CO-OP CITY TIMES

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Management Report

Management Report

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Riverbay Executive General Manager



On behalf of Douglas Elliman Property Management – Managing Agent, we are pleased to present the Management Report for Riverbay Corporation for the period ending August 31, 2026.

This Management Report provides updates with the following elements:

- Public Safety – Peace Officer Staffing
- Community Location Model Update
- *'Artificial Intelligence'* (AI) Use In the Community
- Informational Updates

Peace Officer Staffing

As of Monday, September 28, 2026, the Department of Public Safety employs 76 Peace Officers, representing 81.7% of its 93 budgeted positions. The in-house Academy began on Monday, September 21, with 10 recruits enrolled. Management will continue recruiting for the next class to fill the remaining seven vacancies.

Community Location Model Update

As noted in prior reports, Management chose Community Location 1 for the pilot program. This area covers Buildings 1A, 1B, 2A, 2B, 3A, 3B, 4A, 4B, 4C, 5A, 5B, and 5C, as well as the Defoe Place Townhouses. Optimum has been contracted to install the Wi-Fi infrastructure throughout these buildings and the townhouse cluster. Once operational, the improved connectivity will enable Maintenance staff to manage work orders on handheld devices and allow shareholders to submit requests through the *"My Co-op City App"* or the Co-op City website. Management thanks the community for its patience while essential infrastructure work delayed the pilot to support a successful launch. Limited construction is now underway in building stairwells and hallways during regular business hours.

'Artificial Intelligence' (AI) Use In the Community

As previously reported, the Board of Directors and Management continue to explore responsible uses of artificial intelligence (AI) in daily operations. AI would assist—not replace—the Management Team by improving response times, increasing operational efficiency, and reducing costs. Protecting shareholders' personally identifiable information (PII) and privacy remains the highest priority. Management is finalizing an agreement with ConnexAI to conduct a *'proof of concept'* (POC) and will keep the community informed throughout its implementation.

Informational Updates

• Elevator Outages

No extended elevator outages in the community.

• Gas Outages

Buildings 27A,B, &C

* On Monday, September 21, 2026, a smell of gas was reported in the basement of the building, and a call was placed to 311. Con Edison responded, discovered a gas leak in the piping of the gas meter room and shut off the gas services to the buildings.

* Once a leak/corrosion is detected, the building owner, Con Edison, and NYCDOB are contacted immediately, and the building owner shall immediately take action to correct such condition in compliance with the New York city construction codes.

* The Board of Directors approved an emergency contract with a licensed plumbing contractor to work with Management to restore gas services to the building as swiftly as possible.

* On Tuesday, September 29, 2026, Management conducted a community meeting with the Shareholders of the buildings and provided an overview of the gas restoration process and committed to providing bi-weekly lobby meeting in the buildings to provide critical updates on the project beginning the week of October 19th.

* Beginning Thursday, October 1, Riverbay's master plumbing contractor, Express Plumbing, will visit apartments in Building 27A to replace gas valves and hoses. Crews will work from 8:00 a.m. to 8:00 p.m. Shareholders are asked to provide access when the plumbers arrive at their apartments. Their cooperation will help Riverbay complete the required work efficiently. Management appreciates everyone's patience and cooperation as efforts continue to restore gas service.

• Transitioning to Heat

* The Power Plant will begin transitioning the community to heat on Thursday, October 1, 2026, and expects to complete the process by October 16, 2026. During the transition, hot water will be shut off for one night from 10:00 p.m. to 6:00 a.m., likely on October 7 or 8. The community will receive advance notice.

• Underground Pipe Leaks in the Community

* The leak beneath Co-op City Boulevard is delaying repairs to several Zone 1 leaks, most notably the one near the Defoe Place Townhouses. These repairs will be completed alongside or shortly after the Co-op City Boulevard leak, which is targeted for repair by the end of October 2026.

The Corporations Key Performance Indicators (KPIs) for August 2026 are presented below.

