

WATER SUPPLY BANK LEASE CONTRACT

This Lease Contract ("**Lease**") is effective April 16, 2014, between the Idaho Water Resource Board ("**Board**"), and

Lessor: ATN HOLDINGS LLC
PO BOX 1201
BOISE ID 83701
(208) 342-6524

RECEIVED
MAY 14 2014
DEPARTMENT OF
WATER RESOURCES

RECITALS

1. The Board is authorized under chapter 17, title 42, Idaho Code to operate a water supply bank and to contract with lessors to act as an intermediary in facilitating the rental of water.
2. The Lessor has filed a completed application to lease water rights described below into the Water Supply Bank on forms supplied by the Idaho Department of Water Resources.
3. The Director of the Idaho Department of Water Resources has reviewed the application for compliance with the Water Supply Bank rules and has approved the Lease subject to conditions listed below.

NOW, THEREFORE, in consideration of the mutual covenants and contracts herein contained, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. **WATER RIGHTS:** The Lessor shall lease and the Board shall accept into the Bank the Applicant's water rights described as follows:

Summary of Water Rights or Portions Leased to the Bank

<u>Water Right</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Acre Limit</u>	<u>Total Leased Acres</u>
2-2186	0.26 CFS	65.0 AF	NA	13.0 AC
2-10034	1.80 CFS	450.0 AF	NA	90.0 AC
2-10035	3.52 CFS	813.0 AF	NA	162.6 AC
2-10477	1.65 CFS	412.5 AF	NA	82.5 AC
Combined Lease Totals:	7.23 CFS	1740.5 AF	NA	348.1 AC

The water rights described herein shall be available for rental from the Bank as follows:

Authorized Period of Use under Lease: March 15 to November 15

2. **COMPENSATION:** The Lessor shall accept and the Board shall pay compensation determined by the amount of water rented under the following rental rate during such times as the water is rented from the Bank over the term of this Lease.

Minimum Payment Acceptable: Current Rental Rate

3. **TERM OF LEASE:** This Lease shall take effect when both parties have signed it and shall continue in effect until December 31, 2014.
4. **WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE:** The Lessor shall abide by all terms and conditions contained in the Water Supply Bank Conditions of Acceptance, attached hereto as "Attachment A" and incorporated herein by this reference.

SUPPORT DATA

IN FILE #

2-2186

5. **DUPLICATE ORIGINAL:** This Lease is executed in duplicate. Each of the documents with an original signature of each party shall be an original.

IN WITNESS WHEREOF, the parties have executed this Contract on the date following their respective signatures.

ATN HOLDINGS

PO BOX 1201
BOISE ID 83701

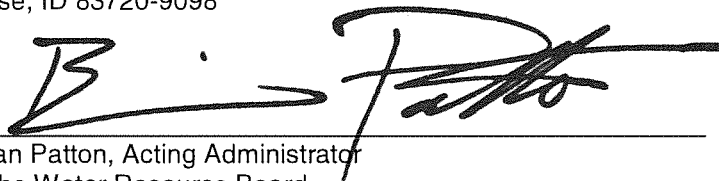
By 
Printed Name _____

Date 05-15-2014

Title _____

IDAHO WATER RESOURCE BOARD

322 East Front Street
P.O. Box 83720
Boise, ID 83720-9098

By 
Brian Patton, Acting Administrator
Idaho Water Resource Board

Date 05-15-2014

Lease approved by IDWR 

Date 05-15-2014

ATTACHMENT A
WATER RIGHT NO. 2-2186
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

The water right or portion thereof leased to the bank is described as follows:

Lessor: ATN HOLDINGS
 PO BOX 1201
 BOISE ID 83701
 (208) 342-6524

Priority Date: 01/09/1963

Source: SNAKE RIVER

Tributary to: COLUMBIA RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/15	to 11/15	0.26 CFS	65.0 AF
	Total:		0.26 CFS	65.0 AF

LOCATION OF POINT(S) OF DIVERSION:

SNAKE RIVER L4 (NW¼NW¼SW¼) Sec. 34 Twp 05S Rge 09E ELMORE County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
06S	09E	8													6.0	7.0			13.0

Total Acres: 13.0

ADDITIONAL CONDITIONS OF ACCEPTANCE

1. The water rights referenced above will be rented from the bank at the current rental rate.
2. There is no rental payment to the lessor of the water right if the right or a part thereof is not rented from the bank.
3. While a right is in the bank, the lessor may not use the right without approval of the Department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B.
4. A right accepted into the bank stays in the bank until the Board releases it, the lease term expires, or upon request from the lessor to change the term of the lease, provided the Board approves the release. Unless approved by the Department, leased rights may not be immediately available for release.
5. While a water right is in the bank, forfeiture provisions are stayed.
6. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
7. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.

9. In accordance with Idaho Code §§ 42-248 and 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
 - a. Rental payments will go to the lessor(s) of record at the beginning of the rental season.
 - b. If a change in ownership is processed by the Department during a rental season, rental payment will be made to the person or entity who is the lessor of record at the beginning of that rental season.
 - c. New lessor(s) of record will receive payment after the following rental season.
11. The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. Place of use is within the area served by Sailor Creek Project.
13. Use of water under this right will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 02.
14. The leased portions of Rights 2-2371 and 2-10032 should be considered for rental in combination with the leased portions of rights 2-2186, 2-10034, 2-10035 and 2-10477 due to combined right conditions of rights 2-2371 and 2-10032.

