

ARIZONA STATE LAND DEPARTMENT  
1616 WEST ADAMS STREET  
PHOENIX, ARIZONA 85007

PUBLIC AUCTION SALE NO. 04-118069

Pursuant to A.R.S. Title 37, notice is hereby given that the state of Arizona through its Arizona State Land Department (herein called ASLD), will sell at Public Auction to the highest and best bidder at 11:00 a.m. on 1<sup>st</sup>, August, 2016, at the Arizona State Land Department, 1616 West Adams Street, 3<sup>rd</sup> Floor, Room 321, Phoenix, Arizona, a lease to mine sand and gravel for a term of 10 years, with provisions to extend the term up to a maximum of twenty years with the written permission of the Commissioner, from the following described land in Maricopa County to wit:

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**TOWNSHIP 6 NORTH, RANGE 1 EAST, G&SRM, MARICOPA COUNTY, ARIZONA**

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PARCEL: M&B IN SECTION OF SECTION 25, CONTAINING 452.00 ACRES, MORE OR LESS.

**BENEFICIARY: PERMANENT COMMON SCHOOLS (INDEMNITY SELECTIONS)**

For a complete legal description of the land, prospective bidders are advised to examine the mineral application file as well as all pertinent files of ASLD.

The appraised unit royalty rate of the sand and gravel has been established at \$0.75 per cubic yard with an annual minimum guarantee of 80,000 tons for a total minimum annual royalty of \$60,000. The annual rent is \$81,500.00. The annual plant salvage fee is \$20,455.00

Additional requirements and conditions of this sale are available and may be viewed at the ASLD, 1616 West Adams Street, Phoenix, Arizona.

The complete file associated with the described land is open to public inspection at the ASLD, 1616 West Adams Street, Phoenix, Arizona, from 8:00 a.m. to 4:30 p.m., exclusive of holidays and weekends. Please direct any questions regarding this Public Auction to the Minerals Section of the Natural Resources Division of ASLD at (602) 542-2687. This auction notice is available on the ASLD's web site at [www.azland.gov](http://www.azland.gov).

Each potential bidder must show ASLD's representative a cashier's check made payable to the Arizona State Land Department in the amount specified under Terms of Sale Paragraph (A) below.

**TERMS OF SALE:**

(A) *At the time of sale*, the successful bidder must pay the following by a cashier's check: (1) The first annual royalty of \$60,000 for a minimum annual production of 80,000 tons at a unit price of \$0.75 per cubic yard; (2) Selling and Administrative Fee of 3% of the minimum annual royalty, which is \$1,800.00; (3) Annual rental, which is \$81,500.00; (4) Annual Plant Salvage Fee, which is \$20,455.00; (5)

Reimbursable Estimated Advertising Fee, which is \$2,500.00; and (6) Reimbursable Costs and Expenses not to exceed \$136,295.00. The total amount due at the time of sale is \$302,550.00 (less \$138,795.00 if the applicant is the successful bidder, for a total amount due of \$163,755.00).

(B) Within 30 days after the time of sale the successful bidder must pay the full balance of the amount bid for the sand and gravel and pay a Selling and Administrative Fee of 3% of the purchase price paid for the sand and gravel, less the amount paid under (A)(2) above.

(C) Within 30 days after the time of auction, the successful bidder shall be required to pay the actual legal advertising cost, less the amount paid under (A)(5) above.

(D) A minimum annual royalty of \$60,000.00 or more and a 3% Selling and Administrative Fee of \$1,800.00 or more, depending on the unit royalty bid, shall be due and payable in advance or on each anniversary of the Lease. Material extracted over and above the minimum annual production of 80,000 tons shall be due at the unit bid price per ton along with the additional Selling and Administrative Fee on that amount. All such payments shall be applied as a credit to payment for material used, removed, or disposed from the described lands during the term of the Lease. Monies so advanced and not credited against payments for materials used shall become the sole property of the ASLD upon termination or expiration of the Lease.

**ADDITIONAL CONDITION(S):**

(A) The successful bidder agrees to execute the ASLD's Lease, which shall be dated as of the auction date, within 30 days of receipt, and to perform all the terms, covenants, and conditions thereof.

(B) Entrance upon and extraction from the described land shall not be permitted until after the complete execution of the Lease. The purchaser will be required to post a reclamation and damage bond in the amount of \$100,000.00 upon execution of the Lease.

(C) Prospective bidders are advised to contact the City of Phoenix Floodplain Management Section for details and conditions relative to this operation.

(D) For additional terms and conditions regarding annual rent and other obligations of the Lessee under the Lease, prospective bidders are advised to examine the lease document, as well as all pertinent files of ASLD.

**BIDDING INFORMATION:**

(A) The highest and best bidder shall be determined on the basis of the bidder who pays forthwith the cash deposit and offers the highest royalty rate per unit for the material to be removed from the described land. A bid for less than the appraised value of the sand and gravel or by a party who has not previously inspected the site and/or the associated files and records of ASLD will not be considered. The auction will consist of verbal bidding based on price per ton.

(B) All bidders must sign an affidavit stating that they have undertaken due diligence in preparation for the auction and that their representative is authorized to bid and bind the bidder. It is the bidder's

responsibility to research the records of local jurisdictions and public agencies regarding the described land.

(C) Pursuant to A.R.S. §37-240(B), the successful bidder must be authorized to transact business in the state of Arizona no later than ten (10) business days after the auction. The successful bidder must sign an affidavit stating it is the successful bidder and sign a Certification Statement pursuant to A.R.S. Title 37 and the Rules of ASLD.

(D) If the successful bidder fails to complete the payments as stated in the auction notice together with the additional required fees within 30 days from the auction date, all amounts paid at the time of auction by the successful bidder will be forfeited.

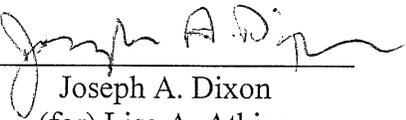
(E) In the event of forfeiture, the ASLD Commissioner may declare that the bid placed before the final bid accepted is the highest bid, and that the bidder has five (5) business days after notification by ASLD to pay by cashier's check all amounts due.

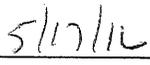
**GENERAL INFORMATION:**

The ASLD may cancel this sale in whole or in part at any time prior to the acceptance of a final bid.

A protest to this sale must be filed within 30 days after the first day of publication of this announcement and in accordance with Article 4.1 of A.R.S. §37-301.

Persons with a disability may request a reasonable accommodation such as a sign language interpreter, by contacting the ADA Coordinator, at (602) 542-2636. Requests should be made as early as possible to allow time to arrange the accommodation.

  
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Joseph A. Dixon  
(for) Lisa A. Atkins  
State Land Commissioner

  
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Date