HUMAN RESOURCES SUMMARY

EMPLOYEE AND LABOR RELATIONS SUMMARY

Type	Outstanding *(previous month)*	New	Resolved	Ongoing
Grievances	8	0	0	8
Arbitrations	2	0	0	2
External Concerns/Inquiries	2	0	0	2
Disciplinary Actions Reports & Other ELR matters	118	12	13	117
Total:	**130**	**12**	**13**	**129**

DISABILITY/FMLA/PFL

	New Requests	Pending Request	Total on Leave
Short Term Disability	5	1	8
Family Medical Leave Act	10	4	25
Paid Family Leave	6	5	19
Workplace Accommodation	1	1	
Total	**22**	**11**	**52**

Work place Accommodations vary in type, and are not counted in the **"Total on Leave" column. Accommodations that are leave extensions are counted in the noted leave categories.*

HEAD COUNT SUMMARY

Budgeted Head Count	944
Filled Head Count	876
Vacant Head Count	73
Vacant Head Count Rate	**7.7%**

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Management Report – KPIs

PUBLIC SAFETY SUMMARY

CCPD DETECTIVE SQUAD SUMMARY Y-T-D			
Case Type	2026	2025	% Change
Homicide	0	0	0.0%
Rape	0	0	0.0%
Burglary	0	0	0.0%
Robbery	1	0	0.0%
Felony Assault	3	0	0.0%
Grand Larceny	3	0	0.0%
Grand Larceny Auto	2	0	0.0%
Total Cases to Squad	**6**	**0**	**0.0%**

CALLS RECEIVED FOR SERVICES	
Nature of Call	Calls Received
Abuse of Premises	6
Aided	112
Animal	15
Assault	0
Ball Playing	0
Burglary	0
Calls for Help	19
Criminal Mischief	10
Criminal Trespass	10
Disorderly Conduct	10
Dispute	43
E-BIKE	1
Elevator Calls	40
Fire / Smoke	6
Harassment	26
Hazardous Condition	15
Intelligence	63
Investigate Vehicle	8
Larceny	54
Larceny- Vehicle	3
Lock Outs	13
Loitering	48

CALLS RECEIVED FOR SERVICES CONTINUED	
Nature of Call	Calls Received
Maintenance	26
Missing person	3
Move In / Out	14
MVA	16
Narcotics	0
Noise	170
Objects from Building	8
Odor	48
Parking Condition / Violations	497
Property Damage	8
Property Lost / Found	17
Public Consumption	6
Robbery	3
Robbery Commercial	0
Sex Related Crime	0
Shots Fired	2
Suspicious Package	4
Suspicious Person	44
Unsecured Property	17
Unsecured Vehicle	7
Vehicles Towed	5
Other	116
TOTAL CALLS	**1,513**

COMMUNITY COMPLAINTS / SUMMONS ISSUED	
Type of Summons	Summons Issued
Abuse of Premises	10
Anti-Social Behavior	10
Leash Law Violation	0
Defacing / Destroying Riverbay Property	0
Driving/Parking on Property	0
E-BIKES	1
Harboring Animals	19
Littering	0
Loitering	13
Noise	4
Poor Housekeeping	6
Refusing Apartment Inspection	11
Smoking inside Residential Bldg.	1
Unauthorized Move In / Out	3
Other	5
NYC Parking Summonses	293
NYC Criminal Court Summonses	9
TOTAL	**385**

SWEEPS/ ARRESTS/ CONTACT MADE	
Sweeps/Arrests	August
Arrests	8
Building Inspections	3,423
Call box inspections	190
Directed Patrol	640
Garage Inspections	766
Mall Checks	411
Post Conditions / Sweeps	206
RU OK Calls to participants	744
TOTAL	**6,388**

RESIDENTIAL SALES ACTIVITY			
	August	Fiscal YTD	Monthly Average
Apartments Accepted	45	188	38
Apartments Closings (sold)	25	129	26
Move Outs	36	134	27

APARTMENT CLOSINGS AND FINANCING HISTORY	
Equity Paid in Full	14
Equity Financed via Loan (Citibank or Webster Bank)	3
Deferred Equity Program	8
Downsizing / Lateral transfers (no monies collected)	0

***Note** : Five (5) applicants failed to close on units after previously accepting them. Three (3) declined due to financing, while two (2) declined for reasons other than financing.*

Total Apartments	15,372
Occupied Apartments	15,151
Occupancy Rate:	**98.6%**
Vacant Apartments	**221**
- Apartments - Undergoing Restoration Process	37
- Apartments - Restored, Pending Closing	79
- Apartments - Unsold *(36 Restored and 65 Not Restored)*	101
- Model Apartments	2
- Waterproofing Project	1
- Convector Testing Unit	1
Average Days for Apartments to be Restored	27
Total Apartments Restored	40
Evictions:	
- Shareholders	5
- Commercial	0
Landlord / Tenant Court Proceedings:	
Court Stipulations Cases:	26
Hold Over Cases:	5
Non-payment Cases:	338
Dispositions	126
Vacancy Loss	$154,245

CALL CENTER SUMMARY - AUGUST

INCOMING CALLS TO CALL CENTER	
Maintenance, Restoration and Finance	21,134
Answered Calls	13,405
Abandoned Calls*	7,569
Abandoned Rate	**35.8%**
Service Level	**44.6%**
*Callers that voluntarily disconnect the call.	

WORK ORDERS	
Created	3,733
Completed	3,221
Follow-ups	52
Scheduled	154
Canceled - Duplicate, Error, S/H cancelled appt	255
% of Work Orders Completed	**86.3%**

Convector Leak Work Orders	
Living Room	358
Bedroom	374
Kitchen	176
Total	**908**

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Management Report – KPIs
Capital Projects Status Report

Projects in Progress

Title: Local Law 126 – Garage A/E Assessments

Description: NYC Local Law 126 is a mandatory periodic (6 years) safety Inspection by a Qualified Parking Structure Inspector (QPSI). This requires owners of parking facilities to have detailed reports filed with the Department of Buildings classifying conditions as Safe, Safe with Repair/Monitoring (SREM) or Unsafe, and fix issues promptly if any are observed. The purpose of this work is to ensure the safety of pedestrians and the public from potential building collapses and/or to avoid any loose building materials that could potentially cause hazardous conditions.

Status: Garage numbers 5 through 8 Bids received. Vendors were selected. Contracts being executed to perform the repairs.

Garage numbers 1 through 4 have construction documents being developed by Tectonic Engineering to prepare for contractor bidding.

Funding Source: Capital Projects

Contract(s) Amount: $885,560 + Tax

Money Spent: $140,000.00

Projected Completion: December 2027

KPIs for Violations - August 2026

NYC Department of Housing Preservation Development (HPD)

Category	Received Violations	E-Certified Violations	Resolved Violations
Violations			
Class "A" (Non Hazardous)	10	3	1
Class "B" (Hazardous)	25	2	12
Class "C" (Immediately Hazardous)	7	1	2
Monthly Total	**42**	**6**	**15**
Total to Date			
Total Open HPD Violations to Date			**4,983**
*This total excludes the 260 invalid registration violations.			

NYC Department of Buildings (DOB)

Category	Received Violations	Submitted Certificates of Correction	Resolved Violations	Open Violations	Associated Penalties (SiteCompli) for Open Violations
DOB Violations	0	1	1	121	$288,000
OATH Violations					
Class 1 (Immediately Hazardous)	1	0	0	17	$52,500
Class 2 (Major)	0	0	0	11	$0
Class 3 (Lesser)	0	0	0	1	$0
Other (Aged)	0	0	0	2	$0
Monthly Total	**0**	**0**	**0**	**0**	**N/A**
Total to Date	**3,652**	**13**	**3,500**	**152**	**$340,500**

Fire Department of New York (FDNY)

Category	Received Violations	Submitted Certificate of Correction Request	Resolved Violations	Open Violations	Associated Penalties (SiteCompli) for Open Violations
Notices of Violation (NOVs)	10	4	0	141	$26,660
Violation Orders (VOs)	0	0	0	43	N/A
Monthly Total	**10**	**4**	**0**	**N/A**	**N/A**
Total to Date	**1,117**	**17**	**910**	**184**	**$26,660**

