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May 5, 2013

City of Peekskill Industrial Development Agency  
c/o Brian O. Havranek, Executive Director  
Peekskill City Hall  
840 Main Street  
Peekskill, NY 10566

*Re: Drum Hill Senior Living Project (the "Project")*  
*Premises: 90 Ringgold Street, Peekskill, NY*

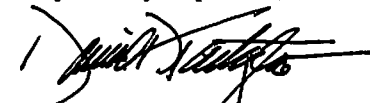
Dear Mr. Havranek:

Please be advised that I represent Drum Hill Associates, LP in connection with the referenced IDA project. My client wishes to redeem the existing \$13.9 million City of Peekskill Industrial Development Agency Senior Living Facility Revenue Bonds, Series 1998 (the "Bonds") before maturity. It is their intention to replace this debt with a conventional mortgage and note in the amount of \$14.5 million.

On behalf of my client, please accept this letter as its formal request to the IDA: (i) to continue to treat the Project as an IDA project on a straight lease basis after redemption of the Bonds; (ii) to continue with the December 15, 2010 Amended and Restated Payment in Lieu of Tax Agreement ("PILOT") and its Exhibit B-1 PILOT payment schedule; and (iii) for all such other and further benefits that may be available.

We request that this item be placed on the IDA's next available agenda for consideration. If you need anything additional for the IDA to consider this request, or would like an appearance by the applicant or me at the meeting, please do not hesitate to contact the undersigned.

Respectfully requested,



Daniel D. Tartaglia

cc: John V. Saraceno via email: johnvsaraceno@aol.com  
Justin S. Miller, Esq. via email: jmillier@harrisbeach.com