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

PUBLIC AUCTION SALE NO. 53-121947

Pursuant to A.R.S. Title 37, notice is hereby given that the State of Arizona through its Arizona State Land Department ("ASLD"), will accept sealed bid packages on the "Bid Submission Date", Wednesday, June 2, 2021, at 1:00 p.m., and will sell at Public Auction to the highest and best bidder on the Auction Date (defined below), at the Arizona State Land Department, 1616 West Adams Street, Lower Level Auditorium, Phoenix, Arizona (the "Place of Auction"), 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 4 EAST, G&SRM, MARICOPA COUNTY, ARIZONA

PARCEL: M&B IN TRACT 3 BLOCK 5, IN STATE PLAT 24 AMD, BOOK 376, PAGE 26, SECTION 20, CONTAINING 104.90 ACRES, MORE OR LESS.

LOCATION: SWC OF DEER VALLEY ROAD AND 56TH STREET, PHOENIX, ARIZONA

BENEFICIARY: PERMANENT COMMON SCHOOLS (INDEMNITY SELECTIONS)

PROPERTY INFORMATION:

(A) A complete legal description and depiction of Land Sale No. 53-121947 (the "Sale Parcel") is located in its purchase application file. ASLD reserves the right to make minor corrections to the legal description which do not reduce the size of the Sale Parcel up to the Bid Submission Date.

(B) The Sale Parcel has been appraised at $10,000,000.00 ("Appraised Value").

(C) The Sale Parcel is sold subject to ASLD Long Term Commercial Lease No. 03-52415 by and between the State of Arizona as Lessor and CPF Vaseo Associates, LLC as Lessee (the "Core Lease"). The term of the Core Lease expires on July 6, 2092.

(D) There are no improvements on the Sale Parcel that require reimbursement at the Auction. The Lessee under the Core Lease has, however, constructed improvements that may qualify for reimbursement under the Core Lease.

(E) The complete files associated with the described Sale Parcel 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 website at ***www.azland.gov.***

BIDDING INFORMATION:

(A) Prior to the Bid Submission Date, 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 Core Lease including without limitation ASLD File Nos. 53-121947 and 03-52415, and files of all other public agencies regarding the Sale Parcel and the Core Lease.

(B) On the Bid Submission Date, a prospective bidder or an authorized representative of a prospective bidder, other than a broker/salesperson, shall appear at the Place of Auction and submit a sealed bid on behalf of a prospective bidder.

(C) Prior to submission of the prospective bidder's sealed bid, the prospective bidder or an authorized representative of the prospective bidder shall, in the presence of a Land Department official, sign an affidavit agreeing that: (1) the prospective bidder has undertaken due diligence in preparation for the auction; (2) the prospective bidder is purchasing the Sale Parcel solely upon the basis of its own due diligence and investigation of the Sale Parcel and the Core Lease and not on the basis of any representation, express or implied, written or oral, made by ASLD or its agents or employees; (3) the prospective bidder has carefully reviewed and is familiar with the terms of the Core Lease including without limitation the Base Rent Schedule and Section 9.7, Reimbursement for Improvements; (4) the prospective bidder has obtained the legal and other expert advice necessary to assess the value of the Sale Parcel subject to the Core Lease; (5) the prospective bidder's representative is authorized to bid and bind the bidder; and (6) the prospective bidder is purchasing the Sale Parcel AS IS and subject to the Core Lease.

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

(E) A Registered Bidder shall submit its bid by delivering a bid package in a sealed envelope to ASLD's auctioneer on the Bid Submission Date, at the time indicated, at the Place of Auction. The Registered Bidder's bid package shall contain the following:

1) The Registered Bidder's **highest and best cash bid** for the Sale Parcel. The minimum cash bid for the Sale Parcel is the Appraised Value of $10,000,000.00. A bid package containing a cash bid in an amount less than the Appraised Value will not be considered.

2) A **Cashier's Check(s)** made payable to "Arizona State Land Department" in an amount equal to the sum of the following:

a) 25% of the Registered Bidder's cash bid for the Sale Parcel;

b) A Selling and Administrative Fee in the amount of 3% of the Registered Bidder's cash bid for the Sale Parcel;

c) Estimated Legal Advertising Costs, which are $5,000.00; and

d) Reimbursable Appraisal Fee to ASLD, which is $10,000.00.

3) At the option of the Registered Bidder, and in addition to the cash bid, **a bid of non-cash consideration** in the form of real property rights, which rights must pertain to real property currently served by municipal services, located within the City of Phoenix or City of Scottsdale, and lying north of the Central Arizona Project canal (the "Designated Area") and which rights will increase the revenue expected to be derived from State Trust land held in

trust for the benefit of the beneficiary indicated above. The Registered Bidder may submit a valuation analysis in order to assist the State Land Commissioner (the "Commissioner") to assess the value of the non-cash consideration offered, which analysis the Commissioner may consider to the extent she finds it of assistance in the exercise of her fiduciary obligation to the Trust. The Registered Bidder must submit evidence that all documents necessary to transfer the offered property rights have been executed and deposited with an Escrow Agent with instructions to release the documents to ASLD if the Registered Bidder is named the Successful Bidder (as defined below) and completes the payments required under Terms of Sale Paragraph (F) below. ASLD will consider bid packages that do not include non-cash consideration.

