

DANSKIN PROPERTIES, LTD.
608 West Franklin Street
Boise, Idaho 83702
208-342-6532

RECEIVED
SEP 22 2004
DEPARTMENT OF
WATER RESOURCES

September 21, 2004

Mr. Shelly Keen
State of Idaho Department
of Water Resources
1301 North Orchard Street
Boise, Idaho 83720-9000

Re: Transfer of Water Right License No. 63-11382 to Danskin Properties
Association, Inc.

Dear Mr. Keen:

I am herewith delivering to you a Notice of Change in Water Right Ownership. The notice of change has been signed by the new owner. Ms. Barbara Waite, the President, signed for Danskin Properties Association, Inc., (the "Association") the new owner of the water right.

Please find enclosed a copy of a Quit Claim Deed transferring the water right from Danskin Properties Ltd. to Danskin Properties Association, Inc. This deed has been forwarded to Elmore County for recording. I am also enclosing a number of documents, some of which are in your files, which set forth the history of this water right.

The license should have been transferred to Danskin Properties Ltd. even before it was issued. The property had been transferred to Danskin Properties Ltd. by Quit Claim Deed dated December 26, 1991. The property was transferred "together with appurtenances" (see enclosed).

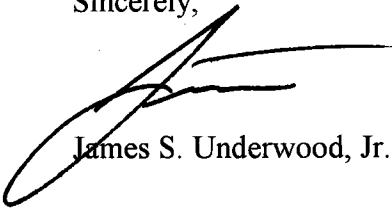
The other documents which are enclosed, including correspondence and various applications, indicate that Danskin Properties Ltd. acquired the water right, developed the water system, including the drilling of the well, in order to provide a water system for Danskin Properties Subdivision No. One. It has always been the intent of Danskin Properties Ltd. to transfer everything related to this water right to the Association. Please note from the enclosures that the entire water system was transferred to the Association on April 7, 2000.

The point of diversion is a well located on Lot 19 of Danskin Properties Subdivision No. One. Danskin Properties Association, Inc., has a long-term lease the well site (see enclosure).

We now need to correct what was clearly an oversight from several years ago, and give notice that Danskin Properties Association, Inc. is the correct owner of Water Right License No. 63-11382. Can you issue a new license in the name of Danskin Properties Association, Inc., an Idaho non-profit corporation?

I am grateful for your assistance in correcting this water right license.

Sincerely,

A handwritten signature in black ink, appearing to read "James S. Underwood, Jr.", with a large, sweeping initial "J" and a horizontal line extending to the right.

Enclosures