IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN RE KSW, INC.	)	CONSOLIDATED
SHAREHOLDERS LITIGATION	)	C.A. No. 7875-VCG

If You Were a KSW, Inc. Shareholder Who Was Entitled to Tender Your Shares as Part of the Merger with Related A Class Action Settlement May Affect Your Rights

Please read this notice carefully. This notice is about a proposed Settlement of a lawsuit and contains important information. Your rights will be affected by this proposed Settlement.

What is the purpose of this Notice?

The purpose of this Notice is to inform you of a proposed settlement (the "Settlement") of a class action lawsuit in the Court of Chancery for the State of Delaware (the "Court"). The class action lawsuit is about the merger between KSW, Inc. ("KSW" or the "Company") and The Related Companies, L.P. ("Related") for $5 cash per share, that was announced on September 10, 2012 (the "Merger"). The Settlement is on behalf of all people and entities that owned KSW stock and were entitled to tender their shares as part of the Merger with Related except for Defendants and their affiliates. These shareholders are called the "Class." If you are a member of the Class, this Notice will inform you of how, if you so choose, you may appear in the lawsuit or object to the Settlement.

The following recitation does not constitute findings of the court and should not be understood as an expression of any opinion of the court as to the merits of any claims or defenses by any of the parties. It is based on statements of the parties and is sent for the sole purpose of informing you of the existence of this action and of a hearing on a proposed settlement so that you may make appropriate decisions as to steps you may, or may not, wish to take in relation to this action.

What is the Lawsuit about?

Plaintiffs Thomas McCormack ("McCormack") and Lawrence Fund (the "Fund") (together the "Plaintiffs") each filed lawsuits in the Court about the Merger between KSW and Related. Plaintiffs sued KSW and the members of the KSW Board of Directors (Floyd Warkol, Stanley C. Kreitman, John A. Cavanagh, Warren O. Kogan, and Edward T. LaGrassa), Related, and the companies Related formed to execute the Merger, Kool Acquisitions Corporation and Kool Acquisition LLC. The people and companies sued in the lawsuits are called the Defendants. The lawsuits were called: *McCormack v. KSW Inc., et al.*, C.A. No. 7875-VCG and *Lawrence Fund v. Floyd Warkol, et al.*, C.A. No. 7891-VCG. McCormack and the Fund reached an agreement to work together on behalf of the Class and the two cases were joined and are now called: *In re KSW, Inc. S'holders Litig.*, C.A. No. 7875-VCG (the "Lawsuit").

The Lawsuit claimed that KSW did not properly negotiate on behalf of its shareholders to get the best price for the Company in connection with the Merger. Specifically, the Lawsuit

claimed that Floyd Warkol, KSW's Chief Executive Officer and Chairman of the Board of Directors, negotiated only with Related and did not seek out other potential buyers for the Company. The Lawsuit also claimed that Mr. Warkol was conflicted when negotiating the sale of the Company because he had been offered a job from Related. As a result, the Lawsuit claimed that Mr. Warkol was willing to accept Related's price to purchase the Company without attempting to get more money for shareholders. Finally, the Lawsuit claimed that the document KSW filed about the Merger with the Securities Exchange Commission ("SEC"), called the Solicitation/Recommendation Statement on Form 14D-9 (the "14D-9"), did not provide enough information to shareholders to allow them to make an informed decision about whether or not to tender their shares to Related. Specifically, the Lawsuit said the 14D-9 left out important information about the process of selling the Company and the financial information the Company relied upon in agreeing to the Merger – including the analysis performed by Sandler O'Neill + Partners L.P. ("Sandler"), KSW's financial advisor. The Lawsuit claimed this information was material to shareholders and needed to be disclosed.

At all times Defendants denied – and continue to deny -- that they committed or aided or abetted in the commission of any unlawful or wrongful act alleged in the Lawsuit, and maintain that they diligently and scrupulously complied with their fiduciary duties as well as their duties under the federal securities laws.

The Plaintiffs filed a motion to stop the Merger, called a preliminary injunction motion, and a motion to quickly obtain non-public information from the Defendants, called a motion for expedited proceedings. The Court held a telephone hearing to consider these motions and the Parties agreed during the hearing to provide non-public documents quickly and to set a schedule to submit documents to the Court in connection with the preliminary injunction motion.

The Defendants provided Plaintiffs with thousands of pages of documents about the Merger. These documents provided Plaintiffs with non-public information about the process that occurred in connection Merger and the financial analysis performed by Sandler. Plaintiffs also asked in-person questions to a number of the parties though what is called a deposition. Plaintiffs deposed Floyd Warkol, Chief Executive Officer and Chairman of KSW on September 27, 2012; Stanley Kreitman, a non-management director of KSW, on September 27, 2012; Sunny Cheung, Managing Director at Sandler on September 28, 2012; and later took the deposition of Richard O'Toole, Executive Vice President at Related on October 2, 2012.

