RECEIVED VILLAGE OF SCARSDALE MANAGER'S OFFICE

3 Morris Lane Scarsdale, NY 10583

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November 15, 2015

BY HAND

Mayor Jonathan Mark and Members of the Board of Trustees Village Hall Village of Scarsdale 1001 Post Road Scarsdale, New York 10583

Re: Monte Nido & Affiliates ("Monte Nido")

Dear Mayor Mark and Members of the Board of Trustees:

I have been a Scarsdale resident for the past 47 years, living at 3 Morris Lane, just across from the proposed Group Home site. My husband and I have raised our three children there, all graduates of Scarsdale High School. We have not had a child in the school system for 32 years, but have decided to stay in our home because other options were unable to provide the beautiful, quiet, and secure environment which we now enjoy. I am also a licensed real estate broker in the community for over 30 years and, as such, I am intimately familiar with the property located at 2 Morris Lane. This property is squarely situated among the most expensive and luxurious homes in all of Scarsdale on Heathcote Road and across from properties within the Heathcote Association. Most Scarsdalians are not even aware of this neighborhood organization which is over 100 years old. (I am including some information, about its history.) It consists of 40 residences on 130 acres. Our home is within the Association and I am the Treasurer. We pay dues every year to maintain Duck Pond, which we own. At one time we also owned the streets within the Association, but they were given to the Village. The Villager, however opted not to accept the Pond.

If Monte Nido were to succeed in locating its facility at this property, there is no question that its facility will substantially and severely alter the character of the community and have a material negative impact on (a) marketability, (b) values and (c) real estate tax assessments for all properties in this neighborhood. As such, it would be a grave error for the Board of Trustees to fail to object to this proposed location and, respectfully, it should avail itself of every legal challenge available to this inappropriate site selection for Monte Nido's proposed for-profit facility.

Having attended the informational meeting this past Sunday at the Scarsdale library, it is apparent to me that Monte Nido has provided little in the way of specific details as to their desired operation of their proposed for-profit facility. For example, there are no restrictions as to the number of staff

that would be coming and going from the facility on a day-to-day basis, nor has Monte Nido provided any assurance that it will not double or triple its initial staff projections. Moreover, absent a very high-margin business plan, it is entirely unclear why Monte Nido is looking to locate this type of facility on one of the most expensive street in Scarsdale, which is situated on a quiet residential street close to the very heavily trafficked 5 Corners. Indeed, unlike Monte Nido's selection of a main street like South Broadway in Irvington, a mixed-use location far more suitable to patients coming and going every two to three months, the location of its proposed facility at 2 Morris Lane will, in my opinion, have a destructive impact upon the character of the surrounding neighborhood, which Monte Nido has clearly chosen purely in order to maximize its profit objectives.

In closing, I urge the Village to take action to protect the character of the neighborhood through suggestions of the many alternative and far better mixed-use locations that are available and, should Monte Nido not work with the Village and the local community to serve its legitimate needs pursuant to a far more deliberate and cooperative application process, then, respectfully, the Village should object to Monte Nido"s site selection on every available legal basis.

Very truly yours.

Mar∳/Katchis



A VERY BRIEF HISTORY OF THE HEATHCOTE ASSOCIATION

The Heathcote Association was organized in January, 1904, by and for the purchasers of plots in a new development in the "Heathcote" section of Scarsdale. Seven men, members of a men's Bible class organized by Mr. James G. Cannon, had bought the first of the 23 plots in 1902. Mr. Cannon, a vice president of a major New York bank, was President of the Scarsdale Company. The first purchasers were:

William W. Orr	1 Sherbrooke Road
Myron E. Evans	2 Sherbrooke Road
Thomas E. Wing	3 Sherbrooke Road
J. Warren Thayer	6 Sherbrooke Road
William C. White	5 Sherbrooke Road
Samuel Woolverton	15 Heathcote Road
Gerard Fountain	10 Heathcote Road

A letter from Mr. Cannon dated June 19, 1907, gives a good summary of the reasons for starting the Association.

"The Scarsdale Company was organized in May, 1901, for the cooperative development of a residential community in Scarsdale, and they purchased the so-called Van Aistyne farm, an unbroken tract of 130 acres at the intersection of the New York Post Road and the present Drake Road, the "Old Homestead" building, one of the oldest buildings in this part of the country.

"The Heathcote Association was organized under the Membership Laws of the State of New York, and it has been the aim of the Officers and Directors of the Scarsdale Company to continue only in the strictly business function of disposing of the plots. This has been done, and all matters of community development, control, restrictions etc., are now vested in the Heathcote Association, in which each plot owner has an equal right and voice, without regard to the time of his coming into the project.

"The status of the Heatheote Association is, therefore, fully established, and its restrictions and joint control are effective upon all portions of the tract; and it remains with its members whether this tract shall continue to increase in value, whether interest shall be upheld, and harmony dwell in its membership. There will be no occasion, however, for the Scarsdale Company to continue further activities or participation with the Heathcote Association.

"I beg to advise you that the Scarsdale Company proposes to release each member of the Heathcote Association from the remaining covenant of the Company, respecting its right as to the first option of purchase---."

The Scarsdale Company covenants, which were, and are, binding on all who own property in the area, whether members of the Association or not, were entered into "for the purpose of mutual protection in the establishment and maintenance of an exclusively residential community". There was a prohibition against "any brewery, dram shop, saloon—" and the usual restrictions against "any dangerous, offensive or noxious trade, business or occupation—or any trading or manufacturing business, trade or occupation." There were requirements as to minimum setbacks from lot lines, proper maintenance of cesspools, protection of the water supply, etc.

