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

PUBLIC AUCTION SALE NO. 53-121010

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, August 18, 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:

TOWNSHIP 1 NORTH, RANGE 7 EAST, G&SRM, MARICOPA COUNTY, ARIZONA

PARCEL: M&B IN NW LYING NORTH OF HWY. 60, SECTION 36, CONTAINING 64.559 ACRES, MORE OR LESS.

LOCATION: SEC OF SIGNAL BUTTE RD. AND SOUTHERN AVE., SOUTH AND EAST OF MESA, ARIZONA

BENEFICIARY: PERMANENT COMMON SCHOOLS

PROPERTY INFORMATION:
(A) The complete legal description of Land Sale No. 53-121010 (the "Sale Parcel") is available in its respective file.

(B) The Sale Parcel has been appraised at $10,545,000.00 ("Appraised Value").

(C) There are no reimbursable improvements on the Sale Parcel.

(D) The complete file associated with the above-described Sale Parcel 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 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 Sale Parcel including, without limitation, ASLD File No. 53-121010, and files of all other public agencies regarding the Sale Parcel.

(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 Sale Parcel solely upon the basis of their own due diligence and investigation of the Sale Parcel 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 Sale Parcel 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. If the prospective bidder is not the applicant, the amount of Cashier's Check shall be $2,477,745.00. If the prospective bidder is the applicant, the amount of Cashier's Check shall be $2,425,350.00.

(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 $10,545,000.00. A bid for less than the Appraised Value of the Sale Parcel 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 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, susceptibility to landslides, sufficiency of undershoring, 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 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 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) 20% of the Appraised Value of the Sale Parcel, which is $2,109,000.00;
2) A Selling and Administrative Fee of 3% of the Appraised Value of the Sale Parcel, which is $316,350.00;
3) Estimated Reimbursable Legal Advertising Costs, which are $5,000.00;
4) Reimbursable Appraisal Fee, which is $2,395.00; and
5) Estimated Reimbursable Costs and Expenses of $45,000.00, 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.

The total amount due at the Time of Sale is $2,477,745.00 (less $52,395.00 if the Successful Bidder is the applicant, for a total amount due of $2,425,350.00).

(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 20% 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; and

b) Pay the balance due for the Sale Parcel in equal amortized annual installments, amortized over a 25 year period, 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 0.75% or (ii) 5.75% [By way of example, if the foregoing rate were calculated as of May 14, 2021, the rate would equal the greater of: (i) the United States Prime Rate of 3.25%, plus 0.75% (4.00%) or (ii) 5.75%]. 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 three (3) 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 3RD ANNIVERSARY OF THE AUCTION DATE.**

(H) The ASLD Commissioner has determined, pursuant to A.R.S. § 37-251(B), that no more than one (1) partial patent will be allowed for this transaction, that the partial patent shall not be less than twenty (20) acres in size, and that a principal and interest payment shall be required for the partial patent takedown.

(I) 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.

(J) 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:

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

<u>without the prior written approval of ASLD, which may be conditioned or withheld in its sole discretion. If a partial patent is issued for a portion of the Sale Parcel, these conditions shall not apply to the patented area.</u>

(K) 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 $100,000.00.** Any portion of the Selling and Administrative Fee collected in excess of a brokerage commission paid shall be collected and retained by ASLD.

(L) 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:
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. 53-121010 after 5:00 p.m. on Friday, August 13, 2021.**

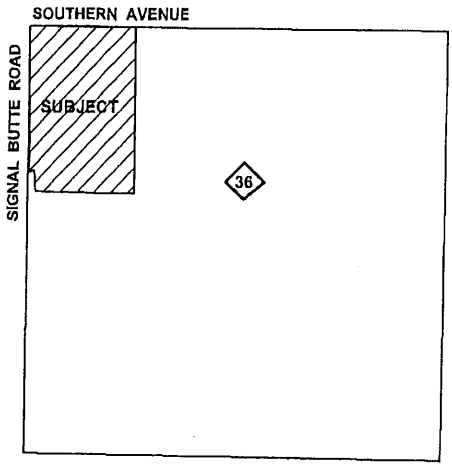
GENERAL INFORMATION:
ASLD may cancel this auction in whole or in part at any time prior to the acceptance of a final bid.

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 SALE PARCEL.

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

5/25/21
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.