Through these documents and depositions Plaintiffs learned essential information about the claims in the Lawsuit. The Plaintiffs also hired their own financial expert to assist in analyzing the public and non-public information to determine the fairness of the Merger price of $5 cash per share. With all of this non-public information and analysis from its expert, Plaintiffs were able to make an informed decision about settling the Lawsuit with the Defendants. As a result, the lawyers for the Plaintiffs and Defendants negotiated this Settlement to provide material information to shareholders. The Plaintiffs and Defendants agreed to a Term Sheet that described the Settlement terms on October 1, 2012 and KSW provided shareholders with an amendment to the 14D-9 that same day providing substantial additional information about the process undertaken in negotiating the Merger and the analysis of the fairness of the price.

After Plaintiffs and Defendants agreed to the Term Sheet, Plaintiffs sought additional information to confirm that the Settlement was fair. After a review of this additional information the Plaintiffs and Defendants negotiated a more detailed description of the Settlement in the form of a Stipulation. The Stipulation describes the steps that were taken in the Lawsuit, the terms of the Settlement and the legal claims that Plaintiffs and the Class have agreed to release in exchange for the Settlement.

Why did the Parties agree to settle the lawsuit?

Plaintiffs decided to agree to the Settlement because after they reviewed the non-public documents, deposed the witnesses and met with their experts, they determined that KSW did not seek to sell the Company only to Related but in fact had contacted many other potential buyers. Plaintiffs learned that none of the other potential buyers wanted to purchase KSW and after the Merger was announced no other parties said they wanted to buy KSW. Because there were no other bidders for KSW, Plaintiffs believed that it was not likely that the Court would stop the Merger. Plaintiffs also believed that proving damages after the Merger would be difficult because of the terms of the Company's charter and the advice that Plaintiffs received from their experts. Plaintiffs believed it was more likely that the Court would leave the decision of whether to tender their shares to the Company's shareholders. After consideration of the strengths and weaknesses of their claims, the lawyers for Plaintiffs ("Co-Lead Counsel") determined that the Settlement providing shareholders with additional information (as delineated below) is, in their opinion, fair, reasonable, adequate, and in the best interests of the Plaintiffs and the Class because it empowered the KSW shareholders to make a fully informed decision on whether or not to tender their shares.

Defendants deny and continue to deny that they have committed or aided or abetted in the commission of any unlawful or wrongful act alleged in the Lawsuit and maintain that they diligently and scrupulously complied with their fiduciary duties as well as their duties under the federal securities laws, and Defendants are entering into this Settlement solely because the proposed settlement will eliminate the burden, expense and risk of litigation.

What are the terms of the Settlement?

The Settlement requires KSW to provide more information to shareholders about the Merger. Specifically, the Defendants agreed to provide, and did provide, additional material information to shareholders in an amendment to the 14D-9, which was filed with the SEC on October 1, 2012, and is available at:

http://www.sec.gov/Archives/edgar/data/1004125/000119312512410885/d415147dsc14d9a.htm.

The additional material information included the following:

Revised disclosure regarding the background of the merger process (new/changed text underlined, *** indicates sections where no changes were made):

As part of its ongoing evaluation of the Company's business, the Company Board, together with senior management, continually reviews and assesses opportunities to increase stockholder value to improve the Company's operations and financial results and to achieve the Company's long-term business plan. Several years

ago, the Company Board decided that the Company needed to increase its size and scope of operations, either by acquiring other businesses or combining the Company with another business by merger or otherwise. Periodically, prior to February 22, 2012, the Company's management team had informal conversations with representatives from various parties regarding the Company in the context of the above directive of the Company Board. None of these conversations proceeded beyond the informal stage.

~~On February 22, 2012, Floyd Warkol, the Company's Chief Executive Officer,~~In the Summer of 2010, at the request of the Company Board, Floyd Warkol, the Company's Chief Executive Officer, met with an investment banking firm that has experience in the engineering and construction industry to explore whether the Company would benefit from engaging in a sale or merger transaction. Mr. Warkol asked the investment banking firm to search its contacts in the industry for a suitable interested party for the Company. The investment banking firm was unable to find any suitable partners for the Company.

In the Fall of 2010, Mr. Warkol and Mr. Oliviero were approached by a different bank, which desired to ascertain corporate opportunities that may be available to the Company. The bank suggested a potential going-private transaction for the Company that would be consummated through an infusion of a investment from a third party. The bank was unable to identify a suitable investor to participate in such a going-private transaction and never contacted the Company's management with any particular proposals.

