GENERAL TERMS OF SALE

1. INVITATION FOR BIDS

The term "Invitation for Bids" ("IFB") as used herein refers to and includes the IFB itself and Property Descriptions, General Terms of Sale, Important Instructions to Bidders, Notification of Hazardous Substances and/or Materials, Bidder Registration and Bid Form for Purchase of Real Property, and Exhibits, all of which are incorporated by reference to the IFB, and made a part 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.

2. DESCRIPTION PROVIDED IN IFB

The description of the Property set forth in the IFB and any other information provided therein with respect to said Property is based on the best information available to the State and it is believed to be correct. Verbal or written comments made by current tenants, or their contractors or representatives, regarding the condition, use, safety, or value of the property will not be considered by the State, nor will any such comments or assessments be grounds for disputing an award. Any error or omission including, but not limited to the omission of any information available to the agency having custody over the Property and/or any other State agency, shall NOT constitute grounds or reason for breach, non-performance of the contract of sale, or claim(s) by purchaser for damages or allowance, refund, or deduction from the purchase price.

3. INSPECTION

Inspection of the Property is the sole responsibility of the bidder. The Property is available for inspection ***BY APPOINTMENT ONLY***. Bidders shall not contact the current tenants of the Property to schedule an inspection or request a “walk-on” inspection. Verbal or written comments made by current tenants, or their contractors or representatives, regarding the condition, use, safety, or value of the property will not be considered by the State, nor will any such comments or assessments be grounds for disputing an award. Bidders are invited, urged, and cