptly as practicable shall assign Grantee's interests (with respect to the fee interest received) in the Conservation Restriction to another holder in conformity with the requirements of paragraph M of this Article VII. Any instrument of assignment of the Conservation Restriction or the rights

conveyed herein shall refer to the provisions of this paragraph L, and shall contain language necessary to continue the Conservation Restriction in force.

M. Conservation Assignee.

Grantor grants to Grantee (and reserves for itself) the right to assign and transfer the rights, powers and privileges hereunder, in compliance with the provisions of Article 97 of the Amendments to the Massachusetts Constitution, to a charitable corporation or trust (i) whose purposes include conservation of land or water areas (ii) who, at the time of assignment qualifies under Section 170(h) of the Internal Revenue Code of 1986, as amended, and applicable regulations thereunder and under Massachusetts General Laws Chapter 184, Section 32 as an eligible holder of this Conservation Restriction and (iii) to which the Grantee (or Grantor) assign in writing their rights, privileges, and powers hereunder. Upon any such assignment and transfer and the recordation of a written instrument evidencing such assignment and transfer, such assignee shall succeed to all of such rights, powers and privileges to the same extent and with the same force as if such assignee had been originally named herein. This instrument is not a deed and does not purport to be a transfer of a fee interest.

N. Notices.

Any notice, demand, request, consent, approval or communication that any party desires or is required to give to another party shall be in writing and sent either (i) by United States Postal Service, certified mail, return receipt requested, (ii) by any nationally known overnight delivery service for next day delivery or (iii) delivered in person, addressed as follows or to such other address as any party from time to time shall designate by written notice to the others:

To Grantor:

The Nature Conservancy
Massachusetts Field Office
205 Portland Street, Suite 400
Boston, MA 02114-1708

with a copy to:

The Nature Conservancy
Eastern Regional Office
11 Avenue de Lafayette
Boston, MA 02111
Attn: Hans P. Birle, Esq.

with a copy to:

Herring Creek Farm Landowners
Association, Inc.
P.O. Box 2780

Edgartown, MA 02539

with a copy to:

The Owners of the Lots:

To such addresses as may be provided by each Owner to the Association or the address to which the real estate tax bill for such Owner's Lot is sent if the Owner has failed to provide any address to the Association.

To Grantee:

Edgartown Conservation Commission
Box 1065
Edgartown, MA 02538

O. Certificate of Estoppel.

Grantor and Grantee shall, upon demand at any time by any Owner of (i) a Residential Lot, (ii) the Farm, (iii) the Central and East Fields or (iv) the Beach, furnish to such Owner a certificate in writing signed by a duly authorized officer of Grantor and Grantee and in a form suitable to be filed of record stating whether such Owner is in compliance with the terms and provisions of this instrument. Such certificate shall be conclusive evidence of compliance with the terms and provisions herein, and the signature of such officer shall be conclusive evidence of his or her authority to sign and deliver such certificate.

P. Captions.

The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this instrument nor the intent of any provisions hereof.

Q. Waiver.

No provision contained in this instrument shall be deemed to have been abrogated or waived by reason of any failure to enforce same, irrespective of the number of violations or breaches which may occur.

R. Hazardous Material.

The applicable Owner shall hold harmless, indemnify and defend Grantee and Grantor from and against all liabilities, penalties, costs, losses, damages, expenses, causes of action, claims, demands or judgments, including, without limitation, reasonable attorneys' fees, arising from or in any way connected with the presence or release of any hazardous material or substance of any kind on such Owner's respective portion of the Property. This paragraph R shall not apply in the case of any hazardous material or substance in any manner placed on

the Property by Grantee, Grantee's representatives or agents, Grantor or Grantor's representatives or agents.

S. Indemnification.

Grantor, its successors and assigns agree to release, hold harmless, defend and indemnify Grantee from any and all liabilities including, but not limited to, injury, losses, damages, judgments, costs, expenses and fees which Grantee may suffer or incur as a result of or arising out of the activities of Grantor or its successors and assigns on the Property. Grantee agrees to release, hold harmless, defend and indemnify Grantor from any and all liabilities including, but not limited to, injury, losses, damages, judgments, costs, expenses and fees which Grantor may suffer or incur as a result of or arising out of the activities of Grantee (other than activities by Grantee in connection with its monitoring and enforcement of the provisions of this Conservation Restriction pursuant to the provisions of Article IV of this Conservation Restriction).

T. Discretionary Consent.

The consent of Grantor and Grantee to permit certain structures, alterations or other Improvements or uses, acts and activities otherwise prohibited herein may be given under the following conditions and circumstances. If, owing to unforeseen or changed circumstances, certain of the structures, alterations or other Improvements or uses, acts and activities prohibited in Article V are deemed desirable by Grantor, Grantee and the Association (by a two-thirds (2/3) vote of the Association), Grantor, Grantee and the Association (acting unanimously) may give written permission for such structures, alterations or other Improvements or uses, acts and activities, subject to the limitations herein. Such requests for permission shall be in writing and describe the proposed structures, alterations or other Improvements or uses, acts and activities in sufficient detail to allow Grantor, Grantee and the Association to judge the consistency of the proposed structures, alterations or other Improvements or uses, acts and activities with the purpose of this Conservation Restriction. Grantor and Grantee may give their permission only if they determine in consultation with the Association that such structures, alterations or other Improvements or uses, acts and activities (i) do not violate the purpose of this Conservation Restriction and (ii) either enhance or do not impair any significant Conservation Values of the Property. Notwithstanding the foregoing, Grantor and Grantee shall have no right or power to agree to any structures, alterations or other Improvements or uses, acts and activities which would result in the termination of this Conservation Restriction or to allow any residences, commercial, commercial recreational, large-scale commercial agricultural or farming or industrial structures or any commercial, commercial recreational, large-scale commercial agricultural or farming or industrial activities not provided for above.

U. Baseline Report.

The specific Conservation Values of the Property are documented in a report prepared by The Nature Conservancy and kept on file at the offices of The Nature

Conservancy, Grantee and the Association, which report shall be deemed incorporated herein by this reference (the "Baseline Report"). The Baseline Report is intended to serve as an objective information baseline for monitoring compliance with and implementation of the terms of this Conservation Restriction. The Owners will review and comment, if necessary, on the Baseline Report and submit signed certificates of approval of its contents to The Nature Conservancy and the Association, which approval shall not be unreasonably withheld. In the event an Owner disagrees with any aspect of the Baseline Report as presented, such Owner will provide a reasonably detailed explanation of the reasons for such disagreement to Grantor. As changes to the present state of the Property are contemplated in this instrument, the Baseline Report may be updated by Grantor, and Grantee and the Owners will review and approve such changes in the same manner as set forth in this paragraph T with respect to the initial Baseline Report. Copies of any such changes or supplements to the Baseline Report shall be provided to Grantee.

V. Counterparts.

This DEED OF CONSERVATION RESTRICTIONS may be executed in several counterparts and by each signatory on a separate counterpart, each of which when so executed and delivered shall be an original, but all of which together shall constitute one document.

[Signatures and Acknowledgments on Following Pages]

IN WITNESS WHEREOF, Grantor has executed this instrument under seal as of the date first written above.

GRANTOR:

THE NATURE CONSERVANCY:

By: [Signature]
Name: Dennis B. Wolkoff
Its: V.P.

COMMONWEALTH OF MASSACHUSETTS

Suffolk County, ss. 7/4, 2001

Then personally appeared the above-named Dennis B. Wolkoff V.P. of The Nature Conservancy, and acknowledged the foregoing instrument to be his/her free act and deed and the free act and deed of The Nature Conservancy, before me.

[Signature]
Notary Public Cynthia Quinn
My commission expires: 12/20/07

ACCEPTANCE OF GRANT

The Deed of Conservation Restrictions is accepted this ___ day of _____, 2001.

GRANTEE:

CONSERVATION COMMISSION

By: [Signature]
Name: _____
Its: _____

COMMONWEALTH OF MASSACHUSETTS

Dukes County, ss. _____, 2001

Then personally appeared the above-named Edward W. Vincent Jr. Chairman of the Edgartown Conservation Commission, and acknowledged the foregoing instrument to be his/her free act and deed and the free act and deed of the Edgartown Conservation Commission, before me.

Paul D. [Signature]

Notary Public

My commission expires:

MY COMMISSION EXPIRES
MARCH 21, 2008

APPROVAL BY SELECTMEN

We, the undersigned, being a majority of the Selectmen of the Town of Edgartown, Massachusetts, hereby certify that at a meeting duly held on _____, 2001, the Selectmen voted to approve the foregoing Deed of Conservation Restrictions pursuant to M.G.L. Ch. 184, § 32 and M.G.L. Ch. 40, § 8C.

Selectmen

[Signature]
[Signature]

Fred B. Morgan, Jr.

COMMONWEALTH OF MASSACHUSETTS

_____ County, ss. _____, 2001

Then personally appeared the above-named _____ and acknowledged the foregoing instrument to be his/her free act and deed, before me.

[Signature]
Notary Public

My commission expires: AUGUST 31, 2001

COMMONWEALTH OF MASSACHUSETTS

_____ County, ss. _____, 2001

Then personally appeared the above-named _____ and acknowledged the foregoing instrument to be his/her free act and deed, before me.

Peter Bettercourt
Notary Public

My commission expires: *AUGUST 31, 2001*

COMMONWEALTH OF MASSACHUSETTS

_____ County, ss. _____, 2001

Then personally appeared the above-named _____ and acknowledged the foregoing instrument to be his/her free act and deed, before me.

Peter Bettercourt
Notary Public

My commission expires: *AUGUST 31, 2001*

APPROVAL BY THE SECRETARY OF THE
EXECUTIVE OFFICE OF ENVIRONMENTAL AFFAIRS

The undersigned Secretary of the Executive Office of Environmental Affairs of the Commonwealth of Massachusetts hereby certifies that the grant of the foregoing Deed of Conservation Restrictions, Herring Creek Farm, Edgartown, Massachusetts to the Conservation Commission of the Town of Edgartown in the name of the Town of Edgartown, by The Nature Conservancy, with respect to land located in Edgartown, Massachusetts, known as Herring Creek Farm and described herein as the "Property," has been approved in the public interest pursuant to Massachusetts General Laws Chapter 184, Section 32.

Date: _____

Secretary of the Executive Office of
Environmental Affairs of the
Commonwealth of Massachusetts

COMMONWEALTH OF MASSACHUSETTS

_____ County, ss. _____, 2001

Then personally appeared the above-named _____ and acknowledged the foregoing instrument to be his/her free act and deed, before me.

Notary Public
My commission expires:

EXHIBIT A
TO
DEED OF CONSERVATION RESTRICTIONS

LEGAL DESCRIPTION OF HERRING CREEK FARM

The land with the improvements thereon in Edgartown, Dukes County, Commonwealth of Massachusetts, more particularly bounded and described as follows:

Being (i) Lots 70 through 108, Lot 80A, Lot 81A, Lot 82A, Lot 83A, Lot 83B and Lot 84A, all as shown on a plan entitled "Plan of Land in Edgartown, Mass. Being a Subdivision of Lot 69, CP 13419-14; Scale 1" = 100'; June 15, 2001; Schofield, Barbini & Hoehn, Inc., Box 339, State Road, Vineyard Haven, Mass.; Owners: James M. Hurley, Trustee of Herring Creek Farm Trust, Certificate #5859, James M. Hurley, Trustee of Herring Creek Farm Trust, Certificate # 5746; MV 5023, C4-1 through C4-6" to be recorded in the Dukes County Registry of Deeds herewith and to be registered with the Dukes County Registry District of the Land Court as Land Court Plan 13419-15 (the "Plan"); (ii) the lot identified on Land Court Plan No. 13419A as owned by "Albert K. Vincent" which is also shown as "Wood Lot" on a plan entitled "land in Edgartown, Mass. Surveyed for B. Harrison Cohan, et als.; December 11, 1969; Scale: 1" = 200'/ Dean R. Swift, Reg'd Land Surveyor, Vineyard Haven, Mass." recorded in the Dukes County Registry of Deeds as Edgartown Case File No. 37 (to the extent of a 2/8 tenancy in common interest), (iii) Lot 104A on the Plan and (iv) Herring Creek Farm Lane, Butler's Neck Road and Cove Road, all as shown on the Plan.

Together with the benefit of rights to use Old Slough Cove Road as shown on Land Court Plan No. 34423A f or all purposes for which streets and ways may be used in the Town of Edgartown.

There is appurtenant to a portion of the aforementioned land a right of way by necessity over the land of Albert K. Vincent as shown on Land Court Plan No. 13419A.

There is appurtenant to a portion of the aforementioned land a right of way to be used as ways are ordinarily used in Edgartown to pass and repass over Lots A and B as shown on Land Court Plan No. 13419A.

Together with any and all rights of way by necessity or otherwise from any portion of the Beach as shown on such Plan to Herring Creek Farm Road or Atlantic Drive across land now or formerly owned by Henry Foley, et al, Trustees, of the Crackatuxet Trust.

For Title References, see the following sources:

1. Certificate of Title No. 5859.
2. Certificate of Title No. 5746.
3. Deed dated October 21, 1970 and recorded in the Dukes County Registry of Deeds in Book 286, Page 160.
4. Deed dated December 29, 1986 and recorded in the Dukes County Registry of Deeds in Book 464, Page 721.

EXHIBIT B
TO
DEED OF CONSERVATION RESTRICTIONS

LEGAL DESCRIPTION OF BLUE HERON

A certain parcel of land, with the buildings thereon, situate in said Edgartown, and being shown as Lot 2 on a plan of land entitled "Plan of Land in Edgartown, Mass.; Surveyed for Joseph W. Yowell Et Ux; July 14, 1973; Scale 1" = 120"; Dean R. Swift, Reg'd Land Surveyor, Vineyard Haven, Mass." recorded Dukes County Registry of Deeds Book 265, Page 181 and being further bounded and described as follows:

Northerly by Lot 1 as shown on said Plan, 150.60 feet; Southwesterly by land now or formerly of Herring Creek Farm Trust, as shown on said Plan, 199.51 feet and 199.97 feet; Southeasterly by a Right of Way (15 feet wide) as shown on said Plan, 305.75 feet; Northeasterly by land identified as "1940 L.O." as shown on said Plan, 228.17 feet; Northeasterly by Slough Cove Road 1970 L.O. as shown on said Plan, 156.97 feet.

EXHIBIT C
TO
DEED OF CONSERVATION RESTRICTIONS

OPEN SPACE MANAGEMENT PLAN

The Open Space Management Plan addresses the manner in which the Private Open Space and the Herring Creek Farm Open Space will be preserved and protected within the project development at Herring Creek Farm. The Open Space Management Plan may be amended from time to time by agreement among Grantor, Grantee and the Association. Representatives of Grantor, Grantee and the Association shall meet at least annually to discuss the results of the Open Space Management Plan over the preceding year and the goals and objectives under the Open Space Management Plan for the coming year, including any plans for prescribed burning.

Existing Conditions

As a working farm, Herring Creek Farm offers expansive open space. In addition to the open agricultural land, the site contains a variety of open spaces such as beach, dunes, thickets and wet meadow.

Existing vegetation is illustrated in Figure 1

Post-Development Condition and Mitigation

Approximately 85 percent of the existing open space will remain post-development. The areas consisting of the East Field and the Central Field will be used for the following activities, the precise locations for which activities will be determined by The Nature Conservancy after further analysis: the restoration and management of native grasslands and other natural communities, natural community management, rare species protection, ecologically compatible agricultural, horticultural, silvicultural and farming activities and educational programs intended to promote a greater understanding of conservation, agriculture and farming issues including, without limitation, crop, hay and flower production, cultivation and harvesting and grazing and pasturage for livestock (with the express, prior, written permission of the Owner of the East Field with respect to grazing and pasturage for livestock in the East Field) and grazing of privately-owned horses in the Central Field. The Beach and dune system will remain undeveloped and will be managed by the Association in conjunction with The Nature Conservancy in a manner that does not adversely impact the Conservation Values of the Property. All of such open space is subject to a non-exclusive easement set forth in that certain Amended and Restated Declaration of Covenants, Restrictions and Easements, Herring Creek Farm, Edgartown, Massachusetts (the "Amended Declaration"), recorded and filed by Grantor simultaneously with the Conservation Restrictions, which easement permits outdoor recreational activities to the extent permitted by subparagraph 4 of paragraph A of Article VI. The unique visual quality of the farm as unbroken open space (existing and proposed) is maintained by the development plan.

Uncontrolled access to the Beach and dune system, Crackatuxet Cove and Edgartown Great Pond will be discouraged due to the sensitive, fragile nature of this landform and the presence of rare species. Existing access to the Beach system and ponds will not be changed, except that the

way to the Beach may be relocated in a manner consistent with the purpose of this Conservation Restriction.

Plan

The Plan, as revised, establishes the location of rights-of-way and roadways, and the Development Envelope Plan establishes the location of the Private Open Space and the Development Envelopes within which (i) one (1) detached single-family residence, related facilities, and landscaping are permitted on each Residential Lot, (ii) residential, agricultural and farming structures, related facilities (accessory to natural community management, agricultural, horticultural or silvicultural uses and educational programs intended to promote a greater understanding of conservation, agriculture and farming issues) and landscaping are permitted on the Farm, (iii) a horse barn is permitted on the Central Field and (iv) a barn is permitted on Lot J.

Development Envelopes are designated as to size and located on the Development Envelope Plan. The sewage disposal location and water well location may be in an area outside the Development Envelopes, and in some cases may occur on separate lots. In no event shall the sewage disposal occur on the East Field or on the Beach. Such sewage disposal and water wells are permitted on the Central Field, provided Grantee shall have determined and confirmed in writing that such sewage disposal and water wells shall not adversely impact the agricultural use of the Central Field or the conservation use or the water quality and health of Edgartown Great Pond or Crackatuxet Cove.

Roadways/Driveways

The Plan, as revised, establishes right-of-way and roadway locations, such as the ways shown as Herring Creek Farm Lane, Butler's Neck Road, Cove Road, "30' Way", "15' Way", "Way (8 ft. wide)" and the "Way" on the Plan, the "Way (15.00 Wide)" shown on Land Court Plan No. 13419X, the "Way (30.00 ft. wide)", the "Way 30 ft. wide", the "Way (40 ft. wide)", the "Way (8 ft. wide)", the "Way", the "Way (15 ft. wide)", all as shown on Land Court Plan No. 34423A, the "Way" shown on Land Court Plan No. 13419-2, as the same may be relocated in a manner consistent with the purpose of this Conservation Restriction, and the way to the Beach, as the same may be relocated in a manner consistent with the purpose of this Conservation Restriction. New roadways shall be approximately 10 foot traveled width with three foot shoulders. Existing paved roadways, driveways and parking areas may be maintained as such or may be resurfaced in the manner of a new roadway as described below, but any new roadways and driveways shall be constructed in a manner substantially similar to existing roadways, except that no new roadways, driveways or parking areas will be paved with any impervious surface, but will be constructed as follows:

Each new road shall be cut in, the topsoil and grass removed from the site, screened hardener put in place so as to build the subgrade up slightly above the existing road edges, and six inches (6") of brown dense mix added to cap off the hardener. The new roads shall be plus or minus eleven feet (11') wide and would be crowned, compacted with a ten-ton roller, and have turnouts. Gravel shall not be used in the construction or maintenance of the new roads.

At least one turnout will be provided where horizontal site distance is less than 200 feet or at the discretion of the Edgartown Planning Board.

Any Lots to be served by Town water to be installed underground in the roadway shoulders. Utilities, including, without limitation, electricity, telecommunications and gas, to be installed underground in roadway shoulders. Sewer pipes will be constructed beneath the roadways, or traveled way of the roads, within the Subdivision.

Location of driveways will be set from right-of-way to Development Envelope and will be located so as to reduce impact on the thicket. Driveways shall be 10 feet wide and constructed of natural sand or stone or finished with a permeable surface, except that existing paved driveways may remain as such.

Where residences are sited in clusters and/or can be served by a shared drive, a common drive and compatibly arranged garages are required, except that Blue Heron and the Farm shall not be required to share a driveway.

Parking will be permitted along the shoulder of the site roads only in designated locations.

Intent of the Management Plan

It is the intent of the plan for development of Herring Creek Farm, as provided for in this instrument, that the environment for wildlife and plant diversity on and around the farm property not be adversely impacted. It is also the intent that the visual character of Herring Creek Farm with its open sweeps of landscape be maintained, that the ability to maintain farm uses be achieved, and that trees and fences be used to frame the open space, to create visual boundaries and privacy around the structures or other improvements on the Lots or around the Lots and to integrate structures into the land.

The Open Space Management Plan for those areas not included in Development Envelopes and roadways accomplishes the intended outcomes through two basic management strategies. First, those areas consisting of wetland, woodland and beach will be preserved largely in their entirety as open space and habitat. Second, those areas currently in fields will be largely maintained in open space as grassland, agricultural, farming or other conservation uses.

The open space in the Central Field and the East Field will be devoted to the restoration and management of native grasslands and other natural communities, protection of rare species, conservation, agricultural and farm uses and activities intended to promote a greater understanding of such uses, including, without limitation, crop, hay and flower production, cultivation and harvesting and grazing and pasturage for livestock in the Central Field and the East Field (with the express, prior written permission from the Owner of the East Field) and grazing of privately-owned horses in the Central Field. Both such fields are subject to a non-exclusive easement set forth in the Amended Declaration, which easement permits outdoor recreational activities to the extent permitted by subparagraph 4 of paragraph A of Article VI; provided such outdoor recreational activities do not interfere with those areas of the Central Field dedicated from time to time to agricultural use and, with respect to the East Field, are limited to a perimeter trail to be established by the Owner of the East Field, the use of which perimeter trail may be restricted by the Owner during the Owner's use of prescribed burning thereon. Another type of field open space, transitional areas, are located primarily in the Private Open Space and will be either maintained in meadow grasses or allowed to succeed over time to a more thicket-like condition.

Management Strategy

The following are the essential characteristics of the management strategy for each of the land areas.

1. Wetlands - areas bordering and including the fresh water ponds, salt marsh along the edge of Edgartown Great Pond and Crackatuxet Cove, and wet thickets.
 - Access to edges will be limited to the Owner of the Lot.
 - Access to Great Pond and Crackatuxet Cove is limited by rules and regulations related to use and access to the Pond adopted by the Town of Edgartown, the Martha's Vineyard Commission and the Commonwealth of Massachusetts, and in effect as of July 20, 1998.
 - Operation and maintenance of sluiceway will be coordinated with the Town, which maintenance may include, without limitation, the removal of Invasive Plant Species, such as Phragmites and Purple Loosestrive.
2. Beach and Dune - areas along the ocean front shall be managed by the Association in conjunction with The Nature Conservancy in a manner that does not adversely impact the Conservation Values of the Property.
 - No motorized vehicles on the Beach south of the Sluiceway, except for security, emergencies, The Nature Conservancy's or the Association's beach management activity, or municipal maintenance and dredging of the Sluiceway and the breach between Edgartown Great Pond and the Atlantic Ocean and only in a manner that does not adversely impact the Conservation Values of the Property. To the extent necessary to preserve or abate damage to the dunes, points of access across primary dunes will be posted by the Association in consultation with The Nature Conservancy; however, every reasonable effort will first be made to communicate this information by other means, including orally, by posting near any parking area for the Beach designated by the Association on a sign not to exceed 1 ½ sq. ft., or by written communication at the address of record for each Owner.
 - So-called "roll-up" wooden walkways (where appropriate to avoid or abate damage to dunes) and sluiceway bridges to Beach will be provided. Walkways will be seasonally removable and relocatable in response to nesting shorebird activity.
 - Interpretive signage will be provided that focuses on protecting sensitive areas; however, every reasonable effort will first be made to communicate this information by other means, including orally, by posting near any parking area for the Beach designated by the Association on a sign not to exceed 1 ½ sq. ft., or by written communication at the address of record for each Owner..
 - Beach manicuring, such as raking, will be prohibited.

- The nesting and feeding habitat of shorebirds will be managed, including the monitoring of breeding activity and protection of nests; provided, however, such protection shall in no event prevent access to the Beach by those entitled thereto.

3. Oak Woodland - north of entry road and Central Fields.

- Natural succession will be allowed, including non-removal of blowdowns. Selective cutting is allowed on the Property by (a) the Owners when such cutting is required to (i) clear such vegetation to allow for construction permitted hereunder within their respective Development Envelopes, (ii) clear such vegetation from locations where it poses a threat to the dwellings, other structures or other improvements on their respective Lots, (iii) preserve views and selectively clear views (with the written approval of Grantee), including, without limitation, the creation of fifteen degree (15°) view channels on their respective Lots (with the written approval of Grantee), and (iv) make trails for horseback or bicycle riding or pedestrian access to or through their respective Lots in a manner that is consistent with the terms and provisions of this instrument and (b) by The Nature Conservancy with respect to the Herring Creek Farm Open Space or by the Owners in consultation with The Nature Conservancy with respect to their respective Private Open Space and Development Envelopes when such cutting is required to (i) manage rare species habitat, (ii) manage native grassland and other natural communities, (iii) remove Invasive Plant Species, and (iv) maintain the viewshed from Herring Creek Road across the East Field to the Farm.

- Wildlife diversity will be promoted.

4. Shrub Thickets - between fields and wetlands.

- Selective cutting is allowed on the Property by (a) the Owners when such cutting is required to (i) clear such vegetation to allow for construction permitted hereunder within their respective Development Envelopes, (ii) clear such vegetation from locations where it poses a threat to the dwellings, other structures or other improvements on their respective Lots, (iii) preserve views and selectively clear views (with the written approval of Grantee), including, without limitation, the creation of fifteen degree (15°) view channels on their respective Lots (with the written approval of Grantee), and (iv) make trails for horseback or bicycle riding or pedestrian access to or through their respective Lots in a manner that is consistent with the terms and provisions of this instrument and (b) by The Nature Conservancy with respect to the Herring Creek Farm Open Space or by the Owners in consultation with The Nature Conservancy with respect to their respective Private Open Space and Development Envelopes when such cutting is required to (i) manage rare species habitat, (ii) manage native grassland and other natural communities, (iii) remove Invasive Plant Species, and (iv) maintain the viewshed from Herring Creek Road across the East Field to the Farm.

- Natural succession of thickets will be encouraged. Wildlife tunnels will be provided under drives where necessary to allow wetland access for fossorial species.

5. Hedgerows

- Allowed to provide screening and definition of the Private Open Space.
- Indigenous species of native Vineyard genetic stock will be selected.
- A plant materials list for hedgerow areas shall be submitted to and approved in writing by Grantee prior to installation.

6. Transitional Areas - smaller units of land in the Private Open Space will be either meadow grass or natural succession.

- Grasses, wildflowers, eastern red cedars and plants of native Vineyard genetic stock will be planted.
- Areas will be allowed to succeed naturally or will be mowed.

7. Restoration and Agriculture (Central Field, East Field and the Farm)

- Restoration and management of native grasslands and other natural communities.
- Groundwater will be protected by elimination and, with respect to the East Field, exclusion of crops requiring fertilization. Use of synthetic fertilizers is prohibited.
- Management will be coordinated by The Nature Conservancy.
- Agriculture, farming or other conservation uses, such as natural community management, ecologically compatible agricultural, horticultural, silvicultural and farming activities and educational programs intended to promote a greater understanding of conservation, agriculture and farming issues including, without limitation, crop, hay and flower production, cultivation and harvesting and grazing and pasturage for livestock on the Central Field, the Farm and the East Field (with the express, prior, written permission of the Owner of the East Field) and grazing of privately-owned horses on the Central Field.

EXHIBIT D
TO
DEED OF CONSERVATION RESTRICTIONS
INVASIVE PLANT SPECIES

WIDESPREAD AND INVASIVE

Ailanthus altissima (Mill.) Swingle
Alltaria petiolata (Bieb.) Cavara & Grande
Berberis thunbergii DC.
Celastrus orbiculatus Thunb.
Centaurea biebersteinii DC.
Euphorbia cyparissias L.
Frangula alnus Mill.
Hesperis matronalis L.
Lonicera xbella Zabel
Lonicera Morrowii A. Gray
Lythrum salicaria L.
Nasturtium officinale R. Br.
Phragmites australis (Cav.) Trin.
Polygonum cuspidatum Sieb. & Zucc.
Rhamnus cathartica L.
Robinia pseudoacacia L.
Rosa multiflora Thumb.
Tussalogo farfara L.
Vincetoricum nigrum (L.) Moench.

Tree-of-heaven
Garlic Mustard
Japanese Barberry
Asiatic Bittersweet
Spotted Knapweed
Cypress Spurge
European Buckthorn
Dame's Rocket
Bella Honysuckle
Morrow's Honeysuckle
Purple Loosestrife
Watercress
Common Reed
Japanese Knotweed
Buckthorn
Black Locust
Multiflora Rose
Coltsfoot
Black Swallow-wort

RESTRICTED AND INVASIVE

Aegopodium podagraria L.
Ampelopsis brevipedunculato (Maxim.) Trautv.
Butomus umbellatus L.
Cabomba caroliniana A. Gray
Cardamine impatiens L.
Elaegnus umbellata Thumb.
Euonymus alatus (Thumb.) Sieb.
Glyceria maxima (Hartman) Holmburg
Iris pseudacorus L.
Lepidium latifolium L.
Lonicera japonica Thumb.
Lystmnachia nummularia L.
Lystmachia vulgaris L.
Microstegium vimineum (Trin.) A. Camus
Myriophyllum heterophyllum Michx.
Myriophyllum spicatum L.
Potamogeton crispus L.

Goutweed
Porcelain Berry
Flowering-rush
Fanwort

Autumn Olive
Winged Euonymus
Tall Mannagrass
Yellow Iris
Tall Pepperwort
Japanese Honeysuckle
Moneywort
Garden Loosestrife
Japanese Stilt Grass
Variable Water-milfoil
European Water-milfoil
Crispy-leaved Pondweed

Rubus phoenicolasias Maxim.
Trapa natans L.
Vincetoxicum rossicum (Kleo.) Barb.

POTENTIALLY INVASIVE

Acer ginnala L.
Acer platanoides L.
Acer pseudoplatanus L.
Acorus calamus L.
Aira caryophyllea L.
Allium vineale L.
Alnus glutinosa (L.) Gaertner
Amorpha fruticosa L.
Athraxon hispidus (Thumb.) Makino
Berberis vulgaris L.
Bronus tectorum L.
Callitriche stagnalis Scop.
Carex kobomugi Ohwi
Catalpa bignonioides Walter
Catalpa speciosa Warder
Cirsium avrense (L.) Scop.
Cirsium palustre (L.) Scop.
Cycloloma atriplicifolium (Spreng.) Coult.
Cyrinus scoparius (L.) Link
Datura stramonium L.
Deschampsia caespitosa (L.) Beauv.
 var. parviflora (Thuil.) Richter
Egeria densa Planchon
Elaeagnus angustifolia L.
Elsholtzia ciliata (Thumb.) Hylander
Epilobium hirsutum L.
Euphorbia esula L.
Froelichia gracilis (Hook.) Moq.
Geranium nepalense Sweet
Glechoma hederacea L.
Humulus japonicus Sieb. & Zucc.
Hydrilla verticillata (L.f.) Royle
Hydrocharis morsus-ranae L.
Impatiens glandulifera Royle
Kochia scoparia (L.) Schrader
Ligustrum obtusifolium Sleb. & Zucc.
Ligustrum ovalifolium Hassk.
Ligustrum vulgare L.
Lonicera maackii (Rupr.) Maxim.
Lonicera tatarica L.

Wineberry
Water Chestnut
Swallow-wort
Bamboo
Horseradish
Mint

Amur Maple
Norway Maple
Sycamore Maple
Sweet Flag
Silver Hairgrass
Wild Garlic
European Black Alder
False Indigo

Barberry
Dropping Brome-grass

Southern Catalpa
Northern Catalpa
Canada Thistle
Marsh Thistle
Winged Pigweed
Scotch Broom
Jimsom-weed

Tufted Hairgrass
Brazilian Water-weed
Russian Olive
Elsholtzia
Hairy Willow-herb
Leafy Spurge
Cottonwood
Nepalese Crane's-bill
Gill-over-the-ground
Japanese Hops
Hydrilla
European Frog's bit

Summer Cypress
Border Privet
California Privet
European Privet
Amur Honeysuckle
Tatarian Honeysuckle

Lanicera xylosium L.
Lychnis flos-cululi L.
Marsilea quadrifolia L.
Miscanthus sinensis Anders.
Myosotis scorpioides L.
Myriophyllum acq.ium (Vell.) Verdc.
Najas minor Allions
Nelumbo lutea (Willd.) Pers.
Nymphoides peltata (Gmel.) Kuntze
Ornithogalum umbellatum L.
Paulownia tomentosa (Thumb.) Steudel
Phalaris arundinacea L.
Poa compressa L.
Polygonum cespitosum Blume
Polygonum perfoliatum L.
Populus alba L.
Pueraria lobata (Willd.) Owhi
Rammculus ficaria L.
Rumex acetosella L.
Senecio jacobea L.
Silphium perfoliatum L.
Solanum dulcamara L.
Valeriana officinalis L.
Veronica beccabunga L.

European Fly-honeysuckle
Ragged Robin
Water Shamrock
Eulalia
Forget-me-not
Parrotfeather
Eutrophic Water-nymph
American Water Lotus
Yellow Floating Heart
Star of Bethlehem
Empress-tree
Reed Canary-grass
Canada Blue-grass

Mile-a-Minute Vine
White Poplar
Kudzu-vine
Lesser Celandine
Sheep Sorrel
Stinking Willie, Tansy Ragwort
Cup-plant
Climbing Nightshade
Garden-heliotrope
Brooklime

ADDITIONAL POTENTIALLY INVASIVE TAXA

Azolla caroliniana Willd.
Eichhornia crassipes (Mart.) Solms-Laub.
Pistia stratiates L.

Eastern Mosquito Fern
Water Hyacinth
Water Lettuce

Suggested for inclusion but in need of supporting documentation:

Eragrostis curvula (Sohrader) Nees
Lespedeza cuneata (Dumont) G. Don
Phellodendron japonicum Maxim
rosa rugosa Thumb.
Taxus cuspidata Sieb. & Zucc.

Weeping Love-grass

Cork-tree
Japanese Rose
Japanese Yews

EXHIBIT E
TO
DEED OF CONSERVATION RESTRICTIONS
HERRING CREEK FARM LOT NUMBERS

Lot	Subdivision Plan*	Plan	Consolidation Plan
Farm	1 and 33	71 & 103	1
A	2	72	2
B	3	73	3
C	4	74	4
D	5-9	75-79	5
E-1	10	80+80A	6.B
E-2	11-12	81+105+81A+82+106+82A	6.A
F	13-15	83+83A+83B+84+107+108 +84A+85	7
G	16-17	86-87	8
H	18-20	88-90	9
I	30-31	100-101	10
J	32 (part of East Field)	102	
K	29 (part of Central Field)	99	
Central Field	21-28	91-98	
East Field	East Field	70	
Beach	Beach	104+104A	
Blue Heron	John H. Wallace Et. AL	John H. Wallace Et. AL	

*That certain definitive subdivision plan entitled "Herring Creek Farm, Edgartown, Massachusetts" by Sasaki Associates, Inc., 64 Pleasant Street, Watertown, MA 02172, Project No. 71800 and Schofield, Barbini & Hoehn, Inc., 97 State Road, Vineyard Haven, MA 02568, dated July 23, 1999 (the "Subdivision Plan"), which Subdivision Plan was approved by the Edgartown Planning Board and the Martha's Vineyard Commission and recorded with the Registry as Edgartown Case File No. _____. See Stipulation and Agreement by and between Stuart R. Johnson, Trustee of Herring Creek Farm Trust, Stuart R. Johnson, Trustee under Declaration of Trust dated April 26, 1976 and The Nature Conservancy to be recorded and registered herewith.

EXHIBIT F
TO
DEED OF CONSERVATION RESTRICTIONS

LEGAL DESCRIPTION OF THE LOT B EXCLUDED AREA

The Lot B Excluded Area shall mean the portion of Lot B which is bounded and described as follows: beginning at the corner where the northwesterly boundary of Lot C meets the southwesterly boundary of Lot B; thence running northeasterly along said northwesterly boundary of Lot C for a distance of 85 feet; thence turning at a right angle to the northwest and running northwesterly for a distance of 150 feet; thence turning at a right angle to the southwest and running southwesterly for a distance of 45 feet; thence turning at a right angle again to the northwest and running northwesterly for a distance of 200 feet; thence turning at a right angle again to the southwest and running southwesterly to the southwesterly boundary of Lot B (i.e., the common boundary with the M. Cohan Land); and thence turning to the southeast and running southeasterly along said common boundary a distance of 380 feet more or less to the point of beginning.

