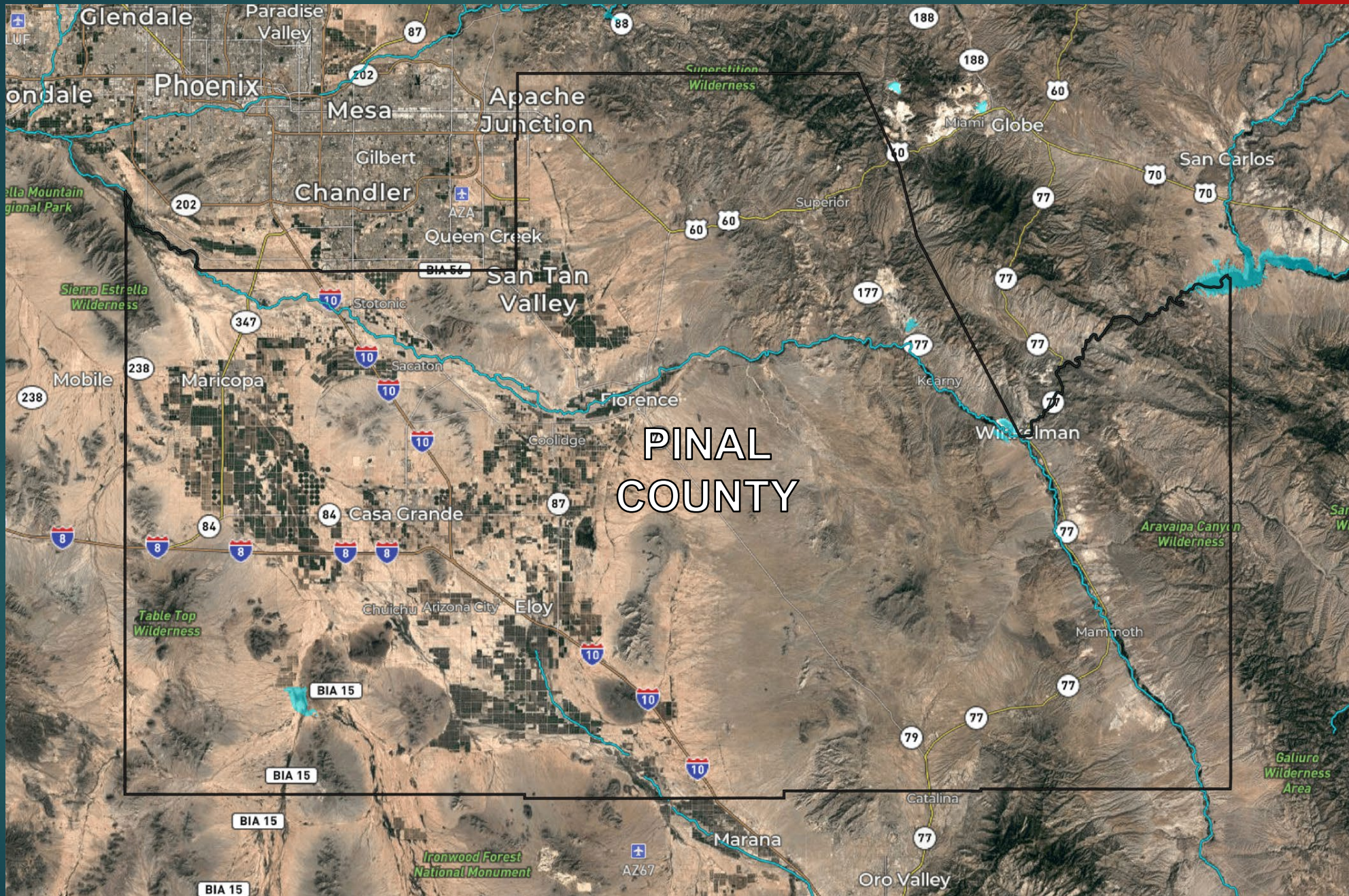




Pinal County Market Trends

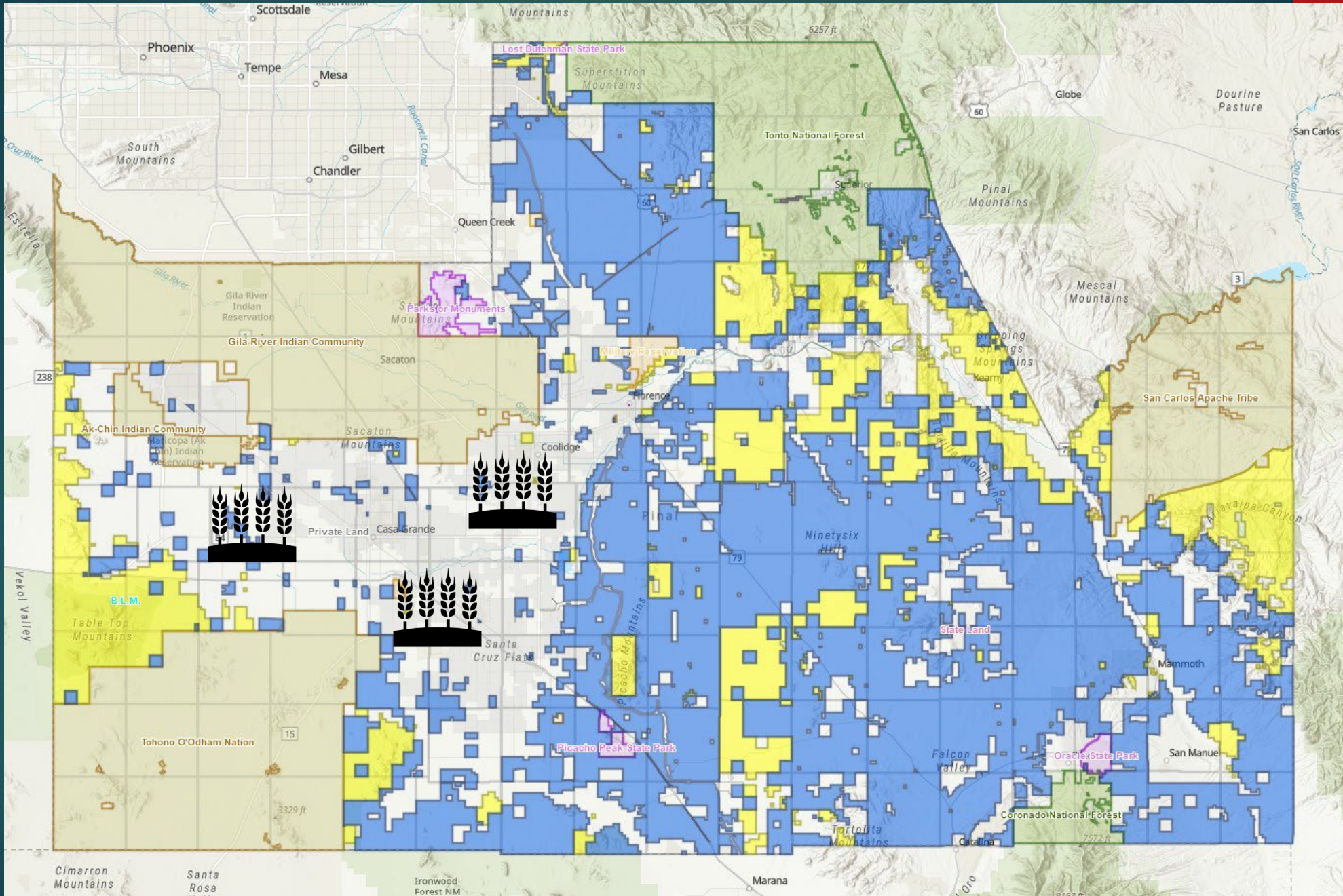
