



**York Haven Power Company**  
*Water Power for the Future*

**York Haven Hydro Station**

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September 22, 2017

**VIA U.S. MAIL**

To: Each Holder of a License for  
Occupancy of a Lot on  
Shelley and Bashore Islands

Re: Recreational Lot Licenses (the “Licenses”) currently in effect between York Haven Power Company, LLC (“YHPC”) and the occupants of those particular lots (the “Lots”) owned by YHPC that are located on Shelley and Bashore Islands (the “Islands”), Londonderry Township, Pennsylvania (the “Township”)

We are writing to you about the Licenses and the future use of the Lots. In response to alleged violations of law identified by the Federal Emergency Management Agency (“**FEMA**”) and the Township, the Township and YHPC entered into a Compliance Agreement dated April 4, 2016 (the “**Compliance Agreement**”) with the goal of bringing the Lots into compliance with Londonderry Township’s floodplain ordinances, sewage treatment rules, and other applicable laws. The Licenses legally obligate summer residents to remove or demolish all structures located on their respective Lots.

In early August, we met with representatives from FEMA, the Township and the Board of the Lake Frederick Homeowners Association (the “**Association**”) to discuss the obligations imposed by the Licenses and the Compliance Agreement. We also discussed the potential for future redevelopment of the Lots and the steps that will be necessary to permit that such a plan. While we found the meeting to be productive, much work needs to be done by all parties.

The Township stated at the meeting that it is unwilling to modify the Compliance Agreement to permit occupancy of any structures on the Lots after September 30, 2017. Further, FEMA issued a letter following the meeting that stated that it will not support any modification of the Compliance Agreement that permits the use of existing structures after September 30, 2017. In light of this feedback, the purpose of this letter is to advise you, as the holder of a License, of your obligations and of the steps YHPC is taking to ensure those obligations can be satisfied in a reasonable and fair manner.

### **Your Obligation to Demolish and Remove Improvements on Your Lot.**

As required in the Compliance Agreement, your License obligates you to demolish and remove all structures, mobile homes, trailers, vehicles, equipment and other personal property and debris on your Lot (the “**Demolition and Removal Work**”) by November 14, 2017 (*i.e.*, within 45 days following the September 30, 2017, expiration of the current recreational season). Under the Compliance Agreement, YHPC is contractually obligated to complete any unfinished Demolition and Removal Work no later than October 31, 2019 (the “**Outside Date**”).

As we learned at our August meeting, the Township’s priority is that all Demolition and Removal Work be completed on all Lots before the Outside Date set forth in the Compliance Agreement. The Township clearly communicated that it is not concerned with the November 14, 2017, deadline set forth in your License if (1) all License holders are working in good faith to complete the Demolition and Removal Work by the Outside Date and (2) no License holders or their guests are inhabiting structures on the Islands after September 30, 2017. Thus, we will consider extending the November 14, 2017, deadline for all License holders that are cooperating with YHPC to satisfy the obligations set forth in the Licenses. We are working to establish clear guidelines for such cooperation, which we will communicate to you when we finalize the plan described below.

We understand the level of effort associated with the Demolition and Removal Work and are working with third-party contractors, the Township and the Association to develop a plan to help offset that effort for you and the other License holders. This plan will give you the opportunity to complete the Demolition and Removal Work in a reasonable manner that entitles you to the return of a portion or all of the security deposit we hold in accordance with your License.

While we work to finalize the plan, we strongly encourage you to begin the Demolition and Removal Work on your Lot. In particular, you should remove all personal property from your Lot, including all vehicles and debris and any fuel, paint, chemicals, and other hazardous materials, no later than September 30, 2017 (as we may adjust as reasonably necessary to account for weather and river conditions). Please be aware that all Demolition and Removal Work must comply with the terms of your License and applicable law. **NO STRUCTURES, MOBILE HOMES, TRAILERS, VEHICLES, EQUIPMENT OR OTHER PERSONAL PROPERTY NOR ANY TRASH OR DEBRIS MAY BE BURNED, DUMPED OR BURIED ON THE ISLANDS, DUMPED IN A WATERWAY, OR OTHERWISE DISPOSED OF IN VIOLATION OF APPLICABLE LAW.**

Once the residential season expires on September 30, 2017, you and your guests are no longer permitted to spend the night in any structures on your Lot. The Township clearly communicated that any overnight occupancy of structures after September 30, 2017, would breach the Compliance Agreement and will be considered trespassing. Your License already grants you the right to visit your Lot through November 14, 2017, to pursue your Demolition and

Removal Work. If we extend your November 14, 2017, deadline for completing your Demolition and Removal Work as described above, we will also grant you an extended license for visiting your Lot. The conditions of such a license will be communicated to you in connection with the details of our plan for completing the Demolition and Removal Work.

Please be aware that we will erect “No Trespassing” signs throughout the Islands and on each residence at the end of this month. Only those who receive temporary licenses from YHPC will be permitted to visit the private lots on the Islands. The public recreation sites will remain open to the public.

**Your Future Use of the Islands.**

We have reviewed the conceptual plans for redevelopment of the Islands that have been commissioned by the Association and have discussed them with the Association’s Board. We support the Association’s efforts and are very encouraged by its plans. The Township clearly communicated at our August meeting that it is open to considering any building permit applications in pursuit of those plans. Importantly, the Township noted that redevelopment work can commence immediately and does not have to wait for completion of the Demolition and Redevelopment Work. The Association is pursuing funding sources to support such future work. Even in the absence of any redevelopment, however, we remain committed to our mission of providing recreational opportunities on the Islands. Once Lots on the Islands have been cleared in accordance with the Licenses and the Compliance Agreement, they will be available for certain recreational uses.

Your future right to return to the Islands to use undeveloped Lots following the Demolition and Removal Work and to use and/or occupy any redeveloped portions of the Islands if and when the Association’s redevelopment efforts are successful, are contingent on your good faith compliance with the obligations in your License.

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We look forward to working with you to satisfy our collective compliance obligations and to successfully balance them with our mutual interest in the recreational use of the Islands.

**York Haven Power Company, LLC**