

Maxwell-Kates, Inc.

Special 25th Anniversary Announcement

1986

2011

May 2011

A Message from our Principals Robert Freedman and Eugene DeGidio

We are proud to announce that May 4, 2011 marks the 25th Anniversary of Maxwell-Kates Inc. We founded Maxwell-Kates in 1986 with the goal of establishing a management firm unique in the industry; a firm exclusively focused on the day-to-day management and long-term operation of cooperative and condominium buildings without an eye toward brokering sales and rentals. We felt, and continue to feel, that residential property management in New York City is a profession requiring a focus and level of service ensuring attention to detail and a proactive approach to solving problems.

Over the past 25 years, we have done our best not only to stay on top of the myriad issues facing the cooperative and condominium community, but to anticipate issues that will require long-term planning to serve the best interests of our clients.

During the last quarter century, we have grown to become one of New York City's premier cooperative and condominium residential management firms. For that, we thank you for placing your trust in us with one of your most precious assets - your home. We truly value every relationship and consider it a privilege to have earned your confidence and trust. We appreciate the professionalism and commitment by you, the volunteer Boards that make this process a two way street that works for all of us.

As most of our clients know, our firm is composed of many family members, including our three sons, as well as friends and colleagues who have been with us for so long that they feel like family. The loyalty and commitment we have to each other extends to our clients. Consequently, we are driven by an immense sense of pride and accomplishment as well as an inexorable sense of urgency to always provide our clients with the most professional, creative and proactive service possible.

Appreciating the financial sophistication of our boards and a challenging financial environment, we have worked diligently, hiring in-house financial professionals to develop reporting systems that are transparent and flexible enough to meet the varying needs of each board, its residents and the lending community.



The Beginning

In order to stay abreast of the ever-changing legal requirements of our industry and to provide guidance and support to our managers and boards, we were one of the first firms in New York City to hire an in-house attorney.

We pledge to continually strive to re-assess our clients' needs in order to provide solutions that improve your quality of life, while increasing the value of your home.

As we continue to anticipate the changing demands of our industry as we enter our 2nd quarter century, we would like to highlight several important updates:

Green Energy and Related Matters

- In November 2010, Zeckendorf Towers, Union Square's full-block mixed development Condominium that we have managed since 1991, opened New York City's largest residential green roof. Maxwell-Kates is committed to helping our properties conserve energy, reduce their carbon footprint and manage energy costs. Energy conservation and efficiency of operation not only serve the environment, but have an immediate financial impact, lowering operating costs and increasing the value of each apartment in Maxwell-Kates' managed properties.
- MKI Solutions, established several years ago to help our clients find ways to monitor and

economize on water and energy usage, has expanded to meet the new energy-saving initiatives promulgated by New York City and New York State.

- MKI Solutions has partnered with Resolution Consulting Group, an energy aggregation and consulting firm that specializes in reducing operating costs, to use our combined expertise to provide our clients with natural gas and electric pricing at significant savings. This program and the attendant savings are available only to MKI-managed properties, and is one of the many creative ways we help our clients to control costs.

Accounting

- We continue to add support staff to our accounting department and upgrade our accounting software to provide clear, concise and timely information to our clients. We have added new reporting modules in response to your requests and regulatory demands.
- We have integrated our accounting system so that it can provide the data necessary for the NYC Green Energy Benchmarking Program including hiring dedicated personnel to address energy related issues. Monthly management reports and paid bills are now available as PDF attachments to Board members as part of our Green Initiative.
- We have expanded your payment options by adding E-Tran, so you can pay your monthly charges online directly from your bank, another Green initiative.

Other Developments

- Affiliated MKI Insurance Brokers Inc. recently negotiated an umbrella insurance program to provide the buildings we manage with rates they might not otherwise be able to obtain, allowing them to save substantially on their annual umbrella insurance premiums.
- MKI's affiliate Be Clean New York (a/k/a BCNY) continues to provide specialized cleaning services directly for some properties, while assisting all MKI property managers in evaluating materials and techniques to improve building maintenance operations, including using the most advanced Green technologies

available.

- Access to information and highly reliable communication are essential to everything we do. Consequently, we tasked our IT staff with providing solutions that ensure our email and accounting systems have the highest levels of availability and reliability. Moving our accounting system to a virtualized server environment enables rapid recovery in the event of a disaster. Our new hosted email system ensures that our ability to communicate has the absolute highest level of reliability available without sacrificing the integrity and privacy of the information.
- MKI's affiliate, ARC Online, constructs and maintains websites for MKI's managed properties. Whether our clients prefer a simple webpage or a complex tracking system, ARC Online's team assists our Boards in developing the website that is right for their community.

In closing we want to thank:

- Our clients for working so productively with us;
- The many industry service suppliers and professionals for providing hard work and professionalism on behalf of our clients; and
- Our tremendous staff for their continued loyalty and commitment to our firm and to the buildings we manage.

We pledge to continue to fulfill our corporate vision: a company dedicated to provide top-quality service and commitment to our clients and colleagues. We thank you for providing us with the continued opportunity to do so.



The Future

Max Garrett Freedman, David DeGidio and Michael DeGidio

Maxwell-Kates, Inc. 9 East 38th Street, 6th Floor, New York, NY 10016

Telephone: (212) 684-8282 Facsimile: (212) 684-8077 www.maxwellkatesinc.com