ATTACHMENT A
WATER RIGHT NO. 2-10034
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

The water right or portion thereof leased to the bank is described as follows:

Lessor: ATN HOLDINGS
 PO BOX 1201
 BOISE ID 83701
 (208) 342-6524

Priority Date: 05/06/1963

Source: SNAKE RIVER

Tributary to: COLUMBIA RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/15	to 11/15	1.80 CFS	450.0 AF
	Total:		1.80 CFS	450.0 AF

LOCATION OF POINT(S) OF DIVERSION:

SNAKE RIVER L4 (NW¼NW¼SW¼) Sec. 34 Twp 05S Rge 09E ELMORE County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
06S	09E	3									7.5	7.5	7.5	7.5					30.0
06S	09E	15	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5									60.0

Total Acres: 90.0

ADDITIONAL CONDITIONS OF ACCEPTANCE

1. The water rights referenced above will be rented from the bank at the current rental rate.
2. There is no rental payment to the lessor of the water right if the right or a part thereof is not rented from the bank.
3. While a right is in the bank, the lessor may not use the right without approval of the Department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B.
4. A right accepted into the bank stays in the bank until the Board releases it, the lease term expires, or upon request from the lessor to change the term of the lease, provided the Board approves the release. Unless approved by the Department, leased rights may not be immediately available for release.
5. While a water right is in the bank, forfeiture provisions are stayed.
6. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
7. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.

8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.
9. In accordance with Idaho Code §§ 42-248 and 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
 - a. Rental payments will go to the lessor(s) of record at the beginning of the rental season.
 - b. If a change in ownership is processed by the Department during a rental season, rental payment will be made to the person or entity who is the lessor of record at the beginning of that rental season.
 - c. New lessor(s) of record will receive payment after the following rental season.
11. The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. Place of use is within the area served by Sailor Creek Project.
13. Use of water under this right will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 02.
14. The leased portions of Rights 2-2371 and 2-10032 should be considered for rental in combination with the leased portions of rights 2-2186, 2-10034, 2-10035 and 2-10477 due to combined right conditions of rights 2-2371 and 2-10032.

ATTACHMENT A
WATER RIGHT NO. 2-10035
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

The water right or portion thereof leased to the bank is described as follows:

Lessor: ATN HOLDINGS
 PO BOX 1201
 BOISE ID 83701
 (208) 342-6524

Priority Date: 05/06/1963

Source: SNAKE RIVER

Tributary to: COLUMBIA RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/15	to 11/15	3.52 CFS	813.0 AF
	Total:			3.52 CFS
				813.0 AF

LOCATION OF POINT(S) OF DIVERSION:

SNAKE RIVER L4 (NW¼NW¼SW¼) Sec. 34 Twp 05S Rge 09E ELMORE County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
06S	09E	9									7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	60.0
06S	09E	10	5.7	7.5	7.5	5.7	7.5	7.5	7.5	7.5									55.4
06S	09E	11					5.0	7.1	7.1	5.5									24.7
06S	09E	14					7.5	7.5	7.5										22.5

Total Acres: 162.6

ADDITIONAL CONDITIONS OF ACCEPTANCE

1. The water rights referenced above will be rented from the bank at the current rental rate.
2. There is no rental payment to the lessor of the water right if the right or a part thereof is not rented from the bank.
3. While a right is in the bank, the lessor may not use the right without approval of the Department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B.
4. A right accepted into the bank stays in the bank until the Board releases it, the lease term expires, or upon request from the lessor to change the term of the lease, provided the Board approves the release. Unless approved by the Department, leased rights may not be immediately available for release.
5. While a water right is in the bank, forfeiture provisions are stayed.
6. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
7. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.

8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.
9. In accordance with Idaho Code §§ 42-248 and 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
 - a. Rental payments will go to the lessor(s) of record at the beginning of the rental season.
 - b. If a change in ownership is processed by the Department during a rental season, rental payment will be made to the person or entity who is the lessor of record at the beginning of that rental season.
 - c. New lessor(s) of record will receive payment after the following rental season.
11. The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. Place of use is within the area served by Sailor Creek Project.
13. Use of water under this right will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 02.
14. The leased portions of Rights 2-2371 and 2-10032 should be considered for rental in combination with the leased portions of rights 2-2186, 2-10034, 2-10035 and 2-10477 due to combined right conditions of rights 2-2371 and 2-10032.

ATTACHMENT A
WATER RIGHT NO. 2-10477
WATER SUPPLY BANK CONDITIONS OF ACCEPTANCE

The water right or portion thereof leased to the bank is described as follows:

Lessor: ATN HOLDINGS
 PO BOX 1201
 BOISE ID 83701
 (208) 342-6524

Priority Date: 02/20/1963

Source: SNAKE RIVER

Tributary to: COLUMBIA RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/15	to 11/15	1.65 CFS	412.5 AF
	Total:		1.65 CFS	412.5 AF

LOCATION OF POINT(S) OF DIVERSION:

SNAKE RIVER L4 (NW¼NW¼SW¼) Sec. 34 Twp 05S Rge 09E ELMORE County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
06S	09E	4		7.5	7.5	7.5									7.5	7.5	7.5	7.5	52.5
06S	09E	15									7.5	7.5	7.5	7.5					30.0

Total Acres: 82.5

ADDITIONAL CONDITIONS OF ACCEPTANCE

1. The water rights referenced above will be rented from the bank at the current rental rate.
2. There is no rental payment to the lessor of the water right if the right or a part thereof is not rented from the bank.
3. While a right is in the bank, the lessor may not use the right without approval of the Department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B.
4. A right accepted into the bank stays in the bank until the Board releases it, the lease term expires, or upon request from the lessor to change the term of the lease, provided the Board approves the release. Unless approved by the Department, leased rights may not be immediately available for release.
5. While a water right is in the bank, forfeiture provisions are stayed.
6. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
7. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.

8. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other Department application process.
9. In accordance with Idaho Code §§ 42-248 and 42-1409(6), all owners of water rights are required to notify the Department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. If a water right leased into the Water Supply Bank is sold or conveyed during the lease term, and if the leased right was rented, the rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:
 - a. Rental payments will go to the lessor(s) of record at the beginning of the rental season.
 - b. If a change in ownership is processed by the Department during a rental season, rental payment will be made to the person or entity who is the lessor of record at the beginning of that rental season.
 - c. New lessor(s) of record will receive payment after the following rental season.
11. The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.
12. Place of use is within the area served by Sailor Creek Project.
13. Use of water under this right will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 02.
14. The leased portions of Rights 2-2371 and 2-10032 should be considered for rental in combination with the leased portions of rights 2-2186, 2-10034, 2-10035 and 2-10477 due to combined right conditions of rights 2-2371 and 2-10032.

STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

APR 16 2014

Department of Water Resources

WATER SUPPLY BANK LEASE OR SALE
APPLICATION CHECKLIST

An application to lease or sell a water right into the Water Supply Bank must be prepared in accordance with the minimum requirements listed below to be acceptable for processing by the Department. Use this checklist to ensure all necessary documentation has been provided. This checklist is part of the lease application and must be included with the lease application. **Incomplete applications will be returned to applicants for completion.**

Designated Applicant ATN Holdings LLCWater Right No. 2-2186
One water right per applicationAll items must be checked as either *Attached (Yes)* or *Not Applicable (N/A)*

YES

- ☒ Completed *Water Supply Bank Lease or Sale Application Checklist* (this form).
- ☒ Completed *Application to Sell or Lease a Water Right to the Water Supply Bank* (pages 2-3).
- ☒ Application filing fee of \$250.00. If you are submitting more than one lease application and the water rights have a common place of use, or common diversion rate, or common diversion volume, the combined maximum fee is \$500.00.

Attachment N/A YES

- 1A ☒ ☐ Contact information for **all owners** of the water right that is being leased or sold on this application.
- 1B ☒ ☐ An Internal Revenue Service (IRS) Form W-9 for the Designated Applicant.
- 1C ☒ ☐ *Notice of Change in Water Right Ownership* form (accessible from www.idwr.idaho.gov).
- 1D ☒ ☐ Written consent from irrigation district or water delivery company.
- 1E ☐ ☒ Contact information for an authorized representative and documentary proof they are authorized to represent the Designated Applicant on this application. If the Designated Applicant is a business, partnership, municipality, organization or association, include documents identifying officers authorized to sign or act on behalf of the entity.
- 2 ☐ ☒ Description of a water right portion offered to the Water Supply Bank.
- 3D ☒ ☐ Evidence demonstrating that a water right has not been lost through abandonment or forfeiture pursuant to Section 42-222(2), Idaho Code.
- 4 ☐ ☒ A map that clearly outlines the specific location where irrigated acres will be dried up, or where a beneficial use of water will be suspended. If you don't already have a detailed map, you can create one using IDWR's online General Mapping Tool (<http://maps.idwr.idaho.gov/mapall/>) to locate a water right place of use or point of diversion.

Department Use Only

Fee Amount \$ <u>500⁰⁰</u>	Received By:	Date Received: <u>4/16/14</u>	Receipt # <u>C098684</u>
W-9 received? Yes ☐ No ☐	(Route W-9 to Fiscal)	Name on W-9: <u>Allen Noble</u>	

**STATE OF IDAHO
WATER RESOURCE BOARD**

**APPLICATION TO SELL OR LEASE A WATER RIGHT
TO THE WATER SUPPLY BANK**

1. CONTACT INFORMATION

- A. An application to sell or lease a water right to the Water Supply Bank must be completed by a Designated Applicant who is a recognized owner of the water right being sold or leased to the Water Supply Bank. If there are additional owners recorded for the property to which the water right is appurtenant, those individuals must authorize the Designated Applicant to represent them on this application by completing and signing Attachment 1A of this application package.

Designated Applicant ATN Holdings LLC Email Address john@jmarshalllaw.com
Mailing Address 575 W. Bannock St, Boise, ID 83702 Phone Number 208-991-2701

☒ The Designated Applicant is the sole owner of the water right being sold or leased to the Water Supply Bank.

OR

☐ The Designated Applicant is representing additional water right holders who have completed Attachment 1A.

- B. Has the designated applicant completed an IRS Form W-9 (Attachment 1B)? Yes ☒ No ☐

- C. Are all applicants on this form listed in IDWR's records as the current owners of the water right? Yes ☒ No ☐
If no, attach a *Notice of Change in Water Right Ownership* form along with the required documentation and fee (Attachment 1C).

- D. Is the diversion works or system owned or managed by an irrigation district or water delivery company? Yes ☐ No ☒
If yes, provide written consent from the company, corporation or irrigation district authorizing the proposed sale or lease (Attachment 1D).

- E. Is this application being completed by an authorized representative of the Designated Applicant? Yes ☒ No ☐
If yes, representatives (includes employees of Designated Applicant companies) must complete this section and submit documentary proof of their authority to represent the Designated Applicant (Attachment 1E).

Name of Representative Allen Noble Organization ATN Holdings LLC
Professional Title Manager Email Address john@jmarshalllaw.com
Mailing Address 575 W Bannock St, Boise, ID 83701 Phone Number 208-342-6524

☒ Send all correspondence for this application to the representative and not to the Designated Applicant.

OR

☐ Send original correspondence to the Designated Applicant and copies to the representative.

2. DESCRIPTION OF WATER RIGHT OFFERED TO THE BANK

Water Right Number 2-2186 ☐ The full water right is being offered to the Bank.

OR

☒ A part of the water right is being offered to the Bank.
(If a portion of a water right is being offered, complete Attachment 2)

3. GENERAL INFORMATION

- A. Please provide a description of the current water diversion system.
Pumps at river, penstocks and an open canal that feeds mainlines.