Around this time, Mr. Warkol, at the direction of the Company Board, engaged in several meetings aimed at increasing value to the Company's shareholders by identifying corporate opportunities for the Company. For example, Mr. Warkol had a preliminary discussion with the owner of an electrical contracting company to discuss a potential acquisition of that company. The Company determined not to proceed with a transaction after conducting due diligence.

In the Fall of 2011, Mr. Warkol discussed a possible transaction with a fund that owned a mechanical contractor. No specific terms were discussed at this meeting and no further discussions with this contractor were held.

On February 22, 2012, Mr. Warkol had a brief conversation with the President of a national mechanical company about the potential benefits of a combination of the two companies. Specific terms were not discussed at such meeting and no further discussions with that Company have taken place.

Over the past several years, the Company has also reached out to potential strategic partners to determine whether a business combination with those Companies would be beneficial for the Company. For example, after learning that a leading global civil and building construction company had acquired a company that provided HVAC services in the New York City region, Mr. Warkol made inquiries through an executive of that acquired company and through mutual acquaintances as to whether that organization would be interested in merging with or acquiring the Company. Similarly, Mr. Warkol spoke to the President of a subsidiary of a Fortune 500 mechanical and electrical company to explore whether they might be interested in a engaging in a merger with or acquisition of the Company. In both cases, Mr. Warkol's efforts to identify a willing partner for the Company were not successful.

During that same time period, Mr. Warkol has also engaged in discussions with the presidents of three construction companies that have acted as sub-contractors to the Company about a possible acquisition of such companies by the Company. None of these discussions led to significant opportunities for the Company.

***

At a June 21, 2012 meeting attended by Mr. Beal, Mr. Stephen M. Ross, (at the time) Chairman and Chief Executive Officer of Parent Guarantor, Mr. Jeff T. Blau, (at the time) President of Parent Guarantor, and Mr. Warkol, Parent Guarantor ~~indicated~~initially suggested that ~~it~~they would consider paying up to $~~5~~4.50 per share to acquire the Company, subject to further diligence and negotiation of ~~acceptable documentation. The following day, the~~ a satisfactory merger agreement. Based upon prior discussions with the Company ~~and~~ Board, Mr. Warkol responded that he did not think that price was sufficient. Later at that meeting, a representative of the Parent Guarantor ~~executed the a Confidentiality Agreement, dated June 22, 2012~~ expressed that they would consider offering to pay up to $5.00 per share to acquire the ~~"*Confidentiality Agreement*")~~Company, subject to further diligence and negotiation of a satisfactory form of merger agreement. Mr. Warkol responded that he would present that proposal to

the Company Board for their consideration. There were no further discussions between the parties concerning the per share price offered; however, the parties understood that that the per share price and ~~James F. Oliviero,~~other terms of the proposal would be subject to the completion of due diligence, the receipt by the Company Board of a fairness opinion from the Company's ~~general counsel, provided Parent Guarantor with the Company's existing collective bargaining agreement~~financial advisor and the negotiation and execution of definitive transaction documents.

***

On July 9, 2012, the Company received from the Parent Guarantor a draft non-binding term sheet (the "*Term Sheet*") for a potential all cash tender offer and/or merger. ~~On July 11, 2012, the Company, though~~

In early July 2012, the Company began to actively consider the engagement of a financial advisor to analyze the fairness, from a financial point of view, of the potential Merger. On July 10, the Company engaged Sandler O'Neill & Partners, L.P. (*"Sandler"*) to prepare and render an opinion to the Company Board as to whether the merger consideration of $5.00 per share is fair, from a financial point of view, to the Company's shareholders. The Company determined to engage Sandler for the purposes of obtaining the fairness opinion after Mr. Warkol and Oliviero interviewed that firm, as well as considering two other financial advisors. The Company selected Sandler over the other firms that were considered because of Sandler's experience in issuing fairness opinions for public companies and its specific engineering industry knowledge. The Company Board was informed of the engagement of Sandler after the engagement letter between the Company and Sandler had been executed by Mr. Warkol.

On July 11, 2012, the Company, through its outside counsel, Bracewell and Giuliani, LLP ("*B&G*") provided comments to the Term Sheet to the Parent Guarantor and its counsel, DLA Piper LLP ("*DLA*"). On July 12, 2012, B&G and DLA negotiated the terms of the Term Sheet.

That same day, Mr. Warkol met with Mr. Beal to review the Company's current operations and to discuss Mr. Warkol's role if the Parent Guarantor were to acquire the Company. Terms of employment were not discussed.

Also on July 12, 2012, James F. Oliviero discussed human resources matters with Jennifer McCool, an executive of the Parent Guarantor, related to certain of the Company's benefits plans, collective bargaining agreements and the roles of various employees at the Company.