2022 SUMMARY

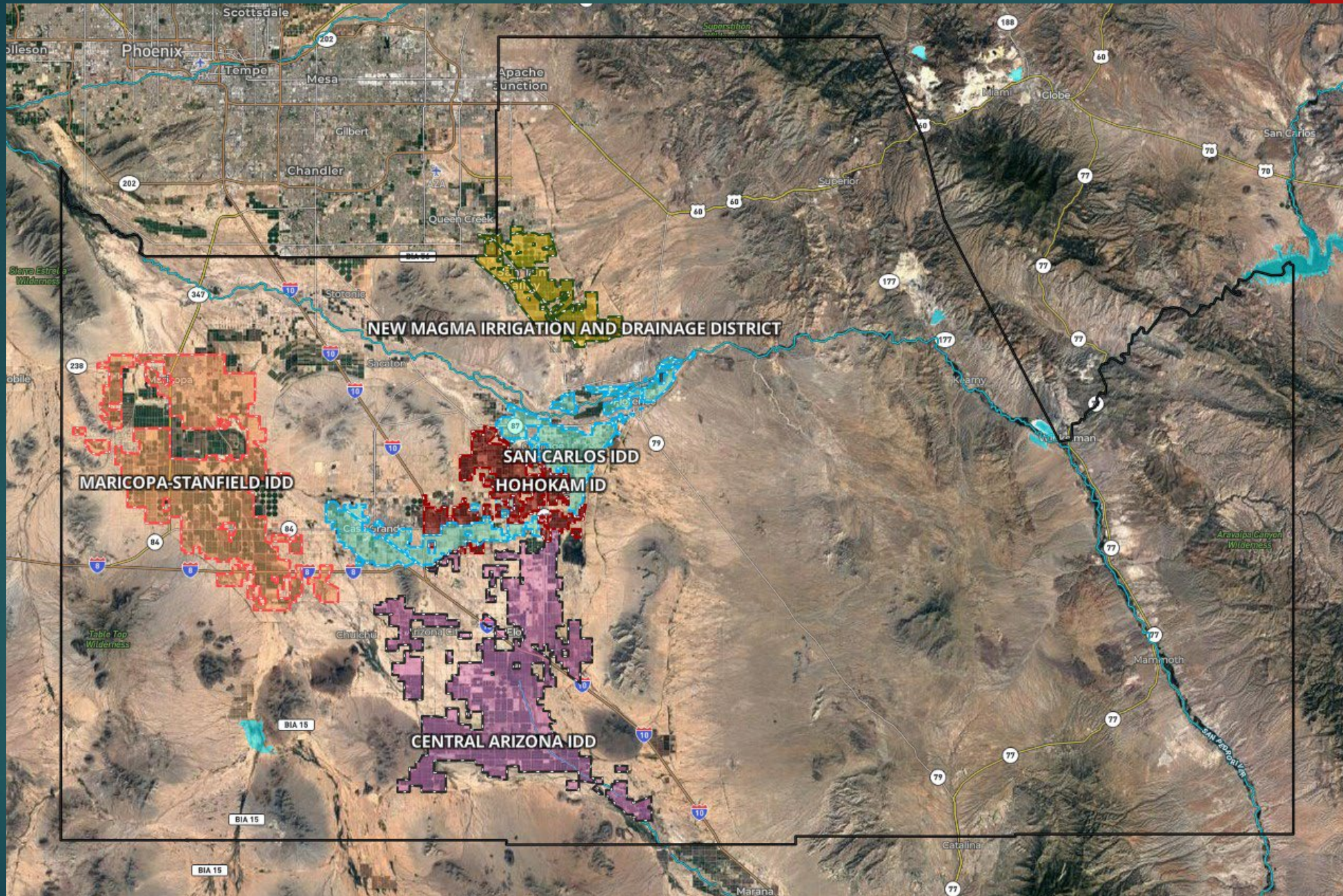
Bruce Burger
Three Rivers Ag Investments



