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

PUBLIC AUCTION SALE NO. 53-119692 AND
PERPETUAL RIGHT OF WAY NOS. 16-121599 AND 16-121600

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, March 24, 2021, at the Arizona State Land Department, 1616 West Adams Street, Lower Level Auditorium, Phoenix, Arizona, or another location to be announced no less than seven (7) days prior to the auction, trust lands situated in Maricopa County to wit:

LAND SALE NO. 53-119692
TOWNSHIP 4 NORTH, RANGE 4 EAST, G&SRM, MARICOPA COUNTY, ARIZONA

PARCEL: PART OF TRACT 6 IN STATE PLAT 55 2ND AMD RECORDED IN BOOK 949 PAGE 50, SECTION 27, CONTAINING 24.047 ACRES, MORE OR LESS.

LOCATION: NEC OF 64TH STREET AND MAYO BOULEVARD, PHOENIX, ARIZONA

RIGHT OF WAY NO. 16-121599 (DRAINAGE CHANNEL)
TOWNSHIP 4 NORTH, RANGE 4 EAST, G&SRM, MARICOPA COUNTY, ARIZONA

PARCEL: M&B THRU TRACTS 1, D, GC3, IN STATE PLAT 55 2ND AMD, SECTION 15, CONTAINING 33.610 ACRES, MORE OR LESS.

PARCEL: M&B THRU TRACTS H, GC9, GC10, R3, IN STATE PLAT 55 2ND AMD, SECTION 22, CONTAINING 43.840 ACRES, MORE OR LESS.

PARCEL: M&B THRU TRACTS 3D1, P3, 3D2, 3C, 3B, GC14, IN STATE PLAT 55 2ND AMD, SECTION 27, CONTAINING 52.460 ACRES, MORE OR LESS.

Said perpetual easement contains a total of 129.910 acres, more or less.

The Rawhide Wash Drainage Channel perpetual easement is located within a 333.020 acre, more or less, "Study Area" as described in the Right of Way Grant as Exhibit A. Said perpetual easement location will be determined after the Auction Date and shall contain a total of no more than 129.910 acres, more or less, upon its final location, as evidenced by "as-built" construction drawings and legal descriptions.

RIGHT OF WAY NO. 16-121600 (PUBLIC ROAD & UNDERGROUND UTILITIES)
TOWNSHIP 4 NORTH, RANGE 4 EAST, G&SRM, MARICOPA COUNTY, ARIZONA

PARCEL: M&B THRU TRACTS A1, A2, C2, 6, IN STATE PLAT 55 2ND AMD, SECTION 27, CONTAINING 6.282 ACRES, MORE OR LESS.

PARCEL: M&B THRU TRACT 2 BLOCK 2 IN STATE PLAT 24 AMD BOOK 376 PAGE 26 MCR, SECTION 28, CONTAINING 6.348 ACRES, MORE OR LESS.

Said perpetual easement contains a total of 12.630 acres, more or less.

BENEFICIARY: PERMANENT COMMON SCHOOLS (INDEMNITY SELECTIONS)

PROPERTY INFORMATION:

(A) Complete legal descriptions of Land Sale No. 53-119692 (the "Sale Parcel"), Right of Way No. 16-121599 (Drainage Channel) and Right of Way No. 16-121600 (Public Road and Underground Utilities) (hereinafter, collectively, the "Subject Property") are available in their respective files.

(B) The Subject Property has been appraised at $18,800,000.00 ("Appraised Value").

(C) There are no reimbursable improvements on the Subject Property.

(D) The complete files associated with the described Subject Property are 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 Real Estate Division of ASLD at (602) 542-3000. This auction notice is available on the ASLD's web site 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 Subject Property including, without limitation, ASLD File Nos. 53-119692, 16-121599, and 16-121600, and files of all other public agencies regarding the Subject Property.

(B) On the date of auction, a prospective bidder, or a representative of a prospective bidder other than the registered broker/salesperson, if any, shall attend and bid on behalf of a prospective bidder.

