

**ARIZONA STATE LAND DEPARTMENT
1110 WEST WASHINGTON STREET
PHOENIX, ARIZONA 85007**

PUBLIC AUCTION SALE NO. 53-122097

Pursuant to A.R.S. Title 37, notice is hereby given that the State of Arizona through its Arizona State Land Department (“ASLD”), will sell at Public Auction to the highest and best bidder at 11:00 a.m. on Wednesday, December 21, 2022, at the Arizona State Land Department, 1110 West Washington Street, 3175 Conference Room, Phoenix, Arizona 85007, or another location to be announced no less than seven (7) days prior to the auction, trust lands situated in Maricopa County to wit:

TOWNSHIP 4 NORTH, RANGE 4 EAST, G&SRM, MARICOPA COUNTY, ARIZONA

PARCEL: M&B IN TRACT 3 BLOCK 5 OF STATE PLAT 24 AMD, SECTION 20, CONTAINING 115.78 ACRES, MORE OR LESS.

LOCATION: NORTHEAST CORNER OF TATUM BOULEVARD AND LOOP 101 FREEWAY, PHOENIX, ARIZONA

BENEFICIARY: PERMANENT COMMON SCHOOLS INDEMNITY SELECTION

PROPERTY INFORMATION:

(A) The complete legal description of Land Sale No. 53-122097 (the “Sale Parcel”) is available in its respective file.

(B) The Sale Parcel has been appraised at \$29,400,000.00 (“Appraised Value”).

(C) The Sale Parcel is subject to Arizona State Land Department Commercial Lease No. 03-105541-99 (the “Commercial Lease”) and is entirely built-out with 1.2 million SF of mixed-use, commercial, and retail space known as Desert Ridge Marketplace.

(D) There are no reimbursable improvements on the Sale Parcel. The Lessee under the Commercial Lease has, however, constructed improvements that may qualify for reimbursement under the Commercial Lease.

(E) The complete file associated with the above-described Sale Parcel is open to public inspection at the ASLD, 1110 West Washington 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 Real Estate Division of ASLD at (602) 542-3000. This auction notice is available on the ASLD's website at www.azland.gov.

BIDDING INFORMATION:

(A) Prior to the date of auction, a prospective bidder shall perform his/her own due diligence including, without limitation, researching the records of local jurisdictions, all ASLD files

pertinent to the auction and the Sale Parcel, including, without limitation, ASLD File Nos. 53-122097 and 03-105541-99, and files of all other public agencies regarding the Sale Parcel.

(B) On the date of auction, a prospective bidder or an authorized representative of a prospective bidder shall attend and bid on behalf of the prospective bidder.

(C) Prior to the start of bidding, the prospective bidder or an authorized representative of the prospective bidder shall, in the presence of a Land Department official, sign an affidavit agreeing that: (1) the prospective bidder has undertaken due diligence in preparation for the auction; (2) the prospective bidder is purchasing the Sale Parcel solely upon the basis of its own due diligence and investigation of the Sale Parcel and the Commercial Lease and not on the basis of any representation, express or implied, written or oral, made by ASLD or its agents or employees, except as set forth in writing herein; (3) the prospective bidder has carefully reviewed and is familiar with the terms of the Commercial Lease, including without limitation the Base Rent Schedule and the provisions providing for reimbursement for improvements; (4) the prospective bidder has obtained the legal and other expert advice necessary to assess the value of the Sale Parcel subject to the Commercial Lease; (5) the prospective bidder's representative is authorized to bid and bind the bidder; and (6) the prospective bidder is purchasing the Sale Parcel AS IS and subject to the Commercial Lease.

(D) Prior to the start of bidding, a prospective bidder must show ASLD's representative a **Cashier's Check** made payable to "Arizona State Land Department" in the amount specified under Terms of Sale Paragraph (F) below. If the prospective bidder is not the applicant, the amount of Cashier's Check shall be \$8,282,350.00. If the prospective bidder is the applicant, the amount of Cashier's Check shall be \$8,232,200.00.

(E) A prospective bidder who has complied with Paragraphs (A) through (D) above shall be deemed a "Registered Bidder" and may bid at the auction. ASLD shall only consider bids by Registered Bidders.

(F) The bidding will begin at the Appraised Value of \$29,400,000.00. A bid for less than the Appraised Value of the Sale Parcel will not be considered. Additional bidding must be made in increments of \$100,000.00. Bidding will be conducted orally.