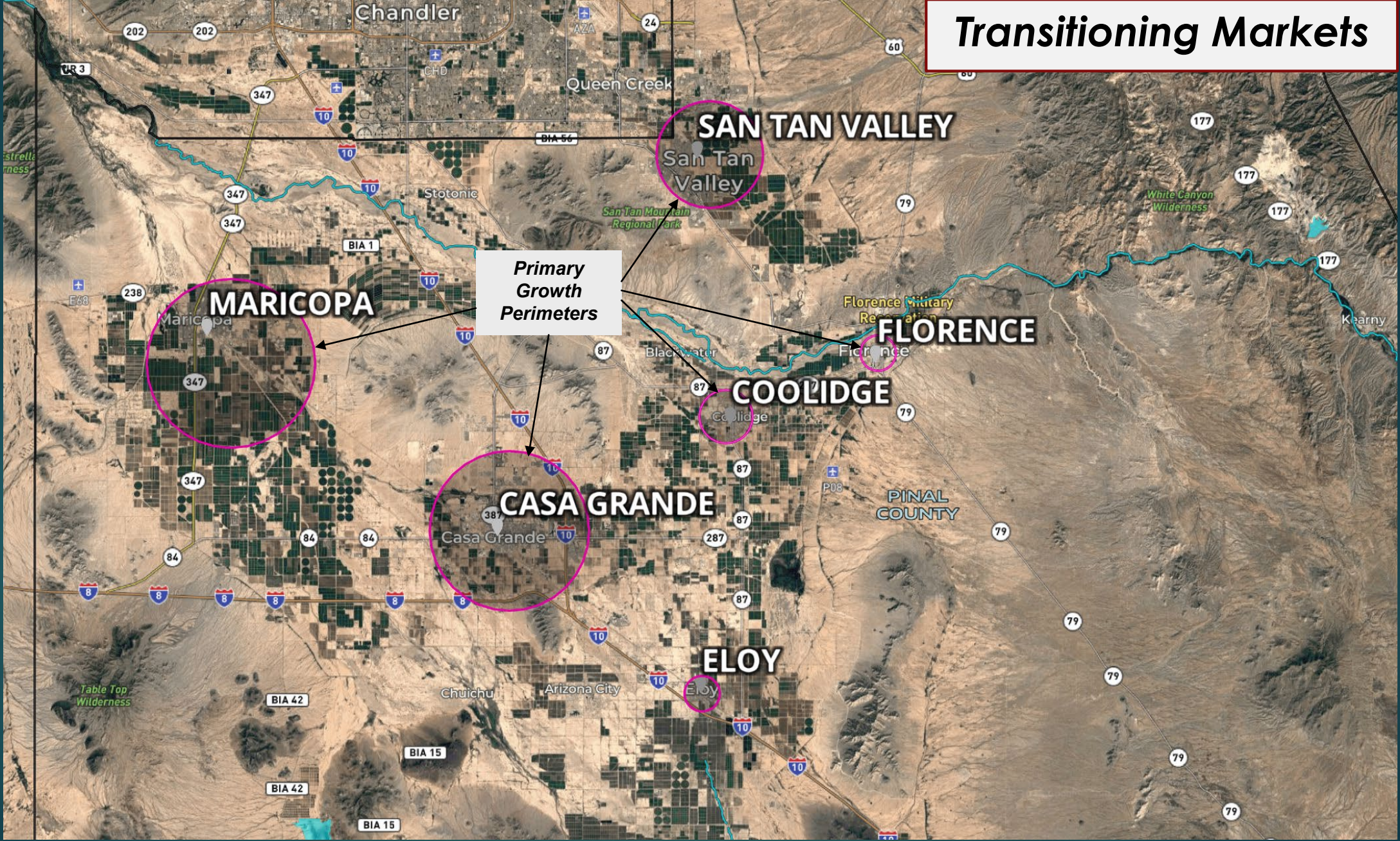
PINAL COUNTY

Glendale
Paradise Valley
Phoenix
Mesa
Apache Junction
Gilbert
Chandler
Queen Creek
San Tan Valley
Stoneman
Sacaton
Florence
Coolidge
Casa Grande
Chūichū Arizona City
Eloy
Maricopa
Mobile
Mammoth
Marana
Oro Valley
Catalina
Kearny
Wickenburg
Superior
Miami Globe
San Carlos
San Carlos
Galiuro Wilderness Area
Aravaipa Canyon Wilderness
Sierra Estrella Wilderness
Table Top Wilderness
Ironwood Forest National Monument
LUF
AZA
BIA 66
BIA 15
A267

