

KUDER ISLAND COLONY, INC.
P.O. Box 766
Rye, New York 10580

December 4, 2012

Mr. Ray Tartaglione
101 Westmoreland Street
White Plains, N.Y. 10606

Mr. Tartaglione,

This letter is in response to your letter dated 11/30/12. We are aware of the extensive damage caused by Hurricane Sandy and are appreciative of your efforts to clean up the areas adjacent to your cottage.

Hurricane Sandy was an extremely powerful storm that created widespread and unprecedented damage to the Northeast. Many homes were lost and entire communities were destroyed. The damage on Hen Island and the entire Sound Shore community was extensive.

We appreciate your concern regarding propane tanks that were taken from the island by the storm. We have been informed by shareholders of at least four missing tanks, which is not surprising given the fact that the estimated damage from Superstorm Sandy in New York State alone may exceed \$30 billion. The Board of Directors has been in communication with the City of Rye regarding the missing tanks.

There have been many reports statewide of lost propane tanks, oil tanks, vehicles, homes, docks, decks, walls, etc. which have been swept into the water by this powerful storm. Unfortunately, as with any extreme act of God, such as this superstorm, maritime recovery of these items is virtually impossible.

As you know, in 2009, the Kuder Island Rules and Regulations were amended to include the requirement that all propane tanks must be secured to the cottages with chain in an upright position and that all unsecured tanks were removed from the island in 2009. Fortunately, the shareholder's compliance with those regulations prevented more tanks from being lost in the storm.

Very truly yours,

Board of Directors
Kuder Island Colony, Inc.