

COMMERCIAL LEASE INSTRUCTIONS
(Please read all instructions carefully before filing an application.)

ATTENTION

Prior to filing a new application for a Commercial Lease, the State Land Department encourages you to contact the Department's Sales and Commercial Leasing Section at (602) 542-3000, to schedule a pre-application conference with a Commercial Lease Administrator, to address questions or concerns regarding the land you wish to lease, prior to the expenditure of the NON-REFUNDABLE filing fee. NOTE: A preliminary conference is suggested but not required to submit an application.

NON-REFUNDABLE FILING FEE must be submitted with your application:

NOTICE: If you are filing a renewal application and you fail to file the application prior to the lease expiration date, you forfeit any renewal rights you may have. You will be required to file a **NEW** application and pay the **NEW** filing fee if you wish to reapply to lease the property. **Failure to complete the entire lease application (including environmental questionnaire) and/or failure to provide adequate information as requested may result in rejection of the application. Filing of this application does not in any way obligate the Arizona State Land Department to approve the application.**

1. LEGAL DESCRIPTION:

A new application must contain the township, range, section, description, acreage and county where the land is located. (Example: T1N, R3E, Section 17, SWNW, 40 acres, Maricopa County.) If the intended parcel is irregular in shape or has a curved side, a certified land survey by a registered Arizona land surveyor may be requested prior to consideration of the application. For information regarding legal descriptions, you may contact our CADASTRAL and SURVEY REVIEW UNIT at (602) 542-2601.

2. LAND DEVELOPMENT:

If you intend to develop the land and place improvements, include a conceptual plan with the application. Before a lease is approved, a complete site plan will be required and State Land Department Development Plan guidelines may apply.

3. IMPROVEMENTS:

Approval of this application does not constitute approval of any improvements. An application to place improvements **must** be submitted to the Department after a lease is obtained and **PRIOR** to any grading or construction of the improvement(s). (Unless such approval is specifically contained in the executed lease)

Pursuant to A.R.S. § 37-321, lessee is not entitled to reimbursement for improvements that have not been authorized by prior written approval from the Department. Temporary or removable structures are not considered to be improvements under any circumstances.

4. APPRAISAL:

All Trust land transactions must be in accordance with the State's responsibility to receive appropriate return for the Trust's beneficiaries. Annual rental rates are based upon fair market rental value.

The Department may require or allow prepayment for the estimated cost of an appraisal required to establish fair market rental value.

5. PROCESSING TIME:

Your application requires adequate processing time. You will be contacted when your application has been approved, denied, or rejected. Depending on the complexity of the lease, a long-term lease (more than 10 years) must go to public auction and may take as long as 12 or more months to process. A short-term lease (less than 10 years) can take 6 months or more. Be advised that in order to properly evaluate the application, you may be required to provide additional information. This information may include, but not be limited to financial evaluations, rent comparables, engineering and registered land survey information, environmental assessments, archaeological surveys.

6. POWER OF ATTORNEY:

If you are acting as an Attorney in Fact for the applicant, you must submit a copy of your notarized Power of Attorney and a \$50.00 additional fee.

7. CONFLICTS:

Pursuant to A.R.S. §37-284(A) a conflicting application for an existing lease for a term of not more than ten years shall be filed at least two hundred seventy days but not more than one year before the expiration date on the lease. The conflicting application must be accompanied by a list of non-removable improvements on the leased lands on file with the department, including fences. The conflicting applicant must post a surety bond or other form of security in the amount of two thousand five hundred dollars or twenty per cent of the rental payments over the term of the current lease, whichever is greater. The department shall calculate the amount of the security within thirty days after receiving the conflicting application, and the conflicting applicant must post the security within thirty days after the department determines the amount. If the conflicting applicant is unsuccessful or withdraws the application, the department shall return the security to the applicant. If the conflicting applicant is successful, the security shall be applied against the value of the non-removable improvements.

For additional information call: Sales & Commercial Leasing Section at (602) 542-3000