***

The material terms of the term sheet were (i) the structure of the transaction being a two-step, tender offer then merger; (ii) the per share price in cash of $5.00; (iii) the granting of the Top-Up Option to the Purchaser; and (iv) that any definitive purchase agreement would contain customary non-solicitation provisions and a break-up fee. The material terms of the term sheet negotiated by the parties, through counsel, included terms relating to the Minimum Condition (upon which the Top-Up Option would be granted) and conditions relating to the employment terms of key management, which resulted in no such condition being required.

***

On August 7, 2012, at a regularly scheduled meeting of the Company Board, Robb Tretter of B&G, reviewed the Company Board's responsibilities, specifically the "duty of care" and "duty of loyalty", in considering a tender offer, and the matters that the Company Board should consider in making a determination. Mr. Tretter also gave a detailed presentation of the principle provisions in the latest draft of the Merger Agreement, and the status of negotiations. ~~Sunny Cheung, of Sandler O'Neill & Partners, L.P. ("*Sandler*"),~~The Company Board was notified that Sandler had been engaged to render an opinion on the fairness of the merger consideration to the Company's shareholders. Sunny Cheung of Sandler presented the Company Board with an overview of the process Sandler had employed in performing its analysis. Mr. Cheung also made a detailed presentation of the methods of valuation contained in Sandler's draft fairness opinion and the results of Sandler's analysis of the fair value of the Company. After a discussion, the Company Board unanimously approved a resolution authorizing the Company's management to continue negotiations towards a definitive Merger Agreement, substantially in conformance with the executed Term Sheet and as described by Mr. Tretter at the meeting. In light of management's past discussions, the Company did not consider seeking an increase in the Parent Guarantor"s $5.00 per share offer. Neither did the Company agree to a "go shop" provision.

The Company Board never considered a pre-signing market check because of their knowledge of the previous efforts of Mr. Warkol to explore corporate opportunities for the Company.

***

In addition, counsel to the parties negotiated certain material open items with respect to the transaction documents, generally, between August and September, including the required timing for tender under the terms of the Tender and Support Agreement, and, in the Merger Agreement, the representations and warranties, the terms and language of the non-solicitation provisions, the circumstances in which the break-up fee would be payable and the amount of the break-up fee.

On August 28, 2012, representatives of B&G delivered a preliminary draft of the Company's Solicitation/Recommendation Statement on Schedule 14D-9 to DLA. On September 4, 2012, representatives of ~~DLA Piper~~B&G delivered a subsequent preliminary draft of the Schedule 14D-9, which at that time contained a discussion of Sandler's fairness opinion analysis. Additionally, on September 4, 2012, representatives of DLA delivered to B&G a preliminary draft Schedule TO and offer to purchase, comments on the Company's Solicitation/Recommendation Statement on Schedule 14D-9, and revised drafts of the merger agreement and tender and support agreement.

Between September 4, 2012 and September 7, 2012, representatives of DLA ~~Piper~~, B&G, the Company and Parent Guarantor engaged in a number of discussions and exchanged drafts relating to the proposed announcement of the transactions contemplated by the Merger Agreement.

Between September 5, 2012 and September 6, 2012, representatives of DLA ~~Piper~~ and B&G engaged in further discussions to resolve as many of the open items as possible in the draft Merger Agreement and draft Stockholder Support Agreement, and exchanged drafts of the Merger Agreement and Stockholder Support Agreement. At the conclusion of September 6, 2012, the negotiation of the definitive Merger Agreement and Stockholder Support Agreement were substantially complete. At such time, Mr. Oliviero sent Mr. O'Toole a copy of Sandler's presentation to be given to the Company Board on September 7, 2012, in order to indicate that the final piece of information that the Company Board required to approve the proposed Merger had been received.

***

Mr. Warkol is not receiving any equity in the Parent Guarantor, Parent or Purchaser as part of the transaction. Mr. Warkol will continue to be the CEO of the Surviving Company upon the Effective Time of the Merger. His duties and role post-Merger is not expected to materially change or be altered from his current duties and role at the Company."

Revised disclosure regarding Reasons for Recommendations (new/changed text underlined):

The Company Board, for the last several years, has explored ways to increase and maximize shareholder value, such as (i) seeking strategic acquisitions to provide the Company with greater scale and scope, none of which resulted in any transactions; (ii) soliciting interest from potential acquirers, none of which resulted in a proposal, other than from the Purchaser; (iii) commencing a stock buy-back program and increasing such buy-back program, neither of which was effective in increasing shareholder value; and (iv) continuously considering increasing the size of the Company's regular dividend and potential special dividends, each of which were deemed to be inadvisable due to the fact that the consent of the mortgage lender to the Company was required and that such payments would reduce the Company's ability to pursue additional business opportunities.

