

# DOVER KNOLLS DEVELOPMENT CO. II, LLC

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February 15, 2007

**By Facsimile (845) 877-4273 and Regular Mail**

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

Re: The Knolls of Dover

Dear Supervisor Way and Members of the Board:

We are in receipt of your letter dated February 12, 2007. It is unfortunate that our relationship seems to have devolved to the point where we spend more time writing letters and posturing, than advancing the building of this important Project.

I must say that, again, it was extremely disappointing reading the Board's most recent letter, which essentially ignored any of the substantive points raised in our previous correspondence to the Board, and instead appeared to be drafted simply to "make a record." Frankly, I was advised not to respond to the letter, and get into a tit for tat. However, in the end, The Benjamin Companies remain fully committed to developing this Property, and we feel that it is essential that the Board fully understand our position, and the depth of our feelings.

1. First, your counsel will tell you that it is not typical for a lead agency to summarily dismiss the applicant's proposal in the Scope, and seek an alternative proposal. Nevertheless, The Benjamin Companies accepted the Scope, and have spent enormous sums of money resources to prepare in good faith the alternative PADS prior to even commencing the DEIS. You may find this incredible, but to date, we have paid approximately \$300,000.00 to the Town under the Escrow for its consultants before even commencing the DEIS process, not including our own consultants' costs.

2. The Benjamin Companies are fully aware that we need to prepare a PADS in conformance with the Scope for legal and procedural reasons. This was raised specifically by Shannon at the last Team planning session, and we agreed that it was a necessity. We also expressly discussed and agreed at those planning sessions, however, as articulated repeatedly by Torti Gallas, as well as your consultants, that if we were going to jointly develop a viable New Urbanism PADS, we should put planning first, and work with a clean slate. Again, we thought there was a consensus that it makes little sense to work backwards using PADS specifications that were prepared prior to the Board and The Benjamin Companies, and our respective consultants, undertaking a serious analysis regarding the practical realities of a viable New Urbanism plan. This latter fact seems to have been completely forgotten by your Board as evidenced in your recent letters.

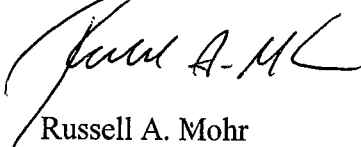
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3. Thus, for the Board to now suggest that the objective of our joint planning meetings was to “create a PADS that is consistent with the Final Written Scope as required by SEQRA,” elevates form over substance, as well as from our perspective, is completely disingenuous. When the tapes of the meetings are transcribed and the conversations among the consultants revived there is no way such assertion can be supported.

4. Finally, it is absolutely true that we “asked for comments from the Town Board” regarding the revised PADS. As such, we received many comments from the Board and your consultants throughout our multiple planning sessions, as well as through off-line conversations among the consultants. Most, if not all, were positive as to the direction and the revised plan. There were also specific changes requested, which we readily undertook. Thus, while the first four pages from the Board’s February 6<sup>th</sup> letter were expected and will be addressed in the DEIS, the last two pages, calling for various “mitigations” before the PADS was even studied, more or less constituted a repudiation and outright rejection of many of the elements of the PADS that many of you seemed to previously embrace. I hope you can understand the level of our frustration.

As you are aware, we have successfully redeveloped two other similar psychiatric centers. Our experience has shown us the only way Projects of this size and complexity are successfully developed is if we and the applicable Town Board can work together as a true partnership. It was for this reason that Mr. Benjamin in purchasing this property relied upon Supervisor Jill Way’s **repeated** assurances that she and her Board members would work with us to move this project forward quickly. From the date of the closing, which was expedited to give Jill Way credit on Election Day, we have acted in good faith. Many of our decisions, including the consultant selections, were done to protect the Town Board’s priorities not our own. Unfortunately more than three years later we have made little progress, at great expense to our company. We have reached the indisputable conclusion for all the above reasons that you and your Board are not committed to this project. Mr. Benjamin and the entire Dover Knolls team feel the execution of a Memorandum of Understanding at this time is essential to ensure that our efforts to develop this Project are not in vane.

Respectfully,



Russell A. Mohr

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