

While Fondomonte is reviewing the notifications received from Gov. Hobbs and the Arizona State Land Department, we believe the state is mistaken that the company is in breach of its lease. Fondomonte will work with the governor's office to highlight these factual errors. Fondomonte is adhering to all the conditions of the lease, and thus we have done everything required of us under these conditions.

As for the other leases the state intends to not renew, this would set a dangerous precedent for all farmers on state land leases, including being extremely costly to the state and Arizona taxpayers. Fondomonte will explore all avenues to ensure there is no discrimination or unfair treatment.

We have been in discussions with the Governor's office and we will continue to work with Gov. Hobbs and the state to resolve groundwater matters and misinformation.

"The State Land Department sets the price of the leases for every lease holder. Fondomonte followed the department's rules and regulations for each lease."

As far as the current lease and appeal, "We are still working with the state to resolve issues"

Neither Fondomonte nor Jordan Rose has had interactions with Rep. Ciscomani regarding this lease.

1 Fondomonte purchased private land for growing alfalfa in the Vicksburg area in 2014, and leased land in Butler Valley from the state in 2015, correct? Correct

2 What are the benefits of Fondomonte's operations to Arizona? See attached

3 I read reports that said Fondomonte leased the land in Butler Valley for below market rates. What is your response to this? This is incorrect. The lease rates are in line with other State Land agri-lease rates

"we are still working as diligently as possible with the state on all these issues."

In accordance with the Arizona State Land Department order, Fondomonte has ceased its farming operations at the Butler Valley state-leased land property. The company remains committed to working with the state to resolve outstanding issues as it removes its equipment and infrastructure in accordance with the terms of the lease.