

**STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
WATER SUPPLY BANK LEASE ACCEPTANCE**

This is to certify that: CITY OF EAGLE
PO BOX 1520
660 E CIVIC LN
EAGLE ID 83616
(208) 939-6813

has requested to lease the water right(s) listed below to the Water Supply Bank ("bank"). The Idaho Water Resource Board ("Board") being authorized to operate a bank and to contract by and through the Director of the Idaho Department of Water Resources ("Director", "department") the acquisition of water rights for the Board's bank, agrees to lease the water right to the bank as follows:

Summary of Water Rights or Portions Leased to the Bank

<u>Permit</u>	<u>Lease Rate</u>	<u>Lease Volume</u>	<u>Acre Limit</u>	<u>Total Leased Acres</u>
63-12448	0.80 CFS	130.0 AF	N/A	N/A
COMBINED LEASE TOTALS	0.80 CFS	130.0 AF	N/A	N/A


TERM OF LEASE: Lease Begin Date: September 10, 2007
Expiration Date: December 31, 2008

RENTAL AVAILABILITY: Season of Use: 01/01 to 12/31

MINIMUM PAYMENT ACCEPTABLE: Current Rental Rate

Detailed Lease Acceptance attached.

Dated this 12th day of September, 20 07


for DAVID R. TUTHILL, JR., Director
Department of Water Resources

**WATER PERMIT NO. 63-12448
WATER SUPPLY BANK LEASE ACCEPTANCE**

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

Lessor: CITY OF EAGLE
PO BOX 1520
660 E CIVIC LN
EAGLE ID 83616
(208) 939-6813

Priority Date: 4/08/1998

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
MUNICIPAL	01/01	to 12/31	0.80 CFS	130.0 AF
	Total:		0.80 CFS	130.0 AF

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER	NW¼SW¼	Sec. 3	Twp 04N	Rge 01E	ADA County
GROUND WATER	SW¼SW¼	Sec. 3	Twp 04N	Rge 01E	ADA County
GROUND WATER	SE¼SW¼	Sec. 5	Twp 04N	Rge 01E	ADA County

PLACE OF USE DESCRIBED UNDER THE LEASED WATER RIGHT: MUNICIPAL

Place of use is within the city limits of Eagle and surrounding service area.

COMBINED LIMITS OF LEASED RIGHT:

<u>Combined Rights</u>	<u>Rate</u>	<u>Volume</u>	<u>Acres</u>
63-11413, 63-12017, 63-12448	3.25 CFS	1455.0 AF	N/A

CONDITIONS OF ACCEPTANCE

1. The water permit referenced above will be rented from the bank at the current rental rate.
2. Any violation of the terms of this lease may result in enforcement procedures pursuant to section 42-351, Idaho Code, for illegal diversion and use of water, and may include civil penalties pursuant to Section 42-1701B, Idaho Code.
3. A permit 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.
4. Use of rights 63-11413, 63-12017, and 63-12448 are limited when combined to one or more of the following in accordance with the conditions of approval on the water rights: total combined diversion rate and annual diversion volume.

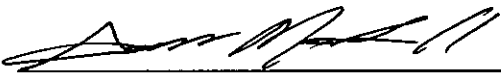
**WATER PERMIT NO. 63-12448
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CONDITIONS OF ACCEPTANCE

5. Rental of water under this permit is subject to the limitations and conditions of approval of the water permit.
6. Failure of the permit holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
7. Acceptance of a permit into the bank does not, in itself, confirm the extent of beneficial use developed under the permit.
8. Upon acceptance of a water right or permit into the Board's water supply bank, the owner of the right may withdraw the right within thirty (30) days of acceptance into the bank if the owner does not agree with the conditions of acceptance.
9. During the term of this lease, use of unleased portions of rights 63-11413, 63-12017, and 63-12448 are limited to a total combined diversion rate of 2.45 cfs and a total combined annual diversion volume of 1325.0 af.
10. This permit is only available for rental by the City of Eagle.

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.

Dated this 12th day of September, 20 07


for DAVID R. TUTHILL, JR., Director
Department of Water Resources