

RECEIVED
OCT - 1 2012
IDWR/NORTHERN

STATEMENT OF JEFFREY P. BAKER AND MARY LOU BAKER

We the undersigned, Jeffrey P. Baker, and Mary Lou Baker, make the following statement regarding the ownership of water right License 92-7090 and the changes to this Water Right since the License was originally issued by the Idaho Department of Water Resources (IDWR).

License 92-7090 was originally issued to St. Maries Wild Rice, Incorporated, an Idaho Corporation, which was originally owned by Alexander W. Bruner and Jeffrey P. Baker. We, Jeff and Mary Lou, sold our interest in St. Maries Wild Rice, Inc. to Al Bruner in 1988.

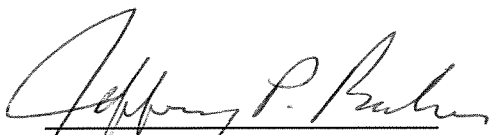
The Mary Lou Baker Trust currently owns the 92-7090 Place of Use (Benewah County property parcel RP45N02W02100CA) and any appurtenant water rights.

It is our understanding of Idaho Code Title 42-101 that water rights stay with the land unless contracted away by other agreement. No such agreement was ever signed by us or the previous owners of this land (RP45N02W02100CA). Yet, a sale agreement of the wild rice harvesting business between Alexander W. Bruner and Douglas McInturff dated July 15, 2001 and signed in 2006 includes "water rights."

At no time did we, the landowners, of the Place of Use for this water (License 92-7090) contract away the water right to this land (RP45N02W02100CA). Therefore, we believe the Agreement between Bruner and Mc Inturff dated July 15, 2001 and signed in 2006 does not convey ownership of Water Right License 92-7090 from us to anyone else. Mr. Bruner never held any ownership interest in the property (RP45N02W02100CA) adjacent to the St. Maries River and the water right was not his to convey in accordance with Idaho Code Title 42-101.

We believe the first sentence in the paragraph titled "WATER RIGHTS" in the Bruner/McInturff sales agreement refers to Water Right License 92-7090 and is an improper conveyance. Bruner never held ownership of the Place of Use for this Water Right, and 92-7090 was not his to convey.

We also believe the last line of this paragraph titled "Water Rights" does refer to Water Right License 92-7175 which is upstream on the St. Maries River at a different Place of Use.

 10/01/2012
Jeffrey P. Baker

 10/01/2012
Mary Lou Baker, Trustee of the Mary Lou Baker Trust

SCANNED
OCT - 1 2012