Revised disclosure of Sandler's Comparable Companies Analysis (new/changed text underlined):

Sandler compared selected financial information for the Company with publicly available information for comparable construction and engineering services companies, headquartered in the United States, that provide mechanical, technical or other value-added engineering and support services and share other similar characteristics with the Company. The comparable companies are generally larger in size, more diversified (in terms of services offered and end markets served) and maintain larger geographic footprints than the Company, which only provides mechanical and value-added engineering services related to heating ventilating and air conditioning systems as well as process piping systems, primarily in the state of New York. The Company also provides project management services.

In particular, the comparable companies listed below, have a median and mean trailing 12-month revenue of approximately $4.2 billion and $4.6 billion, respectively, as of June 30, 2012, compared to the Company's trailing

12-month revenue of approximately $82.1 million, as of June 30, 2012. In addition, the comparable companies, have a median and mean market capitalization of approximately $632.1 million and $1.7 billion, respectively, as of August 31, 2012, compared to the Company's market capitalization of approximately $25.3 million, as of August 31, 2012. Only Willdan Group, Inc. is comparable in size to the Company. All of the comparable companies have larger geographic footprints than the Company, including the fact that AECOM Technology Corporation, EMCOR Group, Inc., Jacobs Engineering Group, Inc., KBR, Inc., Michael Baker Corporation and Tutor Perini Corporation have not only national, but international operations, while the Company only operates primarily in the state of New York. All of the comparable companies provide a wider range of services than the Company.

The peer group consisted of the following publicly traded companies:

AECOM Technology Corporation ("**AECOM Technology**")

Comfort Systems USA Inc. ("**Comfort Systems**")

EMCOR Group Inc. ("**EMCOR Group**")

Jacobs Engineering Group Inc. ("**Jacobs Engineering**")

KBR, Inc. ("**KBR**")

Michael Baker Corporation ("**Michael Baker**")

Primoris Services Corporation ("**Primoris Services**")

Tutor Perini Corporation ("**Tutor Perini**")

Willdan Group, Inc. ("**Willdan**")

The analysis compared publicly available financial and market trading information for the Company and the mean and median data for the peer group as of and for the twelve-month period ended June 30, 2012. Sandler also calculated and compared various financial multiples and ratios based on pricing data as of August 31, 2012.

The results of these analyses are summarized in the table below.

	Selected Companies[1]			KSW, Inc.		
	Range	Mean	Median	Trading Multiple[2]	Transaction Multiple[3]	Adjusted Transaction Multiple[4]
Enterprise Value / LTM EBITDA	4.6x – 11.0x	6.2x	5.6x	2.4x	4.2x	6.1x
Enterprise Value / LTM Revenue	0.1x – 0.4x	0.3x	0.3x	0.1x	0.2x	0.3x
Price / Book Value of Equity	0.5x – 2.1x	1.2x	1.4x	1.1x	1.4x	1.4x

1 ~~Based on Enterprise Value of $9.2 million as of August 31, 2012~~~~Selected~~ Companies are not adjusted for "restricted cash"
2 Based on ~~the Implied~~ Enterprise Value of $9.2million, as of August 31, 2012
3 Based on the Implied Enterprise Value
4 Based on the Adjusted Implied Enterprise Value, which is calculated by adjusting for "restricted cash"

In addition, the following table reflects certain detail regarding the selected companies.

Selected Companies[1]	Enterprise Value / LTM EBITDA	Enterprise Value / LTM Revenue	Price / Book Value of Equity
AECOM Technology	6.0x	0.4x	0.9x
Comfort Systems	11.0x	0.3x	1.5x
EMCOR Group	5.6x	0.3x	1.5x
Jacobs Engineering	7.1x	0.4x	1.4x
KBR	5.6x	0.4x	1.5x
Michael Baker	4.6x	0.3x	1.0x
Primoris Services	4.6x	0.4x	2.1x
Tutor Perini	4.8x	0.2x	0.5x
Wildan	N/A	0.1x	0.6x

[1] Selected Companies are not adjusted for "restricted cash""

Revised disclosure of Sandler's Selected Merger Transactions Analysis (new/changed text underlined):

Sandler compared selected financial information for the Company with publicly available information for comparable mergers and acquisitions of construction and engineering services companies. The universe of precedent transactions varies significantly in both the size of the transaction and business services offered, due to the limited number of transactions with publicly available information, in the construction and engineering services space. Sandler only reviewed transactions which closed after January 2009. For each of the selected transactions, Sandler calculated and compared, based on company reports, public filings, press releases, Wall Street research estimates and other public sources, the transaction value as a multiple of EBITDA for the last twelve months and compared it against the multiples implied for the proposed transaction. The peer group consisted of the transactions listed in the table reflecting transaction details below.

