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CONSERVATION EASEMENT

38+1 THIS CONSERVATION EASEMENT AGREEMENT is made and entered into this 30th day of *December*, 1986, between LARS I. KULLESEID, Old Albany Post Road, Garrison, New York, hereinafter called the "Grantor", and OPEN SPACE INSTITUTE, INC., a New York not-for-profit corporation with its principal office at 122 East 42nd Street, New York, New York, hereinafter called the "Grantee".

WITNESSETH:

GRANTOR is the owner in fee of real property (the "Property") consisting of approximately 48.3 acres in the Town of Philipstown, Putnam County, New York, more particularly described in Schedule A attached hereto;

The Property is located within the viewshed of the Hudson River in the Hudson Highlands, an area long noted for its scenic beauty, is adjacent to the Appalachian Trail and is near parklands owned by the State of New York;

GRANTEE is a New York not-for-profit corporation within the meaning of Article 49, Title 3, of the Environmental Conservation Law of the State of New York (the "Conservation Law"); and

The parties desire to provide for limited development of the Property consistent with minimizing the visual impact of such development by entering into a Conservation Easement Agreement pursuant to the provisions of Article 49, Title 3, of the Conservation Law.

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants contained herein, and Ten (\$10.) Dollars and other good and valuable consideration paid to the Grantor, the parties agree as follows:

1. Grant of Easement. Grantor grants to Grantee a perpetual conservation easement (the "Conservation Easement") over the Property which shall encumber the Property.

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1.1 Purpose. The purpose of this Conservation Easement is to conserve the scenic, open and natural character of the Property while providing for its development.

1.2 Implementation. This Conservation Easement shall be implemented by limiting and restricting the development, management and use of the Property in accordance with the provisions of this Conservation Easement.

2. Reserved Rights. Grantor reserves for himself, and his successors in interest, all rights, with respect to the Property or any part thereof, including, without limitation, the right of exclusive use, possession and enjoyment of the Property or any part thereof and the right to sell, transfer, lease, mortgage or otherwise encumber the Property or any part thereof, as owner, subject to the restrictions and covenants set forth in this Conservation Easement. Nothing herein shall be construed as a grant to the general public of any right to enter upon any part of the Property or any lot except as is specifically set forth herein.

3. Restrictions Applicable to the Property. The following restrictions apply to the Property:

3.1 Subdivision and Development. Subdivision of the Property shall include not more than eight (8) residential lots. If the Grantor subdivides the property, the Grantor shall, in the deed of conveyance, apportion to the land conveyed the number of residential lots that the subdivided portion can have.

3.2 Use. No commercial, industrial or institutional use of the Property or any part thereof shall be permitted, except that the following shall be allowed: (a) agriculture and forestry uses in accordance with sound conservation practices, and (b) professional, business or artistic use, provided, however, that such use is not visible or audible outside a residence or accessory structure and that any traffic attributable to such use is not in excess of that associated with normal residential use.

3.3 Sale or Transfer. This Conservation Easement shall not restrict or affect the rights of any owner of the Property or any part thereof to sell, lease, transfer, convey, mortgage or otherwise encumber the Property or part thereof.

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Nothing contained herein shall restrict an owner of the Property or part thereof in imposing further restrictions upon conveyance or otherwise.

3.4 Structures. Only one single-family residential dwelling, together with appropriate accessory structures (i.e. garage, shed), plus a guest house or caretaker cottage, may be constructed on each residential lot. Any structure shall be sited, constructed and landscaped so as to be aesthetically compatible with the surroundings, and, to the extent it is visible from the Hudson River, shall be finished and maintained so that, insofar as practicable, it blends in with the natural landscape of the Property.

3.5 No Mobile Homes. Mobile homes or house trailers are prohibited.

3.6 Exterior Appearance.

(a) All roofing and exterior surfaces (except for glass) shall be non-reflective.

(b) No signs shall be permitted except those of professional quality and not more than three (3) square feet in size which: (i) indicate, by one sign, the name of the owner; (ii) mark a roadway; or (iii) are customarily used for posting.

(c) Any antenna, satellite disk, outdoor fixture, swimming pool or tennis court shall be as unobtrusive as possible and shall be constructed and landscaped so as to be aesthetically compatible with the surroundings, and, to the extent it is visible from the Hudson River, shall be finished and maintained so that, insofar as practicable, it blends in with the natural landscape of the Property.

3.7 Chemicals. No pesticide, herbicide or other chemical treatment for land, vegetation or animals shall be used unless its use is necessary, safe for humans and will not contaminate any source of drinking water.