CHOATE, HALL & STEWART

MEMORANDUM

To: Hans P. Birle, Esq.

cc: Roger Bamford
Kenneth Glusman, Esq.

From: Frank Giso III, PC

Date: October 18, 2001

Re: Status of Negotiations with Herring Creek Acquisition Company Regarding "Tax Make-Whole Payment"

The basic deal between The Nature Conservancy ("TNC") and Herring Creek Acquisition Company ("HCAC") is that TNC will cover any tax liability incurred by HCAC as a result of TNC's having conveyed Lots 2 and 3, Blue Heron and Sanderling (collectively, the "Conveyed Lots") to HCAC for no consideration, but subject to the further agreement that TNC will receive a credit against the "tax make-whole payment" (the "TMW Payment") to reflect the charitable deductions that HCAC will be able to pass through to its members based upon HCAC having made a bargain sale gift to TNC (the "Bargain Sale Gift") of some portion of the "preemptive rights" under the so-called 1969 Agreement. Currently, there is a \$3,299,000 (plus some amount of accrued interest) escrow account (of which Dan Gleason of Nutter, McClennan & Fish and I are the co-escrow agents) to cover the TMW Payment.

Calculation of TMW Payments Prior to Giving Any Effect To Bargain Sale Gift.

HCAC and TNC have agreed that (a) the federal tax component of the TMW Payment will be calculated by multiplying the fair market value ("FMV") of the Conveyed Lots by .2 and then dividing that product by .8 and (b) the state tax component of the TMW Payments will be calculated by multiplying the FMV of the Conveyed Lots by .05 and then dividing that product by .95. Bob LaPorte of Meredith & Grew provided a real estate appraisal which states that the FMV of the Conveyed Lots is \$6,375,000. Using this FMV and the agreed upon formula, the TNW Payment before giving any effect to the Bargain Sale Gift would be as follows:

Federal Component: $\$6,375,000 \times .2 \div .8 =$	1,593,750.00
State Component: $\$6,375,000 \times .05 \div .95 =$	335,526.00
Total TMW Payment:	<u><u>\$1,929,276.00</u></u>

Calculation Of Bargain Sale Gift

The first step in establishing the Bargain Sale Gift is establishing an FMV for the "preemptive rights". Bob LaPorte has appraised the "preemptive rights" at \$14,000,000 and a second appraiser, David Witwer (Appraisal/Economics, Inc. in Chicago, Illinois) has also concluded that the "preemptive rights" are worth at least \$14,000,000 (although Witwer employed a dramatically different methodology for his valuation than did LaPorte who established that value on more or less a real estate appraisal analysis). HCAC has indicated that it is willing to agree that the "preemptive rights" have a value of \$14,000,000. Thus, the Bargain Sale Gift will equal \$14,000,000 minus the total consideration received by HCAC from TNC in connection with TNC's acquisition of the "preemptive rights". After a fair amount of debate and discussion between Ken Glusman and I on behalf of TNC and Karl Fryzel and Dan Gleason on behalf of HCAC, the current positions of the respective parties regarding the calculation of the Bargain Sale Gift are set forth on the attached Chart 1.

The Bargain Sale Gift amount in the TNC column on Chart 1 will obviously increase as the TMW Payment is decreased to reflect the credit for the Bargain Sale Gift (although my algebra skills are far too limited to include any detail in this memo as to exactly how the variable for the TMW Payment and the variable for the Bargain Sale Gift figure are finally brought into equipoise with one another). Based on the current statements made by Fryzel and Gleason, they and HCAC have determined that the Bargain Sale Gift amount is more or less \$1,000,000 and so it would appear that Fryzel and Gleason would simply adjust one of the other items in the HCAC column on Chart 1 (most likely the "enhancement" value item) to offset any reduction in the TMW Payment line item so as to maintain a bottom line Bargain Sale Gift calculation of roughly \$1,000,000.

Applying Credit For Bargain Sale Gift To The TMW Payment

There also seems to be some disagreement between TNC and HCAC as to how the credit for the Bargain Sale Gift is reflected in the TMW Payment. TNC takes the position that the total amount of the Bargain Sale Gift should be deducted from the FMV for the Conveyed Lots prior to calculating the federal tax component of the TMW Payment. The reference in the Agreement between TNC and HCAC that the tax savings for the gift would be "calculated on the basis of a presumed federal tax rate of 20%" was meant to show that the tax savings would be deemed to parallel the capital gain rate of 20% that would be applied to the overall transaction as a capital transaction (and would not be based on the actual tax savings to those members of HCAC who would be using their share of the charitable deduction against income that was taxed at a rate significantly higher than 20%). Since there is no charitable deduction available against state income taxes in Massachusetts (and it was the Massachusetts capital gain rate that was used to calculate the state component of the TMW Payment), there was no corresponding credit to the state component of the TMW Payment calculation. HCAC contends that the credit for the Bargain Sale Gift should simply be 20% of the Bargain Sale Gift amount and nothing more; that is, there should be no "gross-up" for the savings even though the credit is being applied against a "grossed-up" tax payment on the other side of the equation. The net result of HCAC's position

Status of Negotiations with Herring Creek Acquisition Company Regarding Tax "Make-Whole-Payments"

Memorandum

October 18, 2001

Page 3

is that TNC only gets a \$20,000 credit for each \$100,000 of Bargain Sale Gift even though TNC made a federal component TMW Payment of \$25,000 per \$100,000 of FMV for the Conveyed Lots. The logic of this position totally escapes me, but this nevertheless seems to be what Fryzel and Gleason are saying.

Conclusion

Based on all of the foregoing, TNC would say that the TMW Payment should be approximate \$1,400,000 as shown in the TNC calculations set forth on the attached Chart 2 and HCAC would say that the TMW Payment should be approximately \$1,730,000 as shown in the HCAC calculations set forth on the attached Chart 2.

CHART 1 – BARGAIN SALE GIFT CALCULATION

<u>TNC</u>		<u>HCAC</u>
		\$14,000,000
minus	\$6,375,000 (FMV of Conveyed Lots)	\$375,000 (FMV of Conveyed Lots)
minus	\$1,700,000 (cash payment to HCAC)	\$1,700,000 (cash payment to HCAC)
minus	\$350,000 (HCAC legal fees to NMF)	\$350,000 (HCAC legal fees to NMF)
minus	\$625,000 (value of Beach Rights given to existing Cohan/Aldeborgh lots) (Note 1)	\$1,250,000 (value of Beach Rights given to existing Cohan/Aldeborgh lots) (Note 1)
minus	\$1,400,000 (value of release of preemptive rights encumbering existing Cohan/Aldeborgh lots) (Note 2)	\$500,000 (value of release of preemptive rights encumbering existing Cohan/Aldeborgh lots) (Note 2)
minus	\$1,929,276 (TMW Payment) (Note 3)	\$1,929,276 TMW Payment (Note 3)
minus	\$0 (enhancement to value of existing Cohan/Aldeborgh lots) (Note 4)	\$895,524 (enhancement to value of existing Cohan/Aldeborgh lots) (Note 4)
	<u>\$1,620,724</u> Total Bargain Sale Gift	<u>\$1,000,000</u> Total Bargain Sale Gift

Note 1: HCAC thinks that the Beach Rights are worth \$250,000 per lot because the Wallaces planned to sell beach rights at their proposed beach club for \$250,000 a piece. Since the Beach Rights received by the Cohan/Aldeborgh lots can only be sold in conjunction with a sale of the relevant lot, the rights should be valued at lesser amount and so I have discounted the value of beach rights by 50% (although we have no formal real estate appraisal to this effect).

Note 2: The Cohan/Aldeborgh land that was subject to the preemptive rights had acreage equal to roughly 10% of the acreage of the Wallace land that was subject to preemptive rights; therefore, the \$1,400,000 figure simple represents 10% of LaPorte's conclusion that the preemptive rights encumbering the Wallace land were worth \$14,000,000. For some reason, HCAC has indicated that this item should only be ascribed \$500,000 in value but without any real explanation as to why.

Note 3: This figure does not reflect reduction for the credit that will be generated by giving effect to the Bargain Sale Gift. See Chart 2 for my rough cut at how this credit will ultimately reduce the TMW Payment to \$1,400,000±.

Note 4: This item seems to be the major source of discrepancy between the TNC approach and the HCAC approach. If there is any enhancement value to be considered, it should simply be the enhancement that HCAC achieved by refusing David Peters's six lot development proposal (which TNC had tentatively approved) and insisting that the six new houses to be reduced to four new houses. It is not the enhancement value achieved by reducing a 33 lot subdivision to only four new houses. Moreover, there is a very strong argument to be made that the enhancement does not need to be considered in any respect; to the extent it is factored in, it creates a taxable event for HCAC and so it is difficult to understand why HCAC is pressing this point so aggressively. The \$895,524 is simply my "plug" number to yield the \$1M figure that Fryzel and Gleason stated to be HCAC's estimate of the Bargain Sale Gift amount.

CHART 2

CALCULATION OF TMW PAYMENT

HCAC Calculation

TNC Calculation

Federal Component of TMW Payment: $(6,375,000 - 1,620,722) \times .2 \div .8 = 1,188,569.50$	Federal Portion of TMW Payment: $6,375,000 \times .2 \div .8 =$	1,593,750.00
State Component of TMW Payment: $6,375,000 \times .05 \div .95 = 335,526.31$	State Portion of TMW Payment: $6,375,000 \times .05 \div .95 =$	335,526.31
	TOTAL TMW Payment Prior To Credit minus	<u>\$1,929,276.31</u>
TOTAL TMW Payment (Note 1)	Credit for Bargain Sale Gift: $\$1,000,000 \times .2 =$	\$200,000.00
	NET TMW Payment:	<u>\$1,729,276.31</u>

Note 1: Based on my very rough efforts to further refine the TMW Payment to reflect the increased Bargain Sale Gift which in turn generates a lower TMW Payment, it appears to me that the final TMW Payment should settle in at roughly \$1,350,000 to \$1,400,000; so the real amount in controversy between the TNC position and the HCAC position is approximately \$330,000 to \$350,000.

Privileged and Confidential

April ~~_____~~, 24, 2001

Stuart R. Johnson, Trustee, Herring Creek Farm Trust (the "Trust")
c/o General Investment & Development Co.
600 Atlantic Avenue - Suite 2000
Boston, MA 02210

Dear Mr. Johnson:

The purpose of this letter is to confirm your intentions with regard to certain gifts which you hope to arrange in favor of The Nature Conservancy ("TNC") to be made by certain persons and entities affiliated with you, as Trustee u/d/t dated October 21, 1970, and recorded in the Dukes County Registry of Deeds in Book 281, Page 158 and Book 286, page 158, as amended by Certificate of Amendment of Trust dated May 11, 1971, and recorded in the Dukes County Registry of Deeds in Book 290, Page 558 and Book 291, Page 580 and registered in the Dukes County Registry District Office of the Land Court as Miscellaneous Document No. 962.

1. Source of Funding for TNC.

As you know, we have executed and delivered to you the "Definitive Agreement Regarding Herring Creek Farm, Edgartown, Dukes County, Massachusetts", of even date herewith, between TNC as Purchaser and the Trust as Seller (the "Purchase Agreement"). You understand that TNC plans to raise cash from its own sources (i.e., sources other than the "Wallace Family Donors" and "Land Donors", both defined below) for payment of the Purchase Price under the Purchase Agreement. TNC expects this cash will be raised through some combination of gifts, loans and re-sales of various portions of Herring Creek Farm. However, if the Purchase Price under the Purchase Agreement exceeds \$45,500,000, TNC will request the Trust and related parties to consider making the gifts described below.

2. Gifts.

(a) We understand that you hope to encourage the owners (the "Land Donors") of those parcels of land shown and identified on Exhibit A (the "Existing Plan") as the "Blue Heron Parcel", the "Moore Beach Parcel" and the "Sliver Parcel" to make gifts of those parcels to TNC or any other not-for-profit assignee or designee of TNC under Purchase Agreement, and that you acknowledge that in the event that you are unable to arrange such gifts,

the absence of those gifts shall not preclude TNC from waiving the condition in the Purchase Agreement relating to such gifts and closing in the absence of some or all of such gifts.

(b) We understand that that you also hope to encourage certain individuals in the Wallace family (the "Wallace Family Donors") to make, on or before June 15, 2001, gifts of cash or other assets having a value (when made and at all times thereafter) of at least \$9,500,000 to TNC, in order to assist TNC in achieving the goal of preserving large areas of farmland on Martha's Vineyard or Nantucket as designated (the "Designated Property"), and that such gifts are to be evidenced initially by a charitable pledge agreement accompanied by a promissory note. The promissory note is to be interest free and is to be payable at the time of the closing on the acquisition of the Designated Property. In the event that the promissory note is not paid at the time of a closing on the Designated Property (so that the note has been converted to immediately available cash on or before such closing date), the promissory note shall be enforceable against the Wallace Family Donors in the courts of the Commonwealth of Massachusetts, unless a bargain sale gift is made by the Trust pursuant to (c) below. In the event that the Designated Property is some or all of Herring Creek Farm, then the amount of any promissory note delivered to TNC and not so paid at such closing of such Designated Property shall be credited against the Purchase Price under the Purchase Agreement. In the event that a closing on such Designated Property does not occur on or before December 31, 2001, the charitable pledge agreement and the promissory note are to be returned to the Wallace Family Donors.

(c) We further understand that you agree that, in the event (i) that the Purchase Price under the Purchase Agreement is greater than \$55,000,000, and TNC is unable to raise the additional amount needed from the Wallace Family Donors or (ii) the Wallace Family Donors fail to make some or all of the \$9,500,000 in gifts contemplated by (b) above, the Trust will make a bargain sale gift of any Shortfall (defined below). "Shortfall" shall mean the amount equal to (i) the Purchase Price under the Purchase Agreement minus (ii) the total of (A) \$45,500,000 plus (B) the total of cash gifts actually funded by the Wallace Family Donors plus (C) any credit against the Purchase Price received by TNC for promissory notes delivered by Wallace Family Donors but not funded with cash by the closing under the Purchase Agreement.

3. Effect of Bargain Sale Gift on TNC's Requirements regarding Approval of Appraisal Under Purchase Agreement.

If the Trust does elect to make a bargain sale gift of some portion of the Herring Creek Farm, then for purposes of TNC's approval rights under Section 3.1(k) of the Purchase Agreement, TNC will review and approve the appraisals for Herring Creek Farm based on the figure that represents the actual net cash price to TNC rather than based upon the full fair market value stated in the Trust's appraisal. For example, if the Trust's appraisal indicated a fair market value figure of \$70,000,000 and the Trust had elected to make a bargain sale gift in the amount of \$15,000,000, then TNC would evaluate the appraisal to ensure that TNC and its Board were satisfied that the fair market value of Herring Creek Farm was at least \$55,000,000 (rather than the higher \$70,000,000 figure) and would grant or withhold their approval of the appraisal on that basis. However, in the event the Trust elects to make a bargain sale gift of any portion of

Herring Creek Farm, the deed delivered to TNC would have to state a figure no higher than the actual cash (plus purchase money note and mortgage) being paid by TNC to the Trust as part of the purchase transaction and, although TNC will execute a Form 8283 to acknowledge receipt of a gift, TNC will not endorse, either directly or indirectly, the dollar value of the bargain sale gift component of the transaction.

4. Conditions to the Gifts.

We further understand that the possibility of these gifts is hindered by certain legal complications which must be addressed prior to the making of any such gifts, to wit, satisfaction of the conditions enumerated in Section 3.3 of the Purchase Agreement (other than the condition (stated in Section 8.3(a) of the Purchase Agreement and incorporated by ~~refence~~reference into said Section 3.3) regarding payment of any portion of the Purchase Price in excess of \$44,500.00,44,500,000, which amounts TNC will only be able to pay to the extent of the actual gifts received from the Wallace Family Donors).

5. Warranties.

TNC hereby warrants that if it is to receive a gift as herein contemplated, it presently is, and will be as of the date of any such gift, an organization qualified as tax exempt under Section 501(c)(3) of the Internal Revenue Code.

6. Remedies.

The Trust agrees that if (a) the gifts contemplated by subparagraph 2(a) above do not occur by reason of any refusal by a Land Donor to make such a gift even though all of the conditions in paragraph 4 have been satisfied, and such refusal or failure is the sole cause of the inability of TNC to close the transactions contemplated by the Purchase Agreement or (b) all of the gifts contemplated by subparagraph 2(b) above do not occur by a reason of a refusal of the Wallace Family Donors to make such a gift even though all of the conditions in paragraph 4 above have been satisfied and the Trust does not make a bargain sale gift of the Shortfall as provided in 2(c) above, then at TNC's election the Trust shall refund the Deposit under the Purchase Agreement and pay to TNC, a break-up fee in the amount of \$3,000,000. If TNC elects to collect the break-up fee, payment of such break-up fee and refund of the Deposit shall be in lieu of all other remedies at law or in equity on the part of TNC, its heirs, successors, legal representatives and assigns. If TNC elects not to collect the break-up fee, TNC shall be entitled to seek specific performance of the obligations to consummate the transactions contemplated herein and in the Purchase Agreement.

7. Miscellaneous.

The Trust agrees that if a gift is made to TNC of the Blue Heron Parcel, the Trust will take such steps as are necessary to ensure that the septic system for the Blue Heron Parcel has been properly inspected and is in compliance with all relevant requirements of Title V (310 CMR 15.00 et seq.). Further, TNC understands that any gift of the Blue

Stuart R. Johnson, Trustee, Herring Creek Farm Trust
April 10, 2001
Page -4-

Heron Parcel may be made subject to a lease in favor of Mary Eberle for the period from June 16, 2001 through September 15, 2001 for a total rental of \$25,593 (plus a security deposit of \$1,000).

8. Non-Binding Nature.

The parties agree that the terms of the Confidentiality Agreement entered into by and among the parties as of December 11, 2000, a copy of which is attached hereto as Exhibit B, are incorporated herein by this reference as though fully set forth. It is acknowledged that this letter of intent is not, is not intended to be and is not to become binding on the Land Donors, the Wallace Family Donors, or you, and that the only binding effect which this letter of intent is to have is that the acknowledgments made by you in paragraph 2, the warranties made by TNC in paragraph 5 and the remedies committed to by you in paragraph 6 are to be final and binding upon execution hereof.

THE NATURE CONSERVANCY

By: _____
Name: _____
Its: _____

Agreed and Accepted:

April _____, 24, 2001

HERRING CREEK FARM TRUST

By: _____
Stuart R. Johnson
Trustee, but not individually

MEREDITH & GREW • ONCOR INTERNATIONAL

160 FEDERAL STREET, BOSTON, MA 02110-1701 • 617-330-1000 • FAX: 617-330-8130

SUMMARY APPRAISAL REPORT

BLUE HERON, SANDERLING AND LOTS 2 AND 3
EXHIBIT C CONSOLIDATION PLAN
HERRING CREEK FARM
EDGARTOWN, MASSACHUSETTS

PREPARED FOR

HANS P. BIRLE, ESQUIRE
LEGAL COUNSEL, NORTHEAST DIVISION
THE NATURE CONSERVANCY
11 AVENUE DE LAFAYETTE, 5TH FLOOR
BOSTON, MA 02111-1736

PREPARED BY

ROBERT P. LAPORTE, JR., CRE, MAI
SENIOR VICE PRESIDENT
MA GENERAL R.E. APPRAISER #735

DATE OF VALUE ESTIMATE

JULY 15, 2001

APPRAISAL NUMBER

14363

TABLE OF CONTENTS

LETTER OF TRANSMITTAL.....	1
SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS.....	4
INTRODUCTION	6
OBJECTIVE OF APPRAISAL AND PURPOSE OF THE REPORT	7
PROPERTY IDENTIFICATION	7
DATE OF APPRAISAL.....	7
OWNERSHIP AND RECENT HISTORY.....	7
DEFINITION OF SIGNIFICANT TERMS.....	9
SCOPE OF INVESTIGATION.....	10
GENERAL ASSUMPTIONS.....	11
GENERAL LIMITING CONDITIONS.....	13
CERTIFICATION OF VALUE.....	14
THE SUBJECT PROPERTY	16
STREET MAP SHOWING SUBJECT LOCUS	17
LOCATION AND NEIGHBORHOOD DESCRIPTION	19
ZONING.....	22
ASSESSED VALUE AND REAL ESTATE TAXES	23
ASSESSOR'S MAP SHOWING SUBJECT LOTS.....	24
PHOTOGRAPHS OF SUBJECT PROPERTY	25
PROPERTY DESCRIPTION.....	31
HERRING CREEK FARM EXHIBIT C CONSOLIDATION PLAN	34
HIGHEST AND BEST USE	35
VALUATION ANALYSIS.....	36
VALUATION TECHNIQUES.....	37
SALES COMPARISON APPROACH.....	40
ADDENDA	
FEDERAL RESERVE BEIGE BOOK AND EDGARTOWN EMPLOYMENT STATISTICS	
EDGARTOWN ASSESSMENT DATA – BLUE HERON	
EDGARTOWN ASSESSMENT DATA – SANDERLING, LOT 2 AND LOT 3	
BLUE HERON – LEGAL DESCRIPTION (PROPOSED)	
SANDERLING – LEGAL DESCRIPTION (PROPOSED)	
LOTS 72 AND 73 – A.K.A. LOTS 2 AND 3 ON EXHIBIT C – CONSOLIDATED PLAN	
QUALIFICATIONS OF APPRAISER	



August 24, 2001

Hans P. Birle, Esquire
Legal Counsel, Northeast Division
The Nature Conservancy
11 Avenue de Lafayette, 5th Floor
Boston, MA 02111-1736

Re: Lots 2, 3, Blue Heron and Sanderling
Herring Creek Farm
Edgartown, Massachusetts

Dear Attorney Birle:

In accordance with your request for an estimate of the market value of the real estate identified as Lot 2, Lot 3, Sanderling and Blue Heron within the consolidated Herring Creek Farm subdivision in Edgartown, Massachusetts, I have examined the property and submit herewith my summary appraisal report.

The objective of my appraisal was to provide you with an estimate of the market value of each of the subject parcels. The appraisal will function as the basis of a value resulting from the transfer of these properties from The Nature Conservancy to the Herring Creek Acquisition Company, LLC. The date of my value estimate is July 15, 2001. The property was inspected with Susan Arnold of The Nature Conservancy and the property's caretaker, Ron Mann, on May 22, 2001. A second inspection was completed on August 16, 2001. The inspection of the Sanderling and Blue Heron was limited to the exterior of the houses.

Lot 2, Lot 3 and Sanderling are part of Edgartown Assessor's Parcel 44/39. Lot 2 contains 3.14 acres, and Lot 3, 3.0 acres. These contiguous lots abut the F.A.R.M. Institute barn complex. They each have water frontage on Edgartown Great Pond's Slough Cove, are open field, and include private beach rights to South Beach. Sanderling is a single-family residence on a 3.75 acre lot located at 19 Butler's Cove Road. This property is a non-waterfront residence, but has the same beach rights as conveyed to Lots 2 and 3.

Blue Heron is a parcel located at 7 Butler's Cove Road with additional frontage on Slough Cove Road. The parcel is identified by the Edgartown Assessors as Map 44, Parcel 56. This property is located at the northeast corner of Herring Creek Farm. It is non-waterfront property with private beach rights to South Beach.



All of these lots are located within the Herring Creek Farm complex which contains approximately 240 acres of land. Previously, Herring Creek Farm Trust had a subdivision approved for 33 lots. In their acquisition of the property, The Nature Conservancy intends for a more limited development so that rather than 33 development lots, there will be 8 lots. The more important physical features of this farm will remain unchanged. The East Field, containing 62 acres and fronting on Slough Clove Road will remain as it is today. The Central Field, containing 40 acres of farming land will also remain as it is today.

As of the date of value estimate, The Nature Conservancy (TNC) was about to acquire the entire property from the Wallace Family. The entire ownership including the subject are encumbered by various easements and restrictions. These can be found in the addenda of this report. These easements were a result of the property's subdivision approval and TNC's desire to further restrict the property.

As shown on the enclosed consolidated plan, Lot 1 will contain all of the farm buildings and is scheduled to be sold to the F.A.R.M. Institute who will additionally lease the Central Field from the Nature Conservancy for organic farming purposes. This parcel is sandwiched between Blue Heron and Sanderling, Lot 2 and Lot 3.

M.V. Regency Group, LLC is acquiring two lots, Lots 9 and 10. Lot 6 will be sold to Roger Banford. An additional waterfront lot located between these lots will be sold to a third party, and Lot 10 located on Crackatuxet Cove will be sold to David Peters.

The subject property is part of a subdivision that includes a 19.52-acre beach parcel along the Atlantic Ocean and Crackatuxet Cove. All of the subject parcels will have a deeded right to the beach.

The Herring Creek Farm is located in Edgartown, Massachusetts, on the island of Martha's Vineyard. The Herring Creek Farm, located at the periphery of the Katama Plains, is one of the most predominant properties in Edgartown and on the island of Martha's Vineyard. From a real estate perspective, the Herring Creek Farm has bucolic vistas along Slough Cove Road, out over the approximately 105 acres of open farmland, down to Edgartown Great Pond and the Atlantic Ocean.

As will be discussed in this report, Edgartown and the island of Martha's Vineyard and Nantucket are commanding some of the highest prices in New England for resort type properties. There have been recent acquisitions of properties in the multi-million dollar price range. Despite the slowdown in the economy, brokers indicate that there still remains a demand for exclusive property.

Hans P. Birle, Esquire
August 24, 2001
Page Three

**Meredith & Grew
Incorporated**



My estimate of market value is based on the highest and best use of the subject property for single-family purposes, consistent with the description previously provided and the allowed uses under the Town's Zoning By-laws. Typically being developed on waterfront parcels such as Lots 2 and 3 are houses with a minimum of 6,000 square feet of living area which may include an ancillary caretaker's cottage. These lots will benefit from the additional easements to be placed on the property by TNC. These easements will preserve the farm's aesthetic quality, provide exclusivity and beach access.

The Blue Heron house is small (1,608 square feet) and is approaching the end of its economic life. The house is located on the outskirts of Herring Creek Farm and adjacent to the farm buildings. It is my opinion that the highest and best use of this property is for either demolition and new construction or substantial remodeling with additions.

The Sanderling house appears to be in better condition, but is also small (1,826 square feet). The interior condition was reported to be dated and its living area for a 3.75 acre lot is small. The highest and best use of this parcel is either for redevelopment of the lot for remodeling with additions.

Based on examination of vacant lot sales and improved sales, it is my opinion that the estimated market value of the subject property as of July 15, 2001, is as follows:

Lot 2	\$2,250,000
Lot 3	\$2,500,000
Sanderling	\$1,000,000
Blue Heron	<u>\$ 625,000</u>
Total Indicated Market Value	\$6,375,000

My appraisal is subject to the attached limiting conditions and assumptions as stated in the summary appraisal report. It is also based on a six-month marketing time and assumes that all four parcels would be on the market at the same time.

Very truly yours,

Robert P. LaPorte, Jr., CRE, MAI
Senior Vice President
MA General R.E. Appraiser #735

RPL/bjc

#14363

FIVE-YEAR SALES HISTORY

The subject parcels are currently owned by Herring Creek Farm Trust and have been for more than five years (see sales history for more detailed discussion).

HIGHEST AND BEST USE

For a single-family residential use on each lot.

DATE OF VALUE ESTIMATE

July 15, 2001

INDICATED VALUE BY:

COST APPROACH

Not Used

INCOME APPROACH

Not Used

SALES COMPARISON APPROACH

Lot 2	\$2,250,000
Lot 3	\$2,500,000
Sanderling	\$1,000,000
Blue Heron	<u>\$ 625,000</u>
Total	\$6,375,000

ESTIMATED MARKET VALUE

\$6,375,000—Total

ESTIMATED MARKETING TIME

6 Months

INTRODUCTION

OBJECTIVE OF APPRAISAL AND PURPOSE OF THE REPORT

The objective of this summary appraisal is to estimate the market value of Lots 2, 3, Sanderling and Blue Heron as shown on the consolidated plan of the Herring Creek Farm subdivision in Edgartown, Massachusetts, as of July 15, 2001. The estimate of market value will be used as the basis for estimating the capital gains proceeds resulting from the transfer of these lots from The Nature Conservancy (TNC) and Herring Creek Acquisition Company, LLC.

PROPERTY IDENTIFICATION

The subject property is four parcels of land located in the Herring Creek Farm subdivision. Lots 2, 3 and Sanderling are shown as Lots 2, 3 and 4 on the Herring Creek Farm Exhibit C. Blue Heron is a parcel located between Lot 1 and Slough Cove Road. All properties are located in Edgartown, Massachusetts. A proposed legal description is located in the addenda of this report.

DATE OF APPRAISAL

The date of this appraisal is July 15, 2001. The subject was inspected by Robert P. LaPorte, Jr., on May 22, 2001, and on August 16, 2001, with the caretaker, Ron Mann. Susan Arnold also accompanied me on my May 22, 2001 inspection.

OWNERSHIP AND RECENT HISTORY

As of the date of this value estimate, Herring Creek Farm was about to be transferred from Herring Creek Farm Trust to The Nature Conservancy (TNC) for a deeded price of approximately \$64,000,000. At about the time the property will be acquired by TNC, there will be a series of outsales of property to Roger Banford; M.V. Regency Group, LLC; the F.A.R.M. Institute; and David Peters. It is my understanding that the F.A.R.M. Institute will be acquiring Lot 1, shown on the consolidated plan, for approximately \$1,000,000. The Regency Group and David Peters will acquire Lots 8, 9 and 10 for approximately \$16,000,000; and Lot 7 will be sold for approximately \$12,000,000. TNC will remain the owners of the East Field, the Central Field

and the beach. Lots 2, 3, Sanderling (Lot 4) and Blue Heron will be transferred from TNC to Herring Creek Acquisition Company, LLC.

In the addenda of this report are the proposed legal descriptions for each of the subject's four lots. Also included in the addenda is the amended and restated conservation restriction and conservation easements that will encumber the Herring Creek Farm property and the subject lots.

The Herring Creek Farm property has been the subject of much litigation during the past twenty years. The litigation resulted in an approval by the Edgartown Planning Board and the Martha Vineyard's Commission of 33-lot subdivision. A copy of that subdivision is included in the addenda of this report. The 33-lot subdivision was superceded by the proposed subdivision as illustrated on Exhibit C of the Consolidated Plan. This will result in a total of ten development lots including three existing houses and the farm buildings, plus the Central Field, East Field, barn and beach lots which are intended to remain as they now exist.

DEFINITION OF SIGNIFICANT TERMS

Market Value is 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 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 in 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."¹

Fee Simple Estate is defined as:

"Absolute ownership unencumbered by any other interest or estate subject only to the four powers of government."²

Highest and Best Use is defined as:

"The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability."³

¹The Appraisal Foundation, *Uniform Standards of Professional Appraisal Practice* (United States of America, 1990), Page B-7. Also see Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), 12 U.S.C. 3339, Final Rules effective August 24, 1990, by the Office of the Comptroller of the Currency (OCC) and on August 20, 1990, by the Federal Deposit Insurance Corporation (FDIC).

²American Institute of Real Estate Appraisers of the National Association of Realtors, *The Dictionary of Real Estate Appraisal* (Chicago, IL, Author 1989).

³Ibid.

SCOPE OF INVESTIGATION

This appraisal is being completed in conjunction with an appraisal of the entire property for TNC. My investigation and analysis has included an inspection of the subject property, the entire Herring Creek Farm ownership, and conversations with TNC and legal counsel regarding the political and legal issues surrounding the entire Herring Creek Farm ownership and the four subject lots.

Herring Creek Farm Trust has additionally retained Coleman and Sons Appraisal Group to prepare an appraisal for Herring Creek Farm Trust of their ownership and I have reviewed their report and data.

Additionally, I have completed my own investigation of comparable sales and have spoken to brokers, buyers and sellers regarding the sale of high-end property on the island of Martha's Vineyard. I have also relied on previous work that I have completed over the last 25 years on the island including other valuation work within this neighborhood for TNC, work for the Commonwealth of Massachusetts in their acquisition of sections of South Beach, and a valuation of the 3,500 acre estate owned by the Pohogonot Trust located at the Edgartown-West Tisbury town line.

GENERAL ASSUMPTIONS

1. The legal description used in this report is assumed to be correct.
2. No survey of the property has been made by the Appraiser and no responsibility is assumed in connection with such matters. Sketches in this report are included only to assist the reader in visualizing the property.
3. No responsibility is assumed for matters of a legal nature affecting title to the property nor is an opinion of title rendered. The title is assumed to be good and merchantable.
4. Information furnished by others is assumed to be true, correct, and reliable. A reasonable effort has been made to verify such information; however, no responsibility for its accuracy is assumed by the Appraiser.
5. All mortgages, liens, encumbrances, leases, and servitudes have been disregarded unless so specified within the report. The property is appraised as though under responsible ownership and competent management.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.
7. 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.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report.
9. It is assumed that all required licenses, 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.
10. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted within the report.
11. Included in this report are sales and rentals from many sources. A concerted effort has been made to personally verify the market data contained herein with a reliable source. Occasionally, some new information is found on these sales or errors may be found and corrected. If any errors or omissions are discovered, they will be brought to the Client's attention. The Appraiser must reserve the right to change the conclusion, if required, due to a subsequent discovery.

12. The value is estimated under the assumption that there will be no international or domestic, political, economic, or military actions that will seriously affect real estate values throughout the country.

13. In this appraisal assignment, the existence of potentially hazardous material used in the construction or maintenance of the building, such as the presence of urea-formaldehyde foam insulation, asbestos, and/or the existence of toxic waste, which may or may not be present on the property, has not been considered. The Appraiser is not qualified to detect such substances. The Client is urged to obtain an expert in this field if desired.

GENERAL LIMITING CONDITIONS

1. In the event that my appearance due to this appraisal is required for court testimony, hearings, or conferences, further financial arrangements will have to be made.
2. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the Appraiser, and in any event, only with properly written qualification and only in its entirety.
3. The distribution of the total valuation in this report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and the Appraiser hereby reserves the right to alter, amend, revise or rescind any of the value opinions based upon any subsequent environmental impact studies, research or investigation.
5. Neither all nor any part of the contents of this report, or copy thereof, shall be conveyed to the public through advertising, public relations, news, sales or any other media without written consent and approval of the Appraiser. Nor shall the Appraiser, firm or professional organization of which the Appraiser is a member be identified without written consent of the Appraiser.
6. In preparing this appraisal, only the matters referred to herein have been examined and relied upon and except to the extent specifically noted therein, title, licenses, permits, zoning, survey, environmental, latent defects, subsoil conditions, the possible presence of hazardous substances and other such matters have not been examined or relied upon even though they might affect the opinions and conclusions set forth in this appraisal.
7. Acceptance of and/or use of this appraisal report constitutes acceptance of the foregoing general assumptions and general limiting conditions.
8. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

CERTIFICATION OF VALUE

I certify that, to the best of my knowledge and belief:

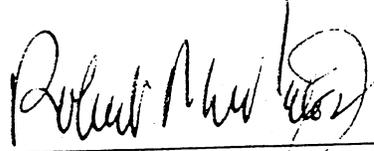
- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present 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.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- my engagement in this assignment was not contingent upon developing or reporting predetermined results.
- my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have made a personal inspection of the property that is the subject of this report.
- no one provided significant professional assistance to the person signing this report.
- the appraisal was not based on a requested minimum valuation, specific valuation, or the approval of a loan.

This appraisal report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the Appraisal Institute.

The Appraisal Institute conducts a voluntary program of continuing education for its designated members. MAIs and RMs who meet the minimum standards of this program are awarded periodic educational certification. As of the date of this report, Robert P. LaPorte, Jr., has not completed the requirements of the continuing education program of the Appraisal Institute.

I am of the opinion that we have compiled with the client's instructions, standards and specifications in conducting the research, analysis and in formulating the value conclusion.

