



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

**York Haven Hydro Station**

c/o Cube Hydro Partners  
2 Bethesda Metro Center  
Suite 1330  
Bethesda, MD 20814  
240.482.2700

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July 20, 2018

**VIA U.S. MAIL**

To: Each Holder of a Now-  
Expired Recreational Lot  
License

Re: Compliance Obligations on Shelley and Bashore Islands (the  
“Islands”) in the Susquehanna River, Londonderry Township,  
Pennsylvania (the “Township”)

We are writing to you about the Islands and the Recreational Lot License (the “**License**”) program that ended in Fall 2017. As explained in our letter to you and all other former License holders dated September 22, 2017 (a copy of which is available for your convenience at YorkHavenPower.com), the License program ended due to the legal obligations imposed by the Compliance Agreement dated April 4, 2016 (the “**Compliance Agreement**”) between York Haven Power Company, LLC (“**YHPC**”) and the Township. The Compliance Agreement’s obligations are the result of the expectations of the Federal Emergency Management Agency (“**FEMA**”) and the Township that all structures on the Islands either be demolished or brought into compliance with the Township’s floodplain ordinances, sewage treatment rules, and other applicable laws.

Each License holder was obligated to fund a \$3,000 security deposit under their respective Licenses. YHPC holds each deposit until the related License holder satisfies all requirements for the return of that deposit. Those requirements, which were included in the 09/22/17 letter and posted on YorkHavenPower.com, include the demolition and/or removal of all structures located on, and the restoration of, the related lot. This spring and summer, we offered former License holders a short-term permit to give them additional time on the Islands to complete demolition and qualify for the return of their respective security deposits. The short-term licenses expire July 31, 2018.

A handful of former License holders have demolished their structures and have received the return of their security deposits. Several others are currently making similar efforts. However, based on a recent survey of the Islands, it appears the vast majority of structures on the Islands are

not currently being demolished. All short-term permits will automatically expire on the July 31, 2018 deadline.

We are willing to consider extending the expiration date on a case-by-case basis for those former License holders who demonstrate that they are actively engaged in the demolition of their Island structures. Contact Beth Fetzer via phone at (717) 266-6454 or email at [bfetzner@yorkhavenpower.com](mailto:bfetzner@yorkhavenpower.com) with your request for additional time along with evidence of ongoing demolition activities. We will continue to monitor the need for barge services and continue weekend services accordingly. Except for those who receive an extension, (A) no one is permitted on the Islands from and after August 1, 2018 and (B) YHPC will own all property on its lots on the Island and will begin taking steps to demolish and remove that property in accordance with the Compliance Agreement. Unauthorized entry will be considered trespassing.

We continue to work with the Lake Frederick Homeowners Association (the "Association") and the River Island Conservancy (the "RIC") to determine if there are any practical methods for transferring an interest in the Islands to the Island community in support of future Island redevelopment. We can only pursue such a transfer if we ensure that the transfer will not violate YHPC's federal hydropower license. We have engaged attorneys to examine this question. As you are likely aware, the cost of these attorneys is funded by the RIC through contributions made by members of the Island community. We will provide updates on this effort through the Association, the RIC and YorkHavenPower.com. If and when a legally compliant transfer method is identified and the Association's and RIC's redevelopment efforts are successful, your future right to return to the Islands to use and/or occupy any redeveloped portions of the Islands are contingent on your good faith compliance with the obligations in your License.

We understand the termination of the License program has been a challenging time for the Island community. We appreciate your efforts to comply with the legal obligations on the Islands and look forward to working with the community to identify a potential path for the future use of the Islands.

**York Haven Power Company, LLC**