

HORSESHOE (S) RANCH, INC.

388 Gannett Road • Bellevue, Idaho 83313 • 208-788-4613 • Fax 208-788-5435

September 19, 2002

Jim & Grace Eakin
%District 45 Canal
P.O. Box 296
Bellevue, Idaho 83313

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SEP 24 2002

Department of Water Resources
Southern Region

Dear Jim and Grace:

With this letter please be advised of my resignation from the Board of Directors of the District 45 Canal effective immediately. As both of you know, I accepted the responsibility of the Chairman of the Board at Jim's request. At that time, Jim stated that his health was not in the state that he could take care of his farm and the Canal responsibilities too. I believe that Greg Mann became a member of the Board to replace you, Jim; Greg also leased your farm at the same time he became a Board member.

During this time, you, Jim, have continued to participate in some of the management of the Canal. This year Jim's canal management participation has elevated to a level that has led me to believe that your health has had a marked improvement—congratulations on this matter!

The letter from Nick Purdy dated September 18, 2002 was also sent to you, Jim and you need to respond to the issues he raised.

Thank you.

Regards,

Rob Struthers

Cc: Greg Mann , Director
Gene Drussel, Director
Alan Merritt, IDWR
Lee Petersen
Nick Purdy

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Department of Water Resources
Southern Region

307 Baseline Road
Bellevue, Idaho 83313
September 19, 2002

District 45 Canal
% Jim and Grace Eakin
Box 296
Bellevue, Idaho 83313

Dear Jim and Grace:

For personal reasons, please accept my resignation from the District 45 Canal Board of Directors effective as of the date of this letter.

Thank you.

Yours truly,

Gene Drussel

Cc: Rob Struthers
Greg Mann
Alan Merritt IDWR
Lee Petersen
Nick Purdy