

RIVEREDGE OWNERS, INC.

1 David Lane
Yonkers, New York 10701

April 8, 2006

Dear Fellow Shareholders:

The Riveredge Board of Directors has been closely monitoring Riveredge's operating costs since it adopted the 2006 Budget last November. During the last six months, we have been hit with large increases in energy costs, real estate taxes and insurance that far exceeded our budgetary projections, leaving us with a large budgetary shortfall and no alternative other than to revise the 2006 Budget.

The Board of Directors must insure the financial solvency of the Riveredge and maintain the building on a sound financial basis. The Board therefore has decided that it must increase the annual maintenance to \$18.50 per share, retroactive to January 1, 2006.

This decision is not made lightly. Over the past years, we have kept maintenance increases to a minimum. Operating costs had remained steady and we were aware that the assessment for the facade repair and new roof was a burden on shareholders. Unfortunately, in the last two years, and especially the last year, operating costs have begun to spiral out of control, due mainly to steep increases in energy costs. These increases have hit us both directly in higher fuel and electricity costs and indirectly in higher costs of goods and services, as well as in real estate tax increases as Yonkers' and Westchester County's costs have risen. Insurance costs have also increased dramatically.

The Board considered the option of extending the current assessment or to charge a maintenance surcharge to cover the budget shortfall, but these options do not address the fact that operating costs are an annual cost that will not decrease. Instead, these costs just keep going up. The current assessment was put in place to pay for the facade repair and new roof. It was not meant to be used for ongoing operating expenses. The monies collected are to repay a loan that is due on October 1, 2006. The assessment is scheduled to finish with the August, 2006 payment and there is no plan to extend the assessment.

The retroactive part of the maintenance increase will appear on the May invoice. Shareholders have the option of paying the retroactive increase with the May maintenance, or over two months with a charge of \$10.

We have attached a financial analysis of the Riveredge's operational costs for your review. The Board will be available in the Lobby on Thursday, April 27, 2006 at 7:00 PM for any questions on the maintenance charge.

Thank you.

The Riveredge Board of Directors