

Highlands Farm, Inc.

448 Styles Brook Road, Keene, NY 12942

General Partner for Highlands Farmers, LP

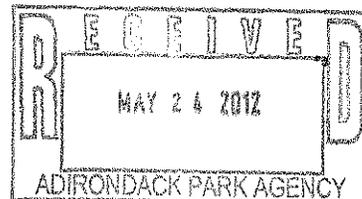
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May 23, 2012

Ms. Colleen Parker
Adirondack Park Agency
PO Box 99, Route 86
Ray Brook, NY 12977



Re: Highlands Farmers, LP NIPA Item 12

Dear Ms. Parker:

I certainly respect the desire expressed in your letter of May 2, 2012 to Dean R. Long to obtain a detailed plan to "identify areas which will remain undeveloped" on the larger lots in our proposed subdivision.

First, I think it is important to express our appreciation for the extensive positive input provided by the staffs at both the APA and LA Group. As a result of that input, the current proposed subdivision plan, APA Project Number 2010-269, has been modified and scaled down considerably from the original plan, APA Project Number 2006-331.

The proposed subdivision delineates only 13 lots out of a possible 31 SFDs allowed by the total acreage involved in the project. 4 lots contain pre-existing SFDs, 2 lots have no building rights, and one lot (#12) has no proposed current SFD development. Further, only 6 new single family dwellings on individual lots are sought, all of which are clustered along Styles Brook Road. These six lots will be sold with deed restrictions, including a requirement for 75 foot setbacks from roads and property lines. The remaining 7 lots, all of which will continue to be owned by members of the original Gardner family, total 1,251.6 acres out of the total 1,335.7 acres in the project – 93.7% of the total acres. The 6 new single family lots will have virtually no adverse impacts on the forest resources, aesthetics, open space resources, historic resources, wildlife, etc., of the property. That conclusion applies to the balance of the Gardner family lots for which no development is proposed. The property lines drawn on a map do not constitute development, nor do they have any impact whatsoever on forest, open space or historic resources, wildlife, etc., much less one that is "adverse."

We feel that the retention of 93.7% of the total acres by the family allows us to continue to control the bulk of Highlands Farm and that the proposed subdivision as submitted to the APA reflects our plan for the property for the foreseeable future. That perspective notwithstanding, we want to assure you that our last 50 years of stewardship should not change measurably over the next 50 years. While we have segregated the bulk of the farm into separate individual ownership, we all still treat the property as a joint family asset. Other than this subdivision of the property

into separate parcels, we have no intention at this point of further development beyond that already explained in the subdivision application. Furthermore, if any of the family owners undertake any additional development in the future, it will be necessary for them both to seek permits from the APA and to comply with the considerable litany of regulations associated therewith.

Over the last 50 years of the family's ownership of Highlands Farm, the property has been farmed and selectively logged as well as serving as a retreat for family gatherings and recreational enjoyment. Although we have no idea if we will continue to be successful locating persons to selectively log our timber, or use our extensive open fields for agricultural uses or animal husbandry, we intend to keep all of the properties under Gardner family ownership in the uses to which they have been historically used. That intention does not mean that we are willing to burden either ourselves or successive generations with restrictive easements or covenants. In fact, if we were to do so, our actions could be construed as preconditions to receipt of our permit from the APA. In such circumstances our accountant has informed us that the Internal Revenue Service (IRS) can disallow the value of any property easement donation.

Our reluctance to consider conservation easements/gifting of building rights or land is also based on information received at numerous meetings in 2007. Over several months in early 2007, we met with Michael Carr (Executive Director, Nature Conservancy's Adirondack Chapter), NYSDEC's real estate representative, Tim Smith (Counselor at law), Robi Politi (local real estate appraiser), and David Evans (accountant) to fully educate ourselves about conservation easements/gifting of building rights or land on property that would remain in Gardner family/HFLP ownership in a proposed subdivision. The reductions in real estate value and property control, along with the complications of funding and managing easements proved unacceptable at that time. Such prior experience does not, however, preclude serious consideration of future conservation easements, gifting building rights or land to NYS and/or deed covenants.

We are hopeful that the above text provides you with an adequate explanation for our ongoing management plans for the larger undeveloped areas of the proposed subdivision.

Respectfully,



Lynne G. Detmer, President

Thomas A. Gardner, Vice President
Highlands Farm Inc.
General Partner, Highlands Farmers LP