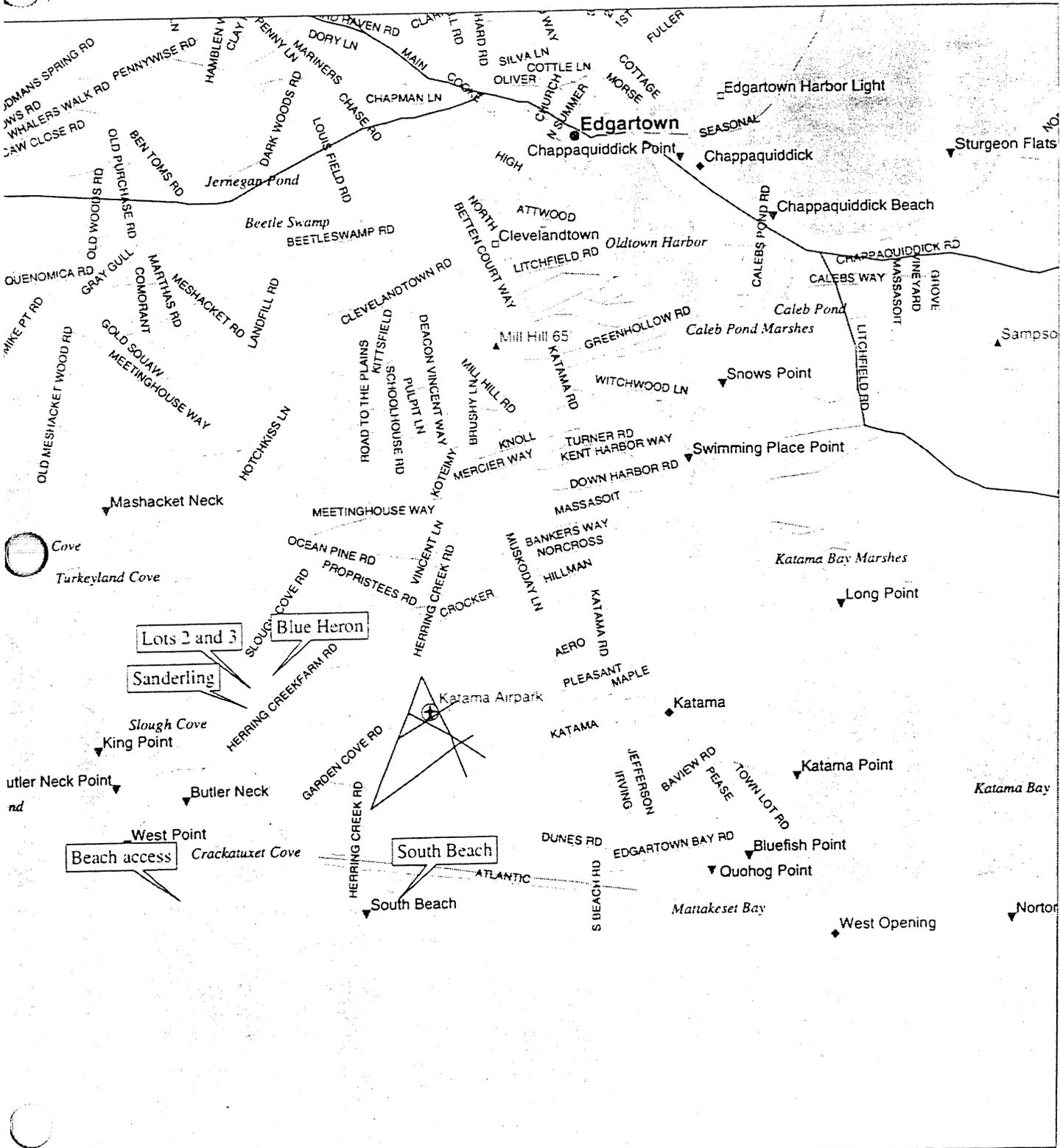
I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.



Robert P. LaPorte, Jr., CRE, MAI
Senior Vice President
MA General R.E. Appraiser #735

THE SUBJECT PROPERTY

Street Map Showing Subject



©Lorrie. Street Atlas USA

AERIAL PHOTOGRAPH SHOWING SUBJECT PROPERTIES



LOCATION AND NEIGHBORHOOD DESCRIPTION

Included in the Addenda of this report are various economic publications prepared by the Federal Reserve Bank, the Dismal Scientist, the Commonwealth of Massachusetts, and the Massachusetts Association of Realtors (MAR) that describe the general state of today's economy. Edgartown's real estate market, as that of most of Massachusetts, is at an unprecedented high level of activity and pricing. According to recent reports of the MAR, there has been a modest slowdown in the number of transactions; however, demand for "trade-up" and second homes is especially strong. As of July 2001, it is felt that the market is close to its peak and that we are likely approaching a contraction phase.

The subject property is situated in a desirable residential area of Edgartown. In part, the desirability is created by the area's south coastal beaches, ponds and conservation land.

Over the last four years, Edgartown and West Tisbury have witnessed unprecedented price increases. Table 1 is a recap of the median prices and number of sale transactions of single-family homes for the last five years in Edgartown and West Tisbury as reported by the Banker & Tradesman.

TABLE 1

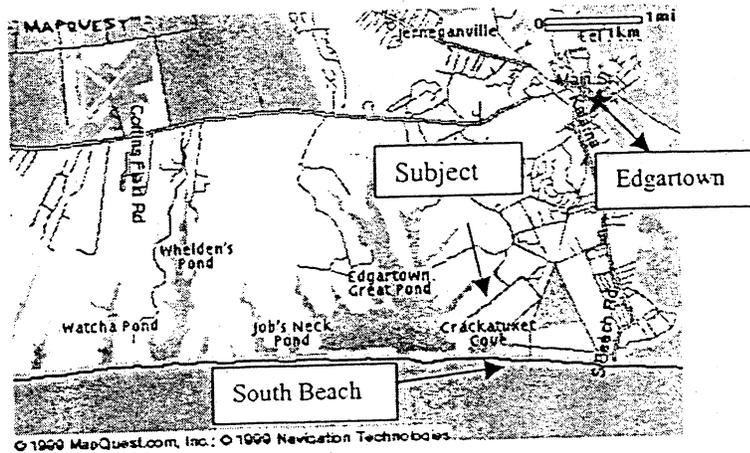
	Edgartown	% change	West Tisbury	% change
Number of Sales				
2001 (to July)	70		13	
2000	79		22	
1999	103		30	
1998	127		46	
1997	135		26	
1996	55		27	
Median Sale Prices				
2001 (to July)	\$378,500		\$549,000	
2000	\$336,000	41%	\$410,000	13%
1999	\$252,000	13%	\$302,250	17%
1998	\$191,000	19%	\$230,000	35%
1997	\$168,700	-1%	\$236,250	-11%
1996	\$153,000		\$169,900	
Price increase 1996-2001		147.4%		223%

In addition, the Banker & Tradesman reports that since January 1, 1999 through 2000, there have been 42 transactions over \$1 million in Edgartown and 8 transactions over \$1,000,000 in West Tisbury. As will be shown and illustrated in the valuation section, it appears that pricing for high-end real estate has witnessed a significant increase over the last five years. The subject property benefit from their views over open fields, access to Edgartown Great Pond, access easements to a private barrier beach and exclusivity.

A valuation issue regarding my appraisal is that the real estate market may have reached its peak. It is within this general real estate context that this appraisal and my value estimates have been completed. While the immediate impact of the economy's downturn has not been felt in this real estate market, there is some expectation that there will be a pricing "cooling off".

The property is located in the southwest section of Edgartown. The neighborhood is generally bounded by Edgartown Great Pond on the west; Slough Cove on the north; Slough Cove Road on the east and the Atlantic Ocean on the south.

The predominant uses in this area consist of the Martha's Vineyard State Forest, vacant land and scattered residential properties. Some of the predominant land features include the Edgartown Great Pond, Job's Neck Pond and Oyster (Watcha) Pond. Almost all of the properties fronting on these



bodies of water are priced in excess of \$1 million. Recently, there have been three transactions along Oyster Pond each at prices in excess of \$6 million. Located north of the subject property on the north side of the Edgartown/West Tisbury Road is an under-construction golf course. Most of this land was recently sold by Fidelity Title Insurance Company to the developers. Attorney John Henn, who represents the seller, stated to me that Fidelity sold this property for \$15 million.

As shown on the previous maps, Katama Airpark is located to the east of Herring Creek Farm. This grass stripped airport services recreational planes only. It is not viewed as having a negative impact on the subject. In fact, as a result of conservation easements, the area of Katama Plains stretching from Herring Creek Road to South Beach Road is mostly restricted from future development.

ZONING

District: RA-120 Residence-Agricultural District

Lot Area: 120,000 Square Feet

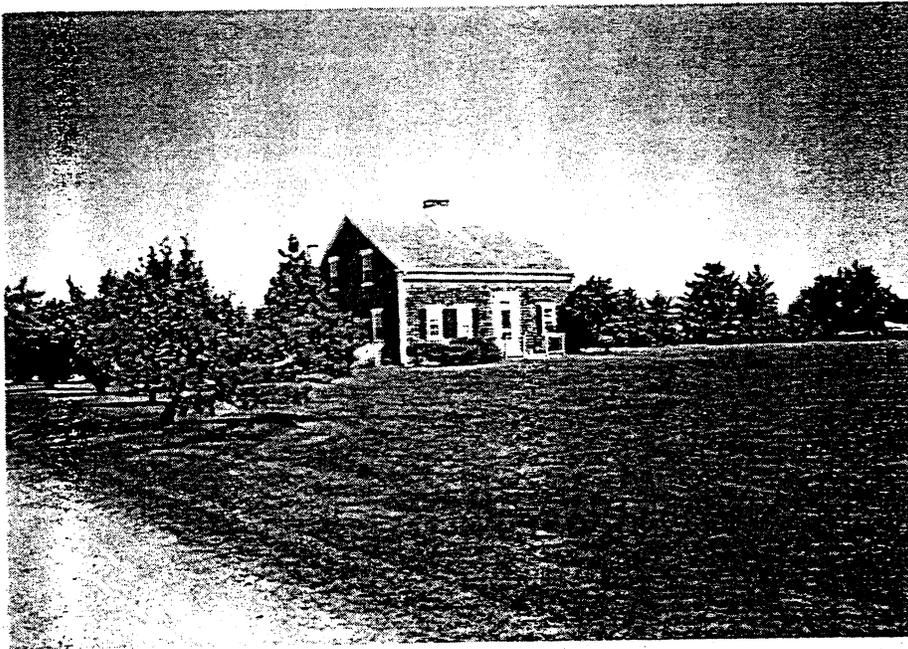
Allowed Uses: One single family dwelling plus one guest house on a 15,000 square foot lot that has a building at least five years old.

ASSESSED VALUE AND REAL ESTATE TAXES - 2001

<u>Lot 2, 3 and Sanderling:</u> (Map 44, Parcel 39)	Land	\$723,100 (9.3 Acres)
	Improvements	<u>\$131,600</u>
	Total	\$854,700
	Real Estate Rate	\$5.14/\$1,000
	Real Estate Taxes	\$4,393.16

<u>Blue Heron:</u> (Map 44, Parcel 56)	Land	\$201,900
	Improvements	<u>\$168,000</u>
	Total	\$369,900
	Real Estate Rate	\$5.14/\$1,000
	Real Estate Taxes	\$1,901.29

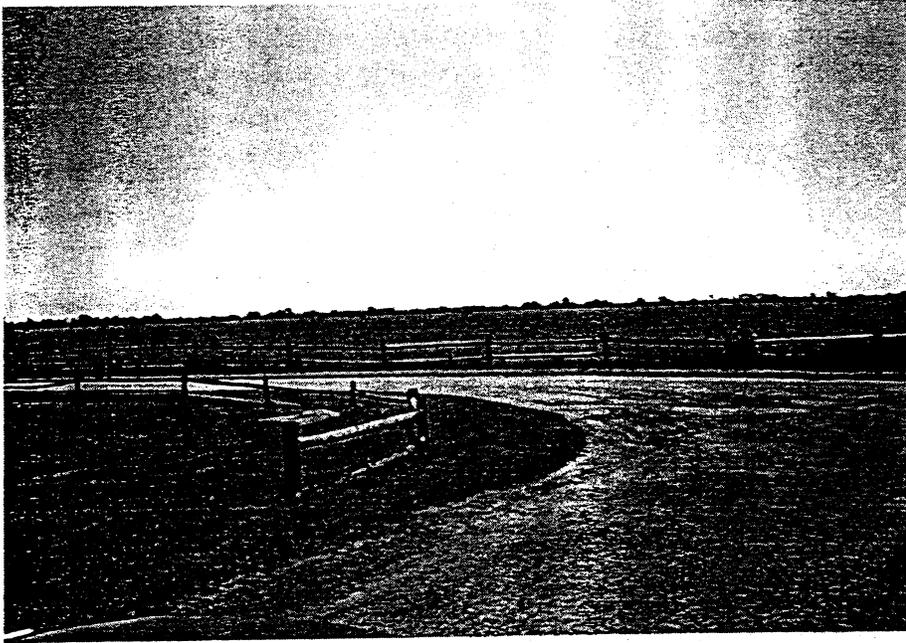
PHOTOGRAPHS OF SUBJECT PROPERTY – BLUE HERON



1. Front view.



2. Side view.



3. View looking out towards fields.

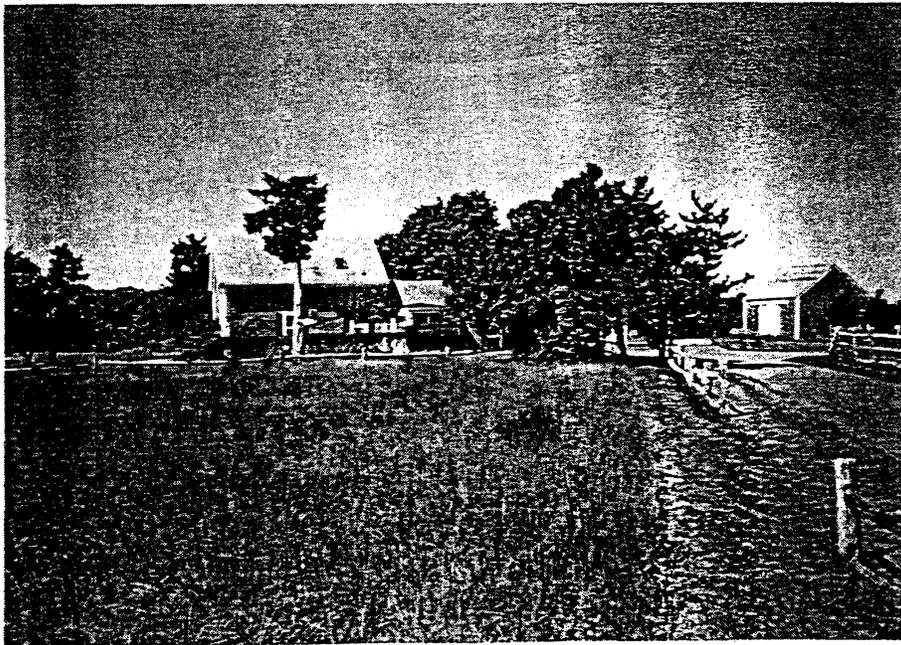


4. Photo showing proximity of Blue Heron (right) to farm complex (left).

PHOTOGRAPHS OF SANDERLING



5. Front view.



6. Side view - Note: Garage on right is not part of appraised property.

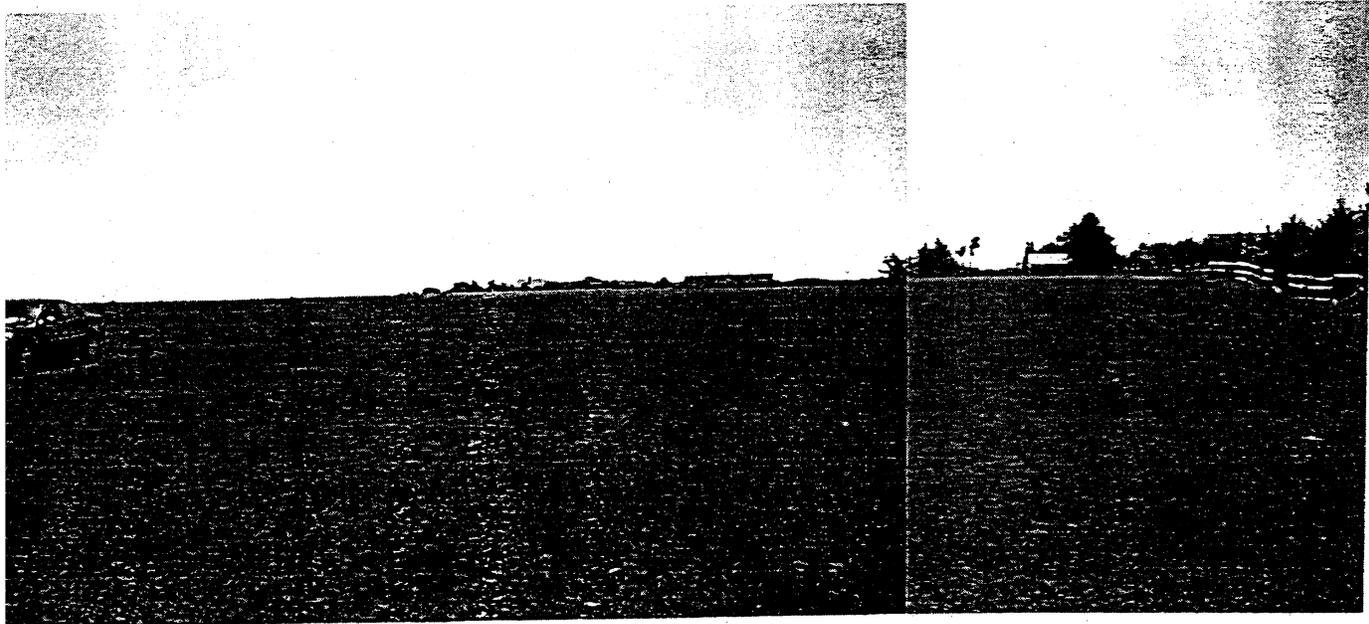


7. Side view.



8. View out towards field.

PHOTOGRAPHS OF LOTS 2 AND 3



9. Looking at subject lots from Slough Cove of Edgartown Great Pond.



10. View of Slough Cove area of Edgartown Great Pond from Lot 3.



11. Edgartown Great Pond (Slough Cove) looking northeasterly from Lot 3.



12. View looking across farm complex at subject lots situated beyond the fence.

PROPERTY DESCRIPTION

LOTS 2 AND 3

A proposed copy of the quitclaim deed providing a legal description of these two lots is included in the addenda of this report. The subject lots in the deed are identified as Lots 72 and 73. In this appraisal report I am referring to these two lots as Lot 2 and Lot 3 as shown on the Consolidated Plan. Lot 2 is a vacant parcel of land containing 3.14 acres; and Lot 3 is a vacant parcel of land containing 3.0 acres. These parcels each have water frontage on Slough Cove of Edgartown Great Pond. The Edgartown Assessors Office indicate that these two lots and the Sanderling House as being located on Map 44, Parcel 39, and having a street address of 19 Butler's Cove Road. Butler's Cove Road is a private way in the Town of Edgartown, though for subdivision purposes each of these parcels have been approved as legal, single-family, residential, building lots.

Each parcel has level topography and is an open field that runs from Butler's Cove Road down to Slough Cove of Edgartown Great Pond. The distance from Butler's Cove Road down to Edgartown Great Pond is approximately 800 feet, so that these lots are each narrow, elongated parcels. Each lot has approximately 150 feet of frontage on Edgartown Great Pond.

The subject parcels are located adjacent to property to be conveyed to the F.A.R.M. Institute, a single-family residence owned by Marshall Cohan, and on the southerly side by a 40-acre parcel known as the Central Field. The positive site attributes that these have are their frontage on Edgartown Great Pond, albeit on the easterly end of Slough Cove, and their privacy located in the limited development of the Herring Creek Farm. As part of the transfer, each lot will be given access to a private beach that is situated between Crackatuxet Cove and the Atlantic Ocean. Somewhat impacting Lot 2 is its location next to the F.A.R.M. Institute parcel. It is expected that there will be some public activity within this complex of farm buildings. These parcels, given their location within the Herring Creek Farm subdivision, are considered not to be as desirable as Lots 5, 6, 7, 8, 9 and 10, as these lots are located with more privacy, exclusivity and have superior views.

Utilities available to the site include underground electricity and telephone. Both water and sewer are by individual systems that have yet to be installed on the parcels.

SANDERLING

The Sanderling property is located adjacent to Lot 3 and is part of the assessors lot that includes both Lots 2 and 3. The Sanderling house was not available for an interior inspection. However an exterior inspection was made and a description of the interior's condition was provided by Ron Mann, the property's caretaker. The Sanderling house is approximately 200 years old. On the first floor there is a kitchen, dining room, living room, two bedrooms and bath. The second floor has two bedrooms and a bath. There is an attached one-car garage. The exterior has wood shingle siding and roof covering. Mr. Mann characterized the interior condition of the house to be in fair to average condition. The siding and roof covering had been replaced in the last eight years. Interior finishes to the bath and kitchen were last remodeled in the 1970's. Heat is supplied by an oil, forced hot water heating system of unknown age and vintage. There is a full basement and concrete floor under the house. The assessors' card may be found in the addenda. It indicates a living area of 1,826 square feet.

The house is situated on a 3.79-acre parcel of land. Currently there is a common driveway that crosses through both Lots 3 and 4, and it is my understanding that this common driveway which serves the Marshall Cohan property will be relocated. This lot will include deeded access rights to South Beach. A Title V septic system test shows that the site's system has failed.

BLUE HERON

The Blue Heron parcel is shown on assessors Map 44, Parcel 56. The parcel contains 1.9 acres with frontage both on Butler's Cove Road of approximately 306 feet and Slough Cove Road of approximately 150 feet. The parcel is level and is adjacent and in close proximity to the F.A.R.M. Institute building complex on Lot 1. The first floor of Blue Heron has a kitchen with pantry, dining room, breakfast nook, bedroom, T.V. room and bath. The second floor has three bedrooms and a full bath. This house has two fireplaces, neither of which work. Like Sanderling, the property is approximately 200 years old. It has not witnessed any significant remodeling during the last thirty years. The full basement is divided by walls, each having a

D separate bulkhead. The floor is dirt with boulders. The heating system was replaced about ten years ago, and is a warm air, oil-fired system. At the time Sanderling's exterior wood shingles and roof covering was replaced, this house also had its roof covering and siding replaced. A Title V septic system test shows that the site's system has failed and that there is not sufficient distance between the system and the property's water source.

HIGHEST AND BEST USE

The highest and best use estimate for the property being appraised has considered the following four criteria.

What is legally permissible?

What is physically possible?

What is financially feasible?

What is the maximum productive use of the property?

The highest and best use of Lots 2 and 3 are estimated to be for development, each with a single-family residence.

The estimated highest and best use for Blue Heron and Sanderling are for redevelopment. Both houses are circa 200 year old cottages with a small building area. These houses are in generally fair to average condition and are approaching the end of their economic life. The market indicates that houses in a similar location and with similar conditions are either being demolished with new construction or gutted with a substantial addition and upgrading of the building.

VALUATION ANALYSIS

VALUATION TECHNIQUES

The purpose of this report is to arrive at an estimate of the Market Value of the subject property. This is achieved by a systematic gathering, classification, and analysis of data which is required in the development of the three basic approaches to value: the cost approach, the sales comparison approach, and the income approach.

Cost Approach

This approach consists of estimating the replacement cost new of all improvements, deducting accrued depreciation from all sources, and adding the value of the underlying land, estimated by comparison to recent land sales. The indication of value via this approach is a process of summation of the various property components contributing to the total property value; it is applicable when each component is independently measurable, and when the sum of all components is believed to reflect market value. This approach is especially useful in estimating insurable value, or in estimating the market value of fairly new improvements and special purpose properties which because of their design and single-use nature, have a limited market and would not be valued more accurately by another approach. This approach is not applicable to unimproved land or obsolete improvements.

Sales Comparison Approach

The Sales Comparison Approach involves a comparison of the subject property to similar properties that have actually sold in arm's-length transactions or are offered for sale. Sale and asking prices are adjusted to reflect the significant differences, if any, that exist between the sale property and the subject property; the adjusted prices are correlated into a final value estimate of subject market value. This approach demonstrates what buyers have been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market and is particularly useful in estimating the value of the land and properties that are typically owner occupied.

Income Approach

The Income Approach involves an analysis of the income earning capabilities of the subject property by estimating the fair rental value and deducting the operating expenses necessary to support the estimated rent. The projected net income or earnings stream remaining after expenses is converted into the equivalent capital sum or market value. This approach is particularly applicable in estimating the value of properties that are normally rented to provide a fair return on investment (acquisition cost) and that are typically purchased for investment purposes.

In the valuation of vacant unimproved land there are six valuation techniques. They are as follows.

Sales Comparison Approach

This technique compares the property to recently sold parcels of land. Adjustments are completed for various differences such as date of sale, location, land size, and highest and best use.

Land Residual Approach

The land is assumed to be improved to its highest and best use and the net income attributable by deducting all the building expenses. The net income is then capitalized into a value indication of the land only.

Development Approach

The total of undeveloped land is estimated by the market value of finished lots and then deducting the development and incentive costs which will be incurred in the sale of the retail lots. The net sales income is estimated during the forecasted marketing period and discounted to reflect the time value of money.

Ground Rent Capitalization

In certain instances, unimproved land may be leased or used for retail purposes. In such cases, a net income is estimated and the income is capitalized into an indication of value.

Allocation

In areas where sales of land occur so seldom, this approach is based upon allocating sale prices of improved property through the use of typical ratios found between land and property values.

Extraction

This is a form of allocation where the land value is extracted from the sale price of improved property. Here, the appraiser estimates the depreciated value of the improvements and this value is deducted from the sale price to produce the residual land value.

Subject Valuation

This appraisal is based on the sales comparison approach to value. The remaining valuation procedures were not considered appropriate in the valuation of the subject property.

SALES COMPARISON APPROACH**Blue Heron**

This property, containing approximately 1.9 acres, is located on Slough Cove Road adjacent to the F.A.R.M. Institute buildings. While part of the Herring Creek Farm property, it is more similar to lots that would front on Slough Cove Road. This property, however, has deeded access rights to a private beach.

In my analysis of sales data in Edgartown, the following transactions were deemed to be comparable.

SALE NO. 1

Location: 38 Slough Cove Road (Map 49/10.3151)

Grantor: Daniele

Grantee: Mozer

Sales Price: \$659,000

Land Area: 5 acres

Date of Sale: January 26, 2000

Comments: This is a waterview lot of Slough Cove of Edgartown Great Pond. It is located 800 feet north of the subject property. This property has no private beach access, but has identical access to the South Beach. This property is viewed as a larger lot with more privacy than the subject property.

SALE NO. 2

Location: 63 Slough Cove Road (Map 44/12.15)
Grantor: Hadley
Grantee: Daniele
Sales Price: \$600,000
Land Area: 1.5 acres
Date of Sale: February 12, 2001
Comments: This parcel is located opposite the subject property. It is a sale of buildable lot which has no private beach rights. However it has identical public beach access as compared to the subject property.

SALE NO. 3

Location: 65 Slough Cove Road (Map 44/12.16)
Grantor: Hadley
Grantee: Burn
Sales Price: \$639,000
Land Area: 1.5 acres
Date of Sale: January 2, 2001
Comments: Small building lot adjacent to 63 Slough Cove Road and opposite to the subject property.

All three sales are within 800 feet of the subject property. While the subject property has private beach access, all three lots and the subject property have the same close proximity to South Beach where there are lifeguards, restrooms and changing areas. My observation is that houses located in this general neighborhood utilize the facilities at South Beach. However, there is the added amenity to access a private beach in the Herring Creek Farm complex. I am also of the opinion that the subject has a privacy issue relative to its proximity to the F.A.R.M. Institute buildings. Redevelopment of the lot could lessen this impact by reorienting a house on the lot.

In my opinion the estimated market value of the Blue Heron property is \$625,000 as of July 15, 2001.

Lot Valuation 2 and 3

The subject Lot 2, containing 3.14 acres, and Lot 3, containing 3 acres, are waterfront lots on Slough Cove, part of Edgartown Great Pond. Like Blue Heron, these lots also have private deeded access to a private beach. I have viewed the subject two lots based on the quality of their waterfront location, the topographic characteristics (an elongated parcel and an open field), and the location of these two lots within the Herring Creek Farm subdivision. The following lots were deemed to be comparable to the subject property.

SALE NO. 4

Location: Lot 10, Herring Creek Farm Subdivision

Grantor: The Nature Conservancy

Grantee: Petegro Associates

Sales Price: \$4,000,000

Land Area: 6.5 acres

Date of Sale: July 2001

Comments: This lot was created from two of the 33 lots comprised of the original Herring Creek Farm subdivision. This lot has views of the Atlantic Ocean and frontage on Crackatuxet Cove. This lot has greater privacy and exclusivity as compared to Lots 2 and 3. It is also a superior location within Herring Creek Farm's subdivision. This lot has similar private access rights, and in particular this lot is closer to the private beach than the subject property.

SALE NO. 5

Location: 29 Boldwater Road (Map 44/3.2)

Grantor: Horowitz

Grantee: Rukeyser

Sales Price: \$1,800,000

Land Area: 9.8 acres

Date of Sale: March 2000

Comments: This is a waterfront lot located in the Boldwater subdivision along the west shoreline of Edgartown Great Pond. The property has commanding frontage on Edgartown Pond and via a boat on Edgartown Great Pond has access to a private beach.

SALE NO. 6

Location: 19 Atlantic Drive (Map 52/3.1,3.8)

Grantor: Firestone

Grantee: Baum

Sales Price: \$1,500,000

Land Area: 2.23 acres

Date of Sale: December 2000

Comments: This is a vacant, residential lot that has commanding views of South Beach and the Atlantic Ocean. Although the lot has no private beach access, it does have immediate access to the public portion of South Beach. It is a level, open lot.

SALE NO. 7

Location: 48 Witchwood Lane (Map 36/303.1)
Grantor: Fireman
Grantee: J. P. B. K. Holding
Sales Price: \$3,500,000
Land Area: 3 acres
Date of Sale: October 1999

Comments: This is a waterfront lot which has access and ownership to a private dock on Katama Bay. The property is located in a small, high-priced subdivision off of Katama Road. The lot is wooded and affords privacy. It has superior water frontage as compared to the subject.

SALE NO. 8

Location: Turkey Land Cove (Map 44/7)
Grantor: Gund
Grantee: Grosbeck
Sales Price: \$3,150,000
Land Area: 29.3 acres
Date of Sale: January 1998

Comments: This is a level, waterfront lot located between Slough Cove and Turkey Land Cove on Edgartown Great Pond. This lot has commanding views of Edgartown Great Pond. It is a lot which may have additional development capacity. The lot also affords greater privacy than the subject lots, as well as being much larger.

SALE NO. 9

Location: 93 Edgartown Bay Road

Grantor: Aron

Grantee: Guittar

Sales Price: \$1,575,000

Land Area: .79 acres

Date of Sale: December 9, 1999

Comments: This is a waterfront lot fronting on Katima Bay and overlooking the Atlantic Ocean. There is a modest house on this site. The site has no private beach access, but does have access to the public portion of South Beach.

SALE NO. 10

Location: 6 Boldwater Road, Edgartown (Map 38/3.34)

Grantor: Boldwater, Inc.

Grantee: David Moore, Trustee

Sales Price: \$425,000

Land Area: 9 acres

Date of Sale: May 12, 2000

Comments: This lot and the lot located at 2 Boldwater Road (Map 38/3.36) each sold in 2000 for prices of \$425,000 and \$430,000. Both are comparably sized, 9 and 9.18 acres. These are interior, non-water view lots located in an upscaled subdivision known as Boldwater. There is access available to a common beach located west of the subject beach over a common landing on Edgartown Great Pond.

Based on my analysis of these sales, it is my opinion that the estimated market value of Lot 2 is \$2,250,000 and the market value of Lot 3 is \$2,500,000.

Sanderling

In my opinion, there is no contributory value to the existing improvements. It was noted that the current septic system has failed. The house size is considered to be under-sized for the lot given the property's location. This property is also neither a waterfront nor a waterview lot. However, the property's setting in the Herring Creek Farm subdivision is a noteworthy location. The property also has access to a private beach, as well as the public area of South Beach.

Based on the comparable sales sited in this appraisal, as well as other information on residential sales that I have reviewed, it is my opinion that the estimated market value of the subject property as of July 15, 2001, is \$1,000,000.

**Determination of the fair
market value of a right of
first refusal on certain real
estate in Edgartown, MA**

At August 25, 2001

APPRAISAL/ECONOMICS, INC.

**125 S. WACKER DR. • SUITE 2700 ANNEX
CHICAGO, ILLINOIS 60606 • 312-332-6778**

September 12, 2001

Kenneth A. Glusman, Esq.
Choate, Hall and Stewart
Exchange Place
Boston, MA 02109

Dear Mr. Glusman:

We are pleased to offer our proposal for professional consulting services for the valuation of the fair market value of a contractual right of first refusal (hereinafter "the Right") which limits the marketability of certain farm land commonly known as Herring Creek Farm on Martha's Vineyard, MA. The Right was entered into on December 30, 1969 by four land owners; B. Harrison and Hildegard Cohan, John and Janet Aldeborgh, Marshall and Judith Cohan, and Marshall Cohan in his capacity as a trustee (hereinafter "Trustee") of a trust holding a part of the real estate. The Right requires that until January 1, 2010, B. Harrison and Hildegard Cohan, John and Janet Aldeborgh, and Marshall and Judith Cohan will not sell, transfer or convey any part of their respective lands other than to and among themselves without first offering to sell to a group which owns the Trustee's land. The Right further requires that any offer to sell shall be at a price per acre of \$10,000 until such time as the Right expires in January 1, 2010.

The fair market value of the Right will be used for purposes of establishing the amount of charitable contribution resulting from a donation of the Right to your client, The Nature Conservancy. We will provide an independent valuation of the Right as of August 25, 2001.

The valuations will be made using the guidelines from the Uniform Standards of Professional Appraisal Practice, which are similar to those described in Revenue Ruling 59-60. Most courts view Revenue Ruling 59-60 as the primary guidance for business valuation methodology.

Fair market value is 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.

Appraisal/Economics, Inc. provides a wide range of valuation services and has extensive experience conducting valuations, including those for assets such as rights and warrants. We offer you the following advantages:

- o **We have valued this type of asset.**
We have provided consulting services for the valuation of rights and warrants. Our prior experience from working with other clients allows us to understand the methods and issues affecting the asset's valuation.

- o **We listen to our clients.**
We recognize the importance of communication with our clients on each assignment, and we will work closely with you and your attorneys to assure that the objectives of the engagement are clearly defined and understood.
- o **Our work is fully documented.**
We provide quality reviews and work paper documentation of our analyses. We are experienced in representing clients in litigation matters where complete documentation is required.
- o **Our expertise is multidisciplinary.**
We bring to the appraisal process experience in the fields of engineering, accounting, finance and tax law. We understand the relationships between the various disciplines that need to be considered in the valuation process.
- o **Our service is prompt and efficient.**
We assure you that this assignment will be delivered in a timely and professional manner.

Appraisal/Economics, Inc. provides valuation expertise that draws on experience from various disciplines. These skills have proven to be especially useful in complex valuation assignments that have required expert witness testimony in court or before other authoritative bodies.

SCOPE OF THE WORK

The value of the Right results from its impairment on the marketability of the land of Herring Creek Farm. To determine the value of the Right, we expect to our work will include estimating the effect of this impairment in two ways. The first is by using a letter stock analysis and the second is by measuring the difference between price- to-value discounts of thinly traded limited real estate partnership interests and the price-to-value discounts on actively traded real estate investment trusts. In the first approach, we expect to undertake the following:

1. Compare, as appropriate, the Herring Creek Farm land with the results of the letter stock study developed by Management Planning Company. We will impute a marketability discount for the land using a benchmark analysis with factors compiled in this stock study. This will result in an estimated marketability discount as if the land were a restricted equity.
2. Adjust this estimated marketability discount for differences in the volatility of small capitalization equities (typical of the Management Planning study) and vacant real estate on Martha's Vineyard. We expect to compute the standard deviation of year-end annual returns on the NASDAQ composite for each of the last 13 years. We also expect to compute the standard deviation of year-end annual average returns per acre on vacant Martha's Vineyard real estate over the same period. The standard deviation of the land divided by the standard deviation of equities will be the adjustment factor. This analysis assumes ready availability of historical information on Martha's Vineyard real estate through the Warren Group Database.
3. Calculate the value of the Right by multiplying the volatility adjusted discount times the value of the land on a fee simple basis.

