

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

PUBLIC AUCTION SALE NO. 53-121917

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 10:00 a.m. on Monday, January 10, 2022, 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 2 NORTH, RANGE 2 WEST, G&SRM, MARICOPA COUNTY, ARIZONA

PARCEL: SE; M&B THRU N2; SW, SECTION 27, CONTAINING 616.56 ACRES, MORE OR LESS.

PARCEL: N2; SW, SECTION 34, CONTAINING 480.70 ACRES, MORE OR LESS.

TOTAL CONTAINING 1,097.26 ACRES, MORE OR LESS.

LOCATION: NEC OF PERRYVILLE RD. & MCDOWELL RD., GOODYEAR, ARIZONA

**BENEFICIARIES: PENITENTIARY LAND FUND;
PERMANENT COMMON SCHOOLS (INDEMNITY SELECTIONS)**

PROPERTY INFORMATION:

(A) The complete legal description of Land Sale No. 53-121917 (the “Sale Parcel”) is available in its respective file.

(B) The Sale Parcel has been appraised at \$127,708,000.00 (“Appraised Value”). The appraised value of the improvements is \$2,211,400.00. The owner of the improvements is Duncan Family Farms, LLC. A complete list of the improvements is available for viewing at ASLD.

(C) The Sale Parcel is sold subject to ASLD Commercial Lease No. 03-122697 by and between the State of Arizona as Lessor and Duncan Family Farms, LLC as Lessee (the “Lease”).

(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 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, the Sale Parcel, and the Lease, including, without limitation, ASLD File Nos. 53-121917 and 03-122697, and files of all other public agencies regarding the Sale Parcel and the Lease.

(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, a prospective bidder shall sign an affidavit agreeing that: (1) they have undertaken due diligence in preparation for the auction; (2) they are purchasing the Sale Parcel solely upon the basis of their own due diligence and investigation of the Sale Parcel and the Lease and not on the basis of any representation, express or implied, written or oral, made by ASLD or its agents or employees; (3) they have carefully reviewed and are familiar with the terms of the Lease, including without limitation Article 4 Rent; (4) they have obtained the legal and expert advice necessary to assess the value of the Sale Parcel subject to the Lease; (5) they are authorized to bid and bind the bidder; and (6) they are purchasing the Sale Parcel AS IS and subject to the Lease.

(D) Prior to the start of bidding, a prospective bidder must show ASLD's representative a **Cashier's Check** or other form of payment pre-approved by the ASLD Commissioner, made payable to "Arizona State Land Department" in the amount specified under Terms of Sale Paragraph (F) below. The funds due on the date of auction shall be \$38,185,317.00. If the prospective bidder is the owner of improvements, the funds due on the date of auction shall be \$35,973,917.00.

(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 \$127,708,000.00. 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 or other form of payment pre-approved by the ASLD Commissioner, 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 the Lease and existing reservations, easements and rights of way. ASLD shall assign, and the Successful Bidder shall assume, all rights and obligations of Lessor under the Lease. The form of Assignment and Assumption of Lease to be executed by the Successful Bidder is located in the purchase application file for Public Auction Sale No. 53-121917.

(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 or other form of payment pre-approved by the ASLD Commissioner:

- 1) 25% of the Appraised Value of the Sale Parcel, which is \$31,927,000.00;
- 2) A Selling and Administrative Fee of 3% of the Appraised Value of the Sale Parcel, which is \$3,831,240.00;
- 3) The Appraised Value of the Improvements, which is \$2,211,400.00;
- 4) A Selling and Administrative Fee of 3% of the Appraised Value of the Improvements, which is \$66,342.00;
- 5) Estimated Legal Advertising Costs, which are \$5,000.00;
- 6) Reimbursable Appraisal Fee to ASLD, which is \$15,000.00;
- 7) Reimbursable Costs and Expenses to ASLD, which are \$69,135.00;
- 8) Reimbursable Planning & Zoning Expenses to ASLD, which are \$60,000.00; and
- 9) A Patent Fee of \$200.00.

The total amount due at the Time of Sale is \$38,185,317.00 (less \$2,211,400.00 if the Successful Bidder is the owner of the improvements, for a total amount due of \$35,973,917.00.

(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)(5) above.

(H) 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):

(A) The Patent for the Sale Parcel shall be subject to Arizona State Land Department Commercial Lease No. 03-122697 between ASLD as Lessor and Duncan Family Farms, LLC as Lessee. The Successful Bidder assumes all rights and obligations of Lessor thereunder.

(B) 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 Historic Properties Treatment Plan is developed in consultation with and acceptable to, the Arizona State Land Department, the Arizona State Museum and the State Historic Preservation Office, or their successor agencies, and that this plan 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 any additional archaeological, paleontological, or historical site or object, or human remains or funerary object that is at least fifty years old 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:

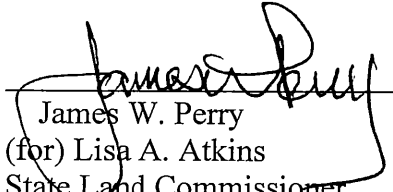
In the event the Successful Bidder has retained the services of a real estate broker, the Successful Bidder shall be solely responsible for compensating that broker.

GENERAL INFORMATION:

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

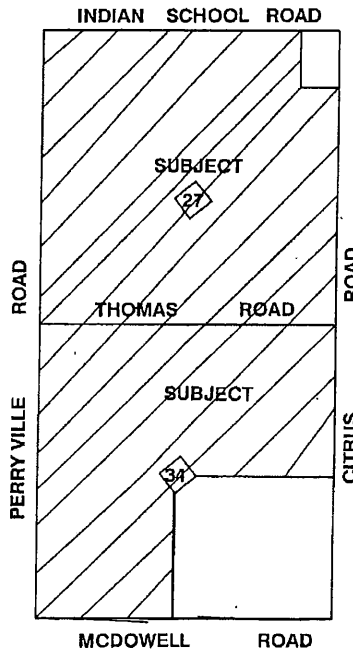
A protest to this sale must be filed within 30 days after the first day of publication of this announcement and in accordance with A.R.S: § 37-301.

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



10/20/2021
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.