(C) Prior to the start of bidding, a prospective bidder shall sign an affidavit agreeing that: they have undertaken due diligence in preparation for the auction; they are purchasing the Subject Property solely upon the basis of their own due diligence and investigation of the Subject Property 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; their representative is authorized to bid and bind the bidder; and they are purchasing the Subject Property AS IS.

(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. The amount of Cashier's Check shall be $2,506,370.00.

(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 $18,800,000.00. A bid for less than the Appraised Value of the Subject Property will not be considered. Additional bidding must be made in minimum increments of $100,000.00. Bidding will be conducted orally.

(G) The time of sale shall be deemed to be the time of declaration of the highest and best bid (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 Subject Property 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: (a) the physical condition or any other aspect of the Subject Property, including, but not limited to, the uses to which the Subject Property may be put, the ability to construct additional improvements or modify existing improvements on any portion of the Subject Property or the ability to obtain building permits for any portion of the Subject Property, the conformity of the Subject Property 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, susceptibility to landslides, sufficiency of undershoring, water retention characteristics of the Subject Property, drainage onto or off of the Subject Property, the location of the Subject Property 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 Subject Property or any improvements constituting the Subject Property; or (b) the sufficiency of the Subject Property 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 Subject Property is sold subject to existing reservations, easements and rights of way.

(C) ASLD does not represent or warrant that access exists over lands which may intervene respectively between the Subject Property 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) 10% of the Appraised Value of the Subject Property, which is $1,880,000.00;
2) A Selling and Administrative Fee of 3% of the Appraised Value of the Subject Property, which is $564,000.00;
3) Estimated Legal Advertising Costs, which are $5,000.00;
4) Reimbursable Appraisal Fees to ASLD, which are $6,500.00;
5) Estimated Reimbursable Costs and Expenses to ASLD of $48,870.00; and
6) Two (2) Right of Way Assignment Application Fees of $1,000.00 each, totaling $2,000.00.

The total amount due at the Time of Sale is $2,506,370.00.

(G) Immediately following the Time of Sale, the Successful Bidder shall notify ASLD which of the following financial terms the Successful Bidder elects:

1) "The Patent Option", which requires within thirty (30) days after the date of auction payment of the following:

a) The full balance of the Sale Price;
b) A Selling and Administrative Fee of 3% of the Sale Price, less the amount paid under Terms of Sale Paragraph (F)(2) above;
c) The actual Legal Advertising Costs, less the amount paid under Terms of Sale Paragraph (F)(3) above; and
d) A Patent Fee of $200.00; OR

2) "The Certificate of Purchase Option", which requires:

a) Within thirty (30) days after the date of auction payment of: (i) a Certificate of Purchase Fee of $1,000.00; (ii) payment of an additional amount, if any, which, when added to the amount paid under Paragraph (F)(1) above, equals 10% of the Sale Price to be allocated to the principal; (iii) payment of a Selling and Administrative Fee of 3% of the Sale Price, less the amount paid under Terms of Sale Paragraph (F)(2) above; and (iv) the actual Legal Advertising Costs, less the amount paid under Terms of Sale Paragraph (F)(3) above;
b) Pay the balance due for the Subject Property in five (5) equal amortized annual installments, with simple interest, which begins to accrue on the date of auction until paid in full at a fixed rate equal to the greater of (i) the United States Prime Rate as published in the *Wall Street Journal* on the day of auction, plus 1.25% or (ii) 6.25% [By way of example, if the foregoing rate were calculated as of December 29, 2020, the rate would equal the greater of: (i) the United States Prime Rate of 3.25%, plus 1.25% (4.50%) or (ii) 6.25%]; Each such annual installment shall be due on the anniversary of the auction date.

Pursuant to A.R.S. § 37-241(G), the Successful Bidder may discharge the entire debt at any time, within five (5) years after the auction date, by paying the final Patent Fee of $200.00 and the remaining balance of the Sale Price for the Sale Parcel, with interest thereon. **IF NOT SOONER PAID, THE ENTIRE REMAINING BALANCE OF THE SALE PRICE, WITH INTEREST THEREON, SHALL BE ALL DUE AND PAYABLE ON THE 5TH ANNIVERSARY OF THE AUCTION DATE.**

(H) Immediately following the Time of Sale, the Successful Bidder shall execute ASLD Assignment Applications to assign the Rawhide Wash Drainage Channel (Right of Way No. 16-121599) and Public Road and Underground Utilities (Right of Way No. 16-121600) to the City of Phoenix.

