

TO: Riveredge Board of Directors

FROM: Peter Merson - Apartment 8T

DATE: December 9, 2025

SUBJECT: Reminder of Fiduciary Duty and Adherence to Corporation By-Laws

This letter serves as a reminder of the fundamental responsibilities and **fiduciary duties** that all individuals inherently agree to uphold as members of the **Riveredge Board of Directors**. A critical component of this duty is strict adherence to and enforcement of the corporation's established **by-laws**, which are in place to ensure proper governance and protect the interests of our shareholders.

By-Law Requirement: Article II, Section 6

Specific attention is drawn to **Article II, Section 6** of our corporation's by-laws. This section outlines the procedure for determining and communicating the **Annual Budget** and corresponding cash requirements to all shareholders. The complete text of the section is provided below for reference:

SECTION 6. Annual Budget. In furtherance of the definitions and provisions of the proprietary leases entered into or to be enter into by the Corporation with its shareholders, **the Board Of Directors shall determine the cash requirements** as defined therein, for each particular year of the term of such proprietary lease, by resolution or resolutions adopted during the particular year in question of the proceeding year, and shall likewise fix the terms and times of payment of the rent due from shareholders who are lessees under such proprietary leases to meet such cash requirements.

Immediately after the adoption of any such resolution as above provided, the secretary shall mail or cause to be mailed, or deliver or cause to be delivered, to each shareholder who is such a lessee a statement of the amount of the cash requirements so determined or **a copy** of the resolution of the Board concerning the same.

The Board of Directors shall have discretionary power to prescribe the manner of maintaining and operating the apartment building of the Corporation, and any other premises acquired by the Corporation by purchase or otherwise, and to determine the aforesaid cash requirements. Every such determination by the Board shall be final and conclusive as to all shareholders who are lessees under proprietary leases and any expenditures made by the Corporation's officers or agent under the direction or with the approval of the Board shall, against such shareholders, be deemed necessarily

and properly made for such purposes. The operating year of the Corporation shall be the calendar year.

I am requesting that the 2025 & 2026 budgets be sent to all shareholders pursuant to Article II Section 6.