

RIVEREDGE OWNERS, INC.
1 David Lane
Yonkers, New York 10701

February 28, 2005

Dear Fellow Shareholders:

The Riveredge Owners Board of Directors approved the 2005 budget for the Building at its February meeting. Due to substantial increases in operating expenses, the funds necessary to operate and maintain the Building are anticipated to be 13.5% higher during 2005. After much discussion and thoughtful consideration, the Board voted to increase maintenance fees in order to balance the budget. Effective as of April 1, 2005, the maintenance will be increased by 13.5%, from \$14.00 per share to \$15.85 per share.

We recognize that this is a significant increase. However, it is necessary to cover our escalating operating expenses. In the past year we had the following major increases:

Real estate taxes	\$38,000
Fuel	12,000
Electricity	8,000
Insurance	<u>7,000</u>
Total	\$65,000 a 41% increase in costs over 2004

Although the Board of Directors has worked diligently to contain the cost of operating the Building, these costs increases are not under our control and for the most part could not be anticipated. Indeed, further increases in the cost of fuel oil and anticipated increases in real estate taxes remain a major concern of the Board. Ensuring that the cooperative remains fiscally sound is an obligation that the Board takes seriously. This increase in the maintenance is the minimum amount necessary to bring the budget into balance.

Thank you.

The Riveredge Board of Directors