To determine the value of the Right using the second approach, we expect to our work will include:

1. Summarizing the price-to-net asset (or value) discount results of the *2001 Partnership Spectrum* publication. This publication lists price-to-value discounts of public partnership interests which are traded on an exchange with very little liquidity.
2. Obtain from Mercer Capital in Memphis, TN a price-to-value discount study of publicly traded real estate investment trusts. Real estate investment trusts are highly marketable equities traded on exchanges such as the NYSE. Our results here are dependent on being able to secure this information from Mercer Capital.
3. Calculate the value of the right by taking the difference between the two price-to-value discounts and multiplying that by the farm land value on a fee simple basis.

FORM AND CONTENT OF OUR REPORTS

We will submit to you a written report documenting the results of this study. Our report regarding the Right will include a detailed narrative describing the purpose and scope of our analysis, methodology employed, assumptions and conclusion of the Right's value. Appropriate explanatory exhibits, schedules, and supporting data will be attached, as needed, detailing our valuation conclusions. A draft report, if desired, will be issued for review and comment prior to preparing our final report.

The report will contain the attached list of agreed upon standard conditions. These standard conditions state the assumptions used in preparing the report and limitations on its use.

STAFFING, TIMETABLE AND FEES

David R. Witwer will have responsibility for this engagement. He is the president of Appraisal/Economics, Inc. and has experience in the valuation of options and rights. He will manage the technical work required for the engagement. Mr. Witwer is a former licensed professional engineer, a certified public accountant and a senior member (ASA designation) of the American Society of Appraisers. His resume is attached for your information.

As is our normal practice, we will charge our standard hourly rate of \$175.00 per hour plus out-of-pocket expenses including travel, photocopying, telephone, facsimile and express mailings. Based on our understanding of the project, our total fees for the valuation of the Right will not exceed \$20,000, plus out-of-pocket expenses. Should less time be required than estimated, our fees would be reduced accordingly. All billing statements will be submitted to you in detail form. Our fees include only the time required for the preparation of the valuation study.

You may need additional services if this matter is audited by the Internal Revenue Service. We are prepared to provide these services. Any additional time involved will be billed at the standard hourly rate.

We are prepared to begin this project immediately upon your authorization and expect to complete our conclusion of value within one week after your approval, assuming the timely availability of required data from Mercer Capital and the Warren Group Database.

STANDARD CONDITIONS TO BE INCLUDED IN THE REPORTS

The primary assumptions and limiting conditions pertaining to the value estimate conclusion(s) stated in this report are summarized below. Other assumptions are cited elsewhere in this report.

1. To the best of our knowledge and belief, the statements of facts contained in the appraisal report, upon which the analysis and conclusion(s) expressed are based, are true and correct. Information, estimates and opinions furnished to us and contained in the report or utilized in the formation of the value conclusion(s) were obtained from sources considered reliable and believed to be true and correct. However, no representation, liability or warranty for the accuracy of such items is assumed by or imposed on us, and is subject to corrections, errors, omissions and withdrawal without notice.
2. This valuation is based on asset listings which have been provided by our client or his legal counsel. This financial information has not been subjected to any auditing or verification procedures by us and we express no assurance of any kind on it.
3. The valuation may not be used in conjunction with any other appraisal or study. The value conclusion(s) stated in this appraisal is based on the program of utilization described in the report, and may not be separated into parts. The appraisal was prepared solely for the purpose, function and party so identified in the report. The appraisal report may not be reproduced, in whole or in part, and the findings of the report may not be utilized by a third party for any purpose, without the express written consent of Appraisal/Economics, Inc.
4. No change of any item in any of the appraisal report shall be made by anyone other than Appraisal/Economics, Inc. and we shall have no responsibility for any such unauthorized change.
5. Unless otherwise stated in the appraisal, the valuation of the business has not considered or incorporated the potential economic gain or loss resulting from contingent assets, liabilities or events existing as of the valuation date.
6. We are not required to give testimony or be in attendance at any court or administrative proceeding with reference to the business appraised unless additional compensation is agreed to and prior arrangements have been made.
7. The working papers for this engagement are being retained in our files and are available for your reference. We would be available to support our valuation conclusion(s) should this be required. Those services would be performed for an additional fee.
8. Neither all nor any part of the contents of the report shall be disseminated or referred to the public through advertising, public relations, news or sales media, or any other public means of communication or referenced in any publication, including any private or public offerings including but not limited to those filed with the Securities and Exchange Commission or other governmental agency,

without the prior written consent and approval of the review by Appraisal/Economics, Inc.

9. Good and marketable title to the interest being appraised is assumed. We are not qualified to render an "opinion of title" and no responsibility is assumed or accepted for matters of a legal nature affecting the interest being appraised. No formal investigation of legal title to or liabilities against the interest valued was made, and we render no opinion as to ownership of the interest or condition of its title. Furthermore, for purposes of this engagement and letter report, we did not examine the assets of the business.
10. Management is assumed to be competent, and the ownership to be in responsible hands, unless noted otherwise in this report. The quality of management can have a direct effect on the viability and value of the interest.
11. Unless otherwise stated, no effort has been made to determine the possible effect, if any, on the subject interest because of future federal, state or local legislation, including any environmental or ecological matters or the so called "year 2000" computer problem or interpretations thereof. Furthermore, we assume that there are no hidden or unexpected conditions that would affect the assets of the business and we accept no responsibility for discussing such conditions.
12. We take no responsibility for any events, conditions or circumstances affecting the subject interest or its value, that take place subsequent to the effective date of value cited in the appraisal.
13. Any decision to purchase, sell or transfer any interest in the business shall be the sole responsibility of its owners, as well as the structure to be utilized and the price to be accepted.
14. In connection with third party reliance on our conclusions, you agree to hold Appraisal/Economics, Inc. and its shareholder, and employees harmless from any and all claims, liabilities, and judgments, penalties, or assessments arising from the performance of Appraisal/Economics, Inc. under this engagement, provided that you shall have no obligation to indemnification with respect to a claim arising from any act of negligence of willful or wanton misconduct by any owner or employee of Appraisal/Economics, Inc.

DAVID R. WITWER, A.S.A., C.P.A.

POSITION President, Appraisal/Economics, Inc., Chicago

EDUCATION M.B.A., University of Chicago, Chicago
M.S., Engineering, California Institute of Technology, Pasadena
B.A., Humanities, Dickinson College, Carlisle, Pennsylvania

PROFESSIONAL HISTORY Manager, Coopers & Lybrand Valuation Services and Litigation & Claims Services, Chicago
Senior Manager, Price Waterhouse Valuation Services, New York and Chicago
Senior Consultant, Arthur D. Little Valuation, Inc., Chicago
Consultant, Greeley & Hansen Engineers, Chicago

PROFESSIONAL EXPERIENCE Directed appraisals and damage claim assessments for litigation and other business purposes. These studies involved businesses, real estate, equipment and intangible assets such as proprietary technology, patents, customer lists, contracts, non-compete agreements, and trademarks.

EMPLOYMENT EXPERIENCE Directed engagements for numerous clients. Some of these are:
Avis Europe plc
Baker and McKenzie
Baxter Travenol
Black & Decker Corporation
CBS Records
Coca-Cola Bottling Company
Cyprus Minerals Corporation
ComputerLand Stores
General Motors Corporation
Kimberly-Clark
Laidlaw Industries, Inc.
Lee, Toomey & Kent

DAVID R. WITWER, A.S.A., C.P.A.

EMPLOYMENT
EXPERIENCE
(CONTINUED)

Medtronic, Inc.
Pratt & Whitney
Shell Oil Company
The Upjohn Company
Waste Management, Inc.
Western Union Corporation

TESTIMONY
EXPERIENCE

Harris vs. Harris, Circuit Court of Cook
County, Illinois, August, 1985

O'Connor vs. O'Connor, Circuit Court of
Lake County, Illinois, September, 1985

Evans vs. Evans, Lake County, December 1994

PRESENTATIONS/
PUBLICATIONS

Chicago Bar Association Matrimonial Law
Committee and Illinois CPA Society

Price Waterhouse and Coopers & Lybrand
National Training Sessions

Article on the effect of the 1986 Tax
Reform Act on company's value in Medical
Business Journal

TEACHING

Lecturer in finance, Loyola University, 1992

Graduate Lecturer in finance and accounting,
National-Louis University, 1994

PROFESSIONAL
AFFILIATIONS/
LICENSES

Senior Member, American Society of
Appraisers (ASA designation)

Registered Professional Engineer of
Illinois

Certified Public Accountant

COURSES

Appraisal Institute Courses Completed:
Real Estate Appraisal Principles
Basic Valuation Procedures
Standards of Professional Practice A & B
Residential Valuation
Capitalization Theory & Techn., Part A & B

FROM :

PHONE NO. :

SEP. 21 2001 12:00PM P1

Appraisal/Economics, Inc.
175 E. Delaware Place #8405
Chicago, IL 60611

FAX

Date 9-21-01
Number of pages including cover sheet 7

To: Kenneth Glosman
Choate, Hall + Stewart

Phone _____
Fax Phone 617-248-4000
CC: _____

From: David R. Witwer

Phone 312-332-6778 (W) 847-256-4904 (H)
Fax Phone 847-256-4904(H) 312-944-3039 (W)

REMARKS: Urgent For your review Reply ASAP Please comment

To: Kenneth A. Glusman, Esq.
From: David R. Witwer
Date: September 20, 2001
Subject: Preliminary Summary of the Valuation of Right of First Refusal on 175 Acres of undeveloped Real Estate in Martha's Vineyard, MA commonly known as Herring Creek Farm

Overview

On December 30, 1969, four owners of adjoining land in Edgartown, MA entered into an agreement which provided certain rights and easements for access to public ways and for access to and use of certain beach property. In consideration for these rights, the owners (the B. Cohans, the Aldeborghs, the M. Cohans and a Trustee of a land trust) granted mutual rights (hereinafter "the Right of First Refusal") to purchase their respective lands.

The parties agreed that until January 1, 2010, the B. Cohans, the Aldeborghs, and the M. Cohans will not sell, transfer or convey any part of their respective lands other than to and among themselves without first offering to sell the same to such one or all of a group consisting of the Trustee, the trustee of another trust, Monte J. Wallace and Neil W. Wallace. Further, any offer to sell was set at the price and in accordance with the following:

Price per acre of land:

\$7,000 per acre until January 1, 1980
8,000 per acre until January 1, 1990
9,000 per acre until January 1, 2000
10,000 per acre until January 1, 2010

Since the time of this agreement, the value of the 175 acres of real estate subject to the Right of First Refusal has appreciated dramatically so that the contractual prices under the Right of First Refusal represent a small fraction of current market values.

At the valuation date of August 25, 2001, the Right of First Refusal represents impairment to the marketability on the sale of the 175 acres. That land, on a fee simple basis which assumes unrestricted marketability, has an appraised value of \$78,000,000 or an average price per acre of over \$400,000.

Under the Right of First Refusal, the land can be sold, but only at a current price of \$10,000 per acre which is about 2.5% of its average market value on a fee simple basis. Accordingly, the owners of the property would be faced with the prospect of waiting about 8-1/3 years for the Right of First Refusal to lapse or alternatively negotiating to purchase the Right of First Refusal to free the property of this marketability impairment.

The owner of the Right of First Refusal would own it with the expectation that he could negotiate its sale to the other parties at a substantial gain prior to its expiration on January 1, 2010. Accordingly, the Right of First Refusal represents a speculative asset that would depreciate with time not unlike an out-of-the-money option, for instance on an equity index. Unlike the option, however, the owner of the Right of First Refusal would not have the right to purchase the property at some higher out-of-the-money price 8.35 years from the valuation date.

Valuation Approaches

Two general approaches were used to value the Right of First Refusal. They included:

- ◇ Valuing it as an out-of-the-money call option expiring on January 1, 2010 with adjustments for facts and circumstances.
- ◇ Valuing it as the amount of impairment to the marketability of the fee simple value of the 175 acres of Herring Creek Farm (namely, the diminution of value of the asset due to its lack of marketability). This diminution in value due to lack of marketability was estimated in two ways:
 1. First, through studies of discounts observed in transactions of common stock which were identical in all respects to freely traded shares except that they were restricted from sale for periods typically of two years (so called letter stock).
 2. Next, through a comparison of the price-to-net asset value ratios of New York Stock Exchange traded real estate investment trusts with price-to-net asset value ratios of partnership interests changing hands in the informal limited partnership secondary markets. The real estate investment trusts which are traded on the New York Stock Exchange are readily marketable while the limited partnerships traded on the informal secondary markets have significantly limited marketability. The difference between the price-to-net asset value ratios between these two groups of assets is an estimated of diminution of value due to lack of ready marketability.

Valuation Results

Option Approach:

For purposes of valuing the Right of First Refusal using methods for out-of-the-money call options, we used the following assumptions and the option calculator (Black-Scholes Model) available on the Chicago Board of Options Exchange web site. The assumptions and the results were as follows:

- ◇ European expiration style index options.
- ◇ Index price = 78 (fee simple value of real estate in \$millions).
- ◇ Strike price = 324.3 (the value of the real estate in \$millions on January 1, 2010 if it were to continue to appreciate on a compounded rate equal to at the average annual historical rate from 1993 to 2001 or 18.6%).
- ◇ Volatility = 47.7 (the closing value of the VNX index on the NASDAQ 100 as of August 24, 2001. A study of the historical price changes of land in Edgartown and West Tisbury since 1993 found that vacant land in those towns had similar price volatility to that of the NASDAQ Composite index. The NASDAQ 100 is highly correlated to the NASDAQ Composite index.)
- ◇ Interest rate = 5.15 (yield on a US Treasury Strip maturing in February 2010, namely the closest maturity to January 1, 2010).
- ◇ Annual dividend = 0
- ◇ Days until expiration = 3,049

The value of this option was calculated to be about 21 or \$21,000,000. However, a call option has the right to purchase the underlying asset, in this case the land. The Right of First Refusal has no such purchase feature. To adjust for this, we reduced the result of the option calculation by one third to 14 in recognition that the landowner must be motivated to purchase the Right of First Refusal for its holder to gain a return.

Indicated value of Right of First Refusal = \$14,000,000 or 17.95% of the land value on a fee simple basis

Restricted Stock Study Approach:

For purposes of valuing the Right of First Refusal using restricted stock discounts, we looked at studies conducted over the years which have measured the extent to which blocks of restricted stock have been discounted in private placements. Ten restricted stock studies have been conducted since 1971. These studies generally analyzed the price at which restricted, or letter stock, was sold (principally to institutional investors) in relation to the contemporaneous freely traded (unrestricted) counterparts.

Two of the studies attempted to explain the variability of the discounts. They included the SEC Institutional Investor Study and the Management Planning Study. The SEC Institutional Study found the following factors have an influence on the size of the restricted stock discount:

- 1) Size of stock issuer in sales
- 2) Earnings of the stock issuer
- 3) Market in which freely traded stock trades

None of these factors are applicable for making a comparison with the Herring Creek Farm property as it is not traded, and has no sales or earnings.

The study broke the discounts into ten percentage point ranges and grouped the transactions by these ranges. Roughly two-thirds of the transactions occurred in the three lowest discount ranges namely 0% to 10%, 10% to 20%, and 20% to 30%. The median and average discounts from this study were 24% and 26%.

The other study, the Management Planning Study, involved an analysis of 49 restricted stock transactions between 1980 and 1995. One of those transactions occurred at a price equal to the price of the freely traded shares. The remaining discounts ranged from 3 percent to 58 percent, with a mean of 27.7 percent and a median of 28.8 percent. The authors of this study attempted to explain the considerable variation around these averages. In doing so, the relationship between the discounts and 21 factors the authors considered relevant were studied. The study attributed these factors "to those suggested by the SEC Study, Revenue Ruling 77-287 or common sense." The results of the statistical analysis conducted by MP were segmented as follows:

- 1.) There was a clear confirmation of expectations observable in the data.
- 2.) There was some observable tendency of confirmation in the data.
- 3.) There was no apparent tendency to affirm expectations.
- 4.) The analysis results were inconclusive

Factors which clearly confirmed the expectations of the authors were:

1. Revenues
2. Recent Earnings
3. Market Price Per Share
4. Price Stability
5. Earnings Stability

Factors showing some observable confirming tendency in the Study included the followings:

1. Market Capitalization
2. Block Size (Shares)
3. Number of Quarters to Dribble Out
4. Number of Weeks Trading Volume to Sell
5. Block Size/Trading Volume (%)
6. 10-Year Revenue Growth
7. 10 Year Earnings Growth

Again, none of these factors are directly comparable for benchmarking a discount on the Herring Creek Farm property resulting from the Right of First Refusal.

We have calculated the volatility of the adjusted median price per acre of land in Edgartown and West Tisbury since 1993 and compared that volatility with the annual change in the NASDAQ Composite Index over the period. They have similar volatility as measured by the standard deviation of price changes since 1993.

Accordingly, the mean discounts from these studies or about 25% is the most meaningful indication from this analysis of the discount to the fee simple land value arising from the lack of ready marketability. On its face, this would indicate the value of the Right of First Refusal is 25% of \$78,000,000 or \$19,500,000. But as in the case with the option, the landowner must be motivated to purchase the Right of First Refusal in order for its holder to gain a return. To adjust for additional risk, we reduced the result of this calculation again by one third to reflect the special risk related to ownership of this asset.

Indicated value of Right of First Refusal = \$13,000,000 or 16.67% of the land value on a fee simple basis

REIT and Limited Partnership Approach:

We developed our final estimate of the amount of impairment to the marketability of the fee simple value of the 175 acres of Herring Creek Farm by comparing the price-to-net asset value ratios of New York Stock Exchange traded real estate investment trusts with price-to-net asset value ratios of partnership interests changing hands in the informal limited partnership secondary markets.

Real estate investments trusts, which are traded on the New York Stock Exchange, are readily marketable while the limited partnerships traded on informal secondary markets have significantly limited marketability. The difference between the price-to-net asset value ratios between these two groups of assets is an estimated of diminution of value due to lack of ready marketability.

To determine this difference, we started with a study obtained from Mercer Capital Corporation which provided the per share net asset value of the underlying real estate held by fifty REITs traded on the New York Stock Exchange. These net asset values were obtained from the July 19, 2001 issue of *Realty Stock Review*. The study also provide the per share closing price of each of these REITs. Nineteen of those REITs traded at premiums to net asset value and thirty-one traded at discounts.

The median and average discount to net asset value (i.e., closing price per share divided by net asset value per share) of all 50 REITs was slightly less than 1%. The median and average dividend yield on these REITs was about 7.5%

We referred to data published by Partnership Profiles, Inc. (PPI) to obtain discounts to net asset value of limited equity partnerships traded on informal secondary markets. PPI gathers information on the prices being paid in the secondary market for limited

partnership interests (units) in relatively large limited partnerships. This data is published in PPT's May/June issue of *The Partnership Spectrum*. The transactions studied occurred during the 60 days preceding the May/June issue of 2001.

All of the partnerships included in that price-to-value discount study are publicly-registered with the Securities and Exchange Commission, though none of the partnerships are publicly-traded on any recognized securities exchange. Instead, units of the partnerships are bought and sold in the so-called limited partnership secondary market. This market is comprised of ten to twelve independent securities brokerage firms that act primarily as intermediaries in matching up buyers and sellers of units in non-listed partnerships of all types.

Most of these limited partnership interests were sold to the public in the 1980's when tax benefits associated with such investments were more favorable than they are currently. A very limited market has developed in these partnership interests and it is the trading prices in this market which forms the basis of the studies. The key statistic for purposes of an analysis of the kind we are undertaking herein is the relationship between the prices at which these transactions were completed and net asset value. All of the equity partnerships in the *Partnership Spectrum* traded at a discount to net asset value. Forty-two partnership transactions were listed. The median and average discount to net asset value (i.e., transaction price per unit divided by net asset value per unit) of all 42 limited partnerships was 31.5% and 30%, respectively. The median and average distribution yield of those partnerships having a set distribution rate was about 6.8% and 5.3%, respectively.

We undertook regressions of the data on the REITs and the limited partnerships to determine if the discounts were correlated with the distribution and dividend yields of the REITs or limited partnerships. The results showed little correlation in the data. We also looked at whether the amount of leverage in the REITs and limited partnerships affected the discount. Again, no significant correlation was found in the data.

Finally, in arriving at the difference in discounts between the REITs and limited partnerships, we considered and compared the types of real estate properties held by the REITs and the limited partnerships. Most of the property types were similar including apartment buildings, shopping and regional malls, manufactured homes and office buildings. The REITs had a few property types not included in the limited partnerships such as factory outlets, industrial and hotels, but they represented only seven of the fifty REITs. The limited partnerships included undeveloped land and parking facilities which were property types not included in the REITs. Again, the number of different property types was small.

Accordingly, the difference between the average discounts from the REITs and limited partnerships or about 29% is the most meaningful indication from this analysis of the discount to the fee simple land value arising from the lack of ready marketability. On its face, this would indicate the value of the Right of First Refusal is 29% of \$78,000,000 or \$22,620,000. But as in the case with the other methods above, the landowner must be motivated to purchase the Right of First Refusal in order for its holder to gain a return. To adjust for additional risk, we reduced the result of this calculation again by one third to reflect the special risk related to ownership of this asset.

Indicated value of Right of First Refusal = \$15,080,000 or 19.33% of the land value on a fee simple basis

FROM :

PHONE NO. :

SEP. 21 2001 12:04PM P7

Conclusion
\$14,000,000

TABLE OF CONTENTS

I. OVERVIEW

3

II. U.S. ECONOMIC OUTLOOK

5

III. DESCRIPTION OF THE RIGHT

7

IV. VALUATION OF THE RIGHT

8

V. CONCLUSION TO VALUE

13

V. CERTIFICATION OF APPRAISER

20

VI. CREDENTIALS OF THE APPRAISER

21

VII. STANDARD CONDITIONS

23

I. OVERVIEW

This report summarizes our analysis and determination of the fair market value of a right of first refusal (hereinafter "the Right") on certain real estate in Edgartown, MA commonly known as Herring Creek Farm as of August 25, 2001 ("the valuation date"). The Right was created on December 30, 1969, when four owners of adjoining land in Edgartown, MA entered into an agreement (hereinafter "the Agreement") which provided certain rights and easements for access to public ways and for access to and use of certain beach property. In consideration for these rights, the owners (the B. Cohans, the Aldeborghs, the M. Cohans and a Trustee of a land trust) granted mutual rights to purchase their respective lands.

The parties agreed that until January 1, 2010, the B. Cohans, the Aldeborghs, and the M. Cohans will not sell, transfer or convey any part of their respective lands other than to and among themselves without first offering to sell the same to such one or all of a group consisting of the Trustee, the trustee of another trust, Monte J. Wallace and Neil W. Wallace.

Similarly, the Trustee and the Wallaces agreed to not sell, transfer or convey any part of the Trustee's land other than to and among said Monte J. Wallace, said Neil W. Wallace, the spouse or issue of either of them or any spouse of such issue without first offering to sell the same to such one or all of a group consisting of the B. Cohans, the Aldeborghs, the M. Cohans, or any issue of the B. Cohans or any spouse of such issue.

Further, any offer to sell was set at the price and in accordance with the following:

Price per acre of land:

\$7,000 per acre until January 1, 1980
 8,000 per acre until January 1, 1990
 9,000 per acre until January 1, 2000
 10,000 per acre until January 1, 2010

The fair market value of the Right is being determined for purposes of the establishing the amount of charitable contribution in a transaction with The Nature Conservancy (THC). This study should not be referred to or relied upon other than for this stated purpose.

We define fair market value 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.

In the course of our valuation we used information that was provided by the attorneys for THC or was obtained from public sources we believe to be reliable, and our conclusions are dependent on such information being complete and accurate in all material respects. However, we have not examined such information and, accordingly, do not express an opinion or any other form of assurance thereon.

In general, the procedures used to value the Right included the following:

- ◇ Discussions with attorneys for THC about the number of acres covered by the right and the estimated fair market value of those acres on a fee simple basis;
- ◇ A review of the Agreement (see Attachment 1);
- ◇ Valuation of the Right as an out-of-the-money call option expiring on January 1, 2010 using the Black-Scholes model with adjustments for facts and circumstances.
- ◇ Valuation of the Right as the amount of impairment to the marketability of the fee simple value of the 180 acres of Herring Creek Farm (namely, the diminution of value of the asset due to its lack of marketability). This diminution in value was estimated through studies of discounts observed in transactions of common stock which were identical in all respects to freely traded shares except that they were restricted from sale for periods typically of two years (so called letter stock) and through a comparison of the price-to-net asset value ratios of New York Stock Exchange traded real estate investment trusts with price-to-net asset value ratios of limited partnership interests changing hands in the informal secondary markets which are relatively illiquid;
- ◇ A review of discount information on partnership transactions as contained in *The Partnership Spectrum*;
- ◇ A review of discount information contained in a spreadsheet of publicly traded real estate investment trusts prepared by Mercer Capital;
- ◇ A review of the historical appreciation and volatility in the median adjusted price per acre of vacant land based on sales in Edgartown and West Tisbury (a town next to Edgartown);
- ◇ Such other analyses, procedures and inquiries as we considered necessary.

Our analyses were based on the following sources of information:

- ◇ Representations by attorneys for THC regarding the number of acres covered by the Right and the approximate fair market value of those acres on a fee simple basis (namely, a basis where the land would be freely sold without consideration of the impairment of the Right);
- ◇ A spreadsheet of vacant land sales which have occurred in Edgartown and West Tisbury since 1987 supplied by Warren Information Services, a division of the Warren Group;
- ◇ An article titled "Size Adjustment Tables" by Gene Dilmore from the May-June 1976 issue of *The Real Estate Appraiser* presenting formulae to apply to land sales for disparity in size between real state parcels;
- ◇ Partnership Profiles, Inc. publication titled *The Partnership Spectrum* for May/June 2001;
- ◇ An analysis of publicly traded real estate investment trusts prepared by Mercer Capital;

- ◇ A copy of the Agreement;
- ◇ Information on the U.S. economy from publications such as *Fortune*, *Business Week*, the Federal Reserve Bank of Cleveland's *Economic Trends*, *Standard & Poor's The Outlook*, and *The Federal Reserve Bulletin*;
- ◇ Historical closing prices of the NASDAQ 100 index for the last six years from the web site www.nasdaqnews.com;
- ◇ The yield on U.S. Treasury Strips maturing in February 2010 (closest maturity to the Right's expiration date) as published by the Wall Street Journal; and
- ◇ The daily closing volatility index for the NASDAQ 100 between January 1, 2001 and August 24, 2001 as provided by the Chicago Board of Options Exchange web site www.cboe.com and the option calculator on that web site which uses the Black-Scholes option pricing model.

Our procedures did not include the investigation of, and we assume no responsibility for, the title to or any liens against the Right. Furthermore, we assumed that there are no hidden or unexpected conditions that could affect the value of this asset and accept no responsibility for discovering such conditions.

In accordance with the foregoing, and as further described in this report, we have determined the fair market value of the Right of First Refusal arising from the Agreement covering about 180 acres of the Herring Creek Farm as of August 25, 2001 to be \$14,400,000.

The officer of Appraisal/Economics, Inc. who worked on this engagement has no known or contemplated financial interest in the Right or the underlying real estate. Our compensation for this engagement was neither based nor contingent on the values we determined.

This report is solely for the purpose stated above and may not be used for any other purpose, in whole or in part, without our prior written consent.

II. U.S. ECONOMIC OUTLOOK

In the appraisal of an asset, the general conditions prevailing in the economy must be considered to assess the attractiveness of investments. Although individual factors may or may not have a direct impact on a particular industry, the overall economic outlook influences how investors perceive investment opportunities in all assets. In our analysis of the Right, we have considered the economic climate that prevailed at or around August 25, 2001, as well as the outlook for the future. In particular, we have focused on the outlook for the residential real estate, since this aspect of the economy is most directly related to the prospects of Right.

A. Overview

The August 2001 issue of *Economic Trends* says that the advance estimate for the national income and product accounts, released July 27, reported that gross domestic

product (GDP) grew at a meager annualized rate of 0.7% during the second quarter of 2001. This growth was slightly weaker than expected; the Blue Chip forecast for the quarter was 0.9% growth. The major factor in the second-quarter slowdown was business fixed investment, which fell 13.6% (annualized) from the first quarter 2001 and 1.7% from the second quarter 2000.

The quarter's decline in business investment was partly offset by personal consumption and government spending, which rose 2.1% and 5.5%, respectively. Personal consumption was up 3.2% from the second quarter 2000, while government spending increased 3.0%. Residential investment remains strong and has even accelerated recently.

Blue Chip forecasters are more optimistic about the last two quarters of 2001; they expect GDP growth of about 2% in the third quarter and 3% in the fourth. The anticipated increase may reflect this year's many reductions in the federal funds rate, whose effects usually are felt some time after the rate reductions.

Almost all sectors of the economy slowed in the second quarter, but manufacturing took an especially severe beating. Manufacturing's slump is reflected in industrial production, which has declined steadily over the last nine months. In June, industrial production fell 0.7% from its May level—a hefty 8.7% annualized decline. Growth in industrial production was considerably lower than in 2000.

B. Industry Outlook

According to the August 8, 2001 Federal Reserve Board Beige Book, residential real estate markets in New England are still strong, although signs of softening are emerging. The number of listings has begun to grow slowly, while the number of sales is starting to decline. Real estate contacts of the Federal Reserve Board indicate that the lower half of the market still enjoys very robust activity because low interest rates stimulate demand among potential buyers, while the level of activity at the top of the market has slowed. The Board's contacts in Rhode Island report that the market is as strong as ever, with most new listings selling very quickly and the average sale price up from last year. In Vermont, the average sales price is slightly higher than a year ago, but prices of new properties coming on the market are the same as those of existing properties, indicating that prices have stabilized.

According to a news release from the Massachusetts Association of Realtors, the pace of single-family home sales continued to moderate across Massachusetts during the summer of 2000. Fluctuations in financial markets, growing reluctance on the part of consumers to take on additional debt, and rising interest rates in the spring of 2000 all factored into softening demand for residential real estate. Sales of detached single-family homes declined 9.8 percent in the third quarter of 2000, from 13,918 units in the July-September period of 1999 to 12,554 in the same period in 2000. Condominium sales also dropped in the period.

C. Outlook for U.S. Economy

The August 15, 2001 forecasts by Standard & Poor's *The Outlook*, indicates that the second quarter will be the low point of the cycle. They expect GDP growth for the second quarter of 2001 to be revised downward to 0.4% from 0.7%, but forecast modest

improvement to 1.8% in the third and 3.4% in the final quarter of the year. These forecasts are higher than the central tendency of the forecasts of the Federal Open Market Committee members and other Reserve Bank presidents. They project growth in real GDP of 1.25% to 2% over the four quarters of 2001. The poll of economists taken by the *Economist* magazine forecasts similar growth for 2001. These economists project 2001 GDP growth at 1.6%.

III. DESCRIPTION OF THE RIGHT

The Right was created on December 30, 1969 when four owners of adjoining land in Edgartown, MA entered into the Agreement (see Attachment 1) which provided certain rights and easements for access to public ways and for access to and use of certain beach property. In consideration for these rights, the owners (the B. Cohans, the Aldeborghs, the M. Cohans and a Trustee of a land trust) granted mutual rights to purchase their respective lands.

The parties agreed that until January 1, 2010, the B. Cohans, the Aldeborghs, and the M. Cohans will not sell, transfer or convey any part of their respective lands other than to and among themselves without first offering to sell the same to such one or all of a group consisting of the Trustee, the trustee of another trust, Monte J. Wallace and Neil W. Wallace.

Similarly, the Trustee and the Wallaces agreed to not sell, transfer or convey any part of the Trustee's land other than to and among said Monte J. Wallace, said Neil W. Wallace, the spouse or issue of either of them or any spouse of such issue without first offering to sell the same to such one or all of a group consisting of the B. Cohans, the Aldeborghs, the M. Cohans, or any issue of the B. Cohans or any spouse of such issue.

Further, any offer to sell was set at the price and in accordance with the following:
Price per acre of land:

\$7,000 per acre until January 1, 1980
8,000 per acre until January 1, 1990
9,000 per acre until January 1, 2000
10,000 per acre until January 1, 2010

Since the creation of the Right in 1969, the value of the 180 acres of real estate subject to the Right has appreciated dramatically so that the contractual prices under the Right represent a small fraction of current market values on a fee simple basis.

The Right represents an impairment to the marketability on the sale of the land. Based upon representations of attorneys for THC, that land has an appraised value of about \$64,000,000 on a fee simple basis. Fee simple assumes unrestricted marketability which is not the case under the Right. However, without the Right impairing marketability, the land would have an estimated average price per acre of over \$350,000.

Under the Right, the land can't be sold to other parties at this market price. It must be offered under the Right at a current price of \$10,000 per acre which is about 2.8% of its average market value. Accordingly, the owners of the property would be faced with the prospect of waiting about 8-1/3 years for the Right to lapse or alternatively negotiating to purchase the Right to free the property of this marketability impairment.

The owner of the Right would own it with the expectation that he could negotiate its sale to the other parties at a substantial gain prior to its expiration on January 1, 2010. Accordingly, the Right represents a speculative asset that would depreciate with time not unlike an out-of-the-money option, for instance on an equity index. Unlike the option, however, the owner of the Right of First Refusal would not have the right to purchase the property at some higher out-of-the-money price 8.35 years from the valuation date.

IV. VALUATION OF THE RIGHT

Two general approaches were used to value the Right. They included:

- ◇ Valuing it as an out-of-the-money call option expiring on January 1, 2010 with adjustments for facts and circumstances.
- ◇ Valuing it as the amount of impairment to the marketability of the fee simple value of the 180 acres of Herring Creek Farm (namely, the diminution of value of the asset due to its lack of marketability). This diminution in value due to lack of marketability was estimated in two ways:
 1. First, through studies of discounts observed in transactions of common stock which were identical in all respects to freely traded shares except that they were restricted from sale for periods typically of two years (so called letter stock).
 2. Next, through a comparison of the price-to-net asset value ratios of New York Stock Exchange traded real estate investment trusts with price-to-net asset value ratios of limited partnership interests changing hands in the informal secondary markets. The real estate investments trusts which are traded on the New York Stock Exchange are readily marketable while the limited partnerships traded on the informal secondary markets have significantly limited marketability. The difference between the price-to-net asset value ratios between these two groups of assets is an estimated of diminution of value due to lack of ready marketability.

A. Option Approach

For purposes of valuing the Right using methods for out-of-the-money call options, we used the following assumptions and the option calculator (Black-Scholes Model) available on the Chicago Board of Options Exchange web site (<http://www.cboe.com/TradTool/OptionCalculator.asp>). The Black-Scholes model assumes the following:

1. The option may be exercised only at maturity-it is a European option.
2. There is only one source of uncertainty (e.g., the interest rate is assumed to be constant).
3. The option is contingent on a single underlying risky asset.
4. The underlying asset pays no dividends.
5. The current market price and the stochastic process followed by the underlying asset are known.
6. The variance of return on the underlying asset is constant through time.
7. The exercise price is known and constant.

The assumptions used were as follows:

- ◇ European expiration style index options.
- ◇ Index price = 64 (see simple value of real estate in \$millions).
- ◇ Strike price = 266.1 (the value of the real estate in \$millions on January 1, 2010 if it were to continue to appreciate on a compounded rate equal to at the average annual historical rate from 1993 to 2001 or 18.6%).
- ◇ Volatility = 50.2 (about 80% the average closing value of the VNX index on the NASDAQ 100 for the period January 2, 2001 to August 24, 2001, namely 62.8. A study of the historical price changes of land in Edgartown and West Tisbury since 1993 found that vacant land in those towns had an annual price volatility of about 80% of the NASDAQ 100 over the period. See Table 1 below.)
- ◇ Interest rate = 5.15 (yield on a US Treasury Strip maturing in February 2010, namely the closest maturity to January 1, 2010).
- ◇ Annual dividend = 0
- ◇ Days until expiration = 3,049

For purposes of estimating the average rate of appreciation on vacant land in Edgartown or West Tisbury as well as its price volatility, we obtained a listing of all transactions since 1987 in vacant land in Edgartown and West Tisbury from Warren Information Services, a division of the Warren Group (see Exhibit 1). We reviewed the list and eliminated transactions where no price or acreage information was included. The list included vacant land which was currently developable, potentially developable and not developable. In discussions with the suppliers of the information, we were informed that the information from the most recent years was the most complete and reliable.

