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Fondomonte remains committed to progressive, efficient agricultural practices on all operations. We are proud supporters of Arizona Agriculture and the farming community. Fondomonte has invested significantly to bring the latest technology to conserve water on these long-established farms.

Fondomonte will continue to comply with all state and local regulations.

REPUBLIC

Fondomonte has always followed state law and all regulations and will continue to do so. Fondomonte has invested millions of dollars to ensure the company is a good steward of the land and resources. The company deploys the latest technology to save water while increasing crop yields. Fondomonte will work with state regulators as they determine the best path forward for water conservation.

NBS NEWS

Fondomonte Arizona LLC continues to be a responsible steward of Arizona's water resources. Fondomonte Arizona is an Arizona company that is wholly owned by a US Company, has invested 10s of millions of dollars in the most efficient irrigation technologies on the market in a conscious effort to manage water use. In fact, according to studies published by the Water Resources Research Center of the University of Arizona, more than 70 percent of farms in Arizona use manual flood irrigation systems.

Fondomonte Arizona uses a targeted sprinkler and sub-surface drip irrigation system that reduces water use by as much as 30 percent. Fondomonte Arizona's Vicksburg Farm represents only approximately 1.66% of all alfalfa acres grown in the State.

According to the USDA, on average, about 20 percent of total U.S. agricultural production is exported each year. Arizona exports approximately 37 percent of its total agricultural production annually with 17 percent of forage crops grown in state being exported. Fondomonte Arizona, like most Arizona farms and agribusinesses, sells into both domestic and export markets. The Groundwater Management Act codifies the reasonable use doctrine in Arizona. A.R.S. § 45-453(1). A landowner may use as much groundwater as is necessary for the reasonable beneficial use of the overlying land. *Bristor v. Cheatham*, 75 Ariz. 227, 237–38 (1953).

The amount of water Fondomonte Arizona is using reflected in the Complaint filed in this case is inaccurate, and the evidence will prove as much. Fondomonte Arizona's operations are in full compliance with not only all applicable laws and regulations but also with the terms of the State's lease. Importantly, the lease was assumed from another alfalfa farm that had operated for years. Fondomonte Arizona was not the recipient of a "sweetheart deal" as alleged by the State.

The land subsidence map excerpted in Paragraph 39 of the Complaint is misleading because it reflects an area that is approximately 17 miles away from Fondomonte

Arizona's Vicksburg Farm. The same map shows very little land subsidence over the area where the Vicksburg Farm is located. It is our belief that the evidence in this case will show that the land subsidence cited in the Complaint can be attributed to a farm that was previously operating in that area.

In response to the State's public records requests, La Paz County, the Central Arizona Project, and the Arizona Department of Transportation confirmed that there have been no road or infrastructure repairs necessitated by land subsidence within the Ranegras Basin from January 2014 to the present.

Fondomonte Arizona is the third largest private employer in La Paz County. Fondomonte Arizona has created more than 1,750 jobs in La Paz County since 2014. Fondomonte Arizona pays more than \$45 million in wages to Arizona residents every year.

The Attorney General's own evidence proves the damage to wells in the surrounding area is either unrelated to Fondomonte Arizona or predates Fondomonte's operations in the area. For example, the Attorney General regularly cites the fact that a nearby church's well has run dry. However, another well owned by another farm is located directly next to the church's well that is drilled much deeper. It is that well and not any of Fondomonte's that caused the issues with the church's well.

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