

MEMORANDUM

TO: Permit File No. 67-14496,
In the name of Council Mountain Golf Course/Sam Davis

FROM: Darla Block

DATE: September 08, 2010

RE: **Ownership and Proof of Beneficial Use**

The proof due notice and lapse notice sent to Sam Davis of Council Mountain Golf Course were both returned not deliverable as addressed. As I look back through the file, I see documentation explaining that Sam Davis never owned the property. Sam Davis was leasing the property through an unrecorded and verbal lease from Margaret Muller. Mr. Davis had no legal right or title to the property. Mr. Davis stated he owned the property when he applied for the permit, and no proof of ownership was requested. The application was permitted on September 12, 2005.

Proof of beneficial use was due September 1, 2010.

On June 30, 2006, an assignment of permit was received from AIRDOG LLC, signed by Margaret Muller and assigned to AIRDOG, LLC. The department did not accept the assignment because Sam Davis or Council Mountain Golf Course did not sign it.

According to Mr. Nash, Sam Davis only completed construction of one pond using only the Cool Creek water. Mr. Nash stated that he has no intention to develop more ponds, but understands that because the pond has been completed, and unless he wants to remove it, he must maintain a water right for it.

Since it has been impossible to contact Sam Davis, both through phone and correspondence, I met with Shelley Keen today regarding ownership and proof of beneficial use, to see what he would advise I tell Steve Nash of AIRDOG LLC.

Shelley advised me to let Mr. Nash of AIRDOG LLC file proof of beneficial use along with a license examination fee, but to hold onto the proof without processing. In the meantime wait to see if something comes in from the permit holder of record, Sam Davis, by the end of the sixty (60) day period. The sixty day deadline is November 8, 2010. If nothing is submitted by the permit holder of record by the end of the sixty day period, go ahead and process the proof statement received from Steve Nash of AIRDOG LLC, and acknowledge proof.