Sandler selected the merger and acquisition transactions below because the target companies either operated specifically in the HVAC market or provided mechanical contracting or construction services. The median and mean annual revenues of the target companies were approximately $186.1 million and $253.2 million,[1] respectively, for the most-recently reported trailing 12-months as of the time of their acquisition, compared to the Company's trailing 12-month revenue of approximately $82.1 million, as of June 30, 2012. The median and mean annual EBITDA of the target companies were approximately $13.9 million and $18.9 million,[1,2] respectively, for the most-recently reported trailing 12-months as of the time of their acquisition, compared to the Company's trailing 12-month EBITDA of approximately $3.8 million, as of June 30, 2012. The McCaine Electric Ltd. and Wildcat Civil Services, Inc. transactions were selected because those companies were comparable in size to the Company, although the types of services that they provide and markets in which they operate significantly differ from those which the Company provides and in which it operates.

The following table presents the results of this analysis.

	Proposed Transaction Multiple[a]	Proposed Adjusted Transaction Multiple[b]	Selected Transactions[c] Mean	Median	High	Low
Implied Transaction Value as a Multiple of LTM EBITDA	4.2x	6.1x	5.3x	5.5x	9.0x	3.1x
Implied Transaction Value as a Multiple of LTM Revenue	0.2x	0.3x	0.5x	0.4x	0.7x	0.3x

[a] Based on the Implied Enterprise Value
[b] Based on the Adjusted Implied Enterprise Value, which is calculated by adjusting for "restricted cash"
[c] Selected Companies are not adjusted for "restricted cash"

[1] Amounts converted from Canadian Dollars to United States Dollars for McCaine Electric Ltd. and Seacliff Construction Corp.
[2] Excludes GreenStar Services Corporation as no public information is available

In addition, the following table reflects certain additional detail regarding the selected transactions.

Selected Company Acquirers[(1)]	Selected Company Targets[(1)]	Enterprise Value / LTM EBITDA Multiple[(2)]	Enterprise Value / LTM Revenue Multiple[(2)]	Date Closed

Tutor Perini	GreenStar Services Corporation	N/A	0.4x	Jul 2011
Churchill Corp.	McCaine Electric Ltd.	3.4x	0.4x	May 2011
Layne Christensen Co.	Wildcat Civil Services, Inc.	5.9x	0.6x	Feb 2011
Primoris Services	Rockford Corporation	6.4x	0.4x	Nov 2010
Comfort Systems	ColonialWebb Contractors Co. Inc.	3.1x	0.4x	Jul 2010
Churchill Corp.	Seacliff Construction Corp.	9.0x	0.7x	Jul 2010
Michael Baker	The LPA Group Incorporated	6.0x	0.6x	May 2010
Primoris Services	James Construction Group, LLC	3.4x	0.3x	Dec 2009
Insituform Technologies Inc.	Corrpro Companies, Inc.	5.1x	0.5x	Feb 2009

[1] Selected Companies are not adjusted for "restricted cash"

[2] Enterprise values exclude amounts attributable to potential earnouts""

Revised disclosure of Sandler's Free Cash Flow Capitalization Analysis (new/changed text underlined):

	Free Cash Flow Analysis ($ in millions) Fiscal Year Ended December 31,							
	2005	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**LTM Ended 6/30/12**
EBITDA	**$ 2.9**	**$ 5.5**	**$ 6.1**	**$ 6.9**	**$ 2.5**	**$ 3.7**	**$ 2.7**	**$ 3.8**
Capital Expenditures	(0.1)	(0.2)	(0.1)	(1.5)	(0.1)	(0.1)	(0.0)	(0.1)
Change in Working Capital[1]	(3.0)	3.0	(0.7)	(1.5)	(2.4)	(0.7)	0.2	(1.1)
Cash Taxes	(0.1)	(0.1)	(3.9)	(3.0)	(0.4)	(1.8)	(0.9)	(1.6)
Free Cash Flow	**($ 0.2)**	**$ 8.1**	**$ 1.4**	**$ 0.9**	**($ 0.3)**	**$ 1.1**	**$ 2.1**	**$ 1.0**

[1] FY 2005 and FY 2006 figures have been adjusted for one-time items related to NAB Construction Corporation litigation and deferred tax valuation allowance. Such adjustments were obtained using the operating assets and operating liabilities sourced from the Company's public financials/statement of cash flows"

Revised disclosure of Additional Information (new/changed text underlined):

Golden Parachute Compensation

There is no golden parachute compensation for any employee of the Company. Mr. Warkol is the only employee of the Company that has an employment agreement, however, upon a change of control, it only permits Mr. Warkol to give 60 days' notice of his intent to terminate his employment and receive his regularly scheduled salary through the date of his termination. In addition, Mr. Warkol is not receiving any additional compensation in connection with the transaction, other than payment for his shares of Company Common Stock, as disclosed in Item 3 of the Statement.