NYC Department of Health and Mental Hygeine (DOHMH)

Category	Received Violations		Resolved Violations	Open Violations	Associated Penalties (SiteCompli) for Open Violations
Violations	0		0	0	0
Monthly Total	**0**		**0**	**0**	**0**
Total to Date	**82**		**82**	**0**	**0**

NYC Department of Enviormental Protection (DEP)

Category	Received Violations		Resolved Violations	Open Violations	Associated Penalties (SiteCompli) for Open Violations
Violations	0		0	0	0
Monthly Total	**0**		**0**	**0**	**0**
Total to Date	**295**		**290**	**5**	**$13,760**

NYC Department of Sanitation (DSNY)

Category	Received Violations		Resolved Violations	Open Violations	Associated Penalties (SiteCompli) for Open Violations
Violations	2		0	0	0
Monthly Total	**2**		**0**	**0**	**0**
Total to Date	**136**		**108**	**29**	**$3,717**

Monthly Total - Penalties Paid for Violations	**$0**

Title: Townhouse Pilot Repair

Description: The purpose of the Townhouse Façade and waterproofing pilot project is to address water penetration issues at the main entrance concrete slabs. The entrance concrete slab is continuous from the exterior to the interior vestibule areas. We completed onsite inspections throughout the clusters and have located one vacant unit to perform a water test and observe the pattern in which the water was penetrating the buildings. We have developed a scope of work based on the results found on-site and are now in the process of completing the repairs on one entrance using the same vacant unit. This exercise will ensure the repairs proposed will be the right solution to this infiltration issue. Once we confirm the results of the repairs, we will implement the method throughout all townhouse clusters in a larger project.

Status: This project is ongoing with minor work remaining to complete entire pilot project.

Funding Source: Capital Projects

Contract amount: $108,777.02

Money Spent: $23,108.72

Projected Completion: August 2026

Title: Local Law 11– FISP Inspection in Buildings 26-35

Description: NYC Local Law 11 is a mandatory periodic (5 years) safety Inspection by a Qualified Exterior Wall Inspector (QEWI). This requires owners of building greater than 6 stories to have detailed reports filed with the Department of Buildings classifying conditions such as Safe, Safe With a Repair and Maintenance Program (**SWARMP**) or Unsafe, which requires immediate public protection measures be installed, like sidewalk shed. The purpose of this work is to ensure the safety of pedestrians and the public from potential building hazardous conditions.

Status: Inspections have started. Building 26, 27, and 32 have been completed.

Funding Source: Capital Projects

Contract(s) Amount: $329,150 + Tax

Money Spent: $0

Projected Completion: February 2027

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Riverbay Corporation Fiscal Year 26/27 Budget Overview

The Board of Directors approved a comprehensive Budget of **$324,436,000** for Fiscal Year 26/27 which includes funding for the Operating Budget in amount of **$293,508,000** and the Capital Budget in the amount of **$30,928,000**. The Operating Budget has a surplus of **$2,185,800**. Use of the surplus funds require Board approval.

This Comprehensive Budget Report represents the Corporation's Budget *vs.* Actual performance for Revenues and Expenses for the period April 01, 2026, to July 31, 2026. Explanations for budget variances are given in this report.

Budget Overview

Income

Overall, the period April to July 2026 operational revenue is trending favorably. The largest revenue source of income for the corporation is carrying charges. Revenue from carrying charges of $80.8 Million performed in line with the budget projection for the quarter resulting in a zero-budget variance. There was a two (2.0%) increase over budget in the other income revenue sources.

Of the $30.9 million fiscal-year capital funding budget, $7.7 million was allocated through July 31st. Actual project funding was well below budget because most projects remain in the early stages.

Expenses

For FY 26/27 Management implemented a *"Zero-Based Budgeting"* process to streamline budget projections. Departmental spending plans were also developed to reflect the actual period when projected expenses were expected to occur. As a result, departmental budgets are better aligned with anticipated expenditures, and the budget variances are strong indicators of departmental budget performance. Overall, total actual expenses performed below the budget forecast through July 31st by **11.7% or $14.0 Million**.

