IMPORTANT INSTRUCTIONS TO BIDDERS

This Important Instruction to Bidders is subject to the terms of the Invitation for Bid (IFB) including Property Description(s), ADOA Lease, Important Instructions to Bidders, Bidder Registration and Bid Form For Lease of Real Property, Credit and Reference Check Consent Form, Exhibits, and any associated amendments to the IFB, all of which are incorporated into the IFB by reference, and made a part of hereof, and as may be modified and supplemented by any addenda or amendments that may be issued by the State prior to the conclusion of the public auction.

1. LEASE OFFERING

The lease of the Premises will be by public auction via a multi-step sealed bid process.

2. START DATE

The State will accept sealed bids beginning, February 4, 2011 at 8:00 a.m. U.S. Mountain Standard Time. Bidders must legibly print "14 NORTH 18TH AVENUE, PHOENIX, AZ" on the exterior of the sealed bid. Sealed bids must be mailed or hand delivered to the following address:

Arizona Department of Administration
State Procurement Office
100 North 15th Avenue, Suite 104
Phoenix, AZ 85007

3. TYPE OF LEASE

The lease will be a Triple Net Lease (NNN). The successful bidder is responsible for all operating expenses, including, but not limited to: taxes; janitorial services, utilities, insurance, routine repair and maintenance; and major maintenance and replacement of building equipment and building systems.

4. TYPE OF BID

This will be a multi-step bid process. The original bid will be subject to negotiation with ADOA. At the conclusion of the thirty (30) day negotiation period, bidders will submit a second bid. This bid will be the bidders best and final offer and will be binding.

5. MINIMUM OPENING BID

The minimum opening bid for the lease of the Premises is Negotiable NNN/RSF. ADOA will work with qualifying bidders to negotiate a final NNN/RSF rate to be submitted in a second, and final bid.

The State reserves the right to reject any and all bids, in its sole and unfettered discretion.

6. BINDING OFFER

Bidders agree that original bids are subject to negotiation with ADOA and final bids are binding offers. Subject to any applicable terms and conditions, a Bidder's offer is legally binding once the Bidder submitting a bid signs and delivers the "Bidder Registration and Bid Form for Lease of Real Property" form for the property advertised in this IFB.

7. BID PROCESS

An interested bidder must complete and sign the "Bidder Registration and Bid Form for Lease of Real Property" located online at http://gsd.azdoa.gov.

Bidders must submit the "Bidder Registration and Bid Form for Lease of Real Property" accompanying this IFB. All information and certification requested therein must be provided. Bidder registration and bids submitted that fail to furnish all information and/or certifications required may be rejected without clarification by the State. The "Bidder Registration and Bid Form for Lease of Real Property" must be filled out legibly. The person signing the "Bidder Registration and Bid Form for Lease of Real Property" must initial all erasures, strikeovers, and corrections.

The "Bidder Registration and Bid Form for Lease of Real Property" must be signed and dated with the name of the signer printed legibly underneath.

It is the responsibility of the bidder to register and submit a bid prior to the bid opening date and time. The State is not responsible for delays in mail delivery. The State is not responsible if the telephone number listed by the bidder is inoperable or incorrect.

The State makes no representation or guarantee any additional assistance or time will be provided to complete the registration process.

The State will reject bids with contingencies.

The State reserves the right to terminate the auction for any reason without award and start a new auction at any time. The State may suspend an auction at any time.

All bidders are advised of the following timeline related conditions, requirements, and limitations associated with bidding. Upon submission and acceptance of a bid, bidders acknowledge and agree once bids are open and a conditional award is made, the transaction must be reviewed by the Joint Committee on Capital Review (JCCR), a 14-member legislative committee that requires a quorum to render a final recommendation and one that meets exclusively on a contingency basis as the members deem necessary (A.R.S. § 41-1251). Consequently, bidders must (a) take into account their requirements for flexibility regarding financing, timing, limits, opportunity windows, and similar measures that might negatively affect terms and commitments that are time-sensitive and (b) ensure appropriate alternative measures are in place.

