

Dear BWT Unit Owners:

As you could notice there are a lot of project being done around our complex. Board of Managers would like to provide a detailed update for unit owners on all recent activities. Recently we've completed a variety of new projects and continue with multiple improvements and capital projects aimed to improve the life and environment at BWT. Policy based on fighting for each dollar and savings across all activities paid off. ALL mentioned below projects (completed and new) are done without any extra assessment to the unit owners. Even the most expensive, NYC mandated LL11 (façade repairs) project being implemented without the special assessment and that happens for the first time in the history of the Brightwater Towers.

Some of the major projects are listed below:

COMPLETED PROJECTS

Lobby Level

- Upgraded our current security posts desks.
- Installed new IP based surveillance recording system. New servers, monitors and cameras on both lobby levels.
- New package rooms in both lobbies.
- Additional separate Rooms (in 501A, 601A) with restrooms/kitchen/AC options for the future community use.

Building Systems

- Updated entry doors access system. New computer and software with more advanced features.
- Full renovation of 501A, 501B and 601B laundry rooms have been completed
- Renovation of 601A laundry room is in progress. ETA to complete – by July 2017.

Outdoors Projects

- New benches purchased. Installation in progress
- New trash cans around the property
- Repaired and adjusted the entire sprinkler system.
- Repainted divider lines on the entire parking lot.
- Complete replacement of all outdoors lighting.
- Infrastructure for installation of large menorah during the Hanukah holiday.

Property Management

- Intensive search has been conducted with approach to 15 different property management companies. New model of management has been finalized as well.
- In parallel we had to export the entire financial history database on accounts receivables (unit owners) and accounts payables (vendors and contractors). Due to FSR outdated proprietary software it mostly manual work and required serious effort in just few weeks.
- At the end, we successfully migrated to the new property management model:
 - Back office accounting is being handled by Coney PM who is using modern accounting software Yardi.

- Front end onsite management is conducted by the team of 4 specialists under direct supervision of the Board executives' team.
- New model allows us to speed up the process of depositing checks as well as payments to our vendors.
- All our banking accounts have been closed and we moved all our money to the new bank (Signature Bank). Our Capital Reserve accounts remain in Santander Bank which provides as maximum interest our deposits.
- We simplified our banking model and reduced number of accounts in Signature Bank to just three.

Accounting and Finance

Our legal action for Wind Damage claim has been successfully closed. We managed to obtain and return to the unit owners more than 250K.

- Thru tough negotiations with our insurance broker we managed to extend Flood Insurance annual premium reduction by 125K for the year 2017-2018 and further.
- Continue close control of all utility accounts (electric, gas, water, telephone, Internet).
- New IP based telephone system provides about 3K yearly savings.
- Signed new contract for buying electricity supply thru new ESCO. Savings about 20K yearly.
- To minimize the financial impact of NYS minimum wage increase, we have selected a new security firm. Besides about 25K savings it also allowed to improve the security staff.
- We continue full control of all our Accounts Payables:
 - a. All invoices are processed via Yardi software with Board's initial approval
 - b. Two Board members (President, VP or Treasurer) signatures are still required for each check.
 - c. Coney PM's team prints the checks remotely in our office to speed up the process.

PROJECTS IN PROGRESS

- Lobby design for 501 has been completed. In the process of obtaining NYC DOB permits for construction.
- Mailbox replacement, air conditioning and new elevator doors as part of lobby design
- Roof bulkheads design as part of local law 11. Design completed. In the process of obtaining NYC DOB permits for construction.
- Additional roof exhaust fans purchased. Installation to be done within 1-2 months.
- Facades repair (Local Law 11 required by City of New York). This project took several months for development (engineer survey, permits, etc.), bids collection, creating contract and beginning of implementation. Total contract base cost will be \$870K.
- Incinerator rooms on residential floors. Design and preparation in progress:
 - New stainless steel bigger chute doors
 - Update of the entrance doors.
 - Wall tiling and painting.
- New fence around BWT property line and part of creating enclosed community. Completed architectural survey. Applied for higher fence to ensure BWT security.
- DHW (new hot water system) – in progress (contract cost - \$310K)
- New Roof tank booster pumps system
- Community room upgrade: new AC units, restrooms, flooring and painting.

Please, note that all the above is done ***in addition*** to routine maintenance and variety of daily issues.

With any questions or suggestions, please, contact BWT Management Office at 718-266-2175:

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