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

PUBLIC AUCTION SALE NO. 53-121775

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 Tuesday, March 30, 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 4 NORTH, RANGE 3 EAST, G&SRM, MARICOPA COUNTY, ARIZONA

PARCEL A: LOT 3; N2SE; NESW, SECTION 7, CONTAINING 165.25 ACRES, MORE OR LESS.

LOCATION: SEC OF 19TH AVENUE AND ALAMEDA ROAD, PHOENIX, ARIZONA

PARCEL B: M&B IN NWNW, SECTION 17, CONTAINING 24.59 ACRES, MORE OR LESS.

LOCATION: SEC OF 7TH AVENUE AND PINNACLE PEAK ROAD, PHOENIX, ARIZONA

PARCEL C: M&B IN NENW, SECTION 17, CONTAINING 33.95 ACRES, MORE OR LESS

LOCATION: EAST OF THE SEC OF 7TH AVENUE AND PINNACLE PEAK ROAD, PHOENIX, ARIZONA

TOTAL ACRES CONTAINING 223.79 ACRES, MORE OR LESS.

BENEFICIARY: PERMANENT COMMON SCHOOLS (INDEMNITY SELECTIONS)

PROPERTY INFORMATION:
(A) The complete legal description of Land Sale No. 53-121775 (the "Sale Parcel") is available in its respective file.

(B) The Sale Parcel has been appraised at $55,080,000.00 ("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 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 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. 53-121775, and files of all other public agencies regarding the Sale Parcel.

(B) 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.

(C) 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 of $7,261,635.00 as specified under Terms of Sale Paragraph (F) below.

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

(E) The auction will be a live, open auction using oral bidding with paddles. 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.

(F) The bidding will begin at the Appraised Value of $55,080,000.00. A bid for less than the Appraised Value will not be considered. Additional bidding must be made in minimum increments of $100,000.00.

(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 the Successful Bidder does not complete the requirements of Terms of Sale Paragraphs (F) and (G) below, the ASLD Commissioner may declare that the bid placed before the final bid at auction is accepted as the highest bid and that bid shall be deemed the "Sale Price." Its bidder shall be deemed the Successful Bidder and shall have five (5) days after notification by ASLD to pay by cashier's check all amounts due under Terms of Sale Paragraph (F) below.

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: (a) 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 (b) 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) 10% of the Appraised Value of the Sale Parcel, which is $5,508,000.00;
2) A Selling and Administrative Fee of 3% of the Appraised Value of the Sale Parcel, which is $1,652,400.00;
3) Estimated Legal Advertising Costs, which are $5,000.00;
4) Reimbursable Appraisal Fee to ASLD, which is $10,000.00; and
5) Reimbursable Costs and Expenses to ASLD, which are $86,235.00.

The total amount due at the Time of Sale is $7,261,635.00.

(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 of the amounts due for the Sale Parcel, 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 January 8, 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%].

c) Within three (3) years after the date of auction, the Successful Bidder must pay —

(1) All principal and interest due on the remaining balance of the Sale Price;

(2) A Patent Fee of $200.00.

The Successful Bidder may discharge the entire debt at any time, within three (3) years after the auction date, per A.R.S. § 37-241(G), by paying the remaining balance of the Sale Price for the Sale Parcel, with interest thereon.

(H) The ASLD Commissioner has determined, pursuant to A.R.S. § 37-251(B), that no more than five (5) partial patents will be allowed for this transaction. A Patent Fee of $200.00 shall be paid for each partial patent. The Successful Bidder may elect to take partial patent(s) for any combination of the Parcels as follows:

1) All of Parcel B; and/or

2) All of Parcel C; and/or

3) All of Parcel A, or portions of Parcel A consisting of not less than 40 acres per partial patent. No more than three (3) partial patents will be allowed for Parcel A. The initial partial patent of less than all of Parcel A shall be adjacent to either the Eastern boundary of Parcel A or the Western boundary of Parcel A. The second partial patent of Parcel A, if any, may be adjacent to the opposite (Eastern or Western) boundary of Parcel A from the initial partial patent. The third partial patent of Parcel A, if any, shall be contiguous with a previously partially patented area.

The Successful bidder shall complete any and all infrastructure improvements required by the City of Phoenix for development of Parcel A. In the event that Successful Bidder elects to take an initial partial patent for less than all of Parcel A, Successful Bidder shall provide to ASLD a performance bond in the full amount of the estimated cost, approved by ASLD, to complete all required infrastructure before any partial patent is issued for Parcel A.

(I) The Commissioner has determined that the down payment, meaning the amounts paid toward the Sale Price in Terms of Sale (F) and (G)(2) above, may be applied towards the release payment for any partial patent at Successful Bidder's election. The release price per acre for any partial patent shall be the Sale Price divided by 223.79 ("par") multiplied by 1.01, plus interest accrued on that amount. If the Successful Bidder determines that any of Parcels A, B or C are not needed for its' business purpose, the Successful Bidder may elect, without penalty, to relinquish those

Parcels not needed. The area of the relinquished Parcel(s) shall be deleted from Successful Bidder's Certificate of Purchase by an amendment executed by both ASLD and Successful Bidder.

(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, 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 Department for a portion of the Sale Parcel, these conditions shall not apply to the patented area.

(K) 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:

The Commissioner has determined that ASLD shall not pay to any real estate broker a real estate commission. In the event the Successful Bidder has retained the services of a real estate broker, the Successful Bidder shall be solely responsible for compensating its broker.

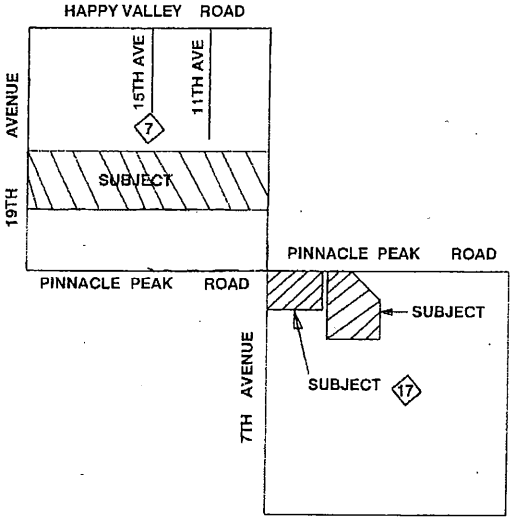
GENERAL INFORMATION:
ASLD may cancel this auction in whole or in part at any time prior to the acceptance of a final bid.

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 CERTIFICATE OF PURCHASE AND PATENT FOR THE SALE PARCEL.

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

01/08/2021
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.