Will there be a Court hearing?

The Court will hold a hearing to decide if the Settlement will be approved. The Settlement Hearing will be held on May 9, 2013 at 1:00 p.m. in the Sussex County Courthouse, 34 The Circle, Georgetown, Delaware 19947. The Court will decide: (a) if certification of the Class should be made final; (b) if the Settlement should be approved as fair, reasonable, adequate and in the best interests of the Class; (c) if an Order and Final Judgment should be entered pursuant to the Stipulation; (d) if Co-Lead Counsel's application for an award of attorneys' fees and expenses should be granted; and (e) rule on such other matters as the Court may deem appropriate.

The Court reserves the right to change the date of the Settlement Hearing without further notice to the Class.

What are my legal rights?

As a member of the Class you can either do nothing or object to the Settlement if you disagree with any part of it. You can also hire your own lawyer, at your own cost, if you choose. If you want to object to the Settlement or Plaintiffs' Co-Lead Counsel's request for an award of attorneys' fees and expenses you may appear in person or by your attorney at the Settlement Hearing and present evidence or arguments against the Settlement. If you choose to appear you must first submit a statement of your objection to the Court ten (10) business days before the Settlement Hearing. Specifically you or your lawyer must file with the court and serve the lawyers listed below the following information: (a) a written notice of your intention to appear; (b) a statement of your objections to any matters before the Court; and (c) the grounds for your objections and the reasons that you want to appear and be heard, documentation evidencing membership in the Class, as well as all documents or writings you want the Court to consider. Such filings shall be filed with the Register in Chancery and served by e-filing, hand delivery or overnight mail on the following counsel:

ROSENTHAL, MONHAIT &
GODDESS, P.A.
Jessica Zeldin
919 North Market Street, Suite 1401
Wilmington, Delaware 19801

Liaison Counsel for Plaintiffs

RICHARDS LAYTON & FINGER, P.A.
Gregory P. Williams
Richard P. Rollo
One Rodney Square
920 N. King Street
Wilmington, Delaware 19801

Counsel for Defendant KSW, Inc. and the Individual Defendants

DLA PIPER LLP (US)
John L. Reed
Andrew H. Sauder
919 North Market Street, Suite 1500
Wilmington, Delaware 19801

Counsel for Defendants The Related

Companies, L.P., Kool Acquisitions Corp. and Kool Acquisition LLC

If you do not object to the Settlement in the manner described above you waive the right to object (including any right of appeal) and will be forever barred from raising such objection in this or any other action or proceeding. Any member of the Class who does not object to the Settlement or the request by Plaintiffs' Co-Lead Counsel for an award of attorneys' fees and expenses (described below) or to any other matter stated above need not do anything.

Will this Settlement end the lawsuit?

If the Court determines that the Settlement is fair, reasonable, adequate, and in the best interests of the Class, the parties to the Lawsuit will ask the Court to enter the Order and Final Judgment, which will, among other things:

a. approve the Settlement as fair, reasonable, adequate and in the best interests of the Class and direct consummation of the Settlement in accordance with its terms and conditions;

b. permanently certify the Class as a non-opt out class pursuant to Delaware Court of Chancery Rules 23(a), 23(b)(1) and (b)(2) and designate Plaintiffs in the Lawsuit as the class representatives with Plaintiffs' Co-Lead Counsel as class counsel;

c. determine that the requirements of the rules of the Court and due process have been satisfied in connection with this Notice;

d. dismiss the Lawsuit with prejudice on the merits and grant the releases more fully described below;

e. permanently bar and enjoin Plaintiffs and all members of the Class from instituting, commencing or prosecuting any of the Released Claims against any of the Released Parties (as defined below); and

f. award attorneys' fees and expenses to Plaintiffs' Co-Lead Counsel.

What am I giving up as part of the Settlement?

As part of the Settlement Plaintiffs and the Class agree to release certain claims against Defendants. That means the members of the Class cannot sue Defendants for the claims that were made in this Lawsuit ever again, even if new facts are later discovered about these claims. The specific release language as stated in the Stipulation is as follows:

The Order and Final Judgment shall, among other things, provide for the release of Defendants and their affiliates (the "Released Parties") relating to: (i) the Merger, including but not limited to the vote on the Merger; (ii) the disclosures made by or on behalf of KSW through and including consummation of the Merger; and (iii) the compensation received by any Defendant through and including the consummation of the Merger (the "Released Claims") or

any claims that have been or could have been made by either party or its counsel against any other party or its counsel, relating to the prosecution or defense of this Action; provided, however, that the Released Claims shall not include claims for appraisal under 8 *Del. C.* §262 and Plaintiffs shall retain the right to enforce in Court the terms of this Stipulation and the proposed Settlement.