- B. Describe any other water rights used for the same purpose at the same place of use as the water right being offered to the Bank.
None

C. Will the present place of use continue to receive water from any other source?

Yes ☐ No ☒

If yes, describe. _____

D. Has any portion of this water right undergone a period of five or more consecutive years of non-use?

Yes ☐ No ☒

If yes, describe and attach Watermaster records or other evidence to demonstrate that the water right has not been lost through abandonment or forfeiture pursuant to Section 42-222(2), Idaho Code. _____

E. Is this water right involved in any other IDWR process such as an application for transfer or a mitigation plan? Yes ☐ No ☒

If yes, describe. _____

4. SALE/LEASE AGREEMENT

A. Is the water right, or portion thereof, offered to the Idaho Water Resource Board (IWRB) for sale ☐ or lease ☐?

If lease, for a period from Present to 12/31/2014 (maximum lease period 5 years).
(Month / Day / Year) (Month / Day / Year)

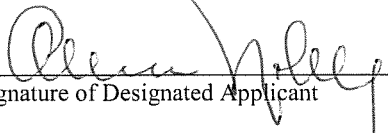
B. Show the minimum payment acceptable to the seller/lessor. The minimum payment may be shown as the "current rental rate" as established by the IWRB. Include the method of determining the minimum payment if other than the current rental rate.

Current rental rate _____

I hereby assert that the information contained in this application is true to the best of my knowledge, and that I have the authorities necessary to offer this water right for sale or lease to the Idaho Water Resource Board.

The Designated Applicant acknowledges the following:

1. Payment to the Designated Applicant is contingent upon the sale or rental of the water right from the Bank.
2. While a water right is in the Bank, the seller/lessor of the water right may not use the water right even if the water right is not rented from the Bank.
3. A water right accepted into the Bank stays in the Bank until the Designated Applicant receives written confirmation from the Board or Water Supply Bank that the water right has been released from the Bank.
4. While a water right is in the Bank, forfeiture provisions are stayed.
5. Acceptance of a water right into the Bank does not, in itself, confirm the validity of the water right or any elements of the water right.


Signature of Designated Applicant

Allen Noble

Printed Name

4/4/2014

Date

Signature of Authorized Representative

Printed Name

Date

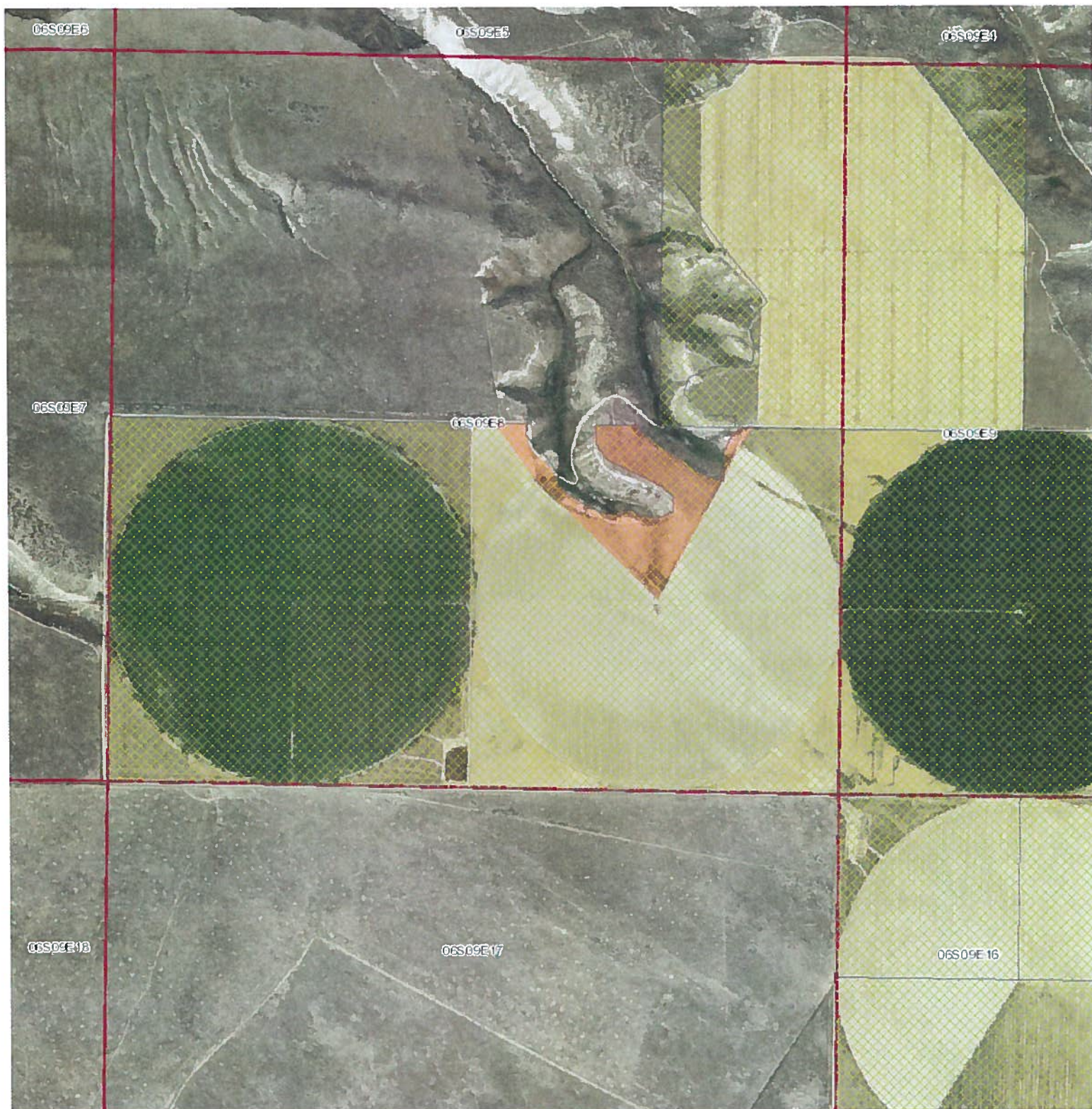
Mail to:

Idaho Department of Water Resources
P.O. Box 83720
Boise, ID 83720-0098

No. W 67681	Due no later than Oct 31, 2013 Annual Report Form		2. Registered Agent and Address (NO PO BOX)			
Return to: SECRETARY OF STATE 700 WEST JEFFERSON PO BOX 83720 BOISE, ID 83720-0080 NO FILING FEE IF RECEIVED BY DUE DATE			JOHN MARSHALL LAW PLLC 575 BANNOCK ST STE B BOISE ID 83702			
		1. Mailing Address: Correct in this box if needed. ATN HOLDINGS LLC ALLEN T NOBLE 575 W BANNOCK ST BOISE ID 83702		3. <u>New</u> Registered Agent Signature:*		
4. Limited Liability Companies: Enter Names and Addresses of at least one Member or Manager.						
Office Held	Name	Street or PO Address	City	State	Country	Postal Code
MANAGER	ALLEN T NOBLE	575 W BANNOCK ST	BOISE	ID	USA	83702
5. Organized Under the Laws of:		6. Annual Report must be signed.*				
ID W 67681		Signature: Allen T. Noble Name (type or print): Allen T. Noble		Date: 08/28/2013 Title: Manager		
Processed 08/28/2013		* Electronically provided signatures are accepted as original signatures.				

Right 02-2186

Shaded area indicates acres available for the water bank



RECEIVED

DEC 23 2013

DEPARTMENT OF
WATER RESOURCES

STATE OF IDAHO
WATER RESOURCE BOARD

WATER SUPPLY BANK
REQUEST TO EXTEND LEASE TERM

ONE FORM PER WATER RIGHT

WITHDRAWN

This form is a statement that the lessor requests an extension of a Water Supply Bank ("Bank") lease for the water right identified below. A water right remains in the Bank for the accepted lease period unless released earlier by the Water Resource Board or until the lessor submits a request in writing to the Department of Water Resources to release the right from the Bank. However, if a water right is currently rented, the portion of the right being rented must remain in the Bank for the duration of the rental agreement.

If requesting a change in lease amounts (reducing or increasing acreage, etc.), you must file an Application to Sell or Lease a Water Right to the Water Supply Bank. This form can be found on IDWR's website at: www.idwr.idaho.gov.

Water Right No: 2-2186 Telephone No: 208-991-2701

Name(s) of Lessor(s): ATN Holdings LLC

Mailing Address: PO Box 1201

City: Boise State: ID Zip: 83701

Current Expiration Date: Dec 31, 2013

Requested Expiration Date: Dec 31, 2014

All lease extension request forms must be signed and submitted with the following REQUIRED items:

1. Plat map, survey map or aerial photograph clearly showing the specific acres proposed to be idled for the duration of this lease.
2. Filing fee of \$250.00. If you are submitting more than one lease application and the rights have a common place of use or common diversion rate or common diversion volume, the combined maximum fee is \$500.00.
- HB 3. A completed Internal Revenue Service (IRS) Form W-9 (attached). If your water right is rented, we will be unable to issue payment to you without a current W-9 form.

The lessor requests that the above water right remain in the Bank through the date referenced above.

Allen Noble Allen Noble, Manager Dec 20, 2013
Signature of Lessor Printed Name and Title* Date

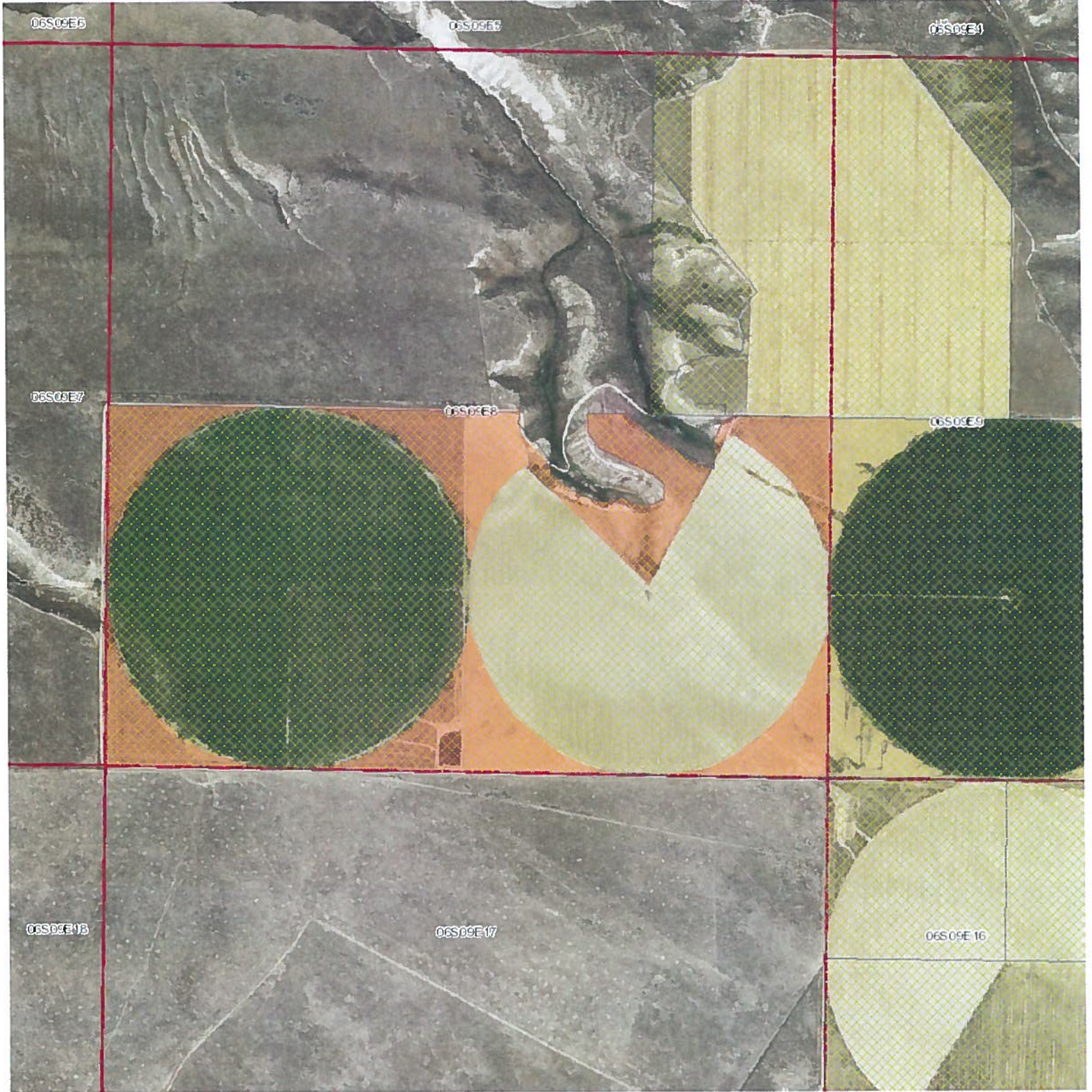
Signature of Lessor Printed Name and Title* Date

