

January 9, 2006

HDI INC
3892 LAPWAI RD
LEWISTON, ID 83501

LAPSE NOTICE

RE: PERMIT NO. 85-7626B

Dear Permit Holder:

You are hereby notified that under the provisions of Section 42-218A, Idaho Code, the above referenced permit has lapsed and is of no further force nor effect. The department provided the proper forms to you in the proof due notice dated October 31, 2005. No further construction or additional development is authorized under this permit unless it is reinstated.

The permit can only be reinstated if you submit an acceptable proof of beneficial use or an acceptable request for extension of time to the department within sixty (60) days of the mailing of this lapse notice. An acceptable proof of beneficial use submittal must include the examination fee or a completed field examination report. A request for extension of time must be accompanied by a fifty dollar (\$50.00) fee.

Enclosed again for your use are a proof of beneficial use form and a request for extension of time form. Please note that only one extension of time can be granted unless the project has not been completed because of lack of a necessary approval by a government agency or by litigation which may bring title to the water in question.

Sincerely,

Gary Spackman

Enclosures

CERTIFICATION OF MAILING
I hereby certify that on 1/9/06
a copy of this document was
deposited in the United States mail,
postage prepaid addressed to the
individual(s) named above.

