MARICOPA COUNTY, ARIZONA

General Real Estate Market Comments:

Rural (Non-metro): These rural/farmland markets saw a relatively stable amount of sales activity in 2001, as compared to the prior year. With relatively weak cotton, grain, and milk prices in 2001 and early 2002, most farmers and dairymen could not afford to expand their leased or fee land holdings, unless they had 1031 Exchange funds available to replace the farms or dairy sold, or strong equity positions for borrowing. The primary purchasers of farmland in the non-metro areas are farmers expanding or relocating, dairymen purchasing for future relocation/expansion, with some minor to modest long term investor activity closer to the metro fringe areas.

Farmland sales activity and price trends for the balance of 2002 will likely remain at 2001 levels, we do not anticipate any significant upward trends at this time.

As we start 2002, cotton, grain and milk prices are reasonably close to the same price patterns as this time last year. Hay prices are stronger than a year ago.

2001 saw a relatively flat trend in cash farmland rental rates in Maricopa County. The following table provides a general farmland sale price and rental rate range

and trend for 2001 and early 2002, in the major irrigation districts or farming areas of Maricopa County, as well as current water and assessment charges:

Irrigation	Water	Sale Price	Sale Price	Rent Range	Rental
District	Source/Cost			_	
	Surface \$10/AF	per Acre	Activity/Trend	per Acre	Activity/Trend All Rented
Salt River	Pumped \$33/AF	\$35,000 to \$100,000+	Strong/Up (Non- Ag Influence)	\$150 to \$200, But higher if	/Stable to
Project	Pulliped \$33/AF	(demand for	Ag iniluence)	suitable for	increasing
	\$20/ac. Asses	development)		specialty crops	slightly.
Buckeye I.D.	Surface/Effluent	\$5,000 to	Strong/	\$150 to \$200+	All Rented/
(Metro Fringe	\$13/AF	\$17,500	Increasing	ψ130 to ψ200+	Stable to
& Non-Metro)	(Could go up.)	(Farmer/	moreasing		increasing
a Non-Metroj	(Octain go up.)	Dairymen &			slightly.
	\$6/ac. Assess.	residential			gy-
	*	development)			
Roosevelt I.D.	Pump and	\$6,000 to	Strong/	\$100 to \$150 is	Good/Stable to
(Metro Fringe	Surface	\$60,000+	Increasing	typical range, a	slight increases
& Non-Metro)	\$20/AF (winter)	(Farmer/	(Primarily Non-	few noted to	within the range.
,	\$23/AF	Dairymen &	Ag Influence)	\$175	
	(summer)	residential			
	\$15/ac. Assess.	development)			
Roosevelt	Pump and	\$35,000 to	Strong/Up (Non-	Primarily \$150,	All Rented/
W.C.D.	Surface	\$80,000+	Ag influence)	some observed	Stable to
(Southeast	\$17/AF	(Developer/		to \$200	increasing
Valley Metro	¢47/22 A2222	builder/			slightly as dairy
Fringe Area)	\$17/ac. Assess.	investor			feed demand
		demand)			and metro absorption
					influence
					competition.
Harquahala	Pump and	\$1,100 to	Static to	\$35 to \$100	20% Idle/Stable
Valley I.D.	excess C.A.P.	\$1,500	decreasing	Varying w/Gov.	when compared
(Non Metro)	\$37.50/AF	(Farmer &	activity/Stable	payment	to prior years.
(1 1 1 1 1	\$9.86/ac.	water right	prices.	\$65 to \$75 is	
	Assess.	investors)	(Ag demand)	typical	
Queen Creek	Pump and	\$15,000 to	Strong/Up	\$60 to \$100	Good/Stable.
I.D. (SE Valley	C.A.P.	\$35,000	(Suburban Non-		
Metro Fringe	\$32/AF.	(Invest/dev.	Ag influence)		
Area)	Φ40/ A	demand)			
	\$10/ac. Assess.	#40.000.	Ot //	MOO 4- MAOO	0 1/04 - 1-1-
Maricopa	Surface & Pump	\$10,000 to \$15,000 w/in	Strong/Up	\$60 to \$100	Good/Stable
Water District	\$36/AF	Noise Zones;	(Suburban Non- Ag influence)		
(NW Valley	\$6/AC Assess.	\$24,000 to	Ag iniliderice)		
Metro Fringe	ψυ/ΑΟ Α33633.	\$50,000 out.			
Area)		(Invest/dev.			
		demand)			
Desert Pump	Pump (Shallow	\$800 to	Minor/Stable	\$75 to \$150	Stable.
Farms	to Deep Lift)	\$1,600		Varying w/Gov.	
(Non-District,	\$7 to \$50/AF	(Varying w/		payments and	
rural - SW		water costs &		water cost,	
County)	No Assess.	supplies,		\$75 to \$125 is	
<u> </u>	0 (location.)		typical	1 1 1 1 1 1 1 1 1 1
Paloma	Surface	\$800 to	New District and	\$25 to \$100	New Activity will
Irrigation &	Diversions &	\$1,400	Break-up of the Paloma Ranch		Start in 2003.
Drainage	Pump		Paioma Kanch		
District	No Assess \$20/AF				
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