The first six columns of Exhibit 1 shows the address, town, use code, acres, sale date and sale price of these vacant land transactions. The next five columns represent the application of size adjustment formulae presented in an article titled "Size Adjustment Tables" by Gene Dilmore from the May-June 1976 issue of *The Real Estate Appraiser*. The formulae were applied to each transaction in order to adjust the prices per acre for the effects of size differences of the parcels. These formulae include the square root formula, the Hoffman formula, the 1/3-2/3 curve formula, the Jerrett curve formula and the learning curve formula. The last column in Exhibit 1 is the average of the five formula's size adjusted price per acre of the transactions.

The transactions were sorted by sale date and the median size adjusted price per acre determined for each year. Data prior to 1993 was not considered in the calculation of price appreciation and volatility calculation because the supplier indicated that earlier data may not be complete and reliable. Table 1 summarizes the adjusted median price per acre of vacant land in these towns in each year between 1993 and 2000 and for the partial year ended August 25, 2001. That table also shows the percentage year-to-year price change in these median amounts together with their standard deviation and average (including the partial year 2001 in the average).

In addition, Table 1 shows the closing year-end value of the NASDAQ 100 index and the percentage year-to-year change in that index together with the standard deviation of those percentage changes. As the table shows, the price changes in the land are about 80% (40%/50%) of those of the NASDAQ 100 index.

TABLE 1
Adjusted Median Price per Acre of Vacant Land
and Year-End Closing Value of the NASDAQ 100 Index
with Year-to-Year Percentage Change and Standard Deviation

Year	Adjusted Median Price/Acre of Land	% Change	Year-end NASDAQ 100	% Change
1993	\$ 67,708	-	398.28	-
1994	56,953	-15.9%	404.30	1.5%
1995	62,173	9.2%	576.20	42.5%
1996	87,264	40.4%	821.40	42.6%
1997	127,006	45.5%	990.80	20.6%
1998	87,849	-30.8%	1,836.00	85.3%
1999	109,978	25.2%	3,708.00	102.0%
2000	208,068	89.2%	2,341.70	-36.8%
8/25/01	178,438	-14.2%	1,579.61	-32.5%
Volatility as measured by Standard Deviation of % price change				
		40%	50%	
Average annual % change				
		18.6%		
Source: Warren Information Services and Nasdaqnews web site.				

The value of this option was calculated to be about 19.3 or \$19,300,000. However, a call option has the right to purchase the underlying asset, in this case the land. The Right has no such purchase feature. To adjust for this and the Right's limited marketability, we reduced the result of the option calculation by 25% to \$14.5 million in recognition that the landowner is the most likely purchaser and must be motivated to sell the land for the Right holder to gain a return.

Indicated value of Right of First Refusal = \$14,500,000 or 22.6% of the land value on a fee simple basis

B. Valuation of the Right Using Restricted Stock Study Approach

A second approach in valuing the Right looks at how much less the land is worth due to its lack of ready marketability. To estimate this impairment in value, we looked at studies conducted over the years which have measured the extent to which blocks of restricted stock have been discounted from their freely traded stock in private placements. Ten restricted stock studies have been conducted since 1971. These studies generally analyzed the price at which restricted, or letter stock, was sold (principally to institutional investors) in relation to the contemporaneous freely traded (unrestricted) counterparts.

Two of the studies attempted to explain the variability of the discounts based on differences in financial factors in the stocks' issuers. They included the SEC Institutional Investor Study and the Management Planning Study. The SEC Institutional Study found the following factors have an influence on the size of the restricted stock discount:

- 1) Size of stock issuer in sales
- 2) Earnings of the stock issuer
- 3) Market in which freely traded stock trades

None of these factors are applicable for making a comparison with the Herring Creek Farm property as it is not publicly traded on an exchange, and has no sales or earnings.

However, the SEC Institutional Investor Study broke the discounts into ten percentage point ranges and grouped the transactions by these ranges. Roughly two-thirds of the transactions occurred in the three lowest discount ranges namely "0% to 10%", "10% to 20%", and "20% to 30%". The median and average discounts from this study were 24% and 26%.

The other study, the Management Planning Study (MP), involved an analysis of 49 restricted stock transactions between 1980 and 1995. One of those transactions occurred at a price equal to the price of the freely traded shares. The remaining discounts ranged from 3 percent to 58 percent, with a mean of 27.7 percent and a median of 28.8 percent. The authors of this study attempted to explain the considerable variation around these averages. In doing so, the relationship between the discounts and 21 factors the authors considered relevant were studied. The study attributed these factors "to those suggested by the SEC Study, Revenue Ruling 77-287 or common sense." The results of the factor analysis conducted by MP were segmented as follows:

- 1.) There was a clear confirmation of expectations observable in the data.
- 2.) There was some observable tendency of confirmation in the data.
- 3.) There was no apparent tendency to affirm expectations.
- 4.) The analysis results were inconclusive

Factors which clearly confirmed the expectations of the authors were:

1. Revenues
2. Recent Earnings
3. Market Price Per Share
4. Price Stability
5. Earnings Stability

Factors showing some observable confirming tendency in the Study included the followings:

1. Market Capitalization
2. Block Size (Shares)
3. Number of Quarters to Dribble Out
4. Number of Weeks Trading Volume to Sell
5. Block Size/Trading Volume (%)
6. 10-Year Revenue Growth
7. 10 Year Earnings Growth

Again, none of these factors are directly comparable for benchmarking a discount on the Herring Creek Farm property resulting from the Right.

Accordingly, the mean discounts from this most recent study or about 29% is the most meaningful indication from this analysis of the discount to the fee simple land value arising from the lack of ready marketability. On its face, this would indicate the value of the Right is 29% of \$64,000,000 or \$18,600,000. But as in the case with the option, the

landowner must be motivated to purchase the Right in order for its holder to gain a return. To adjust for additional risk, we reduced the result of this calculation again by 25% to reflect the special risk related to ownership of this asset.

Indicated value of Right of First Refusal = \$14,000,000 or 21.9% of the land value on a fee simple basis

C. Valuation of the Right Using a Comparison of Real Estate Investment Trusts and Limited Partnerships

We developed our final estimate of the value resulting from the impairment to the marketability of the fee simple value of the 180 acres of Herring Creek Farm by comparing the price-to-net asset value ratios of New York Stock Exchange traded real estate investment trusts (REIT) with price-to-net asset value ratios of partnership interests changing hands in the informal limited partnership secondary markets. The price-to-net asset value ratios measured the recent per share transaction prices against the per share fair market value of the underlying net assets of the REIT or limited partnership.

Real estate investments trusts, which are traded on the New York Stock Exchange, are readily marketable while the limited partnerships traded on informal secondary markets have significantly limited marketability. The difference between the price-to-net asset value ratios between these two groups of assets is an estimated of diminution of value due to lack of ready marketability.

To determine this difference, we started with a study obtained from Mercer Capital Corporation which provided the per share average net asset value estimates of the underlying real estate held by fifty REITs traded on the New York Stock Exchange shown in Exhibit 2. These net asset values were obtained from the July 19, 2001 issue of *Realty Stock Review*. The study also provided the per share closing price of each of these REITs. Nineteen of these REITs traded at premiums to the average net asset value estimates and thirty-one traded at discounts.

The median and average discount to net asset value (i.e., closing price per share divided by net asset value per share) of all 50 REITS was slightly less than 1%. The median and average dividend yield on these REITs was about 7.5%

For the limited partnerships, we referred to data published by Partnership Profiles, Inc. (PPI) to obtain discounts to net asset value of limited equity partnerships traded on informal secondary markets as shown in Exhibit 3. PPI gathers information on the prices being paid in the secondary market for limited partnership interests (units) in relatively large limited partnerships. This data is published in PPI's May/June issue of *The Partnership Spectrum*. The transactions studied occurred during the 60 days preceding the May/June issue of 2001.

All of the partnerships included in that price-to-value discount study are publicly-registered with the Securities and Exchange Commission, though none of the partnerships are publicly-traded on any recognized securities exchange. Instead, units of the partnerships are bought and sold in the so-called limited partnership secondary market. This market is comprised of ten to twelve independent securities brokerage firms that act primarily as intermediaries in matching up buyers and sellers of units in non-listed partnerships of all types.

Most of these limited partnership interests were sold to the public in the 1980's when tax benefits associated with such investments were more favorable than they are currently. A very limited market has developed in these partnership interests and it is the trading prices in this market which forms the basis of the studies. The key statistic for purposes of an analysis of the kind we are undertaking herein is the relationship between the prices at which these transactions were completed and net asset value. All of the equity partnerships in the *Partnership Spectrum* traded at a discount to net asset value. Forty-two partnership transactions were listed. The median and average discount to net asset value (i.e., transaction price per unit divided by net asset value per unit) of all 42 limited partnerships was 31.5% and 30%, respectively. The median and average distribution yield of those partnerships having a set distribution rate was about 6.8% and 5.3%, respectively.

We undertook regressions of the data on the REITs and the limited partnerships to determine if the discounts were correlated with the distribution and dividend yields of the REITs or limited partnerships. The results showed little correlation in the data. We also looked at whether the amount of leverage in the REITs and limited partnerships affected the discount. Again, no significant correlation was found in the data.

Finally, in arriving at the difference in discounts between the REITs and limited partnerships, we considered and compared the types of real estate properties held by the REITs and the limited partnerships. Most of the property types were similar including apartment buildings, shopping and regional malls, manufactured homes and office buildings. The REITs had a few property types not included in the limited partnerships such as factory outlets, industrial and hotels, but they represented only seven of the fifty REITs. The limited partnerships included undeveloped land and parking facilities which were property types not included in the REITs. Again, the number of different property types was small.

Accordingly, the difference between the median discounts from the REITs and limited partnerships or about 30% is the most meaningful indication from this analysis of the discount to the fee simple land value arising from the lack of ready marketability. On its face, this would indicate the value of the Right is 30% of \$64,000,000 or \$19,200,000. But as in the case with the other methods above, the landowner must be motivated to purchase the Right in order for its holder to gain a return. To adjust for additional risk, we reduced the result of this calculation again by 25% to reflect the special risk related to ownership of this asset.

Indicated value of Right of First Refusal = \$14,400,000 or 22.5% of the land value on a fee simple basis

V. CONCLUSION TO VALUE

Upon review of the various valuation methods described above, three resulted in indications of fair market value. They are as follows:

	<u>Fair Market Value</u>
Option Approach	\$14,500,000
Restricted Stock Study Approach	14,000,000
Comparison of REITs and Limited Partnerships	14,400,000

In accordance with the foregoing, we have determined the fair market value of the Right of First Refusal on certain real estate in Edgartown, MA commonly known as Herring Creek Farm as of August 25, 2001 to be \$14,400,000.

ATTACHMENT 1
THE AGREEMENT

Agreement made this 30th day of December, 1969, by and between B. Harrison Cohan and Hildegard H. Cohan, husband and wife, both of Boston, Suffolk County, Massachusetts (hereinafter called the "Benjamin Cohans"), John N. Aldeborgh and Janet H. Aldeborgh, husband and wife, both of Hyde Park, New York (hereinafter called the "Aldeborghs") and Marshall N. Cohan and Judith J. Cohan, husband and wife, both of Uxbridge, Worcester County, Massachusetts (hereinafter called the "Marshall Cohans"), and Marshall N. Cohan Trustee under Declaration of Trust dated November 4, 1969 (hereinafter called the "Trustee").

Recital of Facts

A. Hildegard N. Cohan is the owner of certain land (the Benjamin Cohan land) in Edgartown, County of Dukes County, Massachusetts, being a portion of Lot B shown on Land Court Plan 13419D.

B. The Aldeborghs are the owners of certain land (the Aldeborgh land) in said Edgartown shown as Lot 1 on Land Court Plan 34427 (pending). See Dukes County Deeds, Book 255, Page 245.

C. The Marshall Cohans are the owners of certain land (the Marshall Cohan land) in said Edgartown shown as Lots 6 and 8 on Land Court Plan 13419M.

D. The Trustee is the owner of certain land (the Trustee's land) in said Edgartown which adjoins the lands referred to in paragraph A, B, and C above, which land (including the ownership of various rights of way) is shown on a plan by Dean R. Swift, Reg. Land Surveyor, dated December 11, 1969 (hereinafter called the "Swift Plan") and is described in two deeds from the Benjamin Cohans to the Trustee dated December 30, 1969, said plan and one of said deeds being recorded with County of Dukes County Deeds herewith, the other deed covering registered land to be registered with Dukes County Registry District of the Land Court.

E. The Trustee is willing to grant to the Benjamin Cohans, the Aldeborghs, and the Marshall Cohans and their issue and the spouses of such issue certain rights and easements for access to public ways and for access to and use of the Beach shown as "beach dunes" on the Swift Plan, all as hereinafter more specifically provided.

F. The Trustee is willing to hold a portion of the Trustees's land (herein called the "Restricted Area", as shown on the Swift Plan) subject to certain restrictions for the personal benefit only, of the Benjamin Cohans, the Aldeborghs and the Marshall Cohans and their issue and the spouses of such issue, all as hereinafter described and limited.

G. The Benjamin Cohans, the Aldeborghs and the Marshall Cohans on the one part, and the Trustee on the other part, are willing to grant certain mutal rights to purchase their respective lands.

Covenants of the Parties

NOW THEREFORE in consideration of the mutual covenants, grants and easements herein contained, the parties hereto agree as follows:

1. The Trustee hereby grants to the Benjamin Cohans the rights and easements (a) to use the "Right of Way (15 ft. wide)" shown on the Swift Plan as access from the Benjamin Cohan land to Slough Cove Road, a public way, for all purposes of access for which public ways are now or may hereafter be used in the Town of Edgartown and to connect with and use the existing electric and telephone lines now servicing the Benjamin Cohan land or as such services from time to time may be replaced or enlarged: (b) to use the "Right of Way (15 ft. wide)" and the "Right of Way (30 ft. wide)" shown on the Swift Plan as access on foot or by vehicle from the Benjamin Cohan land to and from the Aldeborgh land: and (c) to use said "Right of Way (15 ft. wide)", the "Right of Way (30 ft. wide)" and the "Right of Way (40 ft. wide)" and the extension thereof as access to the Restricted Area, and the Beach and the Atlantic Ocean, all as shown on the Swift Plan, together with the right to use the Beach for swimming, fishing, picnicking and boating, and other usual recreational activities (but not for the erection or placing of any cabannas, tents, or other structures or shelters thereon). The rights of use and access to and from the Benjamin Cohan land and to and from the Restricted Area, the Beach and the Ocean which are granted in clauses (b) and (c) hereof are rights which are personal to the Benjamin Cohans and their issue and the spouses of such issue, and shall endure only so long as the Benjamin Cohans or their issue or any spouse of such issue shall continue to own of record any part or all of the Benjamin Cohan land, and while there is a dwelling house on the land so retained. Said rights shall terminate and expire without instrument of release when all such record ownership shall cease.

2. The Trustee hereby grants to the Aldeborghs the rights and easements (a) to use the "Right of Way (30 ft. wide)" and said "Traveled Way" shown on the Swift Plan as access to Slough Cove Road and Herring Creek Road to and from the Aldeborgh land for all purposes of access for which public ways are now or may hereafter be used in the Town of Edgartown and to connect with and use the existing electric and telephone lines now servicing the Aldeborgh land or as such services from time to time may be replaced or enlarged: (b) to use the "Right of Way (30 ft. wide)" and the "Right of Way (15 ft. wide)" shown on the Swift Plan as access on foot or by vehicle from the Aldeborgh land to and from the Benjamin Cohan land and the Marshall Cohan land: and (c) to use the "Right of Way (40 ft. wide)" and the extension thereof as access to the Restricted Area, and the Beach and the Atlantic Ocean, all as shown on the Swift Plan, together with the right to use the Beach for swimming, fishing, picnicking and boating, and other usual recreational activities (but not for the erection or placing of any cabannas, tents, or other structures or shelters thereon). The rights of use and access to and from the Aldeborgh land to and from the Restricted Area, the Beach and the Ocean which are granted in clauses (b) and (c) hereof are rights which are personal to the Aldeborghs and their issue and the spouses of issue, and shall endure only so long as the Aldeborghs or their issue or any spouse of such issue shall continue to own of record any part or all of the Aldeborghs land, and while there is a dwelling house on the land so retained. Said rights shall terminate and expire without instrument of release when all such record ownership shall cease.

3. The Trustee hereby grants to the Marshall Cohans the rights and easements (a) to use the "Right of Way (15 ft. wide)" shown on the Swift Plan as access to Slough Cove Road and Herring Creek Road to and from the Marshall Cohan land for all purposes of access for which public ways are now or may hereafter be used in the Town of Edgartown and to connect with and use the existing electric and telephone lines now

servicing the Marshall Cohan land: (b) to use the "Right of Way (15 ft. wide)" and the "Right of Way (30 ft. wide)" shown on the Swift Plan as access on foot or by vehicle from the Marshall Cohan land to and from the Aldeborghs land: and (c) to use the "Right of Way (15 ft. wide)", "Right of Way (30 ft. wide)" and the "Right of Way (40 ft. wide)" and the extension thereof as access to the Restricted Area, and the Beach and the Atlantic Ocean, all as shown on the Swift Plan, together with the right to use the Beach for swimming, fishing, picnicking and boating, and other usual recreational activities (but not for the erection or placing of any cabannas, tents, or other structures or shelters thereon). The rights of use and access to and from the Marshall Cohan land to and from the Restricted Area, the Beach and the Ocean which are granted in clauses (b) and (c) hereof are rights which are personal to the Marshall Cohans and their issue and the spouses of such issue, and shall endure only so long as the Marshall Cohans or their issue or any spouse of such issue shall continue to own of record any part or all of the Marshall Cohans land, and while there is a dwelling house on the land so retained. Said rights shall terminate and expire without instrument of release when all such record ownership shall cease.

4. The Benjamin Cohans, the Aldeborghs and the Marshall Cohans hereby release to the Trustee any and all rights and easements which they may have in, over or with respect to the Trustee's land other than such rights and easements as are granted or reserved by this Agreement, and the parties hereby agree each to bear a pro rata part, determined on the basis of acreage, of the cost of maintaining and repairing any ways and roads which are used in common by any of the parties.

5. The parties hereby agree that until January 1, 2010 (a) no buildings or other structures shall be erected or maintained in the "Restricted Area" and (b) no use shall be made of the Benjamin Cohans' land, the Marshall Cohans' land, the Aldeborghs' land or the Trustee's land other than for detached single family residences (together with such uses and improvements as are normally accessory thereto in a seaside community), which residences shall not be designed, intended for use, or used primarily for the production of rental income to the owner thereof. Nothing contained in the foregoing restrictions, however, shall be deemed or construed to limit or prohibit the use of the Trustee's land for purposes of farming and animal husbandry and activities normally connected therewith (expressly excluding, however, piggeries, henneries and similar establishments). Notwithstanding the foregoing termination date of the aforesaid restrictions, the same shall no longer be enforceable at such earlier time as no part of the Benjamin Cohan land, the Aldeborgh land, and the Marshall Cohan land is owned of record by either of the Benjamin Cohans or by any issue of theirs or spouses of such issue, or when there shall not for thirty months or more have been at least one dwelling house or dwelling unit on any land retained by them.

(a) The parties hereto hereby agree that until January 1, 2010, the Benjamin Cohans, the Aldeborghs, and the Marshall Cohans will not sell, transfer or convey any part of their respective lands other than to and among themselves or any of their issue or spouses of such issue without first offering to sell the same to such one or all of a group consisting of the following which shall then own of record any part or all of the Trustee's land; to wit: the Trustee (including the successor or successors of the Trustee), the Trustees of Jenkins Point Trust, a Massachusetts business trust under Declaration dated December 26, 1969 (including the successor or successor Trustees to the present Trustees, viz. Monte J. Wallace, said Neil W. Wallace, the spouse or issue of either of them or any spouse of such issue; and the Trustee and the Wallaces will not sell, transfer or convey any part of the Trustee's land other than to and among said Monte J. Wallace, said Neil W. Wallace, the spouse or issue of either of them or any spouse of such issue

without first offering to sell the same to such one or all of a group consisting of the following persons who shall then own of record any part of said land on which there then is located a dwelling house, to wit: the Benjamin Cohans, the Aldeborghs, the Marshall Cohans, or any issue of the Benjamin Cohans or any spouse of such issue. Any offer to sell as aforesaid shall be at the price and in accordance with the offering procedures stipulated in subparagraph (d) below.

(b) Any such offer made by the Benjamin Cohans, the Aldeborghs or the Marshall Cohans or any of them or any issue of them or spouse of such issue may be accepted by the offerees only in the following order of priority: (i) the Trustee or his successor or successors in trust; (ii) said Trustees of the Jenkins Point Trust (including their successors); (iii) said Monte J. Wallace or his spouse if either is the then owner; (iv) said Neil W. Wallace or his spouse if either is the then owner; (v) any issue of said Monte J. Wallace or Neil W. Wallace or spouse of such issue who are owners of record and who are then under no legal disability.

(c) Any such offer made by the Trustee or any successors of the Trustee referred to in subparagraph (a) above may be accepted by the offerees only in the following order of priority: (i) the Benjamin Cohans or either of them if then such owners; (ii) the Aldeborghs or either of them if then such owners; (iii) the Marshall Cohans or either of them if then such owners; (iv) any of their issue or spouses of such issue who are owners of record and who are then under no legal disability.

(d) Price per acre of land:

\$7,000 per acre until January 1, 1980
 8,000 per acre until January 1, 1990
 9,000 per acre until January 1, 2000
 10,000 per acre until January 1, 2010

(and at the same rate for any portion of an acre). The price for any buildings and structures on the land so offered shall be on the basis of the then reproduction cost thereof as determined by an individual estimator recommended by the senior real estate mortgage officer of the First National Bank of Boston or any corporate successor to the major part of its banking business.

(e) Any such offer shall be made in writing and addressed to the offeree or offerees at the addresses designated in the assessor's records for the offeree's land, shall be delivered in hand or sent by registered mail, return receipt requested, and shall state in precise terms the land being offered and contain a description of the buildings and structures thereon, together with the reproduction cost thereof. If no offeree or offerees as hereinabove provided shall accept such offer by written acceptance addressed to the offeror at the address stipulated in the offeror's offer received by him within sixty (60) days from the date of the mailing or delivery of such offer (or, having accepted such offer shall fail to complete such purchase as hereinafter provided), the offeror shall thereafter be free to sell the premises so offered to any party and on such terms as offeror shall determine, provided that the deed or other instrument conveying the same has been recorded within forty-five (45) days after the expiration of the offering period.

(f) If any such offer shall be accepted in accordance with the terms hereof, the deed shall be delivered and the consideration paid at Dukes County Registry of Deeds at 11am on the fifteenth day after the receipt by the offeror of the offeree's election to purchase (or if a Saturday, Sunday or holiday, on the next business day thereafter).

(g) The obligations limiting sale of the respective premises of the parties hereto shall continue to be binding upon any of the persons to whom any of the parties have the right to convey part or all of their respective premises without first offering to sell the same as above stipulated, but shall not be binding on any other person acquiring title to any part or all of the parties' respective lands if the offering procedures outlined above have been carried out as required.

(h) If any offering owner shall make and record with said Registry of Deeds an affidavit stating that he has given notice to the requisite offerees in connection with the sale or conveyance of any part of such offeror's land and that he has not received written notice of election to purchase by any designated offeree or that such offer has been accepted by the offeree, who has failed to complete the transaction in accordance with the provisions hereof, then such affidavit shall be conclusive evidence of compliance with the requirements of this paragraph in favor of any other grantee and all persons claiming by, through, and under such grantee. The provisions of this Section 5 (a)-(f) shall not be construed to apply to any bona fide mortgages or to sales or other proceedings for the foreclosure thereof.

The provisions of this agreement shall run with the land except where they are stated to be personal in nature and shall be binding upon and enure to the benefit of the parties hereto and their respective heirs, legal representatives, successors in trust and assigns.

None of the parties shall be personally liable for any breach of the foregoing covenants unless and to the extent that such breach relates to land owned by such party at the time of the breach.

Witness the execution hereof under seal on the day and year first above mentioned.

V. CERTIFICATION OF APPRAISER

I certify that, to the best of my knowledge and belief:

- ◇ the statements of fact contained in this report are true and correct.
- ◇ the reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions and conclusions.
- ◇ 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.
- ◇ my compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in , or the use of, this report.
- ◇ my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- ◇ no one provided significant professional assistance to the person signing the cover letter to this report.

David R. Wick

VI. CREDENTIALS OF THE APPRAISER

DAVID R. WITWER, A.S.A., C.P.A.

POSITION	President, Appraisal/Economics, Inc., Chicago
EDUCATION	M.B.A., University of Chicago, Chicago M.S., Engineering, California Institute of Technology, Pasadena B.A., Humanities, Dickinson College, Carlisle, Pennsylvania
PROFESSIONAL HISTORY	Manager, Coopers & Lybrand Valuation Services and Litigation & Claims Services, Chicago Senior Manager, Price Waterhouse Valuation Services, New York and Chicago Senior Consultant, Arthur D. Little Valuation, Inc., Chicago Consultant, Greeley & Hansen Engineers, Chicago
PROFESSIONAL EXPERIENCE	Directed appraisals and damage claim assessments for litigation and other business purposes. These studies involved businesses, real estate, equipment and intangible assets such as proprietary technology, patents, customer lists, contracts, non-compete agreements, and trademarks.
EMPLOYMENT EXPERIENCE	Directed engagements for numerous clients. Some of these are: Avis Europe plc Baker and McKenzie Baxter Travenol Black & Decker Corporation CBS Records Coca-Cola Bottling Company Cyprus Minerals Corporation ComputerLand Stores General Motors Corporation Kimberly-Clark Laidlaw Industries, Inc. Lee, Toomey & Kent

DAVID R. WITWER, A.S.A., C.P.A.

EMPLOYMENT
EXPERIENCE
(CONTINUED)

Medtronic, Inc.
Pratt & Whitney
Shell Oil Company
The Upjohn Company
Waste Management, Inc.
Western Union Corporation

TESTIMONY
EXPERIENCE

Harris vs. Harris, Circuit Court of Cook
County, Illinois, August, 1985

O'Connor vs. O'Connor, Circuit Court of
Lake County, Illinois, September, 1985

PRESENTATIONS/
PUBLICATIONS

Chicago Bar Association Matrimonial Law
Committee and Illinois CPA Society

Price Waterhouse and Coopers & Lybrand
National Training Sessions

Article on the effect of the 1986 Tax
Reform Act on company's value in Medical
Business Journal

Coauthored article awaiting publication on
valuation of intangible assets.

TEACHING

Lecturer in finance, Loyola University, 1993

Lecturer in business ethics, National-Louis
University, 1993

PROFESSIONAL
AFFILIATIONS/
LICENCES

Senior Member, American Society of
Appraisers (ASA designation)

Registered Professional Engineer of
Illinois

Certified Public Accountant

COURSES

Appraisal Institute Courses Completed:
Real Estate Appraisal Principles
Basic Valuation Procedures
Standards of Professional Practice A & B
Residential Valuation
Capitalization Theory & Techn., Part A & B

VII. STANDARD CONDITIONS

The primary assumptions and limiting conditions pertaining to the value estimate conclusion(s) stated in this report are summarized below. Other assumptions are cited elsewhere in this report.

1. To the best of our knowledge and belief, the statements of facts contained in the appraisal report, upon which the analysis and conclusion(s) expressed are based, are true and correct. Information, estimates and opinions furnished to us and contained in the report or utilized in the formation of the value conclusion(s) were obtained from sources considered reliable and believed to be true and correct. However, no representation, liability or warranty for the accuracy of such items is assumed by or imposed on us, and is subject to corrections, errors, omissions and withdrawal without notice.
2. This valuation is based on asset listings which have been provided by our client or his legal counsel. This financial information has not been subjected to any auditing or verification procedures and we express no assurance of any kind on it.
3. The valuation may not be used in conjunction with any other appraisal or study. The value conclusion(s) stated in this appraisal is based on the program of utilization described in the report, and may not be separated into parts. The appraisal was prepared solely for the purpose, function and party so identified in the report. The appraisal report may not be reproduced, in whole or in part, and the findings of the report may not be utilized by a third party for any purpose, without the express written consent of Appraisal/Economics, Inc.
4. No change of any item in any of the appraisal report shall be made by anyone other than Appraisal/Economics, Inc. and we shall have no responsibility for any such unauthorized change.
5. Unless otherwise stated in the appraisal, the valuation of the business has not considered or incorporated the potential economic gain or loss resulting from contingent assets, liabilities or events existing as of the valuation date.
6. We are not required to give testimony or be in attendance at any court or administrative proceeding with reference to the business appraised unless additional compensation is agreed to and prior arrangements have been made.
7. The working papers for this engagement are being retained in our files and are available for your reference. We would be available to support our valuation conclusion(s) should this be required. Those services would be performed for an additional fee.
8. Neither all nor any part of the contents of the report shall be disseminated or referred to the public through advertising, public relations, news or sales media, or any other public means of communication or referenced in any publication, including any private or public offerings including but not limited to those filed with the Securities and Exchange Commission or other governmental agency, without the prior written consent and approval of the review by Appraisal/Economics, Inc.

9. Good and marketable title to the interest being appraised is assumed. We are not qualified to render an "opinion of title" and no responsibility is assumed or accepted for matters of a legal nature affecting the interest being appraised. No formal investigation of legal title to or liabilities against the interest valued was made, and we render no opinion as to ownership of the interest or condition of its title. Furthermore, for purposes of this engagement and letter report, we did not examine the assets of the business.

10. Management is assumed to be competent, and the ownership to be in responsible hands, unless noted otherwise in this report. The quality of management can have a direct effect on the viability and value of the interest.

11. Unless otherwise stated, no effort has been made to determine the possible effect, if any, on the subject interest because of future federal, state or local legislation, including any environmental or ecological matters or interpretations thereof. Furthermore, we assume that there are no hidden or unexpected conditions that would affect the assets of the business and we accept no responsibility for discussing such conditions.

12. We take no responsibility for any events, conditions or circumstances affecting the subject interest or its value, that take place subsequent to the effective date of value cited in the appraisal.

13. Any decision to purchase, sell or transfer any interest in the business shall be the sole responsibility of its owners, as well as the structure to be utilized and the price to be accepted.

14. In connection with third party reliance on our conclusions, you agree to hold Appraisal/Economics, Inc. and its shareholder, and employees harmless from any and all claims, liabilities, and judgments, penalties, or assessments arising from the performance of Appraisal/Economics, Inc. under this engagement, provided that you shall have no obligation to indemnification with respect to a claim arising from any act of negligence of willful or wanton misconduct by any employee of Appraisal/Economics, Inc.

EXHIBIT D

Nature Conservancy

Determination of Adjusted Median Price per Acre of Land in Edgartown and West Tisbury, MA
ADJUSTED PRICE PER ACRE

Address	Town	Use Code	Acres	Sale Date	Sale Price	Sq. Foot Formula	Hoffman Formula	1/3-2/3 Curve	Jerrett Curve	Learning Curve	Adjusted Average
18th St S	Edgartown	132	0.17	1/13/87	2,000	4,851	4,172	3,846	3,419	3,539	3,965
Collins Ave	Edgartown	132	0.11	1/13/87	1,000	3,015	2,499	2,258	1,802	2,036	2,322
20th St S	Edgartown	132	0.17	1/13/87	11,000	26,679	22,949	21,152	18,803	19,462	21,809
landy Ave	Edgartown	132	0.23	1/13/87	1,000	2,085	1,840	1,720	1,626	1,605	1,775
10th St S	Edgartown	132	0.08	1/13/87	2,700	9,546	7,702	6,857	5,000	6,089	7,039
Chapel Ave	Edgartown	132	0.11	1/13/87	3,100	9,347	7,748	7,000	5,586	6,310	7,198
16th St S	Edgartown	132	0.08	1/13/87	2,500	8,839	7,131	6,349	4,630	5,638	6,517
20th St N	Edgartown	132	0.14	1/13/87	12,000	32,071	27,136	24,789	21,053	22,601	25,530
Tower Ln	Edgartown	132	0.07	1/13/87	5,700	21,544	17,185	15,207	10,654	13,420	15,602
19th St N	Edgartown	132	0.07	1/13/87	5,700	21,544	17,185	15,207	10,654	13,420	15,602
20th St N	Edgartown	132	0.14	1/13/87	12,000	32,071	27,136	24,789	21,053	22,601	25,530
11th St S	Edgartown	132	0.08	1/13/87	1,000	3,536	2,852	2,540	1,852	2,255	2,607
7 Edgartown Vineyard Hvn Rd	Edgartown	132	0.07	1/13/87	3,100	11,717	9,346	8,270	5,794	7,299	8,485
19th St S	Edgartown	132	0.08	1/13/87	6,650	23,511	18,969	16,888	12,315	14,998	17,336
14th St N	Edgartown	132	0.07	1/13/87	4,850	18,331	14,623	12,939	9,065	11,419	13,275
1 Edgartown Vineyard Hvn Rd	Edgartown	132	0.08	1/13/87	5,650	19,976	16,116	14,349	10,463	12,742	14,729
11th St S	Edgartown	132	0.12	1/13/87	4,900	14,145	11,812	10,715	8,750	9,698	11,024
20th St N	Edgartown	132	0.07	1/13/87	8,350	31,560	25,175	22,276	15,607	19,659	22,856
21st St N	Edgartown	132	0.07	1/13/87	4,600	17,386	13,869	12,272	8,598	10,830	12,591
Anthiers Way	Edgartown	132	0.14	1/13/87	4,850	12,962	10,967	10,019	8,509	9,135	10,318
Weeks Ln	Edgartown	132	0.14	1/13/87	1,200	3,207	2,714	2,479	2,105	2,260	2,553
11th St S	Edgartown	132	0.08	1/13/87	6,650	23,511	18,969	16,888	12,315	14,998	17,336
Anthiers Way	Edgartown	132	0.07	1/13/87	5,700	21,544	17,185	15,207	10,654	13,420	15,602
Anthiers Way	Edgartown	132	0.14	1/13/87	5,650	12,046	10,591	11,775	10,000	10,735	12,127
iffers Ln	Edgartown	132	0.22	1/13/87	72,000	43,818	47,678	49,907	38,919	52,292	46,523
3 Waldron Bottom Rd	West Tisbury	130	2.70	2/1/87	75,000	57,522	60,176	61,663	55,556	63,220	59,628
19 Litchfield Rd	Edgartown	130	1.70	2/4/87	24,500	32,170	30,715	29,954	31,013	29,197	30,610
5 22nd St S	Edgartown	130	0.58	2/11/87	24,500	32,170	30,715	29,954	31,013	29,197	30,610
66 State Rd	West Tisbury	130	3.03	4/1/87	15,000	8,617	9,469	9,964	7,444	10,497	9,198
5 Dark Woods Rd	Edgartown	130	0.72	4/1/87	112,000	131,993	128,359	126,434	130,233	124,496	128,303
4 Sarita Walker Rd	West Tisbury	130	3.40	4/1/87	150,000	81,349	90,267	95,494	68,182	101,147	87,288
3 Mockingbird Dr	Edgartown	130	0.53	4/15/87	75,000	103,020	97,608	94,799	98,039	92,012	97,096
75 Great Plains Rd	West Tisbury	130	1.46	5/1/87	70,000	57,932	59,826	60,877	56,911	61,969	59,503
Star Ave	Edgartown	132	0.11	5/27/87	40,000	120,605	99,973	90,320	72,072	81,420	92,878
3 E Cape Poge Ave	Edgartown	131	0.46	5/27/87	40,000	58,977	55,210	53,272	54,795	51,363	54,723
09 Great Plains Rd	West Tisbury	130	1.46	6/1/87	80,000	66,208	68,373	69,573	65,041	70,822	68,003
5 N Vine Ln	West Tisbury	130	3.83	6/1/87	125,000	63,872	71,595	76,157	51,760	81,119	68,900
Vatcha Path	Edgartown	130	3.34	6/2/87	155,000	84,812	93,967	99,327	71,429	105,120	90,931



Determination of Adjusted Median Price per Acre of Land in Edgartown and West Tisbury, MA

