

**RIVER TERRACE APARTMENTS, INC.
2621 PALISADE AVENUE
RIVERDALE, NY 10463**

December 11, 2013

Budget for the year 2014

To: River Terrace Shareholders

From: Norman Maron, Treasurer

On behalf of the River Terrace Board of Directors, I am pleased to announce that the Board has unanimously approved an operating budget of \$3,079,452 for the year 2014. Pertinent details regarding next year's budget are as follows:

Our maintenance charges will remain at the same level as they were for 2013.

The capital improvements assessment of \$0.1733 per share/month, begun in 2013, will continue to remain in effect throughout 2014.

The practice of transferring \$2,000.00 per month from the building's operating account to its reserve funds will also be continued.

An oil fuel surcharge of \$0.1709 per share/month will commence on January 1, 2014. This surcharge will be eliminated once the gas conversion process is completed, which is currently anticipated by the second half of the year.

The costs to shareholders of the building's internet service (from Optimum) – as had already been the policy with our basic TV cable costs – have been absorbed and will now be included in our monthly maintenance charges rather than charged as a separate line item.

Interest costs per month for our new, enhanced refinancing will be less in 2014 than they were for corresponding expenses in 2013.

Board members would like to wish all shareholders a very healthy and joyous holiday season.