

December 31, 2008

TOWN RANCH LP
10340 HWY 20-26
CALDWELL, ID 83605

PROOF DUE NOTICE

RE: PERMIT NO. 63-31807

IMPORTANT: A response from you is required to maintain the active status of the referenced water right permit. If no response is received from you, the permit will lapse and your authorization to develop and/or use this water right will be cancelled.

Dear Permit Holder:

One condition of approval of the above referenced water right permit was that proof of the extent of your beneficial use must be submitted to this office on or before March 1, 2009. Enclosed are two forms: a Proof of Beneficial Use ("proof") form and a Request for Extension of Time ("extension") form. An acceptable proof form accompanied by the appropriate license examination fee, or a completed field examination report prepared by a certified water right examiner may be used to submit the required proof, if the water right has been applied to its beneficial use.

If you have not fully completed your project, and you or a previous owner of this permit have not received a prior extension of time, you may request an extension of time if the delay is for reasonable cause as provided in Section 42-204, Idaho Code. If you have been delayed by a federal agency or by litigation that brings title to the water in question, an extension of time may be granted if appropriate documentation is provided at the time of filing. An extension request must be accompanied by a \$50.00 filing fee and signed by the appropriate authorized permit holder(s) or authorized representative with a power of attorney.

Either an acceptable proof or an acceptable extension request must be received by this department on or before the above proof due date. If neither is received, the department will send you a lapse notice and the permit will no longer be of any force nor effect.

Sincerely,

Deborah Gibson, Admin. Assistant I
Water Allocation Bureau

Enclosures
cc: HYDRO LOGIC INC

CERTIFIED MAIL

7005 1160 0000 1505 3260

NO.