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WATER RESOURCES
WESTERN REGION

July 1, 2008

Angela Grimm
State of Idaho, Department of Water Resources
2735 Airport Way
Boise, ID 83705

RE: Water Right Transfer Application 73934

Dear Angela,

In response to your letter dated June 12, 2008 regarding original applicants Linda and Daniel Yanke's application to expand the place of use for water rights 2-2100A and 2-7086 to irrigate a maximum of 372 acres within a larger place of use of 477 acres. I wish to pursue the above mentioned transfer application, understanding that if additional acres above 372 acres are irrigated, it will require me to purchase additional water rights on the open market, or rent water from the water bank of which I currently own shares.

Thank you for your consideration.

A handwritten signature in black ink that reads "James W. Kranz Mgt". The signature is written in a cursive, flowing style.

James W. Kranz

Rubber Band Holding, LLC