(I) The ASLD Commissioner has determined, pursuant to A.R.S. § 37-251(B), that no more than three (3) partial patents will be allowed for this transaction, that no partial patent shall be less than five (5) acres in size, and that a principal and interest payment shall be required for each partial patent takedown.

(J) The Commissioner has determined that no portion of the down payment, meaning the amounts paid toward the Sale Price in Terms of Sale (F) and (G)(2) above, shall be used towards the release payment for a partial patent.

(K) Until the remaining balance of the Sale Price for the Sale Parcel with interest thereon, is paid in full, the Successful Bidder who elects the Certificate of Purchase Option under Terms of Sale Paragraph (G)(2) above shall not, without prior written approval of ASLD in its sole discretion:

1) Construct any improvements (as that term is defined in A.R.S. § 37-101) on the Sale Parcel;
2) Disturb any soil on the Sale Parcel; or
3) Deposit any fill material on the Sale Parcel.

If a partial patent is issued by the ASLD for a portion of the Sale Parcel, these conditions shall not apply to the patented area.

(L) When and if a Certificate of Purchase or a Patent has been issued to the Successful Bidder by ASLD, a Broker Commission shall be paid from the Selling and Administrative Fee collected by ASLD pursuant to A.R.S.§ 37-107(B)(1) to a broker otherwise eligible to receive a commission under A.A.C. R12-5-413. **The Broker Commission shall be $180,000.00.** Any portion of the Selling and Administrative Fee collected in excess of a brokerage commission paid shall be collected and retained by ASLD.

(M) 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 Subject Property pursuant to A.R.S. § 37-241(C)(1).

ADDITIONAL CONDITION(S):

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

(1) A Historic Property, AZ U:5:33(ASM), exists on the subject property, which is identified in a cultural resources inventory report entitled ***A Cultural Resources Survey of 2,230 Acres of State Land in Northeastern Phoenix, Maricopa County, Arizona*** **(1993).** The State Historic Preservation Office has determined that site AZ U:5:33(ASM), also known as the Last Ditch Site, is eligible for inclusion on the Arizona Register of Historic Places and may

also meet eligibility criteria for listing on the National Register of Historic Places. The site has been subject to test excavations that are documented in a report titled ***Archaeological Testing Results and Treatment Plan for the Last Ditch Site, AZ U:5:33(ASM), Phoenix, Arizona* (2007).** The report includes a Historic Properties Treatment Plan for the significant subsurface deposits identified in the test excavations. The Historic Properties Treatment Plan includes a research design and a work plan for the data recovery fieldwork and the subsequent analysis, report preparation, and curation of project materials and collected artifacts, and has been reviewed and approved by the Arizona State Land Department and the State Historic Preservation Office. The report identifies eight areas within the subject property that will require additional data recovery excavations. These include the areas designated as Data Recovery Areas 7, 8, 9, 10, 11, 12, 14, and 15 in the report. Implementation of the Historic Properties Treatment Plan subject to review by the Arizona State Land Department, the State Historic Preservation Office, and the Corps of Engineers is a requirement of the Programmatic Agreement. Therefore, the permittee and any subsequent transferee or assignee of the Permit shall not cause, nor allow, any ground-disturbing activity within the boundaries of site AZ U:5:33(ASM), until the data recovery under the approved Historic Properties Treatment Plan is complete.

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.