Departmental and Capital expenditures which includes salaries, fringe benefits and other expenses associated with the day-to-day departmental activities involved with providing direct and indirect services to the shareholders, trended favorably through July 31st and below are notable observations:

• The Corporation realized a **23.3% or $14.9 Million** positive budget variance in Departmental & Capital expenditures associated with the operations of 24 Operating departments and two (2) Capital departments. In sum, 96.0% (25) of departments performed below the budget forecasts through July 31st.

• The remaining 4% (1), which is Elevators, realized a negative budget of 40.7% or $630,000 due to increase in maintenance and inspection costs.

Corporate Expenses are costs associated with corporate-wide expenditures such as insurance, real estate taxes and violations trended favorably for the quarter and below are notable observations:

• Overall, the corporate expense category showed a negative budget variance of **1.7% or $765,000**. Utilities and Water reported a negative budget variance due to the yearly massive water bill of $21.2 million of which we paid $5 million in July and financed $16.2 million over 9 months.

• The increase in bad debts was due to the external auditor's recommendation to adjust the bad debts allowance percentages for outstanding debt from past and current shareholders based on collection history particularly with residents who moved out, and their outstanding balances far exceeded the value of their equity. The Corporation realized very little movement with collection of these debts.

Debt Services and Fees, costs associated with the mortgage refinancing inclusive of reserves replacements, Mortgage Insurance Premiums and Debt Services, trended unfavorably through July 31st and below are notable observations**:**

• Debt Service expense was within budget for the period.

• Replacement Reserves and recorded unfavorable budget variances for the period primarily due to greater than expected replacement reserve fees.

• HUD Mortgage premium showed a minor negative variance due to premium expenses being more than the budget allocation for the period.

Overall Performance Through July 31, 2026:

Corporation's overall performance through July 2026 is as follows:

• **Grand total actual expenses of $106,021,000**, including Departmental and Capital, Corporate and Debt Service & Fees were more than anticipated when compared to the **grand total actual income of $97,084,000**. This yielded a **deficit of ($8,938,000)**.

• **Grand total actual expenses of $106,021,000**, including Departmental and Capital, Corporate and Debt Service & Fees were less than anticipated when compared to the **grand total budgeted expenses of $120,061,000**. This yielded a **positive budget variance of $14,040,000.**

• **Grand total budgeted expenses of $120,061,000**, including Departmental and Capital, Corporate and Debt Service & Fees were less than anticipated when compared to the **grand total budgeted revenue of $104,205,000**. This yielded a **negative budget variance of ($15,856,000)**.

(See more KPI Charts on page 13)

KPIs ——— (Cont'd from previous page)

RIVERBAY CORPORATION
FISCAL YEAR 26/27 YEAR-TO-DATE BUDGET COMPARISON
COMPREHENSIVE BUDGET
APRIL 1, 2026 THRU MARCH 31, 2027
AMOUNTS IN THOUSANDS