3.8 Dumping and Storage. No dumping or storing of ashes, sawdust, non-composted organic waste, sewage or garbage, scrap material, sediment discharge, oil and its by-products, leached compounds, toxic fumes or any other unsightly or offensive materials shall be allowed.

3.9 Timber. To the extent visible from the Hudson River, no cutting or removing of trees or other natural landscaping shall be permitted, except: (i) to remove those trees which are fallen, dead, diseased or dangerous; (ii) to provide for the construction of structures, improvements, roadways and driveways allowed under this Conservation Easement; (iii) to create and maintain views of the Hudson River from any residence; (iv) to maintain trails, roads and existing open spaces; and, subject to the approval of Grantee, (v) to create new open spaces and views.

3.10 Mining. No quarry, gravel pit, surface or subsurface mining or drilling shall be permitted.

3.11 Roadways and Driveways. New roadways and driveways may be constructed for ingress and egress to and from permitted structures.

4. Additional Covenants:

4.1 Enforcement. Grantor and Grantee may enforce this Conservation Easement in law or equity pursuant to the provisions of Article 49, Title 3, of the Conservation Law against any or all owners of the Property. If there is a violation of any of the provisions of this Conservation Easement, Grantor or Grantee shall notify the party in violation, who shall promptly cure the violation by (a) ceasing the violation or (b) restoring the Property to the condition before the violation, or (c) both, as the case may be. If the violation continues, Grantor or Grantee shall have the right, but not the obligation, to cure it by direct action and the owner shall reimburse Grantor or Grantee for all expenses reasonably incurred to enforce the Conservation Easement and to cure the violation. Failure to enforce any restriction or covenant herein contained shall in no event be deemed a waiver of a right to do so thereafter as to the same violation or breach, or as to one occurring prior to or subsequent thereto.

4.2 Amendment. This Conservation Easement may be amended upon the written consent of Grantee. Any such amendment shall be consistent with the basic purpose of this Conservation Easement and shall comply with Article 49, Title 3, of the Conservation Law.

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4.3 Further Acts. Each party shall perform any further acts and execute and deliver any documents, including amendments to this Conservation Easement which may be reasonably necessary to carry out the provisions of this Conservation Easement or which are necessary to qualify this instrument as a conservation easement under Article 49, Title 3, of the Conservation Law or any regulations promulgated pursuant thereto.

4.4 Encumbrance by Conservation Easement. Any subsequent conveyance including, without limitation, the transfer, lease or mortgage of the Property or any lot, shall be subject to this Conservation Easement, and any deed or other instrument evidencing or effecting such conveyance shall contain language substantially as follows: "This [conveyance, lease, mortgage, easement, etc.] is subject to a Conservation Easement which runs with the land and which was granted to Open Space Institute, Inc., dated , 1986, and recorded Liber , 1986, in the office of the Clerk of Putnam County at Page ." The failure to include such language shall not affect the validity or applicability of this Conservation Easement to such property.

4.5 Assignment. This Conservation Easement may be assigned by the Grantee, provided, however, that an assignment may be made only to a not-for-profit corporation or otherwise as provided in Article 49, Title 3, of the Conservation Law.

4.6 Taxes and Assessments. Each owner of the Property or any part thereof shall pay all taxes and assessments lawfully assessed against the Property or part thereof owned by such owner, who shall provide receipted tax bills to the Grantee upon request.

4.7 Severability. Invalidation of any provision of this Conservation Easement, by court judgment, order, statute, or otherwise, shall not affect any other provisions, which shall be and remain in force and effect.

4.8 Binding Effect. The provisions of this Conservation Easement shall run with the land and shall be binding on each owner and any party entitled to possession or use of the Property while such party is the owner or entitled to possession or use thereof. As used in this Section 4.8, the term owner shall include the owner of any beneficial equity interest in the Property.

5. Qualified Conservation Contribution Covenants:

5.1 Continuity. Grantee agrees that it will assign this Conservation Easement only to an assignee which agrees to continue to carry out the conservation purposes of this Conservation Easement. This Conservation Easement may only be assigned to an assignee which is a qualified organization as defined in Section 170(h) of the Code and the regulations thereunder. Any assignee other than a governmental unit must be an entity able to enforce this Conservation Easement, having purposes similar to those of the Grantee which encompass those of this Conservation Easement.

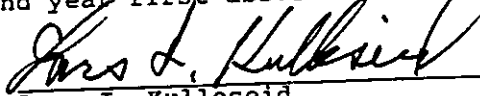
5.2 Notice. Grantor agrees to give Grantee written notice before exercising any reserved right, the exercise of which may have an adverse impact on the conservation interests of this Conservation Easement.

5.3 Inspection. The Grantee and its duly authorized representatives shall have the right to enter the Property at reasonable times, in a reasonable manner and, when practicable, after giving notice, to inspect for compliance with the terms of this Conservation Easement.