There was also a requirement that no residence could be erected, which cost less than \$7,500, exclusive of furniture and fixtures, or a stable costing less than \$750.

There was a prohibition against the sub-division of plays and since the indenture provided that all of the restrictive covenants, with the exception of the one covering breweries, saloons and dram shops or noxious trades and nuisances, could be modified or waived by the affirmative vote of not less than three-fourths of the whole number of the Directors of the Association, the Association acquired and still has and exercises, a veto power over proposed sub-divisions of any plot within the area. The saloons were out forever.

Sales, which started with the purchase of seven plots in 1902, accelerated rapidly with the formation of the Heathcote Association. By September 1904, there were thirteen plot owners and five houses had been built. The total assessed valuation of the entire 130 acres, plus the improvements, was \$95,000. During 1905, four more houses were built; the assessed value went up to \$127,000, and by the end of 1906 it was \$155,000. By 1975, it was \$2,131,800.

At that time the Association owned the rights of way and the roads in the section and also the Duck Pond. The Association maintained the roads and the pond and also took care of lighting the streets. This was quite necessary. In 1910, Mr. Woolverton's automobile ran over Mr. Fountain's cow, which was sleeping in the middle of Heathcote Road. The early minutes reflect the negotiations with Westchester Lighting Company, which ended with a reduction from \$22.50 to \$20.00 per year for each of the eighteen 20-candlepower lights.

At the start of 1908, the Association contracted with Mr. Wm. H. Fish to take care of the grounds around the pond and along the roads and do such other work as might be necessary for \$250 per year. In 1909, a trend appeared which is still noticeable and Mr. Fish demanded and got an increase to \$275 per year.

During the next few years the Association succeeded in getting the Town to take over the lighting of the streets and eventually the streets themselves. The public water supply was run through the section, thus eliminating the annual worry about contamination when the spring rains flooded out the wells, which had been installed by the Scarsdale Company. Connection to the municipal sewer system also eliminated the need for septic tanks.



Getting rid of the roads and their lighting relieved the Association of many items of cost, but unfortunately the remaining costs kept rising. In 1975, the cost of maintaining the Duck Pond was \$1,820.28, of which \$184.42 was for taxes, including school taxes.

The history of the Association during the seventy years of its existence indicates that Mr. Cannon was occasionally justified in his concern about "Hard feelings, disagreeable comments and un-neighborly conditions." During this period, the Association has had to adapt to changing standards of living and changing concepts of community development without giving up the original purpose for which it was formed. From an original plot plan showing 23 plots there have been enough waivers of restriction to provide for the present 49 plots. Some of the decisions have been wise; some now appear to have been unfortunate, but they have all been reached after thoughtful, earnest, heated — sometimes overheated — debate.

In 1909, the cost of maintaining the thirteen room house on a three acre plot with, or course, two servants in the house and a full-time gardener, could be easily borne by someone with an income of \$3,000 a year. To move from 1909 to 1975 with no more disruption than we have had has been a major accomplishment.

It is to be hoped that the coming years will not bring further drastic changes, but if the Association continues on its past course, stumbling now and then, groping for the best if not always the right answer, then perhaps Heathcote will continue to be an attractive place for those of us who want room to breathe.

January 1977 DK.E. Dear Heathcote Association member:

The failure of Mr. Deak to perfect his appeal of the Court's final decision a year ago is undoubtedly the most important event in the life of the Association, which is now almost one hundred years old. In effect, the Court, in a two-part decision, has affirmed the "value" of the Association's validity of the Association's By-Law and its method of dealing with any requests for sub-division or change in set-back requirements.

These decisions fly in the face of the generally recognized principle that the courts will not permit "the dead hand of the past" to guide the future. This is now "law of the case" and it is to be anticipated that any future challenge would be unsuccessful. As you undoubtedly know, each deed required the owner or owners to belong to the Association, and a majority of ownership - one vote for each acre is required for any sub-division of a property or set-back variange. This is the first time in the 90 years of the lifetime of the Association that its existence has been challenged, and its validity has now been upheld.

There is a delinquency in your account of which I would appreciate your taking care of at your earliest convenience.

> Iulia B Mortgage

Sincerely yours,

Treasurer

This case was source of Heathest over Sacre of Heathest over Sacre of Particular over Sacre of Sacre of

October , 1994

CUDDY & FEDER

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August 26, 1994

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Mr. Leonard Marx, Sr.
Marx Realty and Improvement Co., Inc.
708 Third Avenue
New York, New York 10017-4532

Re: Deak v. Heathcote

Dear Leonard:

Some weeks ago you inquired as to whether the above litigation had been completely resolved. The answer is that the litigation is resolved, as is evidenced by the enclosed decision of the Appellate Division, Second Department filed in Westchester County on April 8, 1993.

As you may recall, Mr. Deak originally asserted four causes of action, three of which were dismissed as a result of a crossmotion we made for summary judgment. The one surviving cause of action was later dismissed after trial and that dismissal was affirmed in the above-mentioned decision filed in April, 1993.

Thus, the Heathcote Association was successful on all causes of action and no further appeals are available to Mr. Deak at this time.

Recently, I received an inquiry from Ms. Mary Katchis, Treasurer of the Heathcote Association concerning this matter.

CUDDY & FEDER

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In response to that inquiry, I am providing her with a copy of this letter and the enclosure.

Best regards.

Sincerely

rhomas R. Beirne

TRB:sk Enclosure

cc: Ms. Mary Katchis

Save this date!

The Heathcote Association's 100th Anniversary Celebration

Saturday, May 18, 2002 12:30-3:30 at the Duckpond

bring your children and grandchildren ...more to follow...

