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October 5, 2017

Mr. Anthony Ruggiero  
City Administrator  
City of Beacon  
1 Municipal Plaza  
Beacon, New York 12508

Re: DMS Consolidators Ltd. ("DMS")  
26 Beekman Street, Beacon, New York

Dear Mr. Ruggiero:

Pursuant to permits and approvals granted by the City of Beacon, DMS Consolidators Ltd. ("DMS") has commenced construction of improvements at 26 Beekman Street, Beacon, New York (the "Premises"). Mahopac Bank has issued a commitment to provide a construction loan to DMS to finance a part of the cost of construction of such improvements. The construction loan is to be secured by a mortgage against the Premises in favor of the construction lender. A portion of the Premises is encumbered by certain covenants, restrictions and a possibility of reverter in favor of the City of Beacon set forth in that certain Quitclaim Deed dated from the City to DMS dated July 15, 2015 and recorded in the Dutchess County Clerk's Office in Document No. 02-2015 4533.

The construction lender will not complete the construction loan closing or advance any part of the construction loan unless the real property interests held by the City of Beacon, as set forth in the Quitclaim Deed, are subordinated to the construction loan mortgage.

The construction loan financing committed by Mahopac Bank is critical to the ability of DMS to complete the improvements and fulfill its remaining obligations set forth in the Quitclaim Deed. Accordingly, on behalf of DMS, we respectfully request that (i) the City of Beacon enter into a subordination agreement with the construction lender on terms and conditions acceptable to them and reviewed and approved by the City Attorney and (ii) that this request be placed on the agenda for consideration at the next meeting of the City Council.

Thank you.

Sincerely,

VAN DEWATER & VAN DEWATER, LLP

By: 

Gerard J. Comatos, Jr., Partner

cc. DMS Consolidators Ltd.  
Nicholas Ward- Willis, Esq.

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