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October 26, 2017

Via First-Class and Electronic Mail

Nicholas Ivancic, Senior Counsel Cube Hydro Partners, LLC 2 Bethesda Metro Center, Suite 1330 Bethesda, MD 20814

Re: Londonderry Township/York Haven Power Company, LLC Compliance Agreement

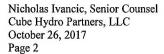
Dear Nick:

We are providing this correspondence to you in furtherance of our discussions on September 29, 2017, and in order to avoid any miscommunication between the York Haven Power Company LLC ("YHP") and the Township regarding any potential amendment of the Compliance Agreement, as well as misunderstandings or misrepresentations by certain representatives or members of the group of former seasonal licensees.

As you will recall, on September 29, you contacted us to inform the Township that you would be meeting with the former seasonal licensees that day in order to discuss a potential amendment to the Compliance Agreement that may include an opportunity for such persons, in conjunction with YHP, to achieve compliance with the Township's ordinances in relation to their particular structures located on YHP's property by elevating and otherwise reconstructing them to meet the Township's current floodplain zoning ordinance standards. Since that date, we received no report from YHP about those discussions and have not received from YHP a proposed amendment.

To be clear, it remains the position of the Township that, if YHP, as the landowner, submits for the Township's consideration a proposed formal amendment to the Compliance Agreement (that FEMA has approved as satisfying the Township's obligations), the Township will review such proposed amendment and provide its position on whether it is acceptable as drafted and will work to try to achieve a mutually acceptable amendment. Should YHP submit a proposed amendment, the Township would expect such amendment to address the following issues, among others:

• The amendment would need to clarify what, if any, legally enforceable land interests and legal development rights the former seasonal licensees would hold;





- YHP would need to be the applicant or co-applicant on any permit or related development applications involving its property;
- Applications would need to include specific proposals or engineering plans for the elevation or modification of any of the current structures to meet the current floodplain ordinance standards and all other applicable laws, regulations and ordinances; and
- Compliance to specific structures would need to be achieved by the 2019 deadline, unless an extension was approved by FEMA.

The Township must again emphasize that it is only in a position to consider formal proposed amendments to the Compliance Agreement that have already received approval from FEMA and to consider actual formally filed applications for permits/approvals that are consistent with the Compliance Agreement or, if the Compliance Agreement is formally amended in the future, consistent with such amended version of the Compliance Agreement.

Accordingly, at this time, the Township requests that YHP submit in writing any proposal it may desire to make to formally amend the Compliance Agreement on or before November 17, 2017. Should the Township not receive such a proposal by that date, it will consider the same to confirm that YHP does not want to amend the Compliance Agreement.

Thank you for your attention to this matter.

Very truly yours,

James A. Diamond

JAD:kmo

cc: R. Timothy Weston, Esquire, K & L Gates (tim.weston@klgates.com)
Steve Letavic, Township Manager (sletavic@londonderrypa.org)