(G) The time of declaration of the highest and best bid shall be deemed the "Time of Sale". A Registered Bidder whose bid is declared the highest and best bid shall be deemed the "Successful Bidder". The amount of the highest and best bid shall be deemed the "Sale Price".

(H) To comply with A.R.S. § 37-240(B), ASLD shall require that the Successful Bidder must be authorized to transact business in the State of Arizona no later than ten (10) business days after the date of the auction.

(I) Pursuant to A.R.S. § 37-241(C), in the event of forfeiture by the Successful Bidder, the ASLD Commissioner may declare that the bid placed before the final bid accepted is the highest bid, and that bidder has five (5) days after notification by ASLD to pay by cashier's check all amounts due under Terms of Sale Paragraph (F) below.

(J) Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the ADA Coordinator, at (602) 542-2629. Requests should be made as early as possible to allow time to arrange the accommodation.

TERMS OF SALE:

(A) The Sale Parcel shall be purchased in an "AS-IS" condition "WITH ALL FAULTS", with no representation or warranty being made by ASLD of any type or nature. ASLD makes no warranty as to the following: (i) the physical condition or any other aspect of the Sale Parcel, including, but not limited to, the uses to which the Sale Parcel may be put, the ability to construct additional improvements or modify existing improvements on any portion of the Sale Parcel or the ability to obtain building permits for any portion of the Sale Parcel, the conformity of the Sale Parcel to past, current or future applicable landscaping, parking, zoning or building code requirements, the existence of soil instability, past soil repairs, soil additions or conditions of soil fill, water retention characteristics of the Sale Parcel, drainage onto or off of the Sale Parcel, the location of the Sale Parcel either wholly or partially in a flood plain or a flood hazard boundary or similar area, or any other matter affecting the stability or integrity of the Sale Parcel or any improvements constituting the Sale Parcel; or (ii) the sufficiency of the Sale Parcel for purchaser's purposes or as to its continued operating conditions or usefulness. All implied warranties, including, without limitation, **WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE**, are hereby expressly disclaimed.

(B) The Sale Parcel is sold subject to Arizona State Land Department Commercial Lease No. 03-105541-99 as well as all existing reservations, easements, and rights of way. ASLD shall assign and the Successful Bidder shall assume, all rights and obligations of Lessor under the Commercial Lease. The form of the Assignment and Assumption of Ground Lease to be executed by the Successful Bidder is located in the purchase application file for Public Auction Sale No. 53-122097.

(C) ASLD does not represent or warrant that access exists over lands which may intervene respectively between the Sale Parcel and the nearest public roadway.

(D) Pursuant to A.R.S. § 37-231, the State of Arizona or its predecessor in title, reserve and retain all rights and all forms of access to all oil, gas, minerals, hydrocarbon substances and gaseous substances or any other material which is essential to the production of fissionable materials as provided by the rules and regulations of ASLD and the laws of Arizona.

(E) Immediately following the Time of Sale, the Successful Bidder must sign an affidavit which states without limitation that he/she is the Successful Bidder and the amount of the Sale Price.

(F) Immediately following the Time of Sale, the Successful Bidder shall pay the following to ASLD by a cashier's check:

- 1) 25% of the Appraised Value of the Sale Parcel, which is \$7,350,000.00;
- 2) A Selling and Administrative Fee of 3% of the Appraised Value of the Sale Parcel, which is \$882,000.00;
- 3) Estimated Reimbursable Legal Advertising Costs of \$5,000.00;

- 4) Reimbursable Appraisal Fee of \$4,500.00;
- 5) Estimated Reimbursable Costs and Expenses of \$40,650.00, a portion of which amount may be refunded to the Successful Bidder if the Successful Bidder is not the applicant and the Actual Reimbursable Costs and Expenses are lower; and
- 6) A Patent Fee of \$200.00.

The total amount due at the Time of Sale is \$8,282,350.00 (less \$50,150.00 if the Successful Bidder is the applicant, for a total amount due of \$8,232,200.00).

(G) Within thirty (30) days after the date of auction the Successful Bidder must pay:

- 1) The full balance of the Sale Price;
- 2) A Selling and Administrative Fee of 3% of the Sale Price, less the amount paid under Terms of Sale Paragraph (F)(2) above; and
- 3) The actual Legal Advertising Costs, less the amount paid under Terms of Sale Paragraph (F)(3) above.

(H) Upon payment of the full balance of the Sale Price, the Successful Bidder shall execute the Assignment and Assumption of Ground Lease.