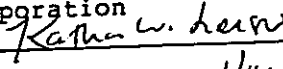
5.4 Extinguishment. If and when the restrictions contained in this Conservation Easement are extinguished by eminent domain taking or otherwise, Grantor and Grantee agree to divide the proceeds in proportions equal to the fair market value of their interests in the Property on the date of execution of this Conservation Easement, unless the laws of New York provide that the Grantor is entitled to the entire proceeds without regard to the terms of this Conservation Easement. Grantor and Grantee agree that the value of the Grantee's interest on the date of execution of this Conservation Easement shall equal the amount by which the fair market value of the Property immediately prior to the execution of this Conservation Easement is reduced by the restrictions imposed by this Conservation Easement. Grantee agrees to devote its share of the proceeds in a manner consistent with the conservation purposes inherent in this Conservation Easement.

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IN WITNESS WHEREOF, the parties have executed this instrument as of the day and year first above written.


Lars I. Kulleseid

OPEN SPACE INSTITUTE, INC.
a New York not-for-profit
corporation

By 
Vice President

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SCHEDULE A

All that certain parcel of land situate in the Town of Philipstown, County of Putnam and State of New York, which was conveyed by William Prior to Lars Kulleseid by a deed dated December 18, 1985 and recorded in the Putnam County Clerk's Liber 877 of Deeds at Page 51 on December 23, 1985, excepting therefrom the land bounded and described as follows:

Beginning at a point on the easterlymost corner of the premises so conveyed by William Prior to Lars Kulleseid which point is formed by the intersection of the southerly line of lands now or formerly of J. McKeen Cattell with the line dividing the lands of Kulleseid on the west from lands now or formerly of the United States of America on the east and which point is distant the following courses from the southeasterlymost corner of Lot No. 3 as shown on that certain map entitled "...Daniel J. Donovan...", which was filed in the Putnam County Clerk's Office as Map No. 1648, first

N 18-08-41 E 302.50 feet

as measured along the said easterly line of Lot No. 3 and then the following courses as measured along the said southerly line of the lands now or formerly of James McKeen Cattell

N 81-14-16 E 314.85 feet
N 83-53-41 E 219.47 feet and
S 83-27-17 E 315.33 feet.

Thence from the said point of beginning southwesterly along the said westerly line of the said United States of America lands

S 31-49-48 W 2043.10 feet

to a point. Thence through the said Kulleseid lands the following courses:

N 21-00-00 W 191.79 feet to a cross cut
N 13-06-12 W 236.42 feet to a drilled hole
N 12-07-50 E 189.20 feet to a drilled hole
N 31-12-29 E 202.90 feet to a cross cut
N 19-38-26 E 256.02 feet to a drilled hole
N 36-50-26 E 240.36 feet

SCHEDULE A

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to a spike in the root of a birch tree.
N 30-08-00 E 237.59 feet to a drilled hole and
N 44-56-13 E 177.86 feet

to a hole drilled in a rock in the center of a stone wall.
Thence still through the said Kulleseid lands and along the
center of the said stone wall the following courses:

N 76-20-00 E 44.74 feet
N 62-50-00 E 42.62 feet
S 83-30-00 E 15.00 feet
N 65-00-00 E 20.00 feet
N 68-15-00 E 105.00 feet
N 65-30-00 E 32.00 feet
N 74-00-00 E 60.00 feet
N 70-30-00 E 83.00 feet
N 73-40-00 E 110.00 feet
N 71-00-00 E 51.00 feet and
N 65-30-00 E 54.00 feet

to the point or place of beginning.

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PLEASE RECORD AND RETURN TO:

Neal A. Brown, Esq.
Greenfield Eisenberg Stein & Senior
99 Park Avenue - 10th Floor
New York, New York 10016

RECORDED AT THE REQUEST OF
FIRST AMERICAN TITLE INS.
CO. OF NEW YORK
TITLE NO.: 201-P-6373
1879

Pl0 Sec: 53
Blk: 1
Lot: 34-1
Town: Philipstown

38.00
T. TAX
Exempt

PUTNAM COUNTY CLERK'S OFFICE
RECEIVED ON THE 25 DAY OF Feb 1987
AT 1 H. 52 M. P.M. RECORDED IN
BOOK No 940 OF Deed
AT PAGE 066 AND EXAMINED

[Signature]
CLERK

RECEIVED
\$ EXEMPT
REAL ESTATE
FEB 25 1987
TRANSFER TAX
PUTNAM
COUNTY
2635

PUTNAM COUNTY
CLERK'S OFFICE
FEB 25 1 52 PM '87