*Please provide title of signatory if signing on behalf of a company or organization or with power of attorney

Mail to: Idaho Department of Water Resources, P.O. Box 83720, Boise, ID 83720-0098

FOR OFFICE USE ONLY

Filing fee received by: HP Date: 12-23-13 Receipt No: C098097





State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Web Site: www.idwr.idaho.gov

GARY SPACKMAN
Director

C.L. "BUTCH" OTTER
Governor

May 16, 2014

ATN HOLDINGS LLC
PO BOX 1201
BOISE ID 83701

RE: WATER SUPPLY BANK LEASE CONTRACT FOR RIGHTS 2-2186, 2-10034, 2-10035 and 2-10477

Dear Lessor:

Water Rights 2-2186, 2-10034, 2-10035 and 2-10477 were leased into the Water Supply Bank on April 16, 2014, in accordance with the executed original Lease Contract enclosed. **Your water rights as described on the Lease Contract are considered leased into the Bank and should remain unused until they are formally released from the Bank.**

The rights will automatically be released from the Bank on **December 31, 2014**, unless the rights are released earlier by the Board, or upon your request. **Please note your rights may not be available for immediate release if they have been rented.** To release the right from the Bank prior to the release date, submit a written request on the *Request to Release a Water Right from the Bank* form. This form is available from our public website at www.idwr.idaho.gov.

Please review the conditions of acceptance listed on the Lease Contract, including #3 which says:

"While a right is in the bank, **the lessor may not use the right** without approval of the department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B."

If you have questions regarding this matter, please contact me at 287-4944.

Sincerely,

for Cherle Palmer
Senior Water Resource Agent
WSB Process Point of Contact

Enclosure: Executed Lease Contract

c: John Westra- IDWR Western Regional Manager
Corbin Knowles- Water District No. 2

John Marshall Law PLLC

575 W Bannock, Suite B
Boise, ID 83702

phone 208-991-2701
fax 208-906-8043
john@jmarshalllaw.com

May 14, 2014

Cheri Palmer
Idaho Department of Water Resources
322 East Front Street
P.O. Box 83720
Boise, ID 83720-0098

RECEIVED

MAY 14 2014

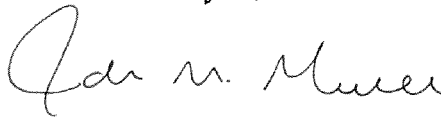
DEPARTMENT OF
WATER RESOURCES

Re: ATN Holdings Water Bank Lease

Dear Cheri

Enclosed please find two executed copies of the Water Supply Bank Contract for ATN Holdings, LLC. Please send me a fully executed copy after it is signed by the Water Resources Board.

Thank you,

A handwritten signature in cursive script, appearing to read "John M. Marshall".

John M. Marshall



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Web Site: www.idwr.idaho.gov

GARY SPACKMAN
Director

C.L. "BUTCH" OTTER
Governor

May 7, 2014

ATN HOLDINGS LLC
PO BOX 1201
BOISE ID 83701

**RE: APPLICATION(S) TO LEASE WATER RIGHT(S) 2-2186, 2-10034, 2-1035 and 2-10477 TO
THE WATER SUPPLY BANK**

******TIME SENSITIVE RESPONSE REQUIRED******

Dear Applicant:

The Department of Water Resources has completed its review of your application to lease the above-mentioned water right to the Water Supply Bank. **I have enclosed two original Water Supply Bank Lease Contracts for your review and signature. Please sign and return BOTH Lease Contracts within 14 days.** Upon signature and return of the contracts, the Department will also sign the original contracts and return an executed copy to you. The Lease Contract is not considered final until you and the Department have both signed.

The rights will automatically be released from the Bank on **December 31, 2014**, unless the rights are released earlier by the Board, or upon your request. To release the right from the Bank prior to the release date, submit a written request on the Request to Release a Water Right from the Bank form. To propose a new lease period, submit a new Application to Sell or Lease a Water Right to the Water Supply Bank form along with applicable fees to the Department. These forms are available from any IDWR office or from our public website at <http://www.idwr.idaho.gov>. Please note your rights may not be available for immediate release if they have been rented.

Please review the conditions of acceptance listed on the Lease Contract, including #3 which says:

"While a right is in the bank, **the lessor may not use the right** without approval of the department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B."