(I) If the Successful Bidder fails to complete all payments as stated in this auction notice, the Successful Bidder shall forfeit all amounts paid, which amounts shall be deemed rent for the Sale Parcel pursuant to A.R.S. § 37-241(C)(1).

ADDITIONAL CONDITION(S):

The Patent for the Sale Parcel shall include the following conditions and restrictions:

There may be Register Eligible Site or Sites located within the subject property, which could include information significant in this state's history, architecture, archaeology or culture and may meet eligibility criteria which the Arizona State Parks Board has established for listing on the Arizona Register of Historic Places, or which meet eligibility criteria for listing on the National Register of Historic Places. If ground-disturbing activities will or may impact one or more Register Eligible Site or Sites, patentee shall consult with the State Historic Preservation Office and otherwise take such actions as are necessary to avoid, preserve, protect, or mitigate impacts on the Register Eligible Site or Sites. In the event that avoidance, preservation and protection of the Register Eligible Site or Sites cannot be accomplished, patentee shall ensure a Data Recovery Plan is developed in consultation with and acceptable to, the Arizona State Museum and the State Historic Preservation Office, or their successor agencies, and the Data Recovery is implemented and completed prior to the Register Eligible Site or Sites being affected. The artifacts and records recovered from the subject property shall be curated according to the Arizona State Museum Conservation and Curation Standards as established in rules implementing the Arizona Antiquities Act.

If human remains are encountered during ground-disturbing activities, all work must immediately cease within 30.48 meters (100 feet) of the discovery and the area must be secured. The Arizona State Museum must be notified of the discovery. All discoveries will be treated in accordance with Arizona Revised Statutes (A.R.S. § 41-844 and A.R.S. § 41-865) and work must not resume in this area without authorization from the Arizona State Museum.

These conditions shall run with the subject property, and be binding on the patentee's heirs, successors, and assigns.

BROKER INFORMATION:

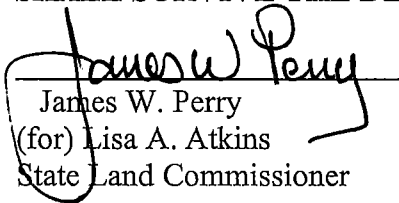
No real estate broker commission is offered for this sale. In the event the Successful Bidder has retained the services of a real estate broker, the Successful Bidder shall be solely responsible for compensating that broker.

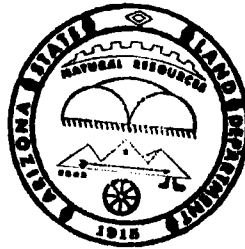
GENERAL INFORMATION:

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

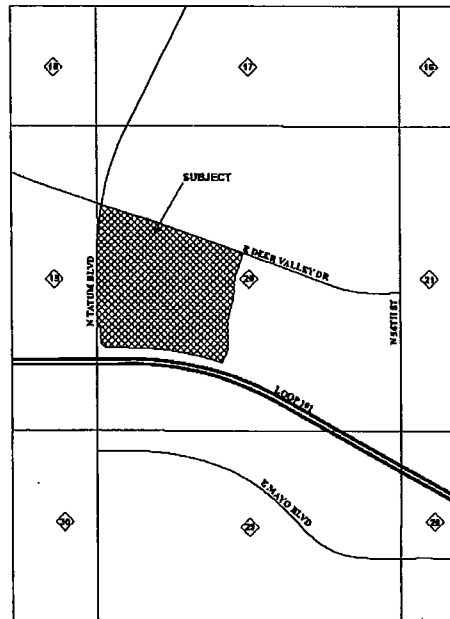
A protest to this sale must be filed within 30 days after the first day of publication of this announcement and in accordance with A.R.S. § 37-301.

THE TERMS AND CONDITIONS CONTAINED WITHIN THIS AUCTION NOTICE SHALL SURVIVE THE DELIVERY OF THE PATENT FOR THE SALE PARCEL.


James W. Perry
(for) Lisa A. Atkins
State Land Commissioner



9/29/22
Date



Disclaimer: This map is designed for general overview purposes only. Unless otherwise stated all depictions are approximate. Prospective bidders should review all information in ASLD's records relating to the Sale Parcel and seek technical or legal advice as needed to assure the

understanding of all legal descriptions, plat maps, surveys, and other documents relevant to the Sale Parcel. Contact ASLD, Real Estate Division at (602) 542-3000 for additional information.