Plaintiffs acknowledge, and the members of the Class by operation of law shall be deemed to have acknowledged, that they may discover facts in addition to or different from those now known or believed to be true by them with respect to the Released Claims, but that it is the intention of Plaintiffs, and by operation of law the intention of the members of the Class, to completely, fully, finally and forever compromise, settle, release, discharge, extinguish, and dismiss any and all Released Claims, known or unknown, suspected or unsuspected, contingent or absolute, accrued or unaccrued, apparent or unapparent, which now exist, or heretofore existed, or may hereafter exist, and without regard to the subsequent discovery of additional or different facts. Plaintiffs acknowledge, and the members of the Class by operation of law shall be deemed to have acknowledged, that "Unknown Claims" are expressly included in the definition of "Released Claims," and that such inclusion was expressly bargained for and was a key element of the proposed Settlement and was relied upon by each and all of the Released Parties in entering into this Stipulation. "Unknown Claims" means any claim that Plaintiffs or any member of the Class does not know or suspect exists in his, her or its favor at the time of the release of the Released Claims as against the Released Parties, including without limitation those which, if known, might have affected the decision to enter into the proposed Settlement. With respect to any of the Released Claims, the parties stipulate and agree that upon Final Approval of the proposed Settlement, Plaintiffs shall expressly and each member of the Class shall be deemed to have, and by operation of the final order and judgment by the Court shall have, expressly waived, relinquished and released any and all provisions, rights and benefits conferred by or under Cal. Civ. Code § 1542 or any law of the United States or any state of the United States or territory of the United States, or principle of common law, which is similar, comparable or equivalent to Cal. Civ. Code § 1542, which provides:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Plaintiffs acknowledge, and the members of the Class shall be deemed by operation of the entry of a final order and judgment approving the proposed Settlement to have acknowledged, that the foregoing waiver was separately bargained for, is an integral element of the proposed Settlement, and was relied upon by each and all of the Defendants in entering into the proposed Settlement.

The Order and Final Judgment shall include a release of Plaintiffs and Plaintiffs' Counsel, from all claims, causes of action, demands, rights, or liabilities arising out of the institution, prosecution, settlement or resolution of the Action and the Released Claims; provided however, that Defendants shall retain the right to enforce in Court the terms of the Stipulation and the Settlement.

How will the attorneys be paid?

If the Court approves the Settlement, Plaintiff's Co-Lead Counsel will ask the Court for an award of attorneys' fees and expenses (the "Fee Application"), in an amount not to exceed $360,000. Defendants have agreed not to oppose the Fee Application. Any fees and expenses awarded by the Court will be paid by Defendants; you will not be responsible for any of the fees and expenses to Co-Lead Counsel. The Fee Application or any fee award may be considered separately from the Settlement and the Settlement is not contingent on the Fee Application. Any award to Plaintiffs' Co-Lead Counsel of attorneys' fees and expenses by the Court will be in addition to the Settlement and will not reduce or in any way affect the benefits of the Settlement.

What should I do if I was a beneficial owner of KSW stock?

Brokerage firms, banks and/or other persons or entities who held shares of the common stock of KSW, that was eligible to be tendered as part of the Merger with Related, for the benefit of others are requested to promptly send this Notice to all of their respective beneficial owners. If additional copies of the Notice are needed for forwarding to such beneficial owners, any requests for such copies may be made to AST Phoenix Advisors, 6201 15th Avenue, Brooklyn, New York, 11219 | phone: 212-493-3916 | ATTN: Peter Tomaszewski | e-mail: ptomaszewski@phoenixadvisorsast.com.

Where can I get more information?

The description of the Lawsuit and the Settlement in this Notice is only a summary. More detailed information about the Lawsuit and the Settlement is available in the documents that have been filed with the Court. **PLEASE DO NOT WRITE OR CALL THE COURT.**

Questions or comments about the Settlement may be directed to Co-Lead Counsel as follows:

WOLF POPPER LLP
Carl L. Stine
Matthew Insley-Pruitt
Joshua H. Saltzman
845 Third Avenue
New York, New York 10022

GARDY & NOTIS, LLP
James S. Notis
Jennifer Sarnelli
560 Sylvan Avenue
Englewood Cliffs, New Jersey 07632

Dated: __________, 2013

BY ORDER OF THE COURT OF CHANCERY
FOR THE STATE OF DELAWARE