8. CREDIT CHECK; REFERENCES; SECURITY

Bidders must consent to credit check. Bidders must sign the Credit and Reference Check Consent Form – Information Disclosure and return the document as a part of

the bid package submittal. The State's check of a bidder's credit and references shall not constitute acceptance of the bidder's offer.

Bidders must provide two (2) verifiable letters of reference.
The state reserves the right to request one or more forms of security, including, but not limited to, security deposit which might or might not have "right of early return," letter of credit, promissory note, or personal or corporate guarantee.

9. BID OPENING

The date for receipt of initial bids is February 4, 2011. Bidding will close promptly at 3:00 p.m. U.S. Mountain Standard Time on April 5, 2011. Bids received after 3:00 p.m. will be rejected. Bids will be opened and read in a public forum at 3:00 p.m. on April 5, 2011 at 100 North 15th Avenue, Suite 104, Phoenix, AZ 85007. The initial bid opening will be followed by a thirty (30) day negotiation period. The date for receipt of final bids is May 5, 2011 and consideration will be given to leasing the Premises to the high bidder.

The State WILL NOT accept late bids.

10. HIGH BIDDER DETERMINATION

Bids will be read in a public forum in the order received. When bidding stops and the high bid is confirmed, the high bid will be considered for conditional acceptance. The State does not guarantee that it will accept the high bid. The State, in its sole and unfettered discretion, may accept a lower bid from a bidder, whose bid, conforming to this IFB, is in the best interest of the State, price and other factors considered.

The State will issue a "***Notice of Conditional Award"*** to the high bidder, which will constitute an acceptance of the high bid and declare the high bidder to be the Lessee of the Premises, subject to all conditions subsequent.

The State's acceptance of the award is conditional on a favorable review of the

terms of lease by the Joint Committee on Capital Review (JCCR) pursuant to Laws 2009, First Regular Session, Chapter 114 (HB 1091), and issuance of a "Notice of Award."

11. BACK-UP BIDDER

If the high bidder is unable to consummate the transaction, the State will consider the second-highest bidder's bid for conditional acceptance. In the event the State is unable to make an award to the highest or second-highest bidder, the State reserves the right to negotiate with the remaining bidders. The State, in its sole and unfettered discretion, may accept a lower bid from a bidder, whose bid, conforming to this IFB, is in the best interest of the State, price and other factors considered.

12. TIE BIDS

In the event the bid opening results in a tie high bid, the State reserves the right to re-open bidding between tied bidders. Bidding will be in a live auction format between the tied bidders at a location of the State's choosing. If the live auction is necessary, the State expects it will occur within ten (10) business days after the bid opening date. Bidders will be notified accordingly.

The sealed bid submitted with the earliest date and time stamp received for the initial offering is presumed to hold the high bid position for the purposes of starting the live bidding. The minimum bid advance to resolve a tie is $.50. The State will take bid advances in the order the tie bids were received. The auction will continue until bidding stops.

In the event the high bid is rejected or is withdrawn and the second high bid is tied, the same process as described above will be employed to resolve the tie.

13. NOTICE OF CONDITIONAL AWARD; AWARD; OR REJECTION

The State's "Notice of Conditional Award," "Notice of Rejection," and "Notice of Award" of the bid is sufficiently provided when mailed to the bidder or his/her duly

authorized representative at address indicated in the bid. As noted in section 9 therein, the State's issuance of a "Notice of Acceptance" is conditional on a favorable review of the terms of lease by the Joint Committee on Capital Review (JCCR) pursuant to Laws 2009, First Regular Session, Chapter 114 (HB 1091).

The State reserves the right to reject any or all bids or portions thereof for any reason.

14. BID EXECUTED ON BEHALF OF BIDDER

A bid executed by an attorney, agent, or broker on behalf of the bidder shall be accompanied by an authenticated Power of Attorney or other evidence citable to the State in its discretion, sole and unfettered of their authority to act on behalf of the bidder.

15. BROKERS

Bidders are required to disclose to the State the identity of any broker(s) utilized by the bidder and any fee or other compensation received by a broker(s) in connection with this IFB. Any broker(s) utilized by the bidder is the bidder's broker and bidder is fully responsible for ALL fees, costs, amounts, or commissions that may be owed to any broker in connection with this IFB. The State will not pay broker(s) fees or other broker related compensation.