If you have questions regarding this matter, please contact me at 287-4944.

Sincerely,

for 
Cherie Palmer
Senior Water Resource Agent
WSB Process Point of Contact

Enclosure: Proposed Lease Contracts

c: John Marshall Law PLLC

MEMORANDUM

To: Water Right No(s). 2-2186, 2-10034, 2-10035 and 2-10477

From: Jean Hersley through Pam Skaggs

Date: April 23, 2014

Re: Review of Applications to Lease Water Rights to the State Water Supply Bank

PURPOSE/NARRATIVE: The Department received requests for extension of Lease of Water right to the Bank on December 23, 2013. When the proposed contracts were sent, the applicant decided to change the number of acres, diversion rate and diversion volume to be leased to the Bank. The original applications were considered withdrawn and new applications were received on April 16, 2014.

These water rights share a common system with junior priority rights 2-2371 and 2-10032 (MAN Farms LLC) that have a combined diversion rate limit condition and are under separate ownership. . An email dated 9/6/2012, from John Marshall, attorney for the right holders, indicates the rights are all managed by the same family (Mark Noble of MAN Farms and Allen Noble of ATN Holdings). The Nobles divert less than 71 cfs in combination which will be reduced to reflect non-irrigation of the leased acres. See review spreadsheet in file.

AUTHORITY TO FILE: The applications were signed by Allen Noble, registered agent of ATN Holdings LLC.

WATER RIGHT VALIDITY: These water rights were decreed in 2011. Portions requested to be leased have been in the Bank since 2012.

INJURY TO OTHER WATER RIGHTS: No injury is apparent.

ENLARGEMENT OF USE: No enlargement is evident through the lease alone. Proper rental review should protect against enlargement.

LOCAL PUBLIC INTEREST: Review staff has no information to suggest this application is inconsistent with the local public interest.

BENEFICIAL USE/CONSERVATION OF WATER RESOURCES: The lease appears consistent with the conservation of water resources in Idaho.

DEPARTMENT STAFF OR WATERMASTER COMMENTS: The leased right(s) are subject to Water District # 02. POD is located within Water District 02. The water master approved the original applications. These new ones are reduced acres and rates so new comments were not necessary.

MAN Farms LLC ATN Holdings LLC Lease Review

[illegible]

John Marshall Law PLLC

575 W Bannock, Suite B
Boise, ID 83702

phone 208-991-2701
fax 208-906-8043
john@jmarshalllaw.com

April 9, 2014

Via US mail

Cherie Palmer
Idaho Department of Water Resources
322 East Front Street
P.O. Box 83720
Boise, ID 83720-0098

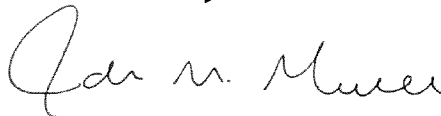
RECEIVED
APR 16 2014
DEPARTMENT OF
WATER RESOURCES

Re: Grindstone Butte and Sailor Creek Water Bank Lease Extensions

Dear Cherie,

Enclosed please find executed Water Bank Applications for water right 2-2262 (the Grindstone Butte right) and for rights 2-2186, 2-2371, 2-10032, 2-10034, 2-10035 and 2-10477 (the Sailor Creek rights). I've also enclosed a check for \$500.00 to cover the required fee for the Sailor Creek rights, which are all part of the same irrigation system. Please use the existing \$250 credit for the Grindstone application. Please contact me with any questions.

Thank you,



John M. Marshall



State of Idaho

DEPARTMENT OF WATER RESOURCES

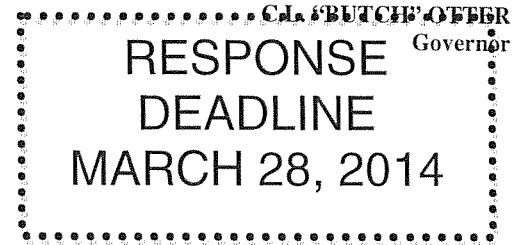
322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Web Site: www.idwr.idaho.gov

GARY SPACKMAN
Director

March 18, 2014

ATN HOLDINGS LLC
PO BOX 1201
BOISE ID 83701



RE: REQUEST FOR RETURN OF SIGNED WATER SUPPLY BANK LEASE CONTRACTS FOR WATER RIGHT(S) 2-2186, 2-10034, 2-10035 and 2-10477

*****TIME SENSITIVE RESPONSE REQUIRED*****

Dear Applicant,

The Department of Water Resources (Department) mailed **two original Water Supply Bank Lease Contracts for your review and signature** on February 28, 2014. The signed contracts have not been returned to the Department.

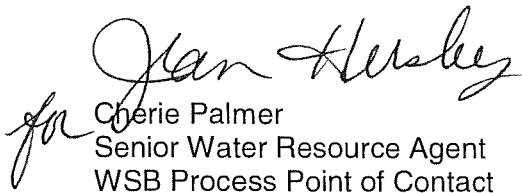
Please sign both original Lease Contracts and return them to the Department within ten (10) days of this letter to complete processing. The Lease Contract is not considered final until both you and the Department have signed.

If the signed lease contracts are not received by the Department within the 10-day period, the lease application(s) will be returned, and the application fee will not be refunded. You can reapply to lease the water right(s) in the future by submitting new application form(s) along with applicable fees.

Please note the forfeiture period is not tolled unless a right is accepted into the Bank, or unless an exception or defense to forfeiture applies as described under Idaho Code § 42-223. If forfeiture is a concern, you may consider filing an Application for Extension of Time to Avoid Forfeiture of a Water Right form. This and other water right forms are available from the Department's web site at www.idwr.idaho.gov.

If you have questions regarding this matter, please contact me at 287-4944.

