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August 6, 2007

**By Certified Mail, Return Receipt Requested**

Supervisor Jill Way and Members of the  
Town Board of the Town of Dover  
125 East Duncan Hill Road  
Dover, NY 12522

Re: ***Notice of Withdrawal of Application:  
The Knolls of Dover***

Dear Supervisor Way and Members of the Board:

It has come to our attention that, on July 25, 2007, without any advance notice to the Benjamin Companies or the public, and without any prior discussions with the Benjamins, this Board adopted a Resolution to hire yet another New Urbanism consultant to plan the redevelopment of the Harlem Valley Psychiatric Center ("HVPC") Site.

The completely inane and bad faith manner in which this Resolution was adopted merely affirms the Benjamins' sense that this Town Board has no genuine interest in seeing the Site redeveloped. The Benjamins will not participate in such transparent election gamesmanship, and hereby formally notifies the Board that it withdraws its Application for the redevelopment of the HVPC Site until the Town Board demonstrates a sincere willingness to advance this Project in a true working partnership. Once again, we must remind this Board that it does not own, and has no right to unilaterally plan or decide who and how the HVPC Site should be developed.

As the Board is aware, the Benjamins submitted their Application for this Project nearly three (3) years ago, on November 22, 2004. It took more than one year for the Town Board to even accept the Application, on December 29, 2005, and another six (6) months after that before the Town Board issued a SEQRA Scoping Document on June 23, 2006. As part of the Scope, the Town Board insisted that the Benjamins hire a New Urbanism consultant and

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economist to develop a different plan and vision for the Site, which the Board denominated its "Primary Alternative Development Scenario" ("PADS").

In good faith, the Benjamins hired such experts, including the preeminent New Urbanism planning firm Torti Gallas. The selection of Torti Gallas was enthusiastically endorsed and supported by each and every one of your planning consultants, and by all Town Board members. The Benjamins also hired one of the foremost economic consulting firms, Economic Research Associates ("ERA"), which represents municipalities and redevelopers throughout the country, to advise the Board on the economic feasibility and the demographics of the New Urbanist PADS proposal. Again, your economic consultants wholeheartedly endorsed ERA's credentials, and the credibility of their work. Thereafter, the Benjamins and the Town Board, working with their extensive team of consultants, held numerous open planning sessions over a five (5) month period, to supposedly agree upon a viable PADS.

When it appeared that the Town and the Benjamins had agreed upon a comprehensive and ambitious New Urbanism plan known as the "Torti Gallas PADS," and the Benjamins had met internally literally the day before to commence preparation of the Draft Environmental Impact Statement to assess that PADS, the Board issued its incredible February 2, 2007 Letter. As you know, this Letter shocked the Benjamins. It essentially rejected the fundamental elements of the Torti Gallas PADS plan before the SEQRA public environmental review process had even begun.

Thereafter, the Benjamins spent six (6) months requesting, in writing and in numerous presentations to the Town Board, that the Board meet with the Benjamins to discuss a basic concept development plan so that the process could resume. The Town Board ignored every such request. When representatives of the Benjamins tried to speak to the Town Board at its public meetings they were summarily ignored. At its June 27th Meeting, the Town Board rudely cut off the Benjamins in the middle of their presentation after an egg timer signaled that three minutes had elapsed. When Roger Akeley, the well respected and long-time Commissioner of County Planning and Development, attempted to facilitate a discussion between the Benjamins and the Town Supervisor to discuss the impasse, he was excoriated by Town officials. When the Benjamins asked what reason the Town Board could possibly have for not even meeting with them to discuss restarting the review process, the Benjamins received correspondence from the Town Attorney and other Town officials carping that there was no money left in the Escrow to fund the Town's participation in such meetings. This was after the Benjamins have paid over \$300,000.00 to the Town over the past four years to reimburse the Town's consultants and other expenses, and the Town has not even begun its public review for the Project.

Then, last week, without placing the matter on its public Agenda, notifying the Benjamins, or having discussions with anyone else as to their intentions, the Town Board somehow discovered \$25,000.00 to hire yet another planning consultant to review the Torti

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Gallas PADS, which had been formulated specifically with the Town and its *two* current New Urbanism consultants, Patrick Pinnell and Joel Russell.

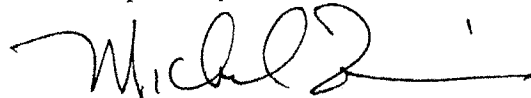
After six months of inactivity by the Town Board, the timing of the Board Resolution makes it obvious that its latest action is no more than an election ploy. This Town Board, respectfully, is well aware, that the residents of Dover desperately want the Site to be redeveloped, and that to date, the vast majority of the residents of the Town are extremely frustrated with the Board's performance and inaction to date in this regard. The Benjamins have no interest in helping the Town Board whitewash its poor record in this regard.

The Benjamins are not interested in meaningless make-work review or self-serving election politics. The Dover Knolls Project is a serious matter. It is a complex, financially and logistically difficult Project. To make this Project successful demands a real working relationship with the Town Board. To date, unfortunately, this Town Board has shown no such intentions. If the present Town Board had been serious about advancing the Site's redevelopment, it would have agreed months ago with the Benjamins on a conceptual plan that would now have been in the middle of its rigorous environmental review.

For all the foregoing reasons, by this Letter the Benjamins officially withdraw their Application to redevelop the HVPC Site. While extremely frustrated with the current situation, the Benjamins remain optimistic about the Town of Dover's future, and the Site's potential. The Benjamins will essentially mothball and secure the Site until such time as there is a more conducive and positive working relationship with the Town of Dover so as to make the redevelopment of the Site a realistic possibility.

As we have previously requested, please send us a revised accounting of the Escrow Account so that we may close this matter for the time being.

Respectfully,

A handwritten signature in black ink, appearing to read "Michael D. Zarin". The signature is fluid and cursive, with a long horizontal stroke at the end.

Michael D. Zarin

cc: The Dover Knolls Development Team  
Shannon LaFrance, Esq.



ER ROAD  
NY 12594

Hand Delivered 9:45 AM  
8/7/07

Supervisor Jill Way  
Town of Dover  
125 East Duncan Hill Rd.  
Dover Plains, NY 12522