

Subject: The Need for a Building Assessment and Maintenance Increase
Date: November 15, 2025

Dear Shareholders,

As you know, maintaining our building's safety, comfort, and long-term value requires continuous investment. Recently, the Board approved a major repair and restoration project essential to preserving the structural integrity and quality of life at Riveredge. The cost of this necessary work will substantially deplete our reserve funds.

While this project is critical, it is equally important that we maintain a healthy reserve fund. Our reserves are the cooperative's financial safety net—ensuring that we can respond promptly to emergencies, meet regulatory requirements, and address ongoing maintenance needs without compromising the building's operations or property values.

Over the next several years, additional major repairs and improvements will be needed, including:

- Interior repairs to the 8th floor and apartments affected by water damage
- Boiler replacement and upgrading the building's heating system
- Repairs to the indoor pool to allow it to reopen
- Correction of the oil tank issue behind the building

Because past Boards have maintained strong reserves, Riveredge has been able to respond effectively to unexpected challenges, such as:

- Repairing hurricane and fire damage (with insurance settlements still pending)
- Buying and restoring units to maintain building value and generate modest profits for the Co-op
- Repaving the parking lot and other capital improvements

Without an adequate reserve, we would risk delaying critical work or incurring emergency borrowing costs—both of which would ultimately cost shareholders more.

The Board does not take this decision lightly. We carefully weigh every expenditure to balance our immediate needs with long-term financial stability. The proposed assessment will allow us to replenish our reserves and ensure that Riveredge remains a safe, well-maintained, and desirable place to live.

Thank you for your continued support and understanding as we work together to protect and enhance the value of our cooperative home.

Sincerely,
The Riveredge Board of Directors

The Assessment will be \$12 per share, paid over 2 ½ years starting in July of 2026 and ending in December of 2028.

To calculate your overall portion and monthly costs:

- Multiply your shares by \$12, this will give you the total amount.
- Then divide by 30 (2 ½ years is 30 months) to get a monthly payment.

The amount of shares you own is located on your yearly tax documents, and you may also reach out to WPMG as they have that information as well.

Using Apartment 3Q as an example:

$$\begin{aligned}\$12 \text{ per share} \times 662 \text{ shares} &= \$7,944 \\ \$7,944 \div 30 &= \$264.80, \text{ this will be 3Q's monthly payment.}\end{aligned}$$

This assessment will raise \$1,020,500 for the building's reserve, broken down by year:

2026	\$ 204,100
2027	\$ 408,200
2028	\$ 408,200

In order to balance the 2026 Budget, a Maintenance Increase of 4% will begin January 2026:

Current Maintenance is \$19.68 per share

2026 Maintenance will be \$20.48 per share

This is an increase of \$0.80 per share. Using apartment 3Q as an example:

$$\begin{aligned}\$0.80 \text{ per share} \times 662 \text{ shares} &= \$529.60 \text{ (total for the entire year)} \\ \$529.6 \div 12 &= \$44.13 \text{ increase per month}\end{aligned}$$

Please note our operating budget does not include funds from flip tax, interest income from reserve funds, or any other extraordinary income that the co-op might receive.

These funds go directly into the building's reserves.