Sincerely,


Cherie Palmer
Senior Water Resource Agent
WSB Process Point of Contact

c: John Marshall Law PLLC



State of Idaho

DEPARTMENT OF WATER RESOURCES

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Phone: (208) 287-4800 • Fax: (208) 287-6700 • Web Site: www.idwr.idaho.gov

GARY SPACKMAN
Director

C.L. "BUTCH" OTTER
Governor

February 28, 2014

ATN HOLDINGS LLC
PO BOX 1201
BOISE ID 83701

**RE: APPLICATION(S) TO LEASE WATER RIGHT(S) 2-2186, 2-10034, 2-10035 and 2-10477 TO
THE WATER SUPPLY BANK**

******TIME SENSITIVE RESPONSE REQUIRED******

Dear Applicant:

The Department of Water Resources has completed its review of your application to lease the above-mentioned water right to the Water Supply Bank. **I have enclosed two original Water Supply Bank Lease Contracts for your review and signature. Please sign and return BOTH Lease Contracts within 14 days.** Upon signature and return of the contracts, the Department will also sign the original contracts and return an executed copy to you. The Lease Contract is not considered final until you and the Department have both signed.

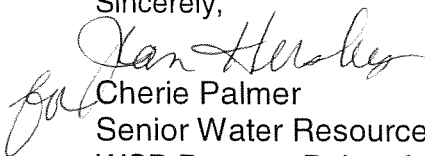
The rights will automatically be released from the Bank on **December 31, 2014**, unless the rights are released earlier by the Board, or upon your request. To release the right from the Bank prior to the release date, submit a written request on the Request to Release a Water Right from the Bank form. To propose a new lease period, submit a new Application to Sell or Lease a Water Right to the Water Supply Bank form along with applicable fees to the Department. These forms are available from any IDWR office or from our public website at <http://www.idwr.idaho.gov>. Please note your rights may not be available for immediate release if they have been rented.

Please review the conditions of acceptance listed on the Lease Contract, including #3 which says:

"While a right is in the bank, **the lessor may not use the right** without approval of the department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B."

If you have questions regarding this matter, please contact me at 287-4944.

Sincerely,


Cherie Palmer
Senior Water Resource Agent
WSB Process Point of Contact

Enclosure: Proposed Lease Contracts

c. John Marshall Law PLLC

Hersley, Jean

From: Knowles, Corbin
Sent: Tuesday, February 25, 2014 10:05 AM
To: Hersley, Jean
Subject: RE: Lease Extensions for WSB Basin 2 water rights.

One last question, are these rights going to be rented out per the lessee request at a higher than \$17/af amount?

From: Hersley, Jean
Sent: Tuesday, February 25, 2014 10:00 AM
To: Knowles, Corbin
Cc: Palmer, Cherie
Subject: RE: Lease Extensions for WSB Basin 2 water rights.

They are putting the pivot corners in the Bank.

2-2371 is 45 acres, 225 af
2-10032 is 45 acres, 22.50 af
2-2186 is 53.5 acres, 267.5 af
2-10034 is 69.6 acres, 348 af
2-10035 is 181.4 acres, 907 af
2-10477 is 92.3 acres, 461.5 af

There are maps in the files if you need to see them. And yes, the lease is consistent with the remaining acres to be irrigated in terms of rate remaining.

From: Knowles, Corbin
Sent: Tuesday, February 25, 2014 9:50 AM
To: Hersley, Jean
Cc: Palmer, Cherie
Subject: RE: Lease Extensions for WSB Basin 2 water rights.

Jean

Under these leases do we know the number of acres to be idled out of the 4145 acres under the rights? Is the lease consistent with the remaining acres to be irrigated in terms of rate remaining? These are my only concerns and if those questions are answered then proceed with the extensions.

Thanks

Corbin

From: Hersley, Jean
Sent: Friday, February 21, 2014 12:44 PM
To: Lester, Steve; Knowles, Corbin
Subject: Lease Extensions for WSB Basin 2 water rights.

I have attached the review memo's for Lease Extension Requests for water rights 2-2371, 2-10032 (owned by MAN Farms LLC), 2-2186, 2-10034, 2-10035 and 2-10477 (owned by ATN Holdings LLC).
All have the condition "Place of use is within the area served by the Sailor Creek Project."

Please let me know of your concerns or comments within 5 days. We have many large rental applications that these rights could be used to fulfill.

Thanks.

Jean << File: 2-2371_and_2-10032.pdf >> << File: 2-10034_and_2-10035_and_2-10477.pdf >> << File: 2-2186.pdf >>

Hersley, Jean

From: Lester, Steve
Sent: Tuesday, February 25, 2014 12:48 PM
To: Hersley, Jean
Subject: RE: Lease Extensions for WSB Basin 2 water rights.

Jean – these look good, no red flags.

From: Hersley, Jean
Sent: Friday, February 21, 2014 12:44 PM
To: Lester, Steve; Knowles, Corbin
Subject: Lease Extensions for WSB Basin 2 water rights.

I have attached the review memo's for Lease Extension Requests for water rights 2-2371, 2-10032 (owned by MAN Farms LLC), 2-2186, 2-10034, 2-10035 and 2-10477 (owned by ATN Holdings LLC).
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Jean << File: 2-2371_and_2-10032.pdf >> << File: 2-10034_and_2-10035_and_2-10477.pdf >> << File: 2-2186.pdf >>

John Marshall Law PLLC

575 W Bannock, Suite B
Boise, ID 83702

phone 208-991-2701
fax 208-906-8043
john@jmarshalllaw.com

RECEIVED

DEC 23 2013

DEPARTMENT OF
WATER RESOURCES

December 20, 2013

Via US mail

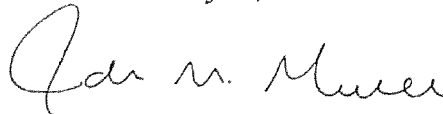
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Thank you,



John M. Marshall