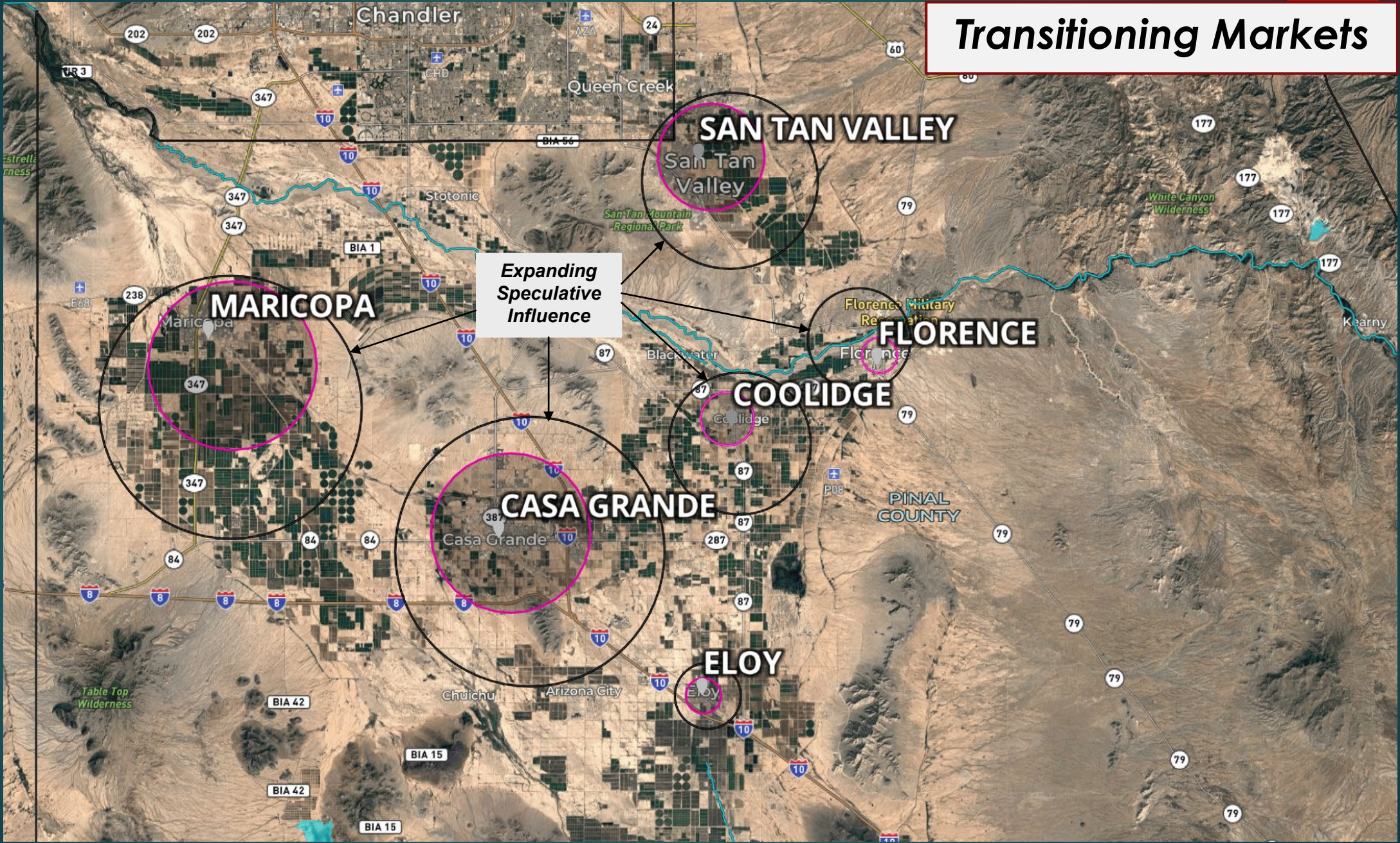




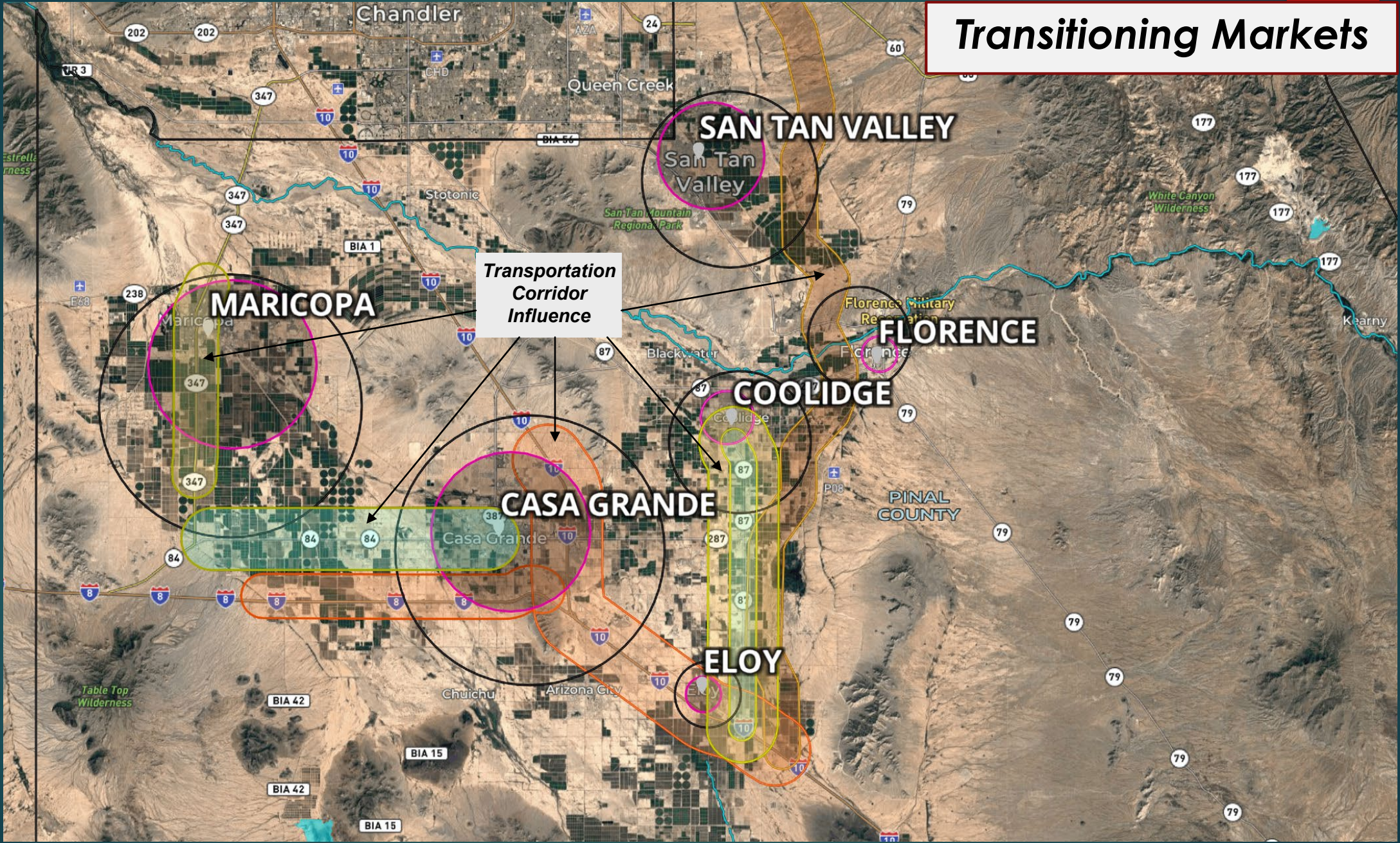
Transitioning Markets

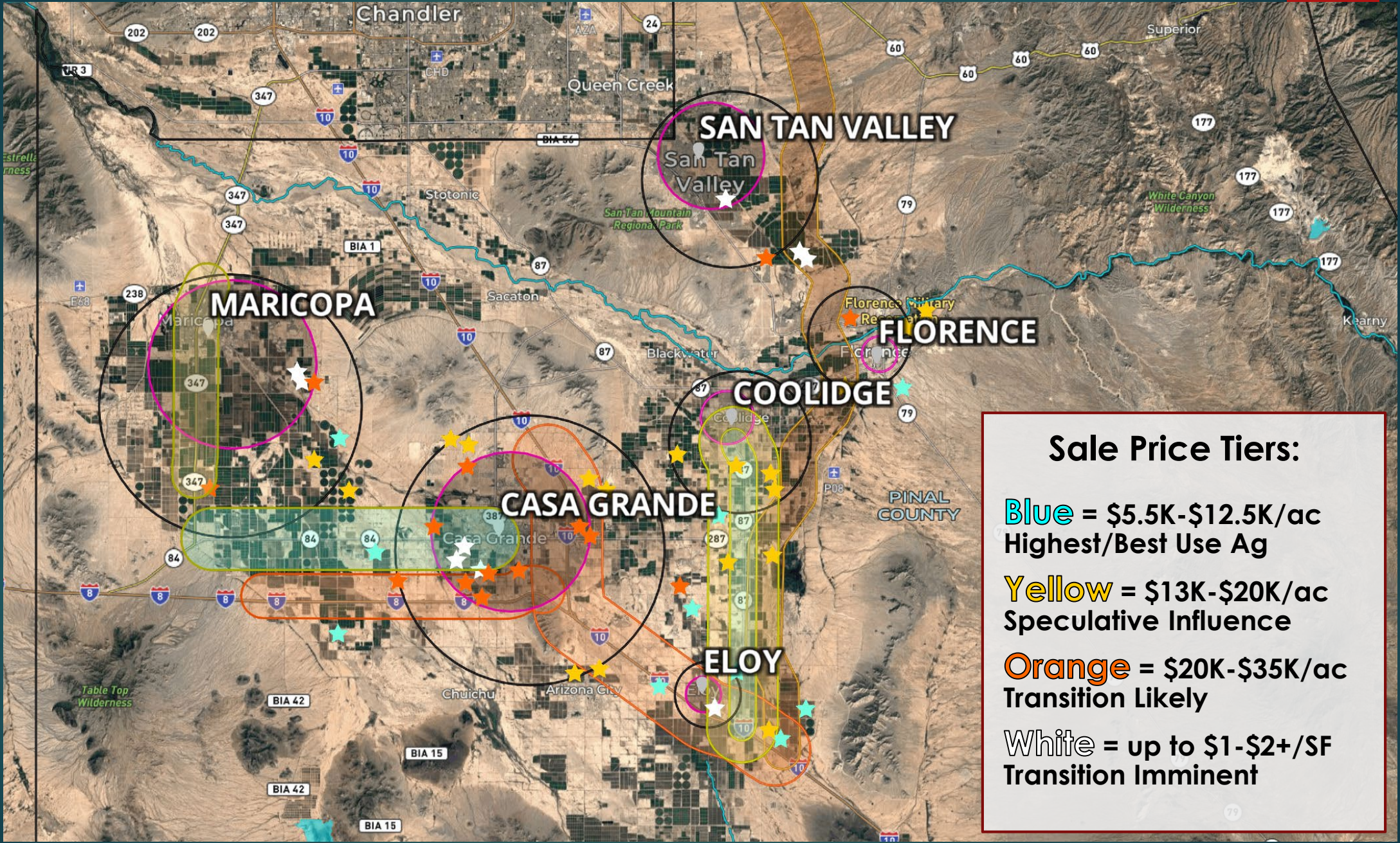


Transitioning Markets



Transitioning Markets



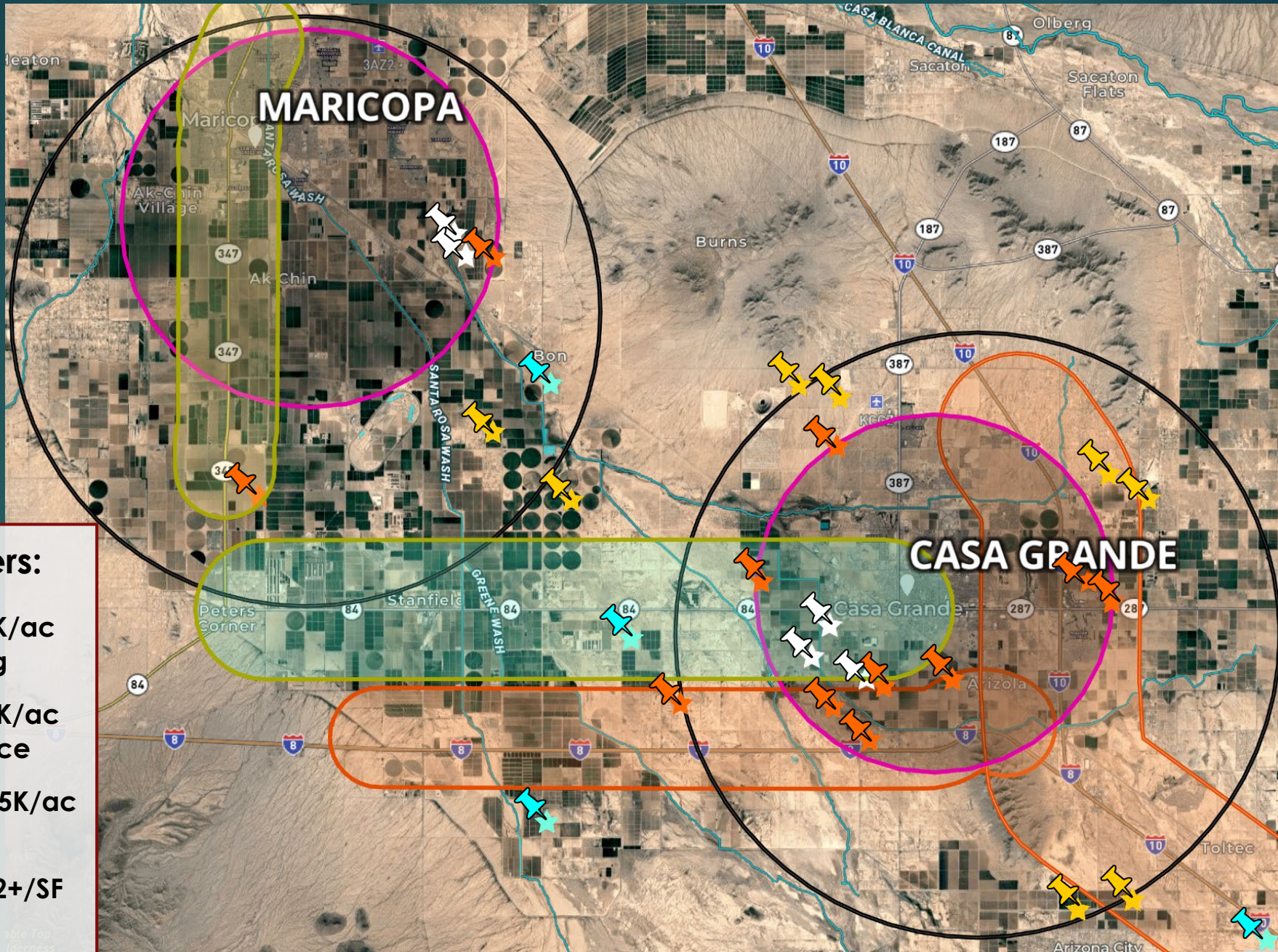


Sale Price Tiers:

- Blue** = \$5.5K-\$12.5K/ac
