



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Boise, ID 83706 - P.O. Box 83720, Boise, ID 83720-0098
Phone: (208) 327-7900 Fax: (208) 327-7866 Web Site: www.idwr.state.id.us

February 24, 2004

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

HILL WAY INC
C/O LOUIS HARDING
PO BOX 1338
SAN MATEO CA 94401

**RE: TERMINATION OF LEASE TO THE WATER SUPPLY BANK – WATER
RIGHT NO(S). 2-2259, 2-2261, & 57-7268**

Dear Sir or Madam:

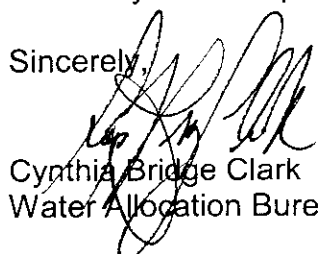
Department records show that the above referenced water right(s) has been leased through December 31, 2003 to the Water Supply Bank ("bank") operated by the Idaho Water Resource Board. This letter is notice that the right will be considered released from the bank unless you advise me, in writing, within fourteen (14) days of the date of this letter that you want to extend the period of the lease.

If you would like the right(s) to remain leased to the bank, please specify the date to which you want the lease extended. You may also request the right(s) remain leased to the bank for an "indefinite" period. In this case, the right(s) will remain in the bank indefinitely unless released earlier by the Board or until the water right owner or lease applicant contacts the department in writing to request the release of the right(s) from the bank.

Please consider that the five (5) year period of nonuse related to forfeiture of a water right shall begin to accrue upon release of the right from the bank or shall continue to accrue if a period of nonuse occurred prior to the lease date of the right to the bank. If a written request is not received within fourteen (14) days, the right(s) will be considered released from the bank as of December 31, 2003.

If you have questions, feel free to contact me directly at (208) 327-7898.

Sincerely,


Cynthia Bridge Clark
Water Allocation Bureau

c: IDWR - Regional Office