ADJUSTED PRICE PER ACRE

Address	Town	Use Code	Acres	Sale Date	Sale Price	Sq. Root Formula	Hoffman Formula	1/3-2/3 Curve	Jerrett Curve	Learning Curve	Adjusted Average
itcha Path	Edgartown	130	3.34	6/2/87	155,000	84,812	93,967	99,327	71,429	105,120	90,931
itcha Path	Edgartown	130	3.34	6/2/87	155,000	84,812	93,967	99,327	71,429	105,120	90,931
Oak Ln	West Tisbury	130	1.10	6/15/87	30,000	28,604	28,837	28,963	28,571	29,093	28,814
W Farm Rd	West Tisbury	130	0.87	7/1/87	23,900	25,623	25,322	25,160	25,561	24,996	25,333
W Farm Rd	West Tisbury	130	0.77	7/1/87	29,900	34,074	33,326	32,927	33,785	32,525	33,328
Coffins Field Rd	Edgartown	130	1.10	7/22/87	23,900	22,788	22,973	23,074	22,762	23,178	22,955
Coffins Field Rd	Edgartown	130	1.16	7/22/87	23,900	22,191	22,472	22,626	22,130	22,785	22,441
6 Vineyard Meadow Farms Rd	West Tisbury	130	1.80	7/23/87	70,000	52,175	54,848	56,351	50,000	57,930	54,261
Coffins Field Rd	Edgartown	130	1.30	8/3/87	26,900	23,593	24,125	24,418	23,391	24,721	24,050
Mindsor Dr	Edgartown	130	0.53	8/3/87	74,500	102,334	96,958	94,167	97,386	91,399	96,448
Coffins Field Rd	Edgartown	130	1.11	8/3/87	89,000	84,475	85,228	85,638	84,360	86,059	85,152
4th St N	Edgartown	132	0.07	8/24/87	2,000	7,559	6,030	5,336	3,738	4,709	5,474
6 Plantingfield Way	Edgartown	132	9.80	9/4/87	300,000	95,831	116,349	129,229	55,556	143,862	108,165
Wacha Path	Edgartown	130	3.00	10/9/87	92,500	53,405	58,632	61,671	46,250	64,939	56,980
h St N	Edgartown	132	0.69	10/22/87	165,000	198,637	192,469	189,212	195,266	185,941	192,305
11 W Tisbury Rd	Edgartown	130	0.72	10/27/87	7,000	8,250	8,022	7,902	8,140	7,781	8,019
1 Norton St	Edgartown	131	0.50	11/23/87	425,000	601,041	566,652	548,869	566,667	531,276	562,901
3 North St	Edgartown	131	0.50	11/23/87	425,000	601,041	566,652	548,869	566,667	531,276	562,901
5 Coffins Field Rd	Edgartown	130	1.13	12/21/87	31,900	30,009	30,322	30,493	29,953	30,669	30,289
Median 1987											
8 Tar Kiln Path	Edgartown	130	0.69	1/7/88	4,400	5,297	5,133	5,046	5,207	4,958	5,128
2 Tar Kiln Path	Edgartown	130	0.69	1/7/88	4,400	5,297	5,133	5,046	5,207	4,958	5,128
Kelly Ln	West Tisbury	130	3.01	2/1/88	215,000	123,924	136,092	143,168	107,232	150,779	132,239
0 4th St N	Edgartown	132	0.07	2/1/88	2,000	7,559	6,030	5,336	3,738	4,709	5,474
2 Simpsons Ln	Edgartown	131	0.12	2/29/88	65,000	187,639	156,694	142,133	116,071	128,652	146,238
9 Trotters Ln	West Tisbury	130	1.09	3/1/88	110,000	105,361	106,136	106,557	105,263	106,990	106,061
5 Coffins Field Rd	Edgartown	130	1.00	3/9/88	23,900	23,900	23,900	23,900	23,900	23,900	23,900
15 Otis Bassett Rd	West Tisbury	130	0.92	5/1/88	150,000	156,386	155,281	154,687	156,250	154,082	155,337
3 Onkokemmy Rd	West Tisbury	130	3.45	6/1/88	325,000	174,974	194,396	205,792	146,067	218,125	187,871
42 Lichfield Rd	Edgartown	130	3.10	8/1/88	150,000	85,194	93,794	98,805	73,171	104,201	91,033
1 Schoolhouse Rd	Edgartown	130	0.62	8/1/88	100,000	127,000	121,943	119,291	123,457	116,641	121,666
2 Edgartown Rd	West Tisbury	130	40.93	9/1/88	375,000	58,615	80,359	95,321	17,887	113,489	73,134
Summer St	Edgartown	132	0.03	10/14/88	660,000	3,810,512	2,828,386	2,407,056	1,281,553	2,041,319	2,473,765
8 Marthas Rd	Edgartown	130	0.50	11/18/88	10,000	14,142	13,333	12,915	13,333	12,501	13,245
9 Lamberts Cove Rd	West Tisbury	131	0.35	12/1/88	5,000	8,452	7,730	7,366	7,407	7,011	7,593
Median 1988											
5 11th St S	Edgartown	132	0.17	1/1/89	1,000	2,425	2,086	1,923	1,709	1,769	1,983



Determination of Adjusted Median Price per Acre of Land in Edgartown and West Tisbury, MA
ADJUSTED PRICE PER ACRE

Address	Town	Use Code	Acres	Sale Date	Sale Price	Sq. Root Formula	Hoffman Formula	1/3-2/3 Curve	Jerrett Curve	Learning Curve	Adjusted Average
Stoney Hill Ln	West Tisbury	130	1.10	2/9/89	92,000	87,719	88,432	88,821	87,619	89,219	88,362
Schoolhouse Rd	Edgartown	130	0.50	2/27/89	102,500	144,957	136,663	132,374	136,667	128,131	135,758
Atcha Path	Edgartown	130	104.30	3/3/89	3,200,000	313,334	465,117	575,974	60,779	716,576	426,356
Harbor View Ave	Edgartown	130	0.69	5/15/89	117,000	140,851	136,478	134,168	138,462	131,849	136,362
2nd St N	Edgartown	132	0.48	5/30/89	2,000	2,887	2,712	2,622	2,703	2,533	2,691
Iappaquiddick Rd	Edgartown	130	3.00	7/14/89	265,000	152,998	167,973	176,680	132,500	186,043	163,239
9 Pond View Farm Rd	West Tisbury	130	3.75	9/1/89	350,000	180,739	202,230	214,907	147,368	228,681	194,785
9 Trotters Ln	West Tisbury	130	1.10	9/7/89	80,000	76,277	76,897	77,235	76,190	77,582	76,836
9 Edgewood Dr	Edgartown	130	0.70	9/8/89	65,000	77,690	75,370	74,143	76,471	72,911	75,317
9 Red Farm Rd	West Tisbury	130	3.05	11/8/89	775,000	443,764	487,885	513,565	382,716	541,199	473,826
9 Red Farm Rd	West Tisbury	130	3.02	11/8/89	775,000	445,962	489,890	515,441	385,572	542,925	475,958
9 Red Farm Rd	West Tisbury	130	3.01	11/8/89	165,000	95,104	104,443	109,873	82,294	115,714	101,486
9 Bettencourt Way	Edgartown	130	0.91	11/22/89	22,000	23,062	22,878	22,779	23,037	22,678	22,887
Median 1989											
5 8th St N	Edgartown	132	0.07	1/7/90	16,501	62,368	49,750	44,022	30,843	38,850	45,167
Bettencourt Way	Edgartown	132	0.09	1/8/90	3,000	10,000	8,149	7,295	5,505	6,514	7,492
40 Upper Main St	Edgartown	131	0.23	2/2/90	300,000	625,543	552,083	515,993	487,805	481,554	532,596
lain Field Way	Edgartown	130	0.50	2/20/90	30,000	42,426	39,999	38,744	40,000	37,502	39,734
Swan Ln	Edgartown	130	0.51	3/28/90	225,000	315,063	297,537	288,462	298,013	279,476	295,710
Boldt Farms Way	Edgartown	130	0.69	3/29/90	89,000	107,143	103,817	102,060	105,325	100,295	103,728
3 Dodgers Hole Rd	Edgartown	130	0.50	4/17/90	64,000	90,510	85,331	82,653	85,333	80,004	84,766
30 Otis Bassett Rd	West Tisbury	130	2.60	5/2/90	100,000	62,017	67,265	70,287	55,556	73,515	65,728
Hotel Ave	Edgartown	132	0.16	5/16/90	18,000	45,000	38,509	35,396	31,034	32,475	36,483
vatcha Path	Edgartown	130	2.70	5/24/90	37,500	22,822	24,832	25,993	20,270	27,235	24,231
7 21st St S	Edgartown	131	0.12	9/11/90	9,000	25,981	21,696	19,680	16,071	17,813	20,248
0 Bold Meadow Rd	Edgartown	130	0.93	9/13/90	40,000	41,478	41,223	41,086	41,451	40,946	41,237
Median 1990											
15 13th St N	Edgartown	132	0.14	2/1/91	4,000	10,690	9,045	8,263	7,018	7,534	8,510
17th St N	Edgartown	132	0.14	3/13/91	4,000	10,690	9,045	8,263	7,018	7,534	8,510
17 17th St N	Edgartown	132	0.14	9/19/91	3,500	9,354	7,915	7,230	6,140	6,592	7,446
14 Marthas Rd	Edgartown	130	0.51	11/1/91	48,900	68,474	64,665	62,692	64,768	60,740	64,268
10 Coffins Field Rd	Edgartown	132	0.11	11/29/91	205,000	618,098	512,361	462,892	369,369	417,278	476,000
100 The Blvd	Edgartown	132	0.07	12/17/91	1,500	5,669	4,522	4,002	2,804	3,532	4,106
11 13th St S	Edgartown	132	0.08	12/17/91	1,739	6,148	4,960	4,416	3,220	3,922	4,533
12 17th St S	Edgartown	132	0.04	12/17/91	1,739	8,695	6,614	5,703	3,344	4,903	5,852
16 W Cape Poge Ave	Edgartown	132	0.23	12/17/91	1,350	2,815	2,484	2,322	2,195	2,167	2,397
21 14th St S	Edgartown	132	0.08	12/17/91	1,739	6,148	4,960	4,416	3,220	3,922	4,533

Determination of Adjusted Median Price per Acre of Land in Edgartown and West Tisbury, MA
ADJUSTED PRICE PER ACRE

Address	Town	Use Code	Acres	Sale Date	Sale Price	Sq. Root Formula	Hoffman Formula	1/3-2/3 Curve	Jerrett Curve	Learning Curve	Adjusted Average
11th St S	Edgartown	132	0.08	12/17/91	8,802	31,120	25,107	22,353	16,300	19,851	22,946
19th St N	Edgartown	132	0.07	12/17/91	8,802	33,268	26,538	23,482	16,452	20,723	24,093
12th St S	Edgartown	132	0.12	12/17/91	2,600	7,506	6,268	5,685	4,643	5,146	5,850
19th St N	Edgartown	132	0.14	12/17/91	8,802	23,524	19,904	18,183	15,442	16,578	18,726
10th St S	Edgartown	132	0.04	12/17/91	8,802	44,010	33,475	28,868	16,927	24,815	29,619
19th St N	Edgartown	130	0.28	12/17/91	6,500	12,284	11,024	10,397	10,156	9,793	10,731
3rd St N	Edgartown	130	0.41	12/17/91	4,750	7,418	6,877	6,600	6,738	6,330	6,793
3rd St N	Edgartown	132	0.07	12/17/91	4,750	17,953	14,321	12,672	8,879	11,183	13,002
10th St N	Edgartown	132	0.07	12/17/91	8,802	30,547	24,367	21,561	15,107	19,028	22,122
21st St N	Edgartown	132	0.14	12/17/91	8,802	23,524	19,904	18,183	15,442	16,578	18,726
3rd Edgartown Vineyard Hvn Rd	Edgartown	132	0.07	12/17/91	3,000	11,339	9,045	8,004	5,607	7,063	8,212
17th St N	Edgartown	132	0.14	12/17/91	8,802	23,524	19,904	18,183	15,442	16,578	18,726
13th St N	Edgartown	132	0.07	12/17/91	8,802	33,268	26,538	23,482	16,452	20,723	24,093
57th St N	Edgartown	132	0.07	12/17/91	6,500	24,568	19,597	17,341	12,150	15,304	17,792
atchfield Rd	Edgartown	132	0.10	12/17/91	1,639	5,183	4,262	3,833	2,980	3,440	3,940
Median 1991											
5 Swan Neck Rd	Edgartown	130	7.00	2/18/92	1,425,000	538,599	635,476	694,982	356,250	761,541	597,370
Swan Neck Rd	Edgartown	130	8.31	2/18/92	1,425,000	494,327	591,807	652,352	306,122	720,615	553,045
Swan Neck Rd	Edgartown	130	10.50	2/18/92	1,425,000	439,765	537,058	598,406	247,826	668,331	498,277
Swan Neck Rd	Edgartown	132	15.40	2/18/92	1,425,000	363,124	458,135	519,541	173,780	590,790	421,074
6 Smugglers Way	Edgartown	131	1.70	2/26/92	77,306	59,291	62,026	63,559	57,264	65,164	61,461
rd St N	Edgartown	132	0.14	2/28/92	248,000	662,808	560,801	512,307	435,088	467,088	527,618
9 3rd St N	Edgartown	130	0.53	2/28/92	248,000	340,654	322,758	313,468	324,183	304,253	321,063
9 Wood Ave	Edgartown	130	0.92	3/24/92	70,000	72,980	72,465	72,187	72,917	71,905	72,491
0 Princes Meadows Rd	West Tisbury	130	3.83	4/14/92	976,400	498,917	559,243	594,877	404,306	633,633	538,195
Princes Meadows Rd	West Tisbury	132	4.43	4/14/92	976,400	463,902	526,466	563,774	359,632	604,625	503,679
6 Princes Meadows Rd	West Tisbury	130	3.04	4/14/92	976,400	560,004	615,510	647,810	483,366	682,563	597,851
0 Princes Meadows Rd	West Tisbury	130	3.06	4/14/92	976,400	558,171	613,837	646,244	480,985	681,123	596,072
1 Princes Meadows Rd	West Tisbury	130	3.36	4/14/92	976,400	532,670	590,469	624,322	447,890	660,916	571,253
1 Princes Meadows Rd	West Tisbury	130	3.13	4/14/92	976,400	551,894	608,103	640,873	472,833	676,180	589,977
5 Princes Meadows Rd	West Tisbury	130	3.08	4/14/92	976,400	556,356	612,180	644,692	478,527	679,696	594,310
1 Princes Meadows Rd	West Tisbury	130	3.04	4/14/92	976,400	560,004	615,510	647,810	483,366	682,563	597,851
1 Princes Meadows Rd	West Tisbury	132	4.10	4/14/92	976,400	482,210	543,654	580,110	382,902	619,885	521,752
25 State Rd	West Tisbury	130	3.04	4/14/92	976,400	560,004	615,510	647,810	483,366	682,563	597,851
6 Princes Meadows Rd	West Tisbury	130	6.60	4/14/92	976,400	380,063	446,187	486,649	256,947	531,783	420,326
7 Princes Meadows Rd	West Tisbury	130	0.65	4/30/92	37,000	45,893	44,243	43,375	44,848	42,505	44,173
3 Donaldbin Close	Edgartown	130	2.15	5/1/92	300,000	204,598	218,353	226,179	190,476	234,464	214,814
11 Pleasant Ave	Edgartown	130	0.11	5/1/92	900,000	2,713,602	2,249,389	2,032,210	1,621,622	1,831,952	2,089,755
Pleasant Ave	Edgartown	132									

Determination of Adjusted Median Price per Acre of Land in Edgartown and West Tisbury, MA
ADJUSTED PRICE PER ACRE

Address	Town	Use Code	Acres	Sale Date	Sale Price	Sq. Root Formula	Hoffman Formula	1/3-2/3 Curve	Jerrett Curve	Learning Curve	Adjusted Average
Atlantic Dr	Edgartown	130	1.90	6/26/92	1,150,000	834,298	881,079	907,481	793,103	935,275	870,247
	Edgartown	132	0.33	6/26/92	1,150,000	2,001,893	1,821,858	1,731,276	1,729,323	1,643,374	1,785,545
	Edgartown	132	0.33	6/26/92	1,150,000	2,001,893	1,821,858	1,731,276	1,729,323	1,643,374	1,785,545
	West Tisbury	130	3.01	7/23/92	180,000	103,750	113,938	119,862	89,776	126,233	110,712
	Edgartown	132	0.16	7/24/92	3,000	7,500	6,418	5,899	5,172	5,412	6,080
	Edgartown	130	7.40	8/10/92	164,295	60,396	71,597	78,501	39,118	86,245	67,171
	Edgartown	130	3.19	8/19/92	100,000	55,989	61,791	65,178	47,733	68,830	59,904
	Edgartown	132	0.23	8/25/92	5,000	10,426	9,201	8,600	8,130	8,026	8,877
	Edgartown	131	0.18	11/23/92	31,000	73,068	63,157	58,367	52,542	53,847	60,196
	Edgartown	131	0.51	12/3/92	25,000	35,007	33,060	32,051	33,113	31,053	32,857
	Edgartown	131	0.50	12/3/92	25,000	35,355	33,332	32,286	33,333	31,252	33,112
	West Tisbury	130	1.39	12/15/92	82,500	69,976	71,962	73,060	69,038	74,200	71,647
											500,978
											10,637
											6,966
											64,023
											348,292
											71,647
											80,141
											251,603
											12,759
											43,233
											493,068
											73,053
											10,949
											6,966
											33,505
											76,819
											49,477
											132,217
											19,867
											96,724
											9,990
											259,444
											491,579
											729,744
											67,760
											61,018
											9,417
											6,107
											77,015
											305,325
											74,200
											83,723
											239,684
											12,123
											51,195
											471,515
											91,999
											9,472
											6,107
											36,238
											72,504
											50,190
											123,746
											20,000
											93,201
											8,685
											296,973
											562,687
											671,640
											77,225
											55,000
											55,000
											63,881
											10,329
											6,774
											71,759
											338,702
											73,060
											82,143
											246,100
											12,903
											32,000
											500,000
											45,319
											7,778
											5,405
											30,200
											77,333
											48,837
											131,944
											19,372
											98,631
											9,726
											208,537
											533,547
											707,565
											73,339
											63,881

Median 1992

Determination of Adjusted Median Price per Acre of Land in Edgartown and West Tisbury, MA
ADJUSTED PRICE PER ACRE

Address	Town	Use Code	Acres	Sale Date	Sale Price	Sq. Root Formula	Hoffman Formula	1/3-2/3 Curve	Jerrett Curve	Learning Curve	Adjusted Average
Liahs Cove Rd	West Tisbury	130	3.01	12/10/93	110,000	63,403	69,629	73,249	54,863	77,143	67,657
Lamberts Cove Rd	West Tisbury	130	2.00	1/28/94	90,000	63,640	67,502	69,689	60,000	71,996	67,708
en Hollow Rd	Edgartown	132	0.10	2/9/94	5,000	15,811	13,001	11,694	9,091	10,495	66,565
id To The Gut	Edgartown	132	2.53	4/20/94	20,600	12,951	14,014	14,626	11,671	15,278	12,018
iddle Point Rd	West Tisbury	130	6.00	4/24/94	310,000	126,557	147,377	160,038	88,571	174,099	139,329
Robins Nest Rd	Edgartown	130	0.55	5/13/94	30,000	40,452	38,448	37,405	38,710	36,368	38,277
Red Farm Rd	West Tisbury	130	3.01	5/31/94	120,000	69,167	75,958	79,908	59,850	84,156	73,808
Orran Norton Way	Edgartown	130	1.50	6/8/94	80,000	65,320	67,610	68,883	64,000	70,208	67,204
riners Way	Edgartown	132	0.40	7/1/94	270,000	426,907	394,920	378,620	385,714	362,661	389,764
per Main St	Edgartown	130	0.16	7/27/94	30,000	75,000	64,182	58,993	51,724	54,125	60,805
Edgartown Rd	Edgartown	130	80.30	8/17/94	10,000	1,116	1,620	1,982	246	2,436	1,480
ily Farm Rd	West Tisbury	131	1.46	8/17/94	67,000	55,450	57,262	58,268	54,472	59,313	56,953
Bluebird Way	West Tisbury	130	20.50	8/17/94	10,000	2,209	2,855	3,281	930	3,781	2,611
gartown Rd	West Tisbury	131	0.07	8/17/94	10,000	37,796	30,150	26,678	18,692	23,544	27,372
Harbor View Ave	Edgartown	132	0.23	8/25/94	25,000	52,129	46,007	42,999	40,650	40,129	44,383
Harbor View Ave	Edgartown	132	0.23	8/25/94	25,000	52,129	46,007	42,999	40,650	40,129	44,383
Harbor View Ave	Edgartown	132	0.11	8/25/94	25,000	75,378	62,483	56,450	45,045	50,888	58,049
22nd St N	Edgartown	130	0.41	9/12/94	5,000	7,809	7,239	6,948	7,092	6,663	7,150
Dark Hollow Ln	Edgartown	130	0.77	9/16/94	80,000	91,168	89,165	88,100	90,395	87,024	89,171
Pleasant Ave	Edgartown	131	2.07	9/30/94	1,500,000	1,042,572	1,109,082	1,146,828	977,199	1,186,721	1,092,480
W Farm Rd	West Tisbury	130	0.88	10/14/94	53,000	56,498	55,888	55,560	56,383	55,227	55,911
Sparrow Ln	Edgartown	130	0.50	10/14/94	34,000	48,083	45,332	43,910	45,333	42,502	45,032
Flamingo Dr	Edgartown	130	0.50	10/14/94	36,000	50,912	47,999	46,492	48,000	45,002	47,681
9 Upper Main St	Edgartown	130	0.31	10/28/94	141,200	253,603	229,572	217,532	215,573	205,881	224,432
arragansett Ave	Edgartown	132	0.11	12/2/94	105,000	316,587	262,429	237,091	189,189	213,728	243,805
arragansett Ave	Edgartown	132	0.11	12/2/94	105,000	316,587	262,429	237,091	189,189	213,728	243,805
arragansett Ave	Edgartown	132	0.11	12/2/94	105,000	316,587	262,429	237,091	189,189	213,728	243,805
arragansett Ave	Edgartown	132	0.11	12/2/94	105,000	316,587	262,429	237,091	189,189	213,728	243,805
arragansett Ave	Edgartown	132	0.11	12/2/94	105,000	316,587	262,429	237,091	189,189	213,728	243,805
50 John Cottle Rd	West Tisbury	132	7.93	12/6/94	125,000	44,389	52,931	58,221	27,996	64,172	49,542
57 John Cottle Rd	West Tisbury	132	2.02	12/6/94	125,000	87,950	93,366	96,435	82,781	99,675	92,042
2 12th St S	Edgartown	132	0.08	12/9/94	4,000	14,142	11,410	10,158	7,407	9,021	10,428
2 W Cape Poge Ave	Edgartown	132	0.11	12/29/94	2,500	7,538	6,248	5,645	4,505	5,089	5,805
4 W Cape Poge Ave	Edgartown	132	0.11	12/29/94	2,500	7,538	6,248	5,645	4,505	5,089	5,805
N Narragansett Ave	Edgartown	132	0.23	1/5/95	3,400	7,089	6,257	5,848	5,528	5,458	56,953
									Median 1994		6,036

Determination of Adjusted Median Price per Acre of Land in Edgartown and West Tisbury, MA

ADJUSTED PRICE PER ACRE

Address	Town	Use Code	Acres	Sale Date	Sale Price	Sq. Foot Formula	Hoffman Formula	1/3-2/3 Curve	Jerrett Curve	Learning Curve	Adjusted Average
Bold Meadow Rd	Edgartown	130	0.90	1/20/95	70,000	73,786	73,129	72,775	73,684	72,416	73,158
9 Litchfield Rd	Edgartown	130	3.00	1/27/95	87,500	50,518	55,463	58,338	43,750	61,429	53,900
22nd St N	Edgartown	132	0.14	2/9/95	6,600	17,639	14,925	13,634	11,579	12,431	14,041
0 Pond Rd	West Tisbury	130	1.63	2/13/95	90,000	70,493	73,483	75,153	68,441	76,899	72,894
5 Pond Farm Rd	West Tisbury	130	7.35	3/1/95	252,000	92,952	110,126	120,709	60,359	132,573	103,344
3reen Pastures Rd	Edgartown	132	2.23	3/1/95	170,000	113,840	121,872	126,452	105,263	131,309	119,747
9 Pond Rd	West Tisbury	130	1.51	3/8/95	140,000	113,930	117,992	120,250	111,554	122,602	117,266
olly Ln	West Tisbury	131	0.46	3/15/95	4,000	5,898	5,521	5,327	5,479	5,136	5,472
1st St N	Edgartown	132	0.21	3/17/95	81,500	177,848	155,753	144,964	134,711	134,711	149,597
3rd St N	Edgartown	130	0.34	3/27/95	70,000	120,049	109,530	104,227	104,478	99,074	107,472
The Blvd	Edgartown	130	0.21	4/10/95	5,000	10,911	9,555	8,893	8,264	8,264	9,178
Bea Ln	West Tisbury	130	3.00	4/12/95	165,000	95,263	104,587	110,008	82,500	115,838	101,639
13th St S	Edgartown	132	0.08	4/24/95	1,500	5,303	4,279	3,809	2,778	3,383	3,910
3 5th St N	Edgartown	132	0.14	5/5/95	165,000	440,981	373,113	340,850	289,474	310,764	351,036
14th St N	Edgartown	132	0.07	5/5/95	2,025	7,654	6,105	5,402	3,785	4,768	5,543
Chapel Ave	Edgartown	132	0.34	5/10/95	2,625	4,502	4,107	3,909	3,918	3,715	4,030
Bay View Ave	Edgartown	132	0.11	5/17/95	298,000	898,504	744,798	672,887	536,937	606,580	691,941
Bay View Ave	Edgartown	132	0.69	5/17/95	298,000	358,750	347,611	341,728	352,663	335,820	347,314
Bay View Ave	Edgartown	132	0.69	5/17/95	298,000	358,750	347,611	341,728	352,663	335,820	347,314
Pocha Rd	Edgartown	130	7.10	5/17/95	298,000	111,837	132,113	144,578	73,580	158,530	124,128
ay View Ave	Edgartown	132	0.16	5/17/95	298,000	745,000	637,539	585,998	513,793	537,638	603,993
22nd St N	Edgartown	132	0.07	5/19/95	2,100	7,937	6,331	5,602	3,925	4,944	5,748
3 2nd St N	Edgartown	132	0.07	5/25/95	7,970	30,124	24,029	21,263	14,897	18,764	21,815
2 4th St N	Edgartown	132	0.07	5/25/95	22,122	83,613	66,697	59,018	41,350	52,084	60,552
2 4th St N	Edgartown	132	0.14	5/25/95	7,970	21,301	18,023	16,464	13,982	15,011	16,956
5 3rd St N	Edgartown	132	0.07	5/25/95	7,970	30,124	24,029	21,263	14,897	18,764	21,815
8 4th St N	Edgartown	132	0.07	5/25/95	7,970	30,124	24,029	21,263	14,897	18,764	21,815
6 19th St S	Edgartown	132	0.04	6/12/95	1,000	5,000	3,803	3,280	1,923	2,819	3,365
99 Edgartown Vineyard Hvn Rd	Edgartown	130	0.51	6/16/95	30,500	42,709	40,333	39,103	40,397	37,885	40,085
th St N	Edgartown	130	0.30	6/16/95	33,000	60,249	54,389	51,458	50,769	48,627	53,099
th St N	Edgartown	132	0.14	6/16/95	33,000	88,196	74,623	68,170	57,895	62,153	70,207
05 5th St N	Edgartown	132	0.07	6/19/95	1,579	5,968	4,761	4,213	2,951	3,718	4,322
1 W Cape Poge Ave	Edgartown	132	0.23	6/21/95	3,200	6,672	5,889	5,504	5,203	5,137	5,681
8 16th St S	Edgartown	132	0.08	6/22/95	2,301	8,135	6,563	5,844	4,261	5,189	5,999
5 Anthers Way	Edgartown	132	0.07	7/11/95	2,750	10,394	8,291	7,337	5,140	6,475	7,527
15 Old County Rd	West Tisbury	130	8.30	7/13/95	130,000	45,124	54,016	59,539	27,957	65,766	50,480
0 Boghouse Way	West Tisbury	130	0.46	7/13/95	249,000	367,130	343,680	331,621	341,096	319,736	340,653
08 Pond Rd	West Tisbury	130	1.47	7/14/95	90,000	74,231	76,702	78,073	72,874	79,500	76,276

Determination of Adjusted Median Price per Acre of Land in Edgartown and West Tisbury, MA
ADJUSTED PRICE PER ACRE

Address	Town	Use Code	Acres	Sale Date	Sale Price	Sq. Foot Formula	Hoffman Formula	1/3-2/3 Curve	Jerrett Curve	Learning Curve	Adjusted Average
12th St S	Edgartown	132	0.04	7/21/95	5,500	27,500	20,917	18,039	10,577	15,506	18,508
Night Heron Rd	Edgartown	130	0.54	7/27/95	34,000	46,268	43,907	42,680	44,156	41,462	43,695
elly Ln	West Tisbury	130	3.00	8/2/95	237,000	136,832	150,225	158,012	118,500	166,385	145,991
erry Ave	Edgartown	132	0.23	8/7/95	4,101	8,551	7,547	7,054	6,668	6,583	7,281
ood Duck Cir	Edgartown	130	0.51	8/7/95	35,000	49,010	46,284	44,872	46,358	43,474	45,999
Windsor Dr	Edgartown	130	0.55	8/11/95	50,000	67,420	64,080	62,341	64,516	60,614	63,794
luskeget Ave	Edgartown	132	0.11	8/22/95	96,000	289,451	239,935	216,769	172,973	195,408	222,907
I St N	Edgartown	132	0.07	8/31/95	1,925	7,276	5,804	5,136	3,598	4,532	5,269
20th St N	Edgartown	132	0.07	9/12/95	1,300	4,914	3,919	3,468	2,430	3,061	3,558
20th St N	Edgartown	132	0.07	9/12/95	1,510	5,707	4,553	4,028	2,822	3,555	4,133
Ocean View Ave	Edgartown	132	0.84	9/15/95	135,000	147,297	145,130	143,971	146,739	142,796	145,187
Ocean View Ave	Edgartown	130	1.50	9/15/95	135,000	110,227	114,092	116,240	108,000	118,477	113,407
0 The Blvd	Edgartown	132	0.14	9/22/95	365,000	975,504	825,372	754,000	640,351	687,448	776,535
Edgartown Rd	West Tisbury	131	45.10	9/28/95	190,500	28,367	39,211	46,720	8,265	55,879	35,688
8 Chappaquiddick Rd	Edgartown	130	3.00	10/5/95	129,000	74,478	81,768	86,007	64,500	90,564	79,463
14th St S	Edgartown	132	0.08	10/13/95	1,600	5,657	4,564	4,063	2,963	3,608	4,171
Naushon Rd	West Tisbury	132	0.22	10/25/95	179,000	381,629	335,543	312,967	293,443	291,469	323,010
Chapel Ave	Edgartown	132	0.11	11/17/95	3,000	9,045	7,498	6,774	5,405	6,107	6,966
Watcha Path	West Tisbury	130	0.63	11/28/95	96,000	120,949	116,291	113,845	117,791	111,400	116,055
Watcha Path	Edgartown	130	1.87	11/28/95	96,000	70,202	74,038	76,201	66,899	78,476	73,163
5 Katama Rd	Edgartown	130	0.31	11/29/95	90,000	161,645	146,328	138,653	137,405	131,227	143,052
9 Katama Rd	Edgartown	132	0.30	11/29/95	76,665	139,970	126,355	119,547	117,946	112,970	123,358
3 Bea Ln	West Tisbury	130	3.01	12/4/95	182,000	104,903	115,204	121,194	90,773	127,636	111,942
uthill Ln	Edgartown	130	0.91	12/4/95	27,500	28,828	28,598	28,474	28,796	28,348	28,609
uthill Ln	Edgartown	132	0.45	12/4/95	800,000	1,192,570	1,114,312	1,074,124	1,103,448	1,034,560	1,103,803
30 Pond Rd	West Tisbury	130	1.39	12/15/95	100,000	84,819	87,227	88,558	83,682	89,939	86,845
Boldwater Rd	Edgartown	130	8.30	12/29/95	465,000	161,404	193,213	212,967	100,000	235,239	180,565
									Median 1995		62,173
Bold Meadow Cir	Edgartown	130	0.79	2/1/96	59,000	66,380	65,063	64,362	65,922	63,653	65,076
0 10th St S	Edgartown	132	0.04	3/7/96	189,200	946,000	719,559	620,527	363,846	533,406	636,668
0 Simon Athearn Rd	West Tisbury	130	15.42	3/21/96	325,000	82,764	104,431	118,435	39,586	134,685	95,980
2 Longview Rd	West Tisbury	130	1.00	3/21/96	82,500	82,500	82,500	82,500	82,500	82,500	82,500
21 Litchfield Rd	Edgartown	130	3.30	3/29/96	155,000	85,325	94,438	99,770	72,093	105,529	91,431
06 Red Farm Rd	West Tisbury	130	6.33	5/3/96	835,000	331,883	388,243	422,638	227,831	460,929	366,305
6 Fire Tower Rd	West Tisbury	130	3.14	5/3/96	835,000	471,218	519,351	547,418	403,382	577,664	503,806
8 Fire Tower Rd	West Tisbury	130	1.64	5/3/96	835,000	652,025	680,027	695,679	632,576	712,044	674,470
2 Fire Tower Rd	West Tisbury	130	3.15	5/3/96	835,000	470,469	518,666	546,777	402,410	577,073	503,079
5 Haystack Ln	Edgartown	132	0.46	5/8/96	12,800	18,873	17,667	17,047	17,534	16,436	17,511

Determination of Adjusted Median Price per Acre of Land in Edgartown and West Tisbury, MA

ADJUSTED PRICE PER ACRE

Address	Town	Use Code	Acres	Sale Date	Sale Price	Sq. Root Formula	Hoffman Formula	1/3-2/3 Curve	Jerrett Curve	Learning Curve	Adjusted Average
hfield Rd	Edgartown	132	1.24	5/13/96	420,000	377,171	384,131	387,951	375,000	391,893	383,229
Winnecette Ave	West Tisbury	130	3.00	6/17/96	325,000	187,639	206,005	216,683	162,500	228,166	200,199
Winnecette Ave	West Tisbury	130	3.00	6/17/96	325,000	187,639	206,005	216,683	162,500	228,166	200,199
ring Creek Rd	Edgartown	130	0.65	6/17/96	160,000	198,456	191,320	187,566	193,939	183,807	191,018
ring Creek Rd	Edgartown	130	0.65	6/17/96	160,000	198,456	191,320	187,566	193,939	183,807	191,018
oke St	Edgartown	130	0.23	7/1/96	160,000	333,623	294,444	275,196	260,163	256,829	284,051
oke View Ave.	Edgartown	132	0.11	7/2/96	4,000	12,060	9,997	9,032	7,207	8,142	9,288
10th St S	Edgartown	132	0.08	7/3/96	2,500	8,839	7,131	6,349	4,630	5,638	6,517
1 Plum Bush Point Rd	West Tisbury	130	3.10	7/23/96	750,000	425,971	468,971	494,025	365,854	521,006	455,165
1 Stoney Hill Rd	West Tisbury	130	6.05	7/24/96	444,000	180,512	210,356	228,515	125,957	248,690	198,806
Elias Ln	West Tisbury	131	0.25	7/24/96	90,000	180,000	159,992	150,108	144,000	140,639	154,948
1 Stoney Hill Rd	West Tisbury	130	6.34	7/24/96	444,000	176,335	206,308	224,601	120,981	244,968	194,639
Dubud Ln	Edgartown	130	1.16	7/24/96	48,000	44,567	45,133	45,442	44,444	45,760	45,069
Narragansett Ave	Edgartown	132	0.11	8/2/96	3,000	9,045	7,498	6,774	5,405	6,107	6,966
Thaxter Ln	Edgartown	132	1.00	8/5/96	15,000	15,000	15,000	15,000	15,000	15,000	15,000
5 Pond Rd	West Tisbury	130	1.49	8/15/96	76,000	62,262	64,408	65,601	61,044	66,842	64,031
Governor Ave	Edgartown	131	0.46	8/22/96	43,000	63,400	59,350	57,268	58,904	55,215	58,828
2 Skiffs Ln	West Tisbury	130	2.50	9/13/96	38,750	24,508	26,493	27,633	22,143	28,849	25,925
Dike Bridge Rd	Edgartown	130	42.80	9/18/96	2,100,000	320,994	441,743	525,069	95,890	626,462	402,032
Dike Bridge Rd	Edgartown	130	41.50	9/18/96	2,100,000	325,983	447,434	531,080	98,824	632,715	407,207
Oyster Watcha Rd	Edgartown	130	15.00	10/4/96	1,900,000	490,578	617,555	699,481	237,500	794,424	567,908
Bay View Ave	Edgartown	132	0.11	10/7/96	10,000	30,151	24,993	22,580	18,018	20,355	23,219
Bay View Ave	Edgartown	132	0.11	10/7/96	10,000	30,151	24,993	22,580	18,018	20,355	23,219
50 Waldron Bottom Rd	West Tisbury	130	5.30	10/11/96	120,000	52,125	60,063	64,852	38,095	70,140	57,065
Coffins Field Rd	Edgartown	130	0.35	10/22/96	215,000	363,416	332,392	316,721	318,519	301,473	326,504
lantingfield Way	Edgartown	132	1.30	10/22/96	43,000	37,713	38,564	39,032	37,391	39,517	38,444
cean View Ave	Edgartown	132	0.05	10/25/96	5,000	22,361	17,334	15,103	9,524	13,119	15,488
3 Hotchkiss Ln	Edgartown	130	0.74	11/15/96	63,000	73,236	71,385	70,403	72,414	69,414	71,371
5 Stoney Hill Rd	West Tisbury	130	6.03	11/15/96	185,000	75,338	87,769	95,331	52,632	103,731	82,960
1st St N	Edgartown	130	0.53	11/19/96	50,000	68,680	65,072	63,199	65,359	61,341	64,731
0th St S	Edgartown	132	0.06	11/27/96	23,000	93,897	73,926	64,952	43,396	56,907	66,615
0 20th St S	Edgartown	130	0.54	11/27/96	10,000	13,608	12,914	12,553	12,987	12,195	12,851
1 Edgartown Bay Rd	Edgartown	132	1.00	12/6/96	600,000	600,000	600,000	600,000	600,000	600,000	600,000
80 Skiffs Ln	West Tisbury	130	2.10	12/17/96	67,000	46,234	49,244	50,954	43,226	52,762	48,484
0 Plum Bush Point Rd	West Tisbury	130	4.67	12/17/96	165,000	76,353	87,040	93,434	58,201	100,453	83,096
0 Golf Club Rd	Edgartown	130	1.70	12/19/96	170,000	130,384	136,399	139,770	125,926	143,299	135,156
Golf Club Rd	Edgartown	132	0.10	12/19/96	170,000	537,587	442,027	397,602	309,091	356,820	408,625
Llewellyn Way	Edgartown	130	0.53	12/24/96	55,000	75,548	71,579	69,519	71,895	67,475	71,204