(F) Following submissions of the bids on the Bid Submission Date:

1) If only one Registered Bidder submits a bid, ASLD shall give notice, and shall also post on ASLD's website, ***www.azland.gov***, that that the "Auction Date" shall be seven (7) calendar days following the Bid Submission Date (or on the first business day thereafter if the 7th day following the Bid Submission Date falls on legal holiday) at 1:00 p.m. at the Place of Auction, which shall be the date on which ASLD shall announce whether the Registered Bidder's bid satisfies the bid requirements detailed in this Auction Notice and, if so, shall declare that the Registered Bidder is the Successful Bidder. During the seven (7) calendar days after the Bid Submission Date, ASLD shall ensure that any bid of non-cash consideration located within the Designated Area benefits State Trust land held in trust for the benefit of the beneficiary indicated above and that the proffered documentation is sufficient to convey the property rights offered. ASLD, in its sole discretion and in the best interest of the Trust, may contact the Registered Bidder to request clarification or additional documentation to support the offer of non-cash consideration or may request elimination of terms of the offer that do not benefit the beneficiary.

2) If more than one Registered Bidder submits a bid, ASLD shall give notice, and shall also post on ASLD's website, ***www.azland.gov***, that the "Auction Date" shall be twenty-one (21) calendar days following the Bid Submission Date (or on the first business day thereafter if the 21st day following the Bid Submission Date falls on legal holiday) at 1:00 p.m. at the Place of Auction. During the twenty-one (21) calendar days after the Bid Submission Date, ASLD shall value the benefit to the beneficiary of any non-cash consideration bid and shall determine if the proffered documentation is sufficient to convey the property rights offered. ASLD, in its sole discretion and in the best interest of the Trust, may contact one or more of the Registered Bidders to request clarification or additional documentation to support that Registered Bidder's offer of non-cash consideration or may request elimination of terms of the Registered Bidder's offer that do not benefit the beneficiary. On the Auction Date, ASLD may:

a) Adjourn the auction and announce the future date and time upon which the auction shall be reconvened, for instance if ASLD is unable to complete its assessment of the value of the non-cash consideration offered; or

b) Announce the Successful Bidder, who shall be the Registered Bidder whose bid of cash and non-cash consideration is of greater monetary value to the Trust beneficiary than that of any other Registered Bidder; or

c) Announce, in the Commissioner's sole discretion in the exercise of her fiduciary obligation to the Trust and in the interests of maximizing return to the Trust, that the Successful Bidder shall be determined by live, oral public auction to be held immediately. It shall be presumed to be in the best interest of the Trust to hold a live auction among all Registered Bidders whose sealed bid is valued within twenty percent (20%) of the highest bid, although the Commissioner in her discretion may include a greater range of bidders. Prior to the live auction, ASLD shall announce the Registered Bidders whose bids qualify them for the live auction (the "Qualified Registered Bidders") and the monetary valuation ascribed to each Qualified Registered Bidder's bid. Bidding will begin at an amount $100,000.00 greater than the highest Qualified Registered Bidder's valuation. A Qualified Registered Bidder must bid additional cash so that that Bidder's total valuation meets or exceeds the necessary bid amount. Additional bidding must be made in minimum increments of $100,000.00. The Qualified Registered Bidder whose total valuation is declared the highest and best bid shall be deemed the "Successful Bidder".

(G) ASLD may appoint outside consultants to assist it in the assessment and valuation of bids of non-cash consideration.

(H) To comply with A.R.S. § 37-240(B), the Successful Bidder must be authorized to transact business in the State of Arizona no later than ten (10) business days after the Auction Date.

(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 any matter or condition related to the Sale Parcel including the following: (a) the physical condition or any other aspect of the Sale Parcel, including, without limitation, the uses to which the Sale Parcel may be put, access to the Sale Parcel, the availability of zoning suitable for any intended use of the Sale Parcel, the ability to construct 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 excavation or fill conditions, 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 thereon; or (b) the sufficiency of the Sale Parcel for Successful Bidder'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 Core 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 Core Lease. The form of the Assignment and Assumption of Lease to be executed by the Successful Bidder is located in the purchase application file for Public Auction Sale No. 53-121947.

(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) On the Auction Date, 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" which shall equal the cash amount of the Successful Bidder's bid.

(F) Within thirty (30) calendar days after the Auction Date, the Successful Bidder will pay:

1) The Full Balance of the Sale Price;

2) The balance of the Selling and Administrative Fee in the amount of 3% of the Sale Price, less the amount paid pursuant to Bidding Information Paragraph (E)(2)(b) above;

3) The actual Legal Advertising Costs, less the amount paid pursuant to Bidding Information Paragraph (E)(2)(c) above; and

4) A Patent Fee of $200.00.

(G) Within thirty (30) calendar days after the Auction Date, the Successful Bidder will convey any real property rights included in the non-cash consideration and, if applicable, provide documentation transferring and/or assigning any non-cash property rights or interests to ASLD in accordance with applicable law.

(H) THE ENTIRE SALE PRICE, TOGETHER WITH THE AMOUNTS SPECIFIED IN (F) ABOVE, SHALL BE DUE WITHIN 30 DAYS OF THE DATE OF AUCTION.

(I) If the Successful Bidder fails to complete all payments as stated in this auction notice, the Successful Bidder shall forfeit all cash 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 that Arizona State Land Department Long Term Commercial Lease No. 03-52415 between ASLD as Lessor and CPF Vaseo Associates, LLC as Lessee. The Successful Bidder shall assume all rights and obligations of the Lessor thereunder pursuant to Terms of Sale Paragraph (B) above.

(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:

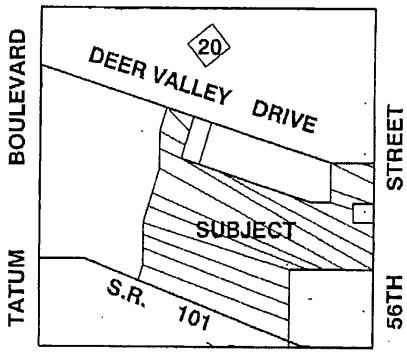
ASLD may cancel or postpone this auction in whole or in part at any time prior to the acceptance of a final bid.

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

3/11/21
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.