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Editor

Maxwell-Kates, Inc. *Management Vision*

ADDRESSING THE NEEDS OF
MAXWELL-KATES
MANAGED CONDOMINIUMS
AND CO-OPS SINCE 1986

Zeckendorf Towers Opens City's Largest Residential Green Roof

Luxury mixed-use condominium has been managed by MKI since 1991

Managed by Maxwell-Kates, Inc. One Union Square East Condominium, the famed pyramid-topped building that initiated the revitalization of Union Square more than 20 years ago, has set a new benchmark for New York City by opening the city's largest residential green roof.

The 14,000 square-foot green roof will put the full block, mixed-use property, also known as Zeckendorf Towers, at the forefront of NYC's new green roof initiative.

Green roofs play a critical role in preventing discharge of sewer overflow into New York waterways during rain storms by capturing and slowing storm water runoff. According to a recent study, a 40 square-foot green roof could result in 810 gallons of storm water captured per year, meaning One Union Square East's massive green roof could prevent over a quarter million gallons of storm water from entering the sewage system each year. Likewise, it will significantly reduce runoff entering the subway system at Union Square, preventing rain delays at the city's fourth busiest subway station.

The green roof provides numerous other benefits, including enhanced aesthetic appeal and improved quality of life for the building as a whole.

In addition, green roofs boast a 40-year lifespan, doubling the estimated life of a conventional roof and creating a long-term capital saving for the building. The roof provides the property's 1,200 residents with views of seasonal landscapes, including dogwood, Japanese maple, rhododendron, hosta, fern, sedum and moss, that will flower and change colors year-round. More than 4,500 bags of soil were required for the project.

The residential unit owners paid for the cost of the project with the assistance of a \$60,000 tax credit which will be received through the NYC Green Roof Property Tax Abatement Program (approximately \$4.50/square-foot).



MAXWELL-KATES, INC. SOLUTIONS DEPARTMENT

We would like to remind you that the Maxwell-Kates Solutions Department has partnered with Resolution Consulting Group to use our bulk purchasing power and their expertise to provide natural gas and electric pricing at significant savings; to lock-in rates for various periods of time and to take advantage of the savings without locking in long-term rates. This program and the savings are only available to MKI managed properties and is another way we hope to add value and control costs to the properties we manage.

MKI is committed to assisting our properties to conserve energy, reduce their carbon footprint and manage the cost of energy in the most efficient manner possible. Energy conservation and efficiency of operation not only serve the environment, but have an immediate impact lowering operating expenses and increasing the value of each apartment.

If you would like further information as to how this initiative might benefit your building, please advise your Account Executive that you are interested in Utility Pricing with MKI Solutions.

Water Usage

The chart below was prepared by the Department of Environmental Protection to illustrate the costs of water leaks and encourage individuals to be more conscientious and save water. Water use is another way that residents can help save their building money and contribute to the environment. Management and staff work closely together to monitor water usage.

Please contact your building staff when there is a leak so that immediate action can be taken.

As you can see from the chart, water and sewer charges have increased more than 46% in the past 3 years; 27.7% during the past 2 years and are projected to increase another 10% or more in July 2011.

Water and sewer charges constitute a major portion of each building's operating expenses and is an area where buildings can achieve real savings by addressing leaks and protect the environment.

Year	Gallons per day	2008/2009		2010/2011	
		\$\$\$ per day	\$\$\$ per year	\$\$\$ per day	\$\$\$ per year
Slow Drip Faucet	36	\$0.29	\$105.10	\$0.37	\$134.21
Steady Drip Faucet	180	\$1.44	\$525.30	\$1.84	\$671.05
1/2 Open Faucet	1,620	\$12.97	\$4,729.53	\$16.55	\$6,039.48
Open Faucet	3,600	\$28.83	\$10,510.07	\$36.77	\$13,421.07
Leaking Toilet	250	\$2.00	\$729.87	\$2.55	\$932.02
Running Toilet	6,000	\$48.05	\$17,516.78	\$61.28	\$22,368.45

Figures are approximate. Based on 748 gallons per 100 cubic feet (HCF) of water.

New Law Prompts Bed Bug DHCR Disclosure Form

To combat the vast increase in the number of reported bed bug infestations citywide, a new law was recently enacted that requires the disclosure of bed bug history in apartments in New York City. This law requires disclosure of the infestation history by the execution and delivery of a form created by the Department of Housing and Community Renewal ("DHCR"). There has been a lot of confusion surrounding the law, especially how or if it relates to cooperatives and condominiums.

While many attorneys and property managers around the City agree that the law is unclear and poorly drafted, especially as to whether or not it applies to cooperatives or condominiums, MKI believes this to be immaterial because the marketplace (if not the law) demands that the form be issued. MKI has received many inquiries and questionnaires (from attorneys, brokers

and lenders) with questions regarding bed bugs. Buildings that have been exposed to bed bugs, know how significant the liability and financial exposure can be. After all, bed bug infestation is typically excluded from liability insurance policies.

