

SHAMBERG MARWELL DAVIS & HOLLIS, P.C.

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July 10, 2007

Via Hand Delivery

Hon. Janet L. Wells, Supervisor and
Members of the Town of New Castle Town Board
Town Hall
200 South Greeley Avenue
Chappaqua, NY 10514

Re: Chappaqua Crossing

Dear Supervisor Wells and Members of the Town Board:

This firm and the firm of Carter Ledyard & Milburn LLP represent SG Chappaqua B, LLC, the owner of the former Reader's Digest property located at 480 Bedford Road, Chappaqua, New York (the "Property").

We are delivering with this letter fifteen (15) copies of a Verified Petition, together with separately bound exhibits, by which our client applies to your Board pursuant to Section 60-417.4 of the Town of New Castle Code for a change of the current zoning for 64.3 acres of the Property to your floating zone MFPD District.

This proposal, known as Chappaqua Crossing, will allow the construction of 222 age-restricted senior market-rate housing units to be occupied by at least one resident age 55 or over, with no children under the age of 18 to reside therein; 24 age-restricted affordable housing units; and 32 non age-restricted workforce affordable housing units. It represents a significant contribution to the Town's requirement to provide an array of housing opportunities, including affordable housing for seniors and for municipal employees and volunteers, to meet both local and regional needs.

The remaining 49.4 acres of the Property, zoned B-RO-20, will contain 520,000 square feet of the existing commercial office space, a reduction of 180,000 square feet. The owner will dedicate two one-acre parcels on Roaring Brook Road to the Town for municipal purposes and will finance certain off-site road improvements to address existing traffic conditions on Bedford Road and Roaring Brook Road.

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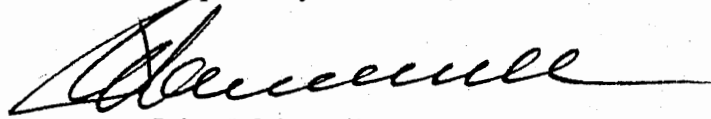
Chappaqua Crossing represents a significant reduction in the residential density the owner had previously proposed in its Planned Campus Development application and complies in all respects with the requirements of the MFPD District.

As discussed at length in the Verified Petition, this proposal furthers many of the goals set forth in the Town's Development Plan, including maintaining Reader's Digest as a corporate citizen within the Town (as a tenant on the Property) and significantly increasing the real property tax revenues for the Town, County, and School District, while making minimal demands upon the local schools and municipal services.

Our client is committed to working with the Town to achieve the responsible and progressive redevelopment of the Property.

We look forward to working with you to advance this application and request that you allow us to make a full informational presentation at your Board's next meeting.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "J. Marwell", with a long horizontal flourish extending to the right.

John S. Marwell

JSM/lp
Enclosures

SUMMIT

DEVELOPMENT

July 10, 2007

Honorable Janet L. Wells, Supervisor and
Members of the Town of New Castle Town Board
Town Hall
200 South Greeley Avenue
Chappaqua, NY 10514

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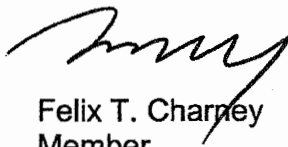
We are pleased to submit our revised proposal for the redevelopment of the Reader's Digest campus in Chappaqua, NY.

This new petition reflects the changes suggested by the community and Town Board members in your December 2006 meeting and differs from our prior submission in six significant ways:

- 1 – Reduction of total units from 348 to 278
- 2 – Reduction of the height on residential buildings from 5 stories to 3
- 3 – Placement of a deed restriction to prevent residence by school age children
- 4 – Creation of 56 units of affordable and workforce housing
- 5 – Compliance with the Town Plan of development through the use of an existing MFPP zone
- 6 – Contribution to the town of 2 acres of land for municipal use

From our first conversation in April 2003 until our last meeting in December 2006 we have worked hard to develop a relationship with this town. For 2 ½ years we have met, toured, presented and debated as we exchanged ideas and explored options in the spirit of cooperation. With this submission we once again rededicate ourselves to working with you to redevelop this property for the betterment of this beautiful community.

Very truly yours,



Felix T. Charney
Member
S/G Chappaqua