

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

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November 20, 2012

Memo for: River Terrace Shareholders

From: Thomas Pepper  
Treasurer, Board of Directors

Subject: Budget Plan, CY 2013: Maintenance increase of 1%  
Capital Improvement Surcharge of \$.173333/sh/mo for 12 Months

The River Terrace Board of Directors has approved an operating budget of \$3,095,006 for Calendar Year 2013.

In order to finance the 2013 operating budget and maintain past practice of breaking even on an operating basis, Board members approved an increase in maintenance of 1% and a capital improvement surcharge of \$.17333/sh/mo for twelve months (e.g., for use in supporting Local Law 11 requirements as needed; fuel costs as needed, and adding to the reserve fund). Both increases become effective January 1, 2013. Shareholders should be reminded that in 2012 you were assessed \$.60/sh/mo for a fuel assessment for the months of January through June. When contrasting the total "payments" you will make to the cooperative in 2013 vs. 2012, you will be paying less in 2013 than you paid to the corporation in 2012.

Board members maintain the concept, established two year ago, of transferring a certain amount each month from the operating account to the building's reserve account. We have increased the monthly transfer from \$1,000/mo to \$2,000/mo and these monies will be put aside for capital improvements to the property. The Board is trying to build our reserve in anticipation of costs that will be associated with Local Law 11.

Board members wish all fellow shareholders a joyful holiday season.

Very truly yours,

Thomas Pepper, Treasurer  
On behalf of The Board of Directors