To comply with the DHCR requirements and to protect each building from inaccurate disclosures, MKI has designed a program that enables accurate disclosures to be made. This program will be supervised by MKI In-House Counsel Michael Bogart.



However, MKI is also sympathetic to each individual building's needs and Board opinions. Properties that wish to affirmatively opt out of this program, are able to do so by advising their account executive.

Bed Bug Prevention Tips

Bedbug prevention may be difficult, but it's certainly less expensive than bedbug treatment. The following tips may help prevent bed bug infestation:

- Wash all bedding regularly in hot water. The water should be at least 120 degrees.
- Vacuum floors regularly. Use the brush tool of your vacuum to clean your mattress. Use the crevice tool to vacuum tight, small spaces in the mattress and your baseboards.
- Use a plastic cover over your mattress. Bedbugs can't hide on the plastic cover.

If you see bedbugs, it is important that you contact your building's resident manager or superintendent immediately.

Did you know???

Starting December 3rd, 2010, the NYC Department of Sanitation will require all residents to fully encase within a sealed plastic bag all mattresses or box springs being discarded for DSNY collection.

Department of Finance Hikes Real Estate Taxes!

The Department of Finance announced that the final fiscal year 2010/11 real estate tax rate for Cooperatives and Condominiums was set at 13.353% of the billable assessment. The first half of the tax year (July to December 2010) was billed and paid at the 2009/10 tax rate of 13.241%. In order for the total taxes for the year to be billed and paid at the final 2010/11 tax rate, payments for the second half of the tax year (January and April) will be billed at 13.465%. Therefore, real estate taxes for the 2nd half of the fiscal year will be 1.69% more than for the first half of the year.

City Ramps Up Backflow Prevention Compliance to Ensure Clean Drinking Water for Residents

To protect New York City's drinking water supply systems from contamination, New York City's Department of Environmental Protection has begun enforcing regulations requiring all apartment buildings to have a backflow prevention device installed on premises. Backflow devices prevent contaminated water or chemicals from flowing back into the drinking water supply if there is a sudden or unexpected change in water pressure.

If your building is subject to this regulation, MKI will work with your building's engineer or architect to prepare two sets of back-flow prevention plans for your property which get submitted to the DEP for approval. After receiving approval, the backflow prevention device must be installed by a licensed plumber in accordance with the DEP-approved plans. Once installed, the device is tested by a New York State Certified Backflow Prevention Device Tester, and a test report gets filed within 30 days of device installation with the DEP. Thereafter, the backflow device must be properly maintained and is subject to testing annually in the same fashion.



Holiday Season Reminder

This is the time of year when we would like to bring to your attention a few holiday safety reminders. If you have lights or other electronic decorations for the holidays, please be sure to check and replace cords that are frayed or have exposed wires. Do not run electrical cords alongside doorjamb or under rugs where they may be stepped on or broken. If you notice smoke or a burning odor, unplug the light immediately and have it checked for repair. Also, please remember to change the batteries of your smoke/carbon monoxide detectors. We hope you'll keep these safety tips in mind and have a safe and enjoyable holiday season. If you have any questions or concerns, please do not hesitate to contact your building manager.

Seasons Greetings from Everyone at
Maxwell-Kates, Inc.



We'd like to extend our best wishes for a joyous
Holiday Season and a Happy and Peaceful New Year.

Distinguished Properties Added to our Portfolio

18 East 12th Street
22-24 West 69th Street
24 Gramercy Park South
25 East End Avenue
425 East 13th Street
170 West 76th Street
315 Seventh Avenue
392 Central Park West
670 West End Avenue
744 Greenwich Street
Brownstone Too Condominium
Clinton West Condominium
Conrad Condominium
Hasting Condominium
Mason Fisk Condominium
The Osborne
Sevenberry Condominium
Strivers Gardens Condominium



CALENDAR OF EVENTS

December 15, 2010	Last day to file for J-51 tax exemption & abatement program, fourth period 2010
December 25, 2010	Christmas Day — Local 32B-32J contract holiday, no garbage pickup
December 31, 2010	Elevator Self-Inspection Report — last day to file with the Dept of Buildings
January 1, 2011	New Years Day — Local 32B-32J contract holiday, no garbage pickup
January 3, 2011	Annual Window Guard and Lead Paint Forms delivered to residents
January 17, 2011	Martin Luther King Jr. Day — Local 32B-32J contract holiday, no garbage pickup
February 1, 2011	First day to file for J-51 tax exemption & abatement program, first period 2011
February 15, 2011	Annual Window Guard and Lead Paint Forms must be returned to MKI