

RECEIVED

JUL 30 2019

DEPARTMENT OF
WATER RESOURCESSTATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
STATEMENT OF COMPLETION
FOR SUBMITTING PROOF OF BENEFICIAL USE

FOR OFFICE USE ONLY

Amt. of Fee \$ _____

Receipt No. _____

Received By _____

Date Received _____

The Idaho Department of Water Resources considers this form a statement by the permit holder(s) that development of a water right has been **completed** and that water has been applied to beneficial use to the extent described below. **This form must be accompanied by an examination fee, when necessary, or by a completed Beneficial Use Field Report prepared by a certified water right examiner.** Please refer to the instructions and fee schedule for this form. If ownership of the permit has changed, contact any Department office or visit the Department's website at idwr.idaho.gov for an *Assignment of Permit* form. If you wish to relinquish your permit because you have not established the authorized use of the water and are **not** applying for an extension, please notify the Department in writing.

- Permit No. 65-22945 Telephone No. 208-350-1252
- Name of Permit Holder(s) Sage SGI, LLC (assigned to Blackhawk on the River, LLC)
- Mailing Address P.O. Box 10117 City Boise
State ID Zip 83707 Email bdickens@icsinusa.com
- Source of Water Ground Water If **GROUND WATER** (well), Date Drilled mo. 08&09 / yr. 2005
Well Driller Riverside, Inc. Drilling Permit Number D0039525, D004173
- Extent of use(s) completed **as authorized by the water right permit:**
Domestic (No. of households) 132 Stockwater (No. and type of stock) _____
Irrigation (No. of acres) 9.2 ac Other Fire Protection - 1500 gpm (3.34 cfs)
- Total rate of diversion or storage volume for which proof is submitted 4.02 cfs OR 106.8 acre-feet.
- Compliance with a measuring device requirement, lockable controlling device requirement, and/or other conditions of permit:
Refer to the approval conditions on your permit and respond accordingly.
The Department will not issue a license if permit conditions are not met.

Measuring Device	Is a measuring device required?	Yes ☐	No ☒
	If yes, has the measuring device been installed?	Yes ☐	No ☐
Lockable Controlling Device	Is a lockable device required to control the diversion?	Yes ☐	No ☒
	If yes, has the lockable device been installed?	Yes ☐	No ☐
Fish Screen	Is a fish screen required?	Yes ☐	No ☒
	If yes, has the fish screen been installed?	Yes ☐	No ☐

Other Conditions of Permit

Do the approval conditions on your permit require you to submit additional information in connection with your proof of beneficial use? If yes, list the conditions below and attach documents with the required information.

N/ACompleted? Yes ☐ No ☐

- Fee Enclosed \$ _____ or not applicable ☒. See fee schedule on page 2 of the instructions.
Proof statements filed without an appropriate fee, will be considered incomplete.
- Person to contact to accompany the Department representative during field examination of the water system.

Name NA Telephone Number _____

Mailing Address _____ City _____

State _____ Zip _____ Email _____

The information given on this form is my true statement of the extent to which the above numbered permit has been developed and water has been diverted and applied to a beneficial use. I understand that any undeveloped portion of the permit is relinquished to the State of Idaho.

Signature of Permit Holder [Signature] INDEPENDENT MGR Date 26 July 2019
(Include your title, if on behalf of company or organization)

Request to Reinstate a Permit Lapsed more than Sixty Days

Statements of Completion for Submitting Proof of Beneficial Use submitted more than sixty (60) days after mailing of a lapsed permit notice must be accompanied by a Beneficial Use Field Report prepared by a certified water right examiner as the result of an examination to clearly confirm and establish the extent of the beneficial use of water established in connection with the permit during the time authorized by the permit and any extensions of time previously approved, a statement of reasonable cause for filing late proof of beneficial use, and a reinstatement application fee of \$250 per § 42-218a(2), Idaho Code.

Statement of reasonable cause for filing a late proof of beneficial use:

The owner of permit 65-22945, Sage SGI LLC, is an inactive entity since 2010. The permit holder was not actively involved with the operation of the water system developed at the place of use at the time that proof was due.

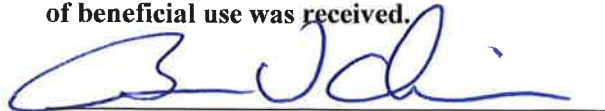
Since late 2013, the permit holder's progress on development of its water rights have been impeded by legal investigations and subsequent agreements. On or before October 1, 2013, the United States Securities and Exchange Commission commenced an investigation against several defendants, including Serofim Muroff, the manager of the permit holder - which impeded the development of this water right. In April 2017, the United States Securities and Exchange Commission filed a Complaint against said individual and several entities affiliated with the permit holder, as detailed above. In May 2017, the parties to the Complaint entered into a Consent and Judgment agreement, which installed an Independent Manager to take over and manage the continuing operations of the affected assets, including the water right. Since such appointment, it has taken time for the Independent Manager to become informed, to review related documents, obtain funding, and otherwise be in a position to further develop each permit. For these reasons, the Independent Manager is hereby requesting the reinstatement of the lapsed permit.

The beneficial use was completed (to the extent documented by the beneficial use field exam) during the permit development period and the water has been beneficially on lands owned by the successor to the permit holder (Blackhawk on the River LLC) and by private lot owners within the residential development.

Required items:

- ☒ Statement of Completion for Submitting Proof of Beneficial Use
- ☒ Beneficial Use Field Report
- ☒ Reinstatement application fee of \$250

The information contained in this statement is true to the best of my knowledge. I understand that should the department reinstate my permit that the priority date will be advanced to the day that proof of beneficial use was received.


Signature of Permit Holder or Authorized Representative

Brian W. Dickens, CEO
Print Name and Title if applicable

26 July 2019
Date

Signature of Permit Holder or Authorized Representative

Print Name and Title if applicable

Date