EXHIBIT D
Nature Conservancy

Determination of Adjusted Median Price per Acre of Land in Edgartown and West Tisbury, MA

ADJUSTED PRICE PER ACRE

Address	Town	Use Code	Acres	Sale Date	Sale Price	Sq. Root Formula	Hoffman Formula	1/3-2/3 Curve	Jerrett Curve	Learning Curve	Adjusted Average
Sampson Ave	Edgartown	132	0.23	1/16/97	4,750	9,904	8,741	8,170	7,724	7,625	8,433
ake Ave	Edgartown	132	0.31	1/17/97	3,575	6,421	5,812	5,508	5,458	5,213	5,682
Waqua Ave	Edgartown	132	0.46	1/17/97	2,500	3,686	3,451	3,330	3,425	3,210	3,420
Sea Ave	Edgartown	132	0.21	1/17/97	3,200	6,983	6,115	5,692	5,289	5,289	5,874
St N	Edgartown	132	0.07	1/17/97	3,275	12,378	9,874	8,737	6,121	7,711	8,964
St N	Edgartown	132	0.07	1/17/97	3,275	12,378	9,874	8,737	6,121	7,711	8,964
St N	Edgartown	132	0.14	1/17/97	3,275	8,753	7,406	6,765	5,746	6,168	6,968
6th St N	Edgartown	132	0.07	1/17/97	34,900	131,910	105,223	93,107	65,234	82,168	95,528
6th St N	Edgartown	132	0.07	1/17/97	34,900	131,910	105,223	93,107	65,234	82,168	95,528
Forest Ave	Edgartown	132	0.23	1/17/97	2,425	5,056	4,463	4,171	3,943	3,893	4,305
Bay View Ave	Edgartown	132	0.09	1/17/97	1,525	5,083	4,142	3,708	2,798	3,311	3,809
Bay View Ave	Edgartown	132	0.11	1/17/97	1,525	4,598	3,811	3,443	2,748	3,104	3,541
Forest Ave	Edgartown	132	0.23	1/17/97	3,575	7,454	6,579	6,149	5,813	5,739	6,347
13th St S	Edgartown	132	0.04	1/17/97	3,275	16,375	12,455	10,741	6,298	9,233	11,021
Maple Ave	Edgartown	132	0.23	1/17/97	19,000	39,618	34,965	32,680	30,894	30,498	33,731
Tower Ln	Edgartown	132	0.14	1/17/97	3,275	8,753	7,406	6,765	5,746	6,168	6,968
13th St N	Edgartown	132	0.07	1/17/97	3,275	12,378	9,874	8,737	6,121	7,711	8,964
Bold Meadow Rd	Edgartown	130	0.83	1/30/97	71,250	78,207	76,978	76,321	77,889	75,656	77,006
Majors Cove Ln	Edgartown	130	0.76	1/30/97	73,000	83,737	81,806	80,780	82,955	79,745	81,804
13 Katama Rd	Edgartown	130	0.69	2/7/97	140,000	168,540	163,307	160,543	165,680	157,768	163,168
Pond View Farm Rd	West Tisbury	130	3.20	2/19/97	245,000	136,959	151,192	159,502	116,667	168,464	146,557
Wichfield Rd	Edgartown	132	1.15	3/19/97	110,000	102,576	103,801	104,471	102,326	105,159	103,667
Bold Meadow Rd	Edgartown	130	0.90	3/28/97	84,500	89,071	88,277	87,850	88,947	87,416	88,312
38 The Blvd	Edgartown	131	0.14	4/4/97	18,000	48,107	40,703	37,184	31,579	33,902	38,295
Dark Hollow Ln	Edgartown	130	0.78	4/4/97	79,200	89,676	87,802	86,805	88,989	85,797	87,814
14th St N	Edgartown	130	0.54	4/7/97	32,000	43,546	41,324	40,170	41,558	39,023	41,124
Water St	Edgartown	132	0.02	4/28/97	740,000	5,232,590	3,752,358	3,134,380	1,450,980	2,607,955	3,235,653
Lauras Way	Edgartown	130	1.00	5/6/97	50,000	50,000	50,000	50,000	50,000	50,000	50,000
7 Motick Trl	Edgartown	130	1.58	5/9/97	100,000	79,556	82,710	84,469	77,519	86,304	82,112
Chambers Way	Edgartown	131	0.59	5/15/97	20,000	26,038	24,896	24,299	25,157	23,704	24,819
8 Red Farm Rd	West Tisbury	130	3.01	5/30/97	267,500	154,184	169,324	178,128	133,416	187,597	164,530
2 Washque Ave	Edgartown	131	0.57	6/6/97	35,000	46,359	44,196	43,068	44,586	41,945	44,030
0 Washque Ave	Edgartown	132	0.23	6/6/97	35,000	72,980	64,410	60,199	56,911	56,181	62,136
1 Campbell Rd	West Tisbury	130	2.98	6/9/97	130,500	75,597	82,949	87,222	65,578	91,815	80,632
7 Stony Hill Ln	West Tisbury	130	1.00	6/9/97	37,000	37,000	37,000	37,000	37,000	37,000	37,000
0 Brook Hollow Rd	West Tisbury	130	53.15	6/12/97	950,000	130,308	182,658	219,287	35,088	264,309	166,330
5 W Cape Poge Ave	Edgartown	132	0.16	6/23/97	8,750	21,875	18,720	17,206	15,086	15,786	17,735

Determination of Adjusted Median Price per Acre of Land in Edgartown and West Tisbury, MA
ADJUSTED PRICE PER ACRE

Address	Town	Use Code	Acres	Sale Date	Sale Price	Sq. Foot Formula	Hoffman Formula	1/3-2/3 Curve	Jerrett Curve	Learning Curve	Adjusted Average
Rock Pond Rd	West Tisbury	130	0.12	7/9/97	169,000	487,861	407,405	369,546	301,786	334,496	380,219
bes Neck Cove Rd	Edgartown	130	40.33	7/11/97	600,000	94,479	129,365	153,347	29,035	182,448	117,735
Mitchells Hollow Rd	Edgartown	130	6.54	7/29/97	332,000	129,822	152,291	166,031	88,064	181,352	143,512
Duck Pond Rd	West Tisbury	130	1.50	8/5/97	80,000	65,320	67,610	68,883	64,000	70,208	67,204
Pond Rd	West Tisbury	130	1.39	8/12/97	146,080	123,903	127,421	129,365	122,243	131,383	126,863
Windsor Dr	Edgartown	130	0.52	8/13/97	50,000	69,338	65,589	63,645	65,789	61,719	65,216
Plantingfield Way	Edgartown	130	2.00	8/19/97	775,000	548,008	581,265	600,097	516,667	619,969	573,201
Longview Rd	West Tisbury	130	1.40	8/27/97	99,000	83,670	86,098	87,441	82,500	88,835	85,709
Jennie Ln	Edgartown	130	3.00	8/28/97	72,000	41,569	45,638	48,004	36,000	50,547	44,352
Flamingo Dr	Edgartown	130	0.54	8/29/97	49,000	66,681	63,278	61,510	63,636	59,754	62,972
6 Pond Rd	West Tisbury	130	1.39	9/8/97	118,750	100,722	103,582	105,163	99,372	106,803	103,128
Brook Hollow Rd	West Tisbury	130	1.40	9/9/97	107,000	90,432	93,055	94,507	89,167	96,013	92,635
10th St S	Edgartown	132	0.21	9/22/97	7,000	15,275	13,378	12,451	11,570	11,570	12,849
0 W Tisbury Rd	Edgartown	132	18.30	9/25/97	54,900	12,834	16,431	18,781	5,689	21,531	15,053
otchkiss Ln	Edgartown	130	0.76	9/29/97	78,000	89,472	87,409	86,313	88,636	85,206	87,407
E Cape Poge Ave	Edgartown	132	0.11	9/30/97	165,000	497,494	412,388	372,572	297,297	335,858	383,122
anywise Path	Edgartown	131	1.50	10/1/97	20,000	16,330	16,903	17,221	16,000	17,552	16,801
acorn Cir	Edgartown	130	0.55	10/2/97	480,000	647,232	615,164	598,477	619,355	581,895	612,424
Woodhaven Dr	Edgartown	130	1.01	10/2/97	480,000	477,618	478,022	478,241	477,612	478,465	477,991
Tar Kiln Path	Edgartown	130	0.51	10/2/97	480,000	672,134	634,745	615,386	635,762	596,216	630,849
Tar Kiln Path	Edgartown	130	0.51	10/2/97	480,000	672,134	634,745	615,386	635,762	596,216	630,849
Woodhaven Dr	Edgartown	130	0.51	10/2/97	480,000	672,134	634,745	615,386	635,762	596,216	630,849
Tar Kiln Path	Edgartown	130	0.70	10/2/97	480,000	573,710	556,577	547,520	564,706	538,418	556,186
Woodhaven Dr	Edgartown	130	0.51	10/2/97	480,000	672,134	634,745	615,386	635,762	596,216	630,849
Woodhaven Dr	Edgartown	130	0.51	10/2/97	480,000	672,134	634,745	615,386	635,762	596,216	630,849
Acorn Cir	Edgartown	130	0.69	10/2/97	480,000	577,852	559,911	550,435	568,047	540,918	559,433
Woodhaven Dr	Edgartown	130	0.51	10/2/97	480,000	672,134	634,745	615,386	635,762	596,216	630,849
Woodhaven Dr	Edgartown	130	0.51	10/2/97	480,000	672,134	634,745	615,386	635,762	596,216	630,849
1 Woodhaven Dr	Edgartown	130	0.51	10/2/97	480,000	672,134	634,745	615,386	635,762	596,216	630,849
2 Woodhaven Dr	Edgartown	130	0.51	10/2/97	480,000	672,134	634,745	615,386	635,762	596,216	630,849
3 Woodhaven Dr	Edgartown	130	0.51	10/2/97	480,000	672,134	634,745	615,386	635,762	596,216	630,849
6 Woodhaven Dr	Edgartown	130	0.51	10/2/97	480,000	672,134	634,745	615,386	635,762	596,216	630,849
7 Woodhaven Rd	Edgartown	130	0.50	10/2/97	480,000	678,823	639,983	619,900	640,000	600,030	635,747
8 Woodhaven Rd	Edgartown	130	0.51	10/2/97	480,000	672,134	634,745	615,386	635,762	596,216	630,849
Acorn Cir	Edgartown	130	0.54	10/2/97	480,000	653,197	619,866	602,543	623,377	585,343	616,865
Treetop Rd	Edgartown	130	0.50	10/2/97	480,000	678,823	639,983	619,900	640,000	600,030	635,747
0 Woodhaven Rd	Edgartown	130	0.51	10/2/97	480,000	672,134	634,745	615,386	635,762	596,216	630,849
4 Woodhaven Dr	Edgartown	130	1.03	10/2/97	480,000	472,958	474,148	474,793	472,906	475,453	474,052
6 Woodhaven Dr	Edgartown	130	0.51	10/2/97	480,000	672,134	634,745	615,386	635,762	596,216	630,849

Determination of Adjusted Median Price per Acre of Land in Edgartown and West Tisbury, MA

ADJUSTED PRICE PER ACRE

Address	Town	Use Code	Acres	Sale Date	Sale Price	Sq. Root Formula	Hoffman		1/3-2/3		Jerrett		Learning Curve	Adjusted Average
							Formula	Curve	Formula	Curve	Curve	Curve		
Woodhaven Dr	Edgartown	130	0.52	10/2/97	480,000	665,640	629,651	610,993	631,579	592,500	626,073	592,500	626,073	
reetop Rd	Edgartown	130	0.64	10/2/97	480,000	600,000	577,666	565,928	585,366	554,181	576,628	554,181	576,628	
oodhaven Dr	Edgartown	130	0.51	10/2/97	480,000	672,134	634,745	615,386	635,762	596,216	630,849	596,216	630,849	
Woodhaven Dr	Edgartown	130	0.50	10/2/97	480,000	678,823	639,983	619,900	640,000	600,030	635,747	600,030	635,747	
Woodhaven Dr	Edgartown	130	0.73	10/2/97	480,000	561,798	546,968	539,107	554,913	531,192	546,796	531,192	546,796	
Woodhaven Dr	Edgartown	130	2.40	10/2/97	480,000	309,839	333,775	347,491	282,353	362,087	327,109	362,087	327,109	
corn Cir	Edgartown	130	0.51	10/2/97	480,000	672,134	634,745	615,386	635,762	596,216	630,849	596,216	630,849	
corn Cir	Edgartown	130	0.52	10/2/97	480,000	665,640	629,651	610,993	631,579	592,500	626,073	592,500	626,073	
reetop Rd	Edgartown	130	0.50	10/2/97	480,000	678,823	639,983	619,900	640,000	600,030	635,747	600,030	635,747	
woodhaven Dr	Edgartown	130	0.51	10/2/97	480,000	672,134	634,745	615,386	635,762	596,216	630,849	596,216	630,849	
corn Cir	Edgartown	130	0.55	10/2/97	480,000	647,232	615,164	598,477	619,355	581,895	612,424	581,895	612,424	
reetop Rd	Edgartown	130	1.01	10/2/97	480,000	477,618	478,022	478,241	477,612	478,465	477,991	478,465	477,991	
ak Knoll Rd	West Tisbury	131	1.94	10/8/97	64,500	46,308	48,992	50,508	43,878	52,106	48,358	52,106	48,358	
Pond Rd	West Tisbury	130	1.39	10/17/97	137,700	116,796	120,111	121,944	115,230	123,846	119,585	123,846	119,585	
01 State Rd	West Tisbury	130	3.06	10/24/97	145,000	82,891	91,158	95,970	71,429	101,150	88,520	101,150	88,520	
0 Reservoir Rd	West Tisbury	130	9.89	10/24/97	1,701,125	540,926	657,249	730,313	312,420	813,360	610,854	813,360	610,854	
4 Whalers Walk	Edgartown	130	0.60	11/3/97	55,000	71,005	67,988	66,409	68,750	64,833	67,797	64,833	67,797	
20th St S	Edgartown	130	0.58	11/6/97	35,000	45,957	43,878	42,792	44,304	41,710	43,728	41,710	43,728	
Metells Way	Edgartown	130	0.62	11/24/97	84,000	106,680	102,432	100,204	103,704	97,978	102,200	97,978	102,200	
Tisbury Ln W	West Tisbury	130	5.40	11/26/97	450,000	193,649	223,496	241,523	140,625	261,446	212,148	261,446	212,148	
Sea Ave	Edgartown	132	0.10	11/28/97	3,111	9,838	8,089	7,276	5,656	6,530	7,478	6,530	7,478	
Mariners Way	Edgartown	131	0.50	12/1/97	170,000	240,416	226,661	219,548	226,667	212,511	225,160	212,511	225,160	
9 Pond Rd	West Tisbury	130	1.53	12/5/97	200,000	161,690	167,642	170,954	158,103	174,405	166,559	174,405	166,559	
Howwoswee Park	Edgartown	132	0.11	12/9/97	150,000	452,267	374,898	338,702	270,270	305,325	348,292	305,325	348,292	
Bay View Ave	Edgartown	132	0.23	12/9/97	150,000	312,772	276,041	257,996	243,902	240,777	266,298	240,777	266,298	
Howwoswee Park	Edgartown	132	0.23	12/9/97	150,000	312,772	276,041	257,996	243,902	240,777	266,298	240,777	266,298	
Howwoswee Park	Edgartown	132	0.11	12/9/97	150,000	452,267	374,898	338,702	270,270	305,325	348,292	305,325	348,292	
Howwoswee Park	Edgartown	130	1.90	12/9/97	150,000	108,821	114,923	118,367	103,448	121,992	113,511	121,992	113,511	
ike Bridge Rd	Edgartown	130	4.00	12/19/97	1,500,000	750,000	843,794	899,355	600,000	959,904	810,611	959,904	810,611	
5 Davis Look Rd	West Tisbury	130	4.57	12/30/97	250,000	116,945	133,068	142,702	89,767	153,266	127,150	153,266	127,150	
2 Cow Bay Rd	Edgartown	130	2.10	12/31/97	230,000	158,715	169,047	174,916	148,387	181,123	166,438	181,123	166,438	
									Median 1997					
									137,180			132,906	140,627	
2 Dark Woods Rd	Edgartown	130	0.51	1/5/98	107,000	149,830	141,495	141,495	141,722	132,906	140,627	132,906	140,627	
3 Marthas Rd	Edgartown	130	0.52	1/7/98	55,000	76,271	72,148	70,010	72,368	67,891	71,737	67,891	71,737	
2 13th St N	Edgartown	132	0.07	1/7/98	14,060	53,142	42,391	37,510	26,280	33,103	38,485	33,103	38,485	
3 12th St N	Edgartown	132	0.14	1/7/98	14,060	37,577	31,794	29,045	24,667	26,481	29,913	26,481	29,913	
2 Plum Bush Point Rd	West Tisbury	130	5.00	1/13/98	219,000	97,940	112,298	120,927	73,000	130,429	106,919	130,429	106,919	
2 Meshacket Rd	Edgartown	130	0.50	1/14/98	55,000	77,782	73,331	71,030	73,333	68,753	72,846	68,753	72,846	

Determination of Adjusted Median Price per Acre of Land in Edgartown and West Tisbury, MA

ADJUSTED PRICE PER ACRE

Address	Town	Use Code	Acres	Sale Date	Sale Price	Sq. Root Formula	Hoffman Formula	1/3-2/3 Curve	Jerrett Curve	Learning Curve	Adjusted Average
Turkeyland Cove Rd	Edgartown	130	29.30	1/15/98	3,150,000	581,938	775,462	905,809	207,921	1,061,645	706,555
Obed Daggett Rd	West Tisbury	130	6.90	1/20/98	380,000	144,664	170,475	186,315	96,203	204,021	160,335
Whithers Way	Edgartown	130	0.69	2/6/98	40,000	48,154	46,659	45,870	47,337	45,077	46,619
Leahs Ln	Edgartown	130	7.00	2/18/98	158,500	59,907	70,683	77,302	39,625	84,705	66,444
Leahs Ln	Edgartown	130	7.00	2/18/98	158,500	59,907	70,683	77,302	39,625	84,705	66,444
Mill Hill Rd	Edgartown	130	1.80	2/25/98	125,000	93,169	97,943	100,627	89,286	103,446	96,894
Coffins Field Rd	Edgartown	132	0.14	3/13/98	61,000	163,029	137,939	126,011	107,018	114,889	129,777
Fishermans Knot Rd	Edgartown	130	0.94	3/13/98	51,000	52,602	52,327	52,178	52,577	52,026	52,342
3 Great Plains Rd	West Tisbury	130	1.46	3/16/98	85,500	70,760	73,073	74,357	69,512	75,691	72,679
19th St S	Edgartown	132	0.08	3/20/98	33,000	116,673	94,131	83,806	61,111	74,425	86,029
Litchfield Rd	Edgartown	130	4.90	3/20/98	150,000	67,763	77,564	83,447	50,847	89,918	73,908
Indian Trl	Edgartown	132	6.97	3/20/98	10,000	3,788	4,467	4,885	2,509	5,352	4,200
14th St N	Edgartown	132	0.14	3/24/98	137,000	366,148	309,797	283,008	240,351	258,028	291,467
9 Pond Rd	West Tisbury	130	1.39	4/1/98	182,500	154,794	159,189	161,618	152,720	164,139	158,492
0 Edgartown Rd	West Tisbury	130	13.10	4/8/98	277,000	76,532	95,238	107,203	39,291	120,981	87,849
19 Katama Rd	Edgartown	132	0.51	4/17/98	32,000	44,809	42,316	41,026	42,384	39,748	42,057
1 Red Pony Rd	West Tisbury	130	3.02	4/17/98	112,000	64,449	70,797	74,490	55,721	78,461	68,784
5 Edgewood Dr	Edgartown	130	0.52	4/27/98	33,000	45,763	43,289	42,006	48,421	40,734	43,042
5 Alex Way	West Tisbury	130	1.44	4/30/98	107,500	89,583	92,403	93,966	88,115	95,591	91,932
20 Peases Point Way N	Edgartown	130	0.70	5/6/98	2,900,000	3,466,163	3,362,655	3,307,934	3,411,765	3,252,943	3,360,292
5 Myober Ln	Edgartown	130	0.55	5/8/98	145,000	195,518	185,831	180,790	187,097	175,781	185,003
05 Charles Neck Way	West Tisbury	130	1.90	5/14/98	80,000	58,038	61,292	63,129	55,172	65,063	60,539
1 Blackwater Hollow Rd	West Tisbury	132	0.86	5/21/98	262,000	282,522	278,923	276,995	281,720	275,038	279,040
6 Meetinghouse Way	Edgartown	130	3.10	5/22/98	100,000	56,796	62,529	65,870	48,780	69,467	60,689
2 Pond Rd	West Tisbury	130	2.78	5/22/98	145,000	86,965	94,861	99,430	76,720	104,324	92,460
5 Heather Trl	West Tisbury	130	3.10	5/29/98	118,000	67,019	73,785	77,727	57,561	81,972	71,613
9 Shubael Weeks Rd	West Tisbury	131	0.69	5/29/98	200,000	240,772	233,296	229,348	236,686	225,383	233,097
08 Pond Rd	West Tisbury	130	1.40	6/2/98	142,000	120,012	123,494	125,420	118,333	127,419	122,936
Cyprien Way	Edgartown	131	0.16	6/16/98	190,000	475,000	406,484	373,623	327,586	342,789	385,096
3 Heather Trl	West Tisbury	130	3.00	6/17/98	120,000	69,282	76,063	80,006	60,000	84,246	73,919
Lelands Path	Edgartown	130	5.80	7/8/98	340,000	141,177	163,929	177,735	100,000	193,043	155,177
9 Pennywise Path	Edgartown	130	0.52	7/13/98	51,000	70,724	66,900	64,918	67,105	62,953	66,520
Pamela Way	Edgartown	130	1.00	7/20/98	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Forest Cir	Edgartown	132	0.53	7/24/98	20,000	27,472	26,029	25,280	26,144	24,537	25,892
6 4th St	West Tisbury	131	0.60	7/24/98	67,000	86,497	82,821	80,898	83,750	78,979	82,589
2 Lake Ave	Edgartown	132	0.11	7/28/98	1,000	3,015	2,499	2,258	1,802	2,036	2,322
1 Kanomika Rd	Edgartown	130	6.20	7/30/98	1,245,000	500,004	583,884	635,005	345,833	691,862	551,318
6 13th St N	Edgartown	132	0.07	8/3/98	3,000	11,339	9,045	8,004	5,607	7,063	8,212

Determination of Adjusted Median Price per Acre of Land in Edgartown and West Tisbury, MA

ADJUSTED PRICE PER ACRE

Address	Town	Use Code	Acres	Sale Date	Sale Price	Sq. Root Formula	Hoffman Formula	1/3-2/3 Curve	Jerritt Curve	Learning Curve	Adjusted Average
Stoney Hill Ln	West Tisbury	130	1.09	8/5/98	74,900	71,741	72,269	72,556	71,675	72,850	72,218
S Pond Rd	West Tisbury	130	1.47	8/21/98	160,000	131,966	136,359	138,797	129,555	141,333	135,602
N Vine Ln	West Tisbury	130	3.00	9/1/98	132,000	76,210	83,670	88,007	66,000	92,670	81,311
Cormorant Cir	Edgartown	130	0.51	9/4/98	69,000	96,619	91,245	88,462	91,391	85,706	90,685
Coffins Field Rd	West Tisbury	130	0.74	9/8/98	70,875	82,391	80,309	79,204	81,466	78,091	80,292
Coffins Field Rd	Edgartown	132	0.14	9/8/98	70,875	189,421	160,269	146,410	124,342	133,487	150,786
Pennywise Path	Edgartown	130	0.55	9/17/98	335,000	451,714	429,333	417,687	432,258	406,114	427,421
5 Lamberts Cove Rd	West Tisbury	132	0.39	9/23/98	675,000	1,080,865	997,728	955,435	971,223	914,073	983,865
Bay View Ave	Edgartown	132	0.11	9/28/98	260,000	783,929	649,823	587,083	468,468	529,231	603,707
Washque Ave	Edgartown	132	0.08	9/28/98	260,000	919,239	741,636	660,288	481,481	586,379	677,805
Bay View Ave	Edgartown	132	0.11	9/28/98	260,000	783,929	649,823	587,083	468,468	529,231	603,707
Bold Meadow Rd	Edgartown	130	0.92	10/9/98	100,000	104,257	103,521	103,125	104,167	102,721	103,558
Swan Ln	Edgartown	132	0.50	10/15/98	86,500	122,329	115,330	111,711	115,333	108,130	114,567
Dodgers Hole Rd	Edgartown	130	0.50	10/15/98	86,500	122,329	115,330	111,711	115,333	108,130	114,567
4th St N	Edgartown	132	0.07	10/22/98	3,600	13,607	10,854	9,604	6,729	8,476	9,854
5th St N	Edgartown	132	0.28	10/22/98	3,600	6,803	6,106	5,758	5,625	5,424	5,943
Pin Oak Cir	West Tisbury	131	0.48	10/26/98	12,000	17,321	16,273	15,733	16,216	15,199	16,148
Meshacket Rd	Edgartown	130	1.09	10/30/98	75,000	71,837	72,365	72,653	71,770	72,947	72,314
Stoney Hill Ln	West Tisbury	130	16.80	10/30/98	210,000	51,235	65,120	74,145	23,596	84,658	59,751
Cuttyhunk Ave	West Tisbury	132	0.05	11/3/98	645,000	2,884,528	2,236,079	1,948,228	1,228,571	1,692,355	1,997,952
Bay View Ave	Edgartown	132	0.11	11/4/98	2,000	6,030	4,999	4,516	3,604	4,071	4,644
Harbor View Ave	Edgartown	132	0.11	11/5/98	1,000	3,015	2,499	2,258	1,802	2,036	2,322
Litchfield Rd	Edgartown	130	3.00	11/6/98	650,000	375,278	412,010	433,367	325,000	456,331	400,397
Skiffs Ln	West Tisbury	130	2.40	11/12/98	110,000	71,005	76,490	79,633	64,706	82,978	74,962
Jason Dr	Edgartown	130	3.00	11/12/98	140,000	80,829	88,741	93,341	70,000	98,287	86,239
Quampache Ln	Edgartown	130	11.25	11/13/98	575,000	171,432	210,591	235,392	93,878	263,753	195,009
Bradley Martin Rd	West Tisbury	130	3.45	11/17/98	240,000	129,212	143,554	151,969	107,865	161,077	138,735
Wintucket Cove Path	Edgartown	130	8.80	11/18/98	70,000	23,597	28,388	31,375	14,286	34,752	26,480
19th St N	Edgartown	132	0.07	11/18/98	1,250	4,725	3,769	3,335	2,336	2,943	3,422
4th St N	Edgartown	132	0.21	11/19/98	2,000	4,364	3,822	3,557	3,306	3,306	3,671
Pine Hill Rd	West Tisbury	130	3.70	11/20/98	200,000	103,975	116,205	123,414	85,106	131,241	111,988
Pine Hill Rd	West Tisbury	130	5.20	11/20/98	200,000	87,706	100,899	108,849	64,516	117,619	95,918
Brickworks Rd	West Tisbury	130	3.01	12/16/98	314,000	180,987	198,758	209,093	156,608	220,207	193,131
Silva St	Edgartown	130	0.16	12/23/98	165,000	412,500	353,000	324,462	284,483	297,685	334,426
Blackthorn Rd	West Tisbury	130	2.06	12/24/98	865,000	602,674	640,857	662,520	565,359	685,411	631,364
Blackthorn Rd	West Tisbury	130	1.97	12/24/98	865,000	616,287	652,849	673,532	582,492	695,341	644,100
Blackthorn Rd	West Tisbury	130	2.46	12/24/98	865,000	551,504	595,358	620,528	500,000	647,344	582,947

Median 1998



Determination of Adjusted Median Price per Acre of Land in Edgartown and West Tisbury, MA
ADJUSTED PRICE PER ACRE

Address	Town	Use Code	Acres	Sale Date	Sale Price	Sq. Root Formula	Hoffman Formula	1/3-2/3 Curve	Jerrett Curve	Learning Curve	Adjusted Average
4th St	West Tisbury	131	0.60	1/19/99	46,000	59,386	56,862	55,542	57,500	54,224	56,703
Flamingo Dr	Edgartown	130	0.50	1/20/99	61,750	87,328	82,331	79,747	82,333	77,191	81,786
acobs Neck Rd	Edgartown	130	12.42	1/21/99	325,000	92,219	114,241	128,278	48,435	144,403	105,515
acobs Neck Rd	Edgartown	130	10.27	1/21/99	325,000	101,414	123,618	137,599	57,675	153,517	114,765
o Katama Rd	Edgartown	131	0.50	1/25/99	135,000	190,919	179,995	174,347	180,000	168,758	178,804
5 Middle Point Rd	West Tisbury	132	0.20	1/25/99	75,000	167,705	146,263	135,825	125,000	125,930	140,145
ew Haven Ave	Edgartown	132	0.69	1/25/99	2,800	3,371	3,266	3,211	3,314	3,155	3,263
Calebs Common Ln	Edgartown	130	1.00	2/23/99	102,500	102,500	102,500	102,500	102,500	102,500	102,500
Oak Grove Rd	West Tisbury	131	0.49	3/1/99	900,000	1,235,714	1,210,072	1,171,009	1,208,054	1,132,399	1,201,449
Dr Fisher Rd	West Tisbury	132	0.60	3/1/99	136,550	176,285	168,795	164,875	170,688	160,963	168,321
Smith Hollow Dr	Edgartown	130	0.90	3/2/99	70,000	73,786	73,129	72,775	73,684	72,416	73,158
8 Vineyard Meadow Farms Rd	West Tisbury	130	1.40	3/5/99	75,000	63,387	65,226	66,243	62,500	67,299	64,931
d County Rd	West Tisbury	132	2.00	3/17/99	325,000	229,810	243,756	251,654	216,667	259,987	240,375
d County Rd	West Tisbury	132	0.06	3/17/99	325,000	1,326,807	1,044,601	917,795	613,208	804,116	941,305
o Pocha Rd	Edgartown	130	3.64	3/24/99	300,000	157,243	175,495	186,241	129,310	197,900	169,238
4 Vineyard Meadow Farms Rd	West Tisbury	130	1.40	3/25/99	86,000	72,683	74,792	75,959	71,667	77,169	74,454
i S Vine Ln	West Tisbury	130	1.76	3/26/99	130,000	97,991	102,815	105,523	94,203	108,365	101,779
9 Old Courthouse Rd	West Tisbury	130	2.10	4/8/99	94,000	64,866	69,089	71,487	60,645	74,024	68,022
1 Litchfield Rd	Edgartown	130	3.42	4/8/99	125,000	67,592	75,039	79,406	56,561	84,131	72,546
chfield Rd	Edgartown	130	3.05	4/8/99	125,000	71,575	78,691	82,833	61,728	87,290	76,423
o Narragansett Ave	Edgartown	132	0.11	4/12/99	16,000	48,242	39,989	36,128	28,829	32,568	37,151
Vineyard Ave	Edgartown	131	0.48	4/12/99	16,000	23,094	21,697	20,977	21,622	20,266	21,531
18 Meetinghouse Way	Edgartown	130	20.00	4/20/99	880,000	196,774	253,837	291,342	83,810	335,391	232,231
26 Meetinghouse Way	Edgartown	132	0.44	4/23/99	2,850	4,297	4,007	3,858	3,958	3,712	3,967
3 Great Plains Rd	West Tisbury	131	0.86	4/30/99	57,000	61,465	60,682	60,262	61,290	59,837	60,707
o 22nd St S	Edgartown	130	0.54	5/4/99	12,000	16,330	15,497	15,064	15,584	14,634	15,422
oo Old County Rd	West Tisbury	130	2.30	5/5/99	115,000	75,829	81,392	84,571	69,697	87,947	79,887
8 Chappaquiddick Ave	Edgartown	132	0.39	5/5/99	56,500	90,472	83,513	79,973	81,295	76,511	82,353
8 Dike Bridge Rd	Edgartown	130	3.10	5/17/99	185,000	105,073	115,680	121,859	90,244	128,515	112,274
8 17th St N	Edgartown	130	0.21	5/18/99	2,800	6,110	5,351	4,980	4,628	4,628	5,140
o Dike Bridge Rd	Edgartown	130	3.90	5/19/99	226,600	114,743	128,815	137,138	92,490	146,197	123,877
3 12th St N	Edgartown	130	0.28	5/21/99	64,500	121,894	109,393	103,171	100,781	97,180	106,484
5 Galway Rd	West Tisbury	130	1.55	5/25/99	89,900	72,209	74,950	76,476	70,510	78,068	74,443
1 Line Dr	West Tisbury	130	4.64	5/26/99	340,000	157,841	179,835	192,990	120,567	207,425	171,731
o Plum Bush Point Rd	West Tisbury	130	4.80	5/28/99	500,000	228,218	260,768	280,280	172,414	301,724	248,681
4 Coffins Field Rd	Edgartown	132	0.26	6/3/99	99,000	194,155	173,150	162,746	157,143	152,761	167,991
i Jacobs Neck Rd	Edgartown	130	4.39	6/3/99	100,000	47,727	54,122	57,934	37,106	62,105	51,799
2 Capawock Rd	West Tisbury	130	3.21	6/4/99	555,000	309,771	342,053	360,905	263,658	381,240	331,525

Determination of Adjusted Median Price per Acre of Land in Edgartown and West Tisbury, MA