Highest/Best Use Ag
- Yellow** = \$13K-\$20K/ac
Speculative Influence
- Orange** = \$20K-\$35K/ac
Transition Likely
- White** = up to \$1-\$2+/SF
Transition Imminent

Factors Influencing Sale Price Tiers

- ▶ Location relative to municipal growth perimeters and significant employment “anchors”
- ▶ Proximity to primary transportation corridors and associated utility infrastructure
- ▶ Availability of assured water supply
- ▶ Constraints on agricultural utility
 - ▶ Reduced CAP irrigation water deliveries associated with Tier 2 shortage declaration (Aug '22)
 - ▶ Real and perceived irrigation water uncertainties



Sale Price Tiers:

Blue = \$5.5K-\$12.5K/ac
Highest/Best Use Ag

Yellow = \$13K-\$20K/ac
Speculative Influence

Orange = \$20K-\$35K/ac
Transition Likely

White = up to \$1-\$2+ /SF
Transition Imminent



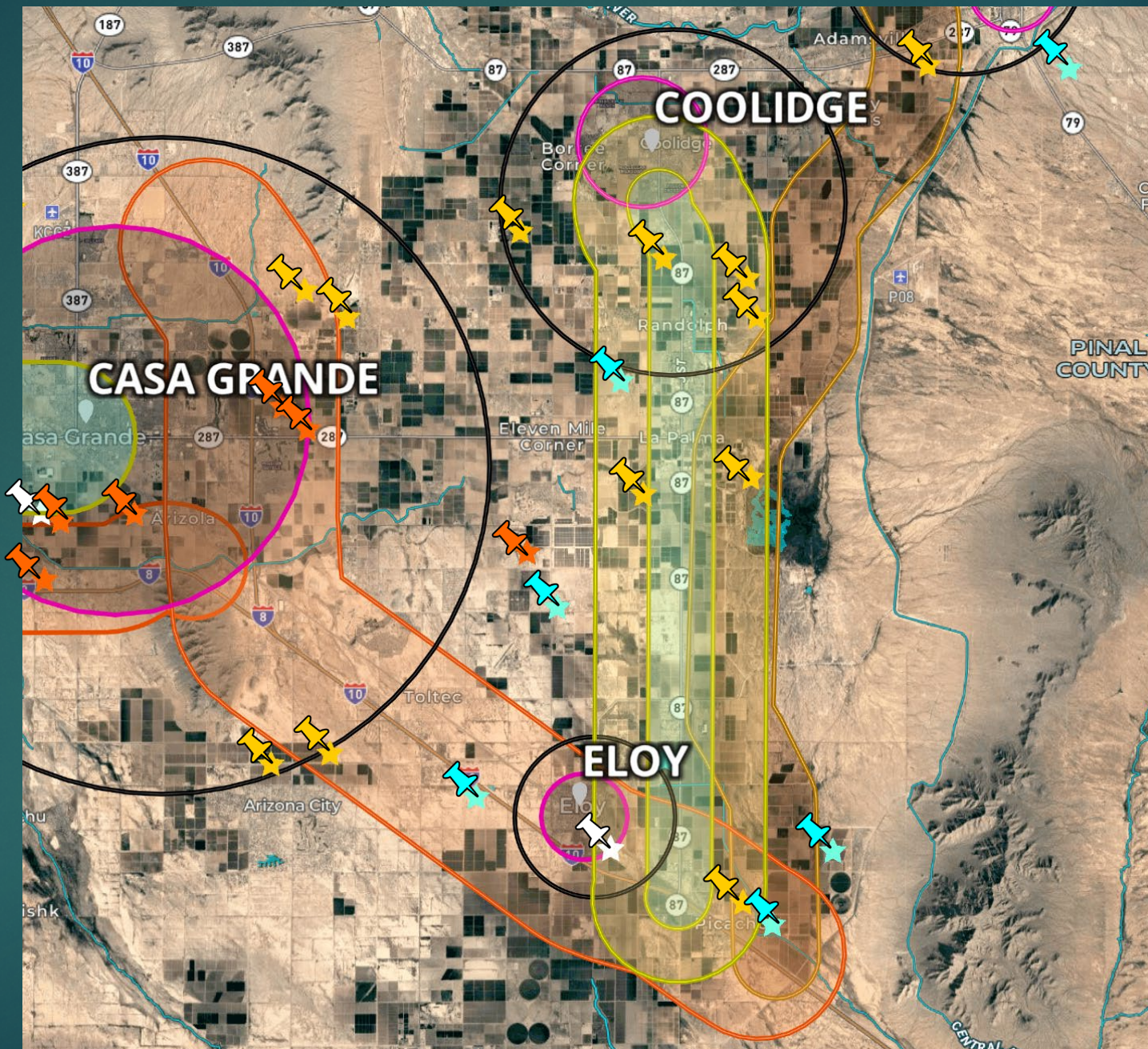
Sale Price Tiers:

Blue = \$5.5K-\$12.5K/ac
Highest/Best Use Ag

Yellow = \$13K-\$20K/ac
Speculative Influence

Orange = \$20K-\$35K/ac
Transition Likely

White = up to \$1-\$2+/SF
Transition Imminent



Factors Driving Transitions In Use

- ▶ Timelines for planned infrastructure development
- ▶ Regulation impacting development of renewables (i.e., solar)
- ▶ Growing workforce demands of an expanding employer base
- ▶ Market's capacity to deliver affordable housing product
 - ▶ Mortgage rates
 - ▶ Development costs
 - ▶ Land prices
 - ▶ Cost of materials and trades
 - ▶ Cost of capital
- ▶ Impacts on agriculture's sustainability
 - ▶ Alternative water supply development
 - ▶ Drought subsidies



Impacts to Agricultural Utility

- ▶ CAP Irrigation Water
 - ▶ Tier 2 shortage declaration Aug '22 = Agricultural Water fully curtailed for '23
- ▶ Impacts vary by Irrigation District
 - ▶ Mitigation water as available from secondary sources
 - ▶ Groundwater alternatives underway but will take time
 - ▶ Cost adjustments and volume reductions evolving
- ▶ Lease rates remain stable where productivity can be sustained

**MARICOPA-STANFIELD
IRRIGATION & DRAINAGE DISTRICT**

OFFICERS Bryan M. Hartman, President Daniel W. Thelander, Vice-President Kelly Anderson, Secretary	GENERAL COUNSEL Paul R. Orme	DIVISION 1 DIRECTORS Kelly Anderson Jacob Feenstra Bryan M. Hartman	DIVISION 2 DIRECTORS Siebe Hamstra James P. Whitehurst Craig Zinke	DIVISION 3 DIRECTORS Daniel W. Thelander Tony Dugan Larry Hart
--	--	---	--	--

«Name»
«Address»
«CityState» «Zip»

OCTOBER 2022

DISTRICT WATER SUPPLY FOR 2023

The Board of Directors of Maricopa-Stanfield Irrigation & Drainage District (MSIDD) met on October 26, 2022 to consider the water availability for the 2023 water season. As you may know, the Colorado River is in drought condition, and as a result, the District's agricultural supplies of surface water from the CAP have been completely curtailed for 2023. A small amount of CAP water is available for zero well areas from our GSF partners. The District continues to work on increasing its groundwater supplies to help offset surface water reduction through infrastructure projects. For 2023, the water price is set at \$52.00 per acre foot of water.

Your estimated CFS water allocations by turnout are attached to this letter. This estimate is based on your 2023 turnouts and acreage and the available water the district has to allocate in 2023.

The District will continue to pursue opportunities for additional surface water and infrastructure that could impact water availability for 2023 and 2024. However, water users should be advised not to count on any additional water supplies in excess of the 2023 allocations.

In addition, the 2023 Water Services Agreement is attached for your convenience. The District requests that you return it to the District Office by Friday, December 16, 2022.

Bryan Hartman
President – Board of Directors

Cash Rents Per Acre

	Low Range	High Range
Maricopa-Stanfield IDD	\$150 - \$175	\$200 - \$225
Central Arizona IDD	\$125 - \$150	\$200 - \$225
Hohokam IDD	\$150 - \$175	\$200 - \$225
San Carlos IDD	\$50 - \$75	\$200 - \$225
New Magma IDD	\$150 - \$175	\$200 - \$225

- ▶ Continuation of general trends over the past three-year period
- ▶ Instances recognizing farm-specific impacts of reduced irrigation water availability on productivity



Thank You!

Locations shown are approximate. Trend information presented may not apply to a specific property in any given location.