(2) The subject property is within the Paradise Ridge Planning Area and subject to the stipulations of the ***Programmatic Agreement among the Los Angeles District, U.S. Army Corps of Engineers, Arizona State Land Department, and Arizona State Historic Preservation Office, Regarding the Paradise Ridge and Desert Ridge Planning Areas, City of Phoenix, Arizona* (executed June 11, 2009, amended June 7, 2020)** and ASLD's Individual 404 Permit for Paradise Ridge Project, Department of the Army, Permit No. 1999-16129-RWF, dated May 2, 2002, including all exhibits and special conditions attached thereto, and the related water quality certification, by the Arizona Department of Environmental Quality, dated October 12, 2001, as they may be amended and/or extended by ASLD. This agreement requires that adverse effects to identified Historic Properties be mitigated through the implementation of approved Historic Property Treatment Plans. Failure to implement the stipulated requirements of the Programmatic Agreement could lead the Corps of Engineers to revoke the permit issued for the Paradise Ridge Planning Area under the authority of Section 404 of the Clean Water Act (Permit No. SPL-1999-16129, issued June 26, 2004, amended July 9, 2009, and Feb. 4, 2016). These terms apply to the original permittee, the Arizona State Land Department, and to any subsequent transferee or assignee of the Permit.

(B) Prospective Bidders are advised that:

(1) The Successful Bidder shall sign all necessary transfer forms, pursuant to the Permit, upon the successful conclusion of the auction.

(2) The Successful Bidder or its assigns shall be responsible to construct, within Right of Way No. 16-121600, all public roadway, underground utility and related improvements required by the City of Phoenix for Successful Bidder's development of the property. The aforementioned construction shall be completed within two (2) years from the date of sale, unless extended by the Commissioner in his/her sole and absolute discretion.

BROKER INFORMATION:

In the event a prospective bidder is represented by a licensed Arizona Real Estate Broker or Salesperson seeking a broker commission pursuant to A.R.S.§ 37-132(B)(2), it is the responsibility of both the prospective bidder and the designated broker to register with ASLD no later than three (3) business days prior to the date of auction. Registration must be submitted on the ASLD's Broker Registration/Bidder Certification form in accordance with A.A.C. R12-5-413. Original signatures of the Designated Broker, Salesperson, and Potential Bidder must all appear on one form. Facsimile copies will not be accepted by ASLD. The broker or salesperson of the Successful Bidder who has so registered with ASLD for this Auction will be required to sign an affidavit that the broker or salesperson is licensed pursuant to A.R.S. § 32-2101, et. seq., identifies his/her client as the Successful Bidder, attests the broker or salesperson has no other affiliation with the Successful Bidder other than as a procuring broker or salesperson, and that the broker or salesperson actually procured the Successful Bidder for this Auction. **Broker Registration forms will not be accepted by ASLD for Public Auction No. 53-119692 after 5:00 p.m. on Friday, March 19, 2021.**

GENERAL INFORMATION:

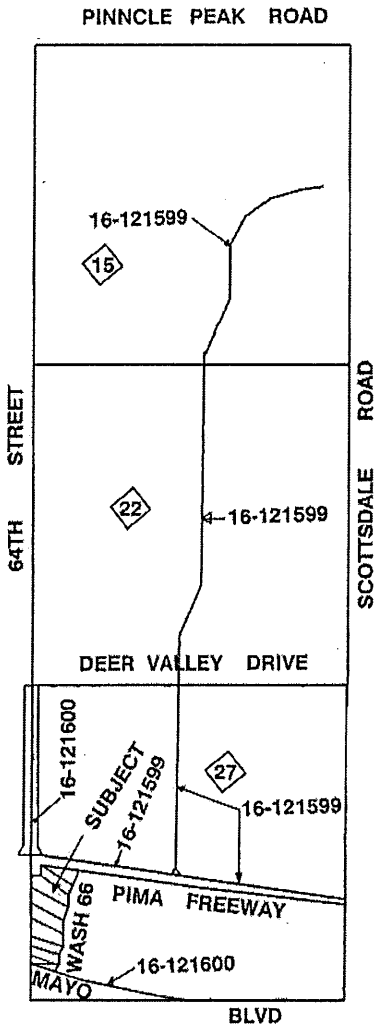
ASLD may cancel this auction in whole or in part at any time prior to the acceptance of a final bid.

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 CERTIFICATE OF PURCHASE AND PATENT FOR THE SUBJECT PROPERTY.

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

12/31/2020
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 Subject Property 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 Subject Property. Contact ASLD, Real Estate Division at (602) 542-3000 for additional information.