ADJUSTED PRICE PER ACRE

Address	Town	Use Code	Acres	Sale Date	Sale Price	Sq. Foot Formula	Hoffman Formula	1/3-2/3 Curve	Jerrett Curve	Learning Curve	Adjusted Average
Mill Hill Road Ext	Edgartown	130	0.66	6/4/99	185,000	227,719	219,817	215,655	222,892	211,485	219,513
Heather Trl	West Tisbury	130	3.00	6/4/99	115,000	66,395	72,894	76,673	57,500	80,736	70,840
Peases Point Rd	Edgartown	130	0.75	6/7/99	178,000	205,537	200,572	197,935	203,429	195,277	200,550
Vickers St	Edgartown	130	0.50	6/7/99	89,000	125,865	118,664	114,940	118,667	111,256	117,878
Majors Cove Ln	Edgartown	130	0.79	6/14/99	95,000	106,883	104,763	103,633	106,145	102,491	104,783
4 Chappaquiddick Rd	Edgartown	131	5.48	6/15/99	185,000	79,028	91,323	98,756	57,099	106,976	86,636
Chappaquiddick Rd	Edgartown	131	5.09	6/15/99	185,000	82,000	94,164	101,483	60,755	109,549	89,590
Pauls Ln	Edgartown	132	0.59	6/16/99	765,000	995,945	952,265	929,431	962,264	906,665	949,314
7 Great Plains Rd	West Tisbury	130	1.46	6/21/99	85,000	70,347	72,646	73,922	69,106	75,248	72,254
2 The Blvd	Edgartown	132	0.13	6/25/99	165,000	457,628	384,767	350,299	292,035	318,269	360,600
Flamingo Dr	Edgartown	130	1.00	6/29/99	108,000	108,000	108,000	108,000	108,000	108,000	108,000
Majors Cove Ln	Edgartown	130	0.82	6/30/99	120,000	132,518	130,301	129,117	131,868	127,918	130,345
Charles Neck Way	West Tisbury	130	1.60	6/30/99	110,000	86,963	90,507	92,485	84,615	94,551	89,824
Sparrow Ln	Edgartown	130	0.50	7/1/99	85,000	120,208	113,330	109,774	113,333	106,255	112,580
70 Pond Rd	West Tisbury	130	2.80	7/13/99	192,500	115,041	125,563	131,653	101,316	138,180	122,350
3 Leona Ln	West Tisbury	130	1.39	7/15/99	175,000	148,433	152,647	154,976	146,444	157,394	151,979
4 Litchfield Rd	Edgartown	130	3.04	7/15/99	125,000	71,692	78,798	82,933	61,881	87,383	76,538
5 Litchfield Rd	Edgartown	130	3.01	7/15/99	125,000	72,049	79,123	83,237	62,344	87,662	76,883
Calebs Common Ln	Edgartown	130	1.00	7/16/99	113,000	113,000	113,000	113,000	113,000	113,000	113,000
20 Katama Rd	Edgartown	130	0.92	7/23/99	195,000	203,302	201,866	201,093	203,125	200,306	201,938
52 Waldron Bottom Rd	West Tisbury	130	5.60	8/6/99	190,000	80,290	92,951	100,617	57,576	109,103	88,107
1 Marthas Rd	Edgartown	130	0.51	8/16/99	96,000	134,427	126,949	123,077	127,152	119,243	126,170
05 Great Plains Rd	West Tisbury	130	1.46	8/17/99	110,000	91,037	94,013	95,664	89,431	97,380	93,505
Dunes Rd	Edgartown	130	1.50	8/19/99	365,000	298,021	308,471	314,279	292,000	320,325	306,619
0 Hidden Village Rd	West Tisbury	130	2.80	8/20/99	124,000	74,104	80,882	84,805	65,263	89,010	78,813
1 Litchfield Rd	Edgartown	130	3.01	8/20/99	174,900	100,811	110,709	116,466	87,232	122,657	107,575
4 Coffins Field Rd	West Tisbury	130	0.62	8/24/99	99,000	125,730	120,724	118,098	122,222	115,474	120,450
6 Beach Ave	Edgartown	132	0.23	8/26/99	90,000	187,663	165,625	154,798	146,341	144,466	159,779
7 Harbor View Ave	Edgartown	132	0.23	8/26/99	90,000	187,663	165,625	154,798	146,341	144,466	159,779
2 Bay View Ave	Edgartown	132	0.11	8/30/99	135,000	407,040	337,408	304,832	243,243	274,793	313,463
5 Plum Bush Point Rd	West Tisbury	130	4.12	8/30/99	278,000	136,961	154,477	164,872	108,594	176,217	148,224
75 Pond Rd	West Tisbury	130	1.38	8/31/99	280,000	238,352	244,967	248,624	235,294	252,416	243,931
8 Oyster Watcha Rd	Edgartown	130	10.50	9/1/99	85,000	26,232	32,035	35,694	14,793	39,865	29,722
100 Pond Rd	West Tisbury	130	4.69	9/7/99	225,100	103,942	118,533	127,266	79,121	136,854	113,143
13 E Cape Poge Ave	Edgartown	132	0.11	9/7/99	195,000	587,947	487,368	440,312	351,351	396,923	452,780
10 Loon Cove Way	Edgartown	130	5.00	9/14/99	728,750	325,907	373,685	402,401	242,917	434,020	355,786
12 Jason Dr	Edgartown	130	3.00	9/21/99	190,000	109,697	120,434	126,676	95,000	133,389	117,039
33 Litchfield Rd	Edgartown	130	3.01	9/23/99	210,000	121,042	132,927	139,839	104,738	147,272	129,164

Determination of Adjusted Median Price per Acre of Land in Edgartown and West Tisbury, MA

ADJUSTED PRICE PER ACRE

Address	Town	Use Code	Acres	Sale Date	Sale Price	Sq. Root Formula	Hoffman Formula	1/3-2/3 Curve	Jerrett Curve	Learning Curve	Adjusted Average
1 Pond Rd	West Tisbury	130	1.39	9/28/99	200,625	170,168	174,998	177,669	167,887	180,441	174,233
S Pond Rd	West Tisbury	130	1.47	9/30/99	150,000	123,718	127,836	130,122	121,457	132,500	127,127
Farms End Rd	West Tisbury	130	1.50	10/1/99	115,000	93,897	97,190	99,019	92,000	100,924	96,606
Bea Ln	West Tisbury	130	3.50	10/1/99	382,500	204,455	227,428	240,919	170,000	255,530	219,666
3 Charles Neck Way	West Tisbury	130	1.90	10/8/99	99,500	72,185	76,233	78,517	68,621	80,922	75,295
Herring Creek Rd	Edgartown	130	0.50	10/12/99	150,000	212,132	199,995	193,719	200,000	187,509	198,671
Old Pocha Rd	Edgartown	131	2.70	10/25/99	70,000	42,601	46,353	48,520	37,838	50,839	45,230
Skiffs Ln	West Tisbury	130	2.76	10/26/99	175,000	105,338	114,831	120,321	93,085	126,202	111,955
7 Great Plains Rd	West Tisbury	130	1.46	10/27/99	125,000	103,451	106,833	108,709	101,626	110,659	106,255
Teaberry Ln	Edgartown	130	0.52	11/1/99	99,000	137,288	129,866	126,017	130,263	122,203	129,127
Bay View Ave	Edgartown	132	0.11	11/9/99	3,500	10,553	8,748	7,903	6,306	7,124	8,127
1 Pond Rd	West Tisbury	130	1.39	11/17/99	325,000	275,661	283,486	287,813	271,967	292,303	282,246
S Pond Rd	West Tisbury	130	1.58	11/19/99	260,000	206,845	215,046	219,618	201,550	224,391	213,490
Old Courthouse Rd	West Tisbury	130	3.19	11/19/99	246,000	137,734	152,006	160,338	117,422	169,322	147,365
Red Coat Hill Rd	West Tisbury	130	4.85	11/22/99	324,000	147,121	168,253	180,928	110,769	194,866	160,387
Jeremiah Rd	Edgartown	130	2.10	11/23/99	395,000	272,576	290,319	300,399	254,839	311,059	285,838
Heather Trl	West Tisbury	130	4.10	11/23/99	135,000	66,672	75,167	80,208	52,941	85,707	72,139
Howoswee Park	Edgartown	132	0.11	11/26/99	8,000	24,121	19,995	18,064	14,414	16,284	18,576
Howoswee Park	Edgartown	132	0.11	11/26/99	8,000	24,121	19,995	18,064	14,414	16,284	18,576
Howoswee Park	Edgartown	132	0.11	11/26/99	8,000	24,121	19,995	18,064	14,414	16,284	18,576
W Farm Rd	West Tisbury	130	0.70	11/29/99	140,000	167,332	162,335	159,693	164,706	157,039	162,221
Morse St	Edgartown	132	0.06	12/1/99	772,000	3,151,677	2,481,330	2,180,115	1,456,604	1,910,085	2,235,962
Old Courthouse Rd	West Tisbury	131	0.25	12/3/99	36,000	72,000	63,997	60,043	57,600	56,256	61,979
39 State Rd	West Tisbury	130	1.60	12/3/99	125,000	98,821	102,849	105,097	96,154	107,444	102,073
47 State Rd	West Tisbury	130	1.70	12/3/99	125,000	95,871	100,294	102,772	92,593	105,367	99,379
Schoolhouse Rd	Edgartown	130	0.50	12/16/99	115,000	162,635	153,329	148,518	153,333	143,757	152,314
Holly Ln	West Tisbury	131	0.46	12/22/99	10,000	14,744	13,802	13,318	13,699	12,841	13,681
Flamingo Dr	Edgartown	130	0.51	12/22/99	107,000	149,830	141,495	137,180	141,722	132,906	140,627
Norton Orchard Rd	Edgartown	130	0.32	12/22/99	75,000	132,583	120,344	114,199	113,636	108,244	117,801
Pin Oak Cir	West Tisbury	131	0.46	12/22/99	10,000	14,744	13,802	13,318	13,699	12,841	13,681
16 Beach Rd	Edgartown	130	4.40	12/29/99	14,000	6,674	7,570	8,104	5,185	8,688	7,244
Hilton Way	Edgartown	132	0.06	12/30/99	35,000	142,887	112,496	98,839	66,038	86,597	101,371
Dr Fisher Rd	West Tisbury	130	4.00	12/31/99	155,000	77,500	87,192	92,933	62,000	99,190	83,763
3 16th St S	Edgartown	130	0.54	12/31/99	80,000	108,866	103,311	100,424	103,896	97,557	102,811
									Median 1999		109,978
Llewellyn Way	Edgartown	131	1.03	1/5/00	96,000	94,592	94,830	94,959	94,581	95,091	94,810
4 S Pond Rd	West Tisbury	130	1.48	1/7/00	267,500	219,884	227,334	231,471	215,726	235,776	226,038
Red Pony Rd	West Tisbury	130	3.01	1/14/00	120,000	69,167	75,958	79,908	59,850	84,156	73,808

Determination of Adjusted Median Price per Acre of Land in Edgartown and West Tisbury, MA
ADJUSTED PRICE PER ACRE

Address	Town	Use Code	Acres	Sale Date	Sale Price	Sq. Foot Formula	Hoffman Formula	1/3-2/3 Curve	Jerrett Curve	Learning Curve	Adjusted Average
Hopps Farm Rd	West Tisbury	130	1.50	1/18/00	185,000	151,052	156,349	159,292	148,000	162,357	155,410
gartown Rd	West Tisbury	132	0.07	1/25/00	200,000	755,929	602,996	533,567	373,832	470,878	547,440
Llewellyn Way	Edgartown	131	1.03	1/26/00	96,000	94,592	94,830	94,959	94,581	95,091	94,810
parrow Ln	Edgartown	130	0.51	2/11/00	110,000	154,031	145,463	141,026	145,695	136,633	144,570
Clevelandtown Rd	Edgartown	130	0.51	2/25/00	135,000	189,038	178,522	173,077	178,808	167,886	177,426
hogoat Rd	Edgartown	132	14.44	3/14/00	133,095	35,025	43,948	49,691	17,240	56,335	40,448
Boldwater Rd	Edgartown	130	9.80	3/15/00	1,800,000	574,989	698,094	775,372	333,333	863,173	648,992
Skiffs Ln	West Tisbury	130	2.10	3/15/00	150,000	103,510	110,248	114,075	96,774	118,124	108,546
13th St N	Edgartown	132	0.14	3/15/00	60,000	160,357	135,678	123,945	105,263	113,005	127,650
0 Pond Rd	West Tisbury	130	2.27	3/20/00	295,000	195,798	209,928	217,996	180,428	226,559	206,142
Old Coach Rd	West Tisbury	130	2.40	4/3/00	163,000	105,216	113,344	118,002	95,882	122,959	111,081
S Pond Rd	West Tisbury	130	1.76	4/10/00	785,000	591,716	620,843	637,200	568,841	654,357	614,591
Road To The Pins	Edgartown	130	0.53	4/10/00	127,000	174,448	165,283	160,526	166,013	155,807	164,416
Rock Pond Rd	West Tisbury	130	0.13	4/12/00	266,850	740,109	622,273	566,529	472,301	514,728	583,188
Rock Pond Rd	West Tisbury	130	0.12	4/12/00	260,530	752,085	628,055	569,692	465,232	515,658	586,144
Rock Pond Rd	West Tisbury	130	0.12	4/13/00	327,330	944,920	789,088	715,761	584,518	647,872	736,432
Rock Pond Rd	West Tisbury	130	0.13	4/13/00	205,800	570,787	479,909	436,918	364,248	396,968	449,766
Rock Pond Rd	West Tisbury	130	0.14	4/13/00	139,250	372,161	314,885	287,656	244,298	262,266	296,253
Rock Pond Rd	West Tisbury	130	0.14	4/18/00	190,000	145,723	152,446	156,213	140,741	160,158	151,056
Motick Trl	Edgartown	131	1.70	4/19/00	140,000	118,322	121,754	123,654	116,667	125,625	121,204
38 Charles Neck Way	West Tisbury	130	1.40	4/24/00	325,000	137,338	158,996	172,108	98,485	186,624	150,710
7 Checamo Path	West Tisbury	130	5.60	4/25/00	250,000	105,644	122,304	132,391	75,758	143,557	115,931
5 Checamo Path	West Tisbury	130	5.60	5/1/00	75,000	58,211	60,774	62,207	56,391	63,707	60,258
2 Old Stage Rd	West Tisbury	130	1.64	5/1/00	150,000	117,130	122,161	124,972	113,636	127,912	121,162
2 Old Stage Rd	Edgartown	130	8.97	5/12/00	425,000	141,903	170,994	189,151	85,256	209,696	159,400
Boldwater Rd	West Tisbury	130	0.13	5/16/00	154,200	427,674	359,582	327,370	272,920	297,437	336,997
Rock Pond Rd	Edgartown	130	0.44	5/18/00	130,000	195,982	182,772	175,999	180,556	169,337	180,929
13th St S	West Tisbury	130	1.60	5/22/00	399,000	315,437	328,294	335,469	306,923	342,962	325,817
11 Charles Neck Way	West Tisbury	130	16.40	5/24/00	395,000	97,538	123,719	140,708	45,402	160,479	113,569
4 Dr Fisher Rd	West Tisbury	130	0.12	5/26/00	272,050	785,341	655,826	594,882	485,804	538,459	612,062
1 Rock Pond Rd	West Tisbury	130	0.11	5/26/00	207,130	624,520	517,684	467,702	373,207	421,614	480,945
1 Rock Pond Rd	West Tisbury	130	1.40	6/6/00	145,000	122,547	126,103	128,070	120,833	130,111	125,533
1 Vineyard Meadow Farms Rd	Edgartown	130	0.90	6/9/00	123,962	130,667	129,502	128,876	130,486	128,240	129,554
1 Mill Hill Road Ext	West Tisbury	130	0.12	6/15/00	135,200	390,289	325,924	295,637	241,429	267,596	304,175
1 Rock Pond Rd	West Tisbury	130	0.13	6/15/00	138,280	383,520	322,458	293,572	244,743	266,729	302,204
1 Rock Pond Rd	West Tisbury	130	0.14	6/16/00	357,300	954,924	807,960	738,094	626,842	672,945	760,153
1 Rock Pond Rd	West Tisbury	130	0.12	6/16/00	313,250	904,275	755,146	684,973	559,375	620,004	704,755
20 W Tisbury Rd	Edgartown	131	0.28	6/23/00	795,000	1,502,409	1,348,331	1,271,645	1,242,188	1,197,794	1,312,473

Determination of Adjusted Median Price per Acre of Land in Edgartown and West Tisbury, MA
ADJUSTED PRICE PER ACRE

Address	Town	Use Code	Acres	Sale Date	Sale Price	Sq. Root Formula	Hoffman Formula	1/3-2/3 Curve	Jerrett Curve	Learning Curve	Adjusted Average
Clevelandtown Rd	Edgartown	130	0.58	6/26/00	200,000	262,613	250,731	244,526	253,165	238,345	249,876
Kitts Field Cir	Edgartown	130	0.57	6/30/00	225,000	298,020	284,115	276,863	286,624	269,644	283,053
Rock Pond Rd	West Tisbury	130	0.13	7/5/00	277,800	770,479	647,807	589,776	491,681	535,849	607,118
Rock Pond Rd	West Tisbury	130	0.12	7/5/00	339,315	979,518	817,980	741,968	605,920	671,594	763,396
Oak Knoll Rd	West Tisbury	130	0.96	7/7/00	150,000	153,093	152,563	152,277	153,061	151,985	152,596
5 Great Plains Rd	West Tisbury	130	2.92	7/11/00	195,000	114,115	124,997	131,313	99,490	138,096	121,602
Atwood Cir	West Tisbury	130	0.11	7/21/00	125,000	376,889	312,415	282,251	225,225	254,438	290,244
Litchfield Rd	Edgartown	130	3.01	7/21/00	225,000	129,688	142,422	149,827	112,219	157,792	138,390
Wester Pond Rd	Edgartown	130	3.05	7/28/00	475,000	271,984	299,026	314,765	234,568	331,703	290,409
Wintergreen Ln	West Tisbury	130	1.90	8/11/00	277,500	201,320	212,608	218,979	191,379	225,686	209,994
Kitts Field Cir	Edgartown	130	0.75	8/29/00	275,000	317,543	309,872	305,798	314,286	301,691	309,838
19th St N	Edgartown	132	0.14	9/22/00	25,000	66,815	56,532	51,644	43,860	47,085	53,187
Fairwind Dr	Edgartown	130	0.149	9/28/00	1,400,000	1,146,925	1,186,467	1,208,432	1,124,498	1,231,295	1,179,523
Bold Meadow Cir	Edgartown	130	0.80	10/10/00	225,000	251,558	246,831	244,311	250,000	241,762	246,892
Smith Hollow Dr	Edgartown	130	0.88	10/13/00	135,000	143,910	142,355	141,521	143,617	140,673	142,415
Chappaquiddick Rd	Edgartown	130	3.20	10/20/00	3,000,000	1,677,051	1,851,331	1,953,084	1,428,571	2,062,828	1,794,573
5 Pond Rd	West Tisbury	130	2.81	10/23/00	15,000	8,948	9,770	10,245	7,874	10,755	9,518
3 12th St S	Edgartown	130	0.33	10/27/00	117,500	204,541	186,146	176,891	176,692	167,910	182,436
26 Pond Rd	West Tisbury	130	1.39	11/9/00	300,000	254,457	261,680	265,674	251,046	269,818	260,535
52 Vineyard Meadow Farms Rd	West Tisbury	130	1.40	11/10/00	190,000	160,579	165,238	167,816	158,333	170,491	164,491
0 16th St S	Edgartown	132	0.08	11/14/00	120,000	424,264	342,294	304,748	222,222	270,636	312,833
7 13th St N	Edgartown	130	0.28	11/21/00	135,000	255,126	228,962	215,940	210,938	203,399	222,873
1 Coffins Field Rd	Edgartown	130	1.04	11/22/00	162,000	158,854	159,385	159,672	158,824	159,967	159,340
1 Deacon Vincent Way	Edgartown	130	0.50	12/1/00	192,000	271,529	255,993	247,960	256,000	240,012	254,299
45 Oak Ln	West Tisbury	130	3.00	12/8/00	245,000	141,451	155,296	163,346	122,500	172,002	150,919
9 Dodgers Hole Rd	Edgartown	130	0.50	12/8/00	125,000	176,777	166,662	161,432	166,667	156,258	165,559
2 Willow Tree Holw	West Tisbury	130	1.56	12/19/00	435,000	348,279	361,695	369,170	339,844	376,967	359,191
30 Old County	West Tisbury	130	1.56				Median 2000			107,611	208,068

Determination of Adjusted Median Price per Acre of Land in Edgartown and West Tisbury, MA

ADJUSTED PRICE PER ACRE

Address	Town	Use Code	Acres	Sale Date	Sale Price	Sq. Root Formula	Hoffman Formula	1/3-2/3 Curve	Jerrett Curve	Learning Curve	Adjusted Average
Chase Rd	Edgartown	130	0.13	3/9/01	98,500	273,190	229,694	209,118	174,336	189,997	215,267
14th St S	Edgartown	130	0.54	3/15/01	120,000	163,299	154,967	150,636	155,844	146,336	154,216
Swan Ln	Edgartown	130	0.50	4/13/01	143,000	202,233	190,662	184,678	190,667	178,759	189,400
Treetop Rd	Edgartown	130	0.50	4/19/01	175,000	247,487	233,327	226,005	233,333	218,761	231,783
Mockingbird Dr	Edgartown	130	0.50	4/30/01	144,000	203,647	191,995	185,970	192,000	180,009	190,724
Coffins Field Rd	West Tisbury	130	0.70	5/1/01	155,000	185,260	179,728	176,803	182,353	173,864	179,602
Bernard Way	Edgartown	130	0.17	5/1/01	90,000	218,282	187,761	173,064	153,846	159,235	178,438
Schoolhouse Rd	Edgartown	130	0.50	5/1/01	145,000	205,061	193,328	187,261	193,333	181,259	192,049
9 Old County Rd	West Tisbury	131	0.92	5/25/01	60,000	62,554	62,113	61,875	62,500	61,633	62,135
Farm Way	Edgartown	130	0.71	5/31/01	65,000	77,141	74,927	73,756	76,023	72,579	74,885
1 19th St N	Edgartown	130	0.41	6/7/01	180,000	281,113	260,596	250,124	255,319	239,859	257,402
20 Chappaquiddick Rd	Edgartown	130	49.19	6/15/01	50,000	7,129	9,928	11,876	1,992	14,262	9,037
Anthiers Way	Edgartown	132	0.07	6/15/01	5,000	18,898	15,075	13,339	9,346	11,772	13,586
Ocean Ave	Edgartown	130	0.69	6/21/01	125,000	150,482	145,810	143,342	147,929	140,864	145,686
Dodgers Hole Rd	Edgartown	132	0.50	6/22/01	3,061	4,329	4,081	3,953	4,081	3,826	4,054
Alex Way	Edgartown	130	1.42	6/25/01	340,000	285,322	293,954	298,734	280,992	303,698	292,540
Tisbury Rd	Edgartown	130	2.00	6/25/01	55,000	38,891	41,251	42,588	36,667	43,998	40,679
Howwoswee Park	Edgartown	132	0.11	7/3/01	6,500	19,598	16,246	14,677	11,712	13,231	15,093
4 Mill Hill Rd	Edgartown	130	0.71	7/24/01	120,000	142,414	138,328	136,165	140,351	133,991	138,250
I/A	Edgartown	132	0.04	7/24/01	7,250,000	36,250,000	27,572,942	23,778,139	13,942,308	20,439,708	24,396,619
2 Anthiers Way	Edgartown	132	0.14	7/30/01	8,000	21,381	18,090	16,526	14,035	15,067	17,020
7 Windsor Dr	Edgartown	130	0.51	8/2/01	142,000	198,840	187,779	182,052	188,079	176,381	186,626
Janes Cove Rd	Edgartown	130	5.74	8/8/01	65,000	27,130	31,475	34,109	19,288	37,029	29,806
75 Indian Hill Rd	West Tisbury	130	1.40	8/15/01	100,000	84,515	86,967	88,324	83,333	89,732	86,574
Rock Pond Rd	West Tisbury	130	0.13	8/29/01	420,000	1,164,870	979,406	891,670	743,363	810,139	917,890
Pulpit Ln	Edgartown	130	0.50	8/30/01	200,000	282,843	266,660	258,291	266,667	250,012	264,895
Dodgers Hole Rd	Edgartown	130	0.50	9/6/01	147,000	207,889	195,995	189,844	196,000	183,759	194,698
											178,438

Median 2001

Source: Real Estate transactions from the Warren Group database

Determination of Price-to-Net Asset Value Ratios of Publicly Traded Real Estate Investment Trusts

Company	Ticker	Price 08/24/01	Average		NAV	NAV Discount	Dividend Yield	Property Cost	Borrowings	Leverage Percent
			Dividend Estimates	NAV						
AMLI Residential Properties	AML	\$24.34	\$1.88	\$27.53	11.59%	7.72%	771,200	429,489	55.7%	
Associated Estates Realty Corp.	AEC	\$9.98	\$1.00	\$11.33	11.92%	10.02%	931,796	557,404	59.8%	
Avalon Bay Communities	AVB	\$51.05	\$2.56	\$46.10	-10.74%	5.01%	4,715,278	1,888,841	40.1%	
BRE Properties	BRE	\$32.05	\$1.86	\$31.34	-2.27%	5.80%	1,765,461	849,711	48.1%	
Camden Property Trust	CPT	\$38.95	\$2.44	\$36.09	-7.92%	6.26%	2,698,317	1,195,465	44.3%	
Charles E. Smith Residential	SRW	\$53.74	\$2.34	\$46.60	-15.32%	4.35%	1,983,973	1,340,584	67.6%	
Equity Residential	EQR	\$59.37	\$3.15	\$56.60	-4.89%	5.31%	12,604,510	5,457,588	43.3%	
Essex Property Trust	ESS	\$53.95	\$2.62	\$53.13	-1.54%	4.86%	1,306,538	661,182	50.6%	
Gables Residential Trust	GBP	\$31.00	\$2.27	\$31.16	0.51%	7.32%	1,445,510	818,328	56.6%	
Mid-America Apartment Communi	MAA	\$26.05	\$2.34	\$26.23	0.69%	8.98%	1,448,931	790,708	54.6%	
Post Properties	PMS	\$38.49	\$3.12	\$41.93	8.20%	8.11%	2,754,365	1,172,355	42.6%	
Summit Properties Inc.	SMT	\$26.82	\$1.85	\$26.52	-1.13%	6.90%	1,454,834	757,369	52.1%	
Town and Country Trust	TCT	\$20.65	\$1.72	\$19.76	-4.50%	8.33%	764,722	459,586	60.1%	
United Dominion Realty Trust	UDR	\$14.36	\$1.08	\$13.49	-6.45%	7.52%	3,804,729	2,048,536	53.8%	
Developers Diversified	DDR	\$18.95	\$1.48	\$18.67	-1.50%	7.81%	2,467,545	1,402,144	56.8%	
Federal Realty	FRT	\$23.62	\$1.88	\$27.25	13.32%	7.96%	1,981,002	730,323	36.9%	
IRT Property	IRT	\$10.65	\$0.94	\$10.86	1.93%	8.83%	655,587	320,038	48.8%	
JDN Realty Corp	JDN	\$11.70	\$1.20	\$16.47	28.96%	10.26%	1,134,202	577,606	50.9%	
Kimco Realty	KIM	\$49.27	\$2.88	\$40.06	-22.99%	5.85%	2,927,112	1,330,727	45.5%	
Regency Realty Corp	REG	\$26.16	\$2.00	\$26.05	-0.42%	7.65%	3,001,754	1,262,997	42.1%	
Saul Centers Inc	BFS	\$19.85	\$1.56	\$20.05	1.00%	7.86%	446,247	348,404	78.1%	
Weingarten Realty	WRI	\$48.45	\$3.16	\$42.49	-14.03%	6.52%	2,343,989	1,080,328	46.1%	
CBL & Associates Properties, Inc.	CBL	\$31.32	\$2.13	\$33.22	5.72%	6.80%	3,519,149	2,318,113	65.9%	
Crown American	CWN	\$8.63	\$0.84	\$8.62	-0.12%	9.73%	1,216,932	719,564	59.1%	
General Growth Properties	GGP	\$38.95	\$2.12	\$39.76	2.04%	5.44%	4,839,883	3,442,345	71.1%	
Glimcher Realty	GRT	\$18.06	\$1.92	\$19.86	9.06%	10.63%	1,895,412	1,217,263	64.2%	
JP Realty Inc	JPR	\$23.63	\$1.98	\$24.05	1.75%	8.38%	911,831	458,144	50.2%	
Macerich Co	MAC	\$25.12	\$2.12	\$27.14	7.44%	8.44%	1,932,654	1,582,076	81.9%	
The Mills Corp	MLS	\$24.01	\$2.13	\$24.10	0.37%	8.87%	1,274,625	989,683	77.6%	
Rouse	RSE	\$28.90	\$1.42	\$32.00	9.69%	4.91%	717,989	777,000	108.2%	
Simon Property Group	SPG	\$29.71	\$2.10	\$30.10	1.30%	7.07%	14,201,305	8,747,218	61.6%	
Taubman Centers	TCO	\$13.90	\$1.00	\$16.14	13.88%	7.19%	2,191,722	1,316,161	60.1%	
Chelsea GCA Realty	CPG	\$51.88	\$3.12	\$46.38	-11.86%	6.01%	1,014,312	473,663	46.7%	
Tanger Factory Outlet	SKT	\$22.30	\$2.44	\$24.21	7.89%	10.94%	593,681	360,236	60.7%	

Determination of Price-to-Net Asset Value Ratios of Publicly Traded Real Estate Investment Trusts

Company	Ticker	Price 08/24/01	Average		NAV Discount	Dividend Yield	Property Cost	Borrowings	Leverage Percent
			NAV	Estimates					
Chateau Communities	CPJ	\$30.25	\$2.18	\$32.74	7.61%	7.21%	1,263,045	556,161	44.0%
Manufactured Homes Communiti	MHC	\$29.92	\$1.78	\$30.00	0.27%	5.95%	1,244,688	709,648	57.0%
Equity Inns	ENN	\$9.49	\$1.00	\$9.20	-3.15%	10.54%	760,827	376,545	49.5%
Felcor Lodging Trust	FCH	\$21.71	\$2.20	\$24.12	9.99%	10.13%	3,917,796	2,134,093	54.5%
RFS Hotel Investors	RFS	\$14.53	\$1.54	\$17.01	14.58%	10.60%	623,158	308,528	49.5%
Eastgroup Properties	EGP	\$23.45	\$1.80	\$25.49	8.00%	7.68%	717,274	282,277	39.4%
First Industrial Realty Trust	FR	\$32.94	\$2.63	\$35.14	6.26%	7.98%	2,681,622	1,138,230	42.4%
Arden Realty Group	ARI	\$27.42	\$1.96	\$29.19	6.06%	7.15%	2,892,074	1,216,566	42.1%
Carramerica Realty Corp	CRE	\$32.85	\$1.85	\$35.25	6.81%	5.63%	2,889,703	1,109,778	38.4%
Public Storage	PSA	\$34.45	\$0.88	\$29.72	-15.92%	2.55%	4,932,726	1,477,446	30.0%
Shurgard Storage Centers Inc	SHU	\$31.60	\$2.08	\$30.00	-5.33%	6.58%	1,186,026	443,051	37.4%
Sovran Self Storage	SSS	\$27.25	\$2.32	\$26.20	-4.01%	8.51%	575,651	246,207	42.8%
Storage USA	SUS	\$39.30	\$2.84	\$35.09	-12.00%	7.23%	1,878,360	874,688	46.6%
Colonial Properties Trust	CLP	\$31.10	\$2.52	\$32.21	3.45%	8.10%	1,918,626	1,186,295	61.8%
Cousins Properties	CUZ	\$25.60	\$1.36	\$27.33	6.33%	5.31%	1,085,224	518,882	47.8%
Washington REIT	WRE	\$25.14	\$1.33	\$21.57	-16.55%	5.29%	748,951	350,851	46.8%
				Average	0.88%				

Source: Mercer Capital schedule for REITs including price per share, average net asset value estimates and dividend yields. Property costs and borrowings were obtained from 10Q filings for each company.

EXHIBIT 3

The Nature Conservancy

Partnership Spectrum Data for Distributing and Non-Distributing Equity Partnerships

Partnership	Value Per Unit (\$)	Average Trading Price	Discount	Distribution		Type	Leverage
				Amount \$	Yield %		
Davidson Income Real Estate	371.00	295.00	20%	0.00	0.0%	MF	High
Maxus Real Prop. Inv. Four	530.00	281.00	47%	0.00	0.0%	MF	High
Nooney Real Prop. Inv. Two	667.00	396.00	41%	0.00	0.0%	C, R	High
Sierra Pacific Development FD I	238.00	100.00	58%	0.00	0.0%	C	High
Sierra Pacific Development FD II	127.00	112.00	12%	0.00	0.0%	C	High
Sierra Pacific Pension Inv. 84	274.00	164.00	40%	0.00	0.0%	C	High
InLand Capital Fund	1304.00	800.00	39%	0.00	0.0%	Land	Low
InLand Land Apprec. Fund I	1127.00	712.00	37%	0.00	0.0%	Land	Low
InLand Land Apprec. Fund II	1294.00	802.00	38%	0.00	0.0%	Land	Low
Nooney Income Fund Ltd.	685.00	359.00	48%	0.00	0.0%	C	Low
Nooney Income Fund II	787.00	484.00	39%	0.00	0.0%	C	Low
Resources Pension Shares 5	3.64	2.23	39%	0.00	0.0%	R	Low
Wells Real Estate Fund VI-B	14.70	7.10	52%	0.00	0.0%	C, R	Low
Rancon Realty Fund IV	434.00	292.00	33%	10.00	3.4%	C,R,RST,	High
Uniprof Manuf. Hsg. Income I	607.00	320.00	47%	11.00	3.4%	MH	High
Rancon Realty Fund V	428.00	285.00	33%	10.00	3.5%	C,R,RST,	High
Realty Parking Props II	13.53	9.25	32%	0.60	6.5%	PK	Low
First Capital Income Props XI	298.00	228.00	23%	16.00	7.0%	C	High
Realty Parking Props I	13.78	13.23	4%	0.96	7.3%	PK	Low
ChrisKen Partners Cash Inc.	400.00	353.00	12%	26.00	7.4%	MF, MW	Low
IRE Pension Investors II	108.00	67.50	38%	5.00	7.4%	C	Low
ChrisKen Growth & Income II	270.00	249.98	7%	19.00	7.6%	MF	High
Uniprof Manuf. Hsg. Income II	15.12	9.65	36%	0.76	7.9%	MH	High
Rancon Income Fund I	368.00	236.00	36%	20.00	8.5%	C	Low
Wells Real Real Estate III-A	1.00	0.73	27%	0.07	8.9%	C, R	Low
Wells Real Real Estate IV-A	11.13	7.46	33%	0.70	9.4%	C, R	Low
Wells Real Real Estate V-A	10.20	7.00	31%	0.70	10.0%	C, R	Low
Wells Real Real Estate VIII-A	11.15	8.31	25%	0.88	10.6%	C, R	Low
Brown-Benchmark Properties	21.00	14.00	33%	1.50	10.7%	MF	High
Wells Real Real Estate IX-A	10.68	7.76	27%	0.90	11.6%	C	Low
Wells Real Real Estate VII-A	10.24	7.61	26%	0.9	11.8%	C, R	Low
Wells Real Real Estate VI-A	10.10	7.41	27%	0.88	11.9%	C, R	Low
Wells Real Real Estate X-A	9.97	7.90	21%	0.96	12.2%	C	Low
Wells Real Real Estate XI-A	9.62	7.90	18%	0.96	12.2%	C	Low
Century Properties Fund XIX	290.00	240.00	17%	NSR	NSR	MF	High
Consol. Cap. Instit. Props 3	106.00	80.58	24%	NSR	NSR	MF	High
Consol. Cap. Growth Fund	385.00	330.00	14%	NSR	NSR	MF	High
Davidson Growth Plus	388.00	330.00	15%	NSR	NSR	MF	High
Johnstown/Consolidated Inc. P 1	28.00	18.00	36%	NSR	NSR	MF	High
National Property Investors 6	192.00	140.00	27%	NSR	NSR	MF	High
National Property Investors 7	243.00	183.00	25%	NSR	NSR	MF	High
Copley Pension Props VI	166.00	125.00	25%	NSR	NSR	C	Low
		Average	30.0%		5.3%		
		Median	31.5%		6.8%		

Source: Partnership Spectrum May/June 2001

NSR= No Set Rate

C= office buildings, industrial/warehouse facilities, research and development facilities, and business parks.

L or Land= undeveloped land

MF= apartments or retirement centers

MH= manufactured housing communities

PK= parking facilities

R= shopping centers, outlet malls and other retail-use space

RST= restaurants