		April 01, 2026 to JULY 31, 2026			
INCOME:	**F26/27 ANNUAL BUDGET**	**Y-T-D BUDGET**	**Y-T-D ACTUAL**	**+/- $**	**+/- %**
Carrying Charges	$ 242,146	$ 80,715	$ 80,790	$ 75	0.1%
Vacancy Losses	$ (1,701)	$ (567)	$ (600)	$ (33)	-5.9%
All Other Income	$ 53,063	$ 16,325	$ 16,656	$ 332	2.0%
Capital Funding	$ 30,928	$ 7,732	$ 237	$ (7,495)	-96.9%
Grand Total Income:	**$ 324,436**	**$ 104,205**	**$ 97,084**	**$ (7,121)**	**-6.8%**
DEPARTMENTAL OPERATING & CAPITAL EXPENSES					
Automotive Services	$ 1,336	$ 508	$ 392	$ 116	22.9%
Board of Directors	$ 544	$ 194	$ 184	$ 10	5.1%
Budget & Finance	$ 3,766	$ 1,338	$ 1,247	$ 91	6.8%
Building Janitorial	$ 29,124	$ 10,247	$ 8,905	$ 1,342	13.1%
Call Center	$ 2,469	$ 841	$ 694	$ 147	17.5%
Communications - CCTimes	$ 1,123	$ 385	$ 263	$ 122	31.6%
Compliance	$ 373	$ 141	$ 64	$ 77	54.5%
Construction	$ 28,159	$ 7,483	$ 920	$ 6,563	87.7%
Cooperator Services Office	$ 1,531	$ 522	$ 436	$ 86	16.4%
Elevators	$ 4,952	$ 1,547	$ 2,177	$ (630)	-40.7%
Exterminating	$ 822	$ 288	$ 243	$ 45	15.7%
General Management	$ 2,101	$ 755	$ 677	$ 78	10.3%
Grounds/Landscaping	$ 5,576	$ 2,053	$ 1,854	$ 199	9.7%
Human Resources	$ 1,302	$ 481	$ 327	$ 155	32.1%
Information Technology	$ 6,524	$ 2,135	$ 1,667	$ 468	21.9%
Internal Audit	$ 613	$ 215	$ 164	$ 51	23.9%
Maintenance	$ 21,566	$ 7,946	$ 6,059	$ 1,887	23.7%
Occupational Health & Safety	$ 1,175	$ 393	$ 282	$ 111	28.3%
Parking & Leasing	$ 1,874	$ 652	$ 498	$ 153	23.5%
Power Plant	$ 29,055	$ 10,126	$ 9,601	$ 524	5.2%
Procurement	$ 2,256	$ 766	$ 634	$ 132	17.3%
Public Safety CCPD	$ 15,156	$ 5,242	$ 5,027	$ 215	4.1%
Residential Sales	$ 1,516	$ 538	$ 456	$ 82	15.3%
Restorations	$ 26,461	$ 8,932	$ 6,170	$ 2,762	30.9%
Risk Management	$ 532	$ 195	$ 150	$ 45	23.1%
Sustainability Projects	$ 1,250	$ 313	$ 167	$ 145	46.5%
TOTAL DEPARTMENTAL & CAPITAL EXPENSES	**$ 191,155**	**$ 64,237**	**$ 49,260**	**$ 14,977**	**23.3%**
CORPORATE EXPENSES:					
Insurance	$ 23,480	$ 7,827	$ 6,110	$ 1,717	21.9%
Utilities + Water	$ 50,249	$ 26,631	$ 33,762	$ (7,130)	-26.8%
Real Estate Taxes	$ 12,856	$ 5,996	$ 1,589	$ 4,406	0.0%
Violations	$ 100	$ 33	$ 6	$ 27	81.4%
Bad Debts	$ 4,500	$ 1,125	$ 1,522	$ (397)	0.0%
Corporate Operating Expenses	$ 5,785	$ 2,225	$ 1,613	$ 612	27.5%
TOTAL CORPORATE ALL EXPENSES:	**$ 96,970**	**$ 43,837**	**$ 44,602**	**$ (765)**	**-1.7%**
EXPENSES BEFORE DEBT SERVICE & FEES:	**$ 288,125**	**$ 108,074**	**$ 93,862**	**$ 14,212**	**13.2%**
DEBT SERVICE:					
Gen'l/Repl Reserve Fees	$ 5,269	$ 1,640	$ 1,780	$ (140)	-8.5%
HUD Mortgage Ins Premium	$ 2,007	$ 669	$ 701	$ (32)	-4.7%
Debt Service	$ 29,036	$ 9,679	$ 9,679	$ -	0.0%
TOTAL DEBT SERVICE FEES	**$ 36,312**	**$ 11,987**	**$ 12,159**	**$ (172)**	**-1.4%**
GRAND TOTAL EXPENSES:	**$ 324,436**	**$ 120,061**	**$ 106,021**	**$ 14,040**	**11.7%**
NET SURPLUS/(DEFICIT) FROM OPERATIONS:	**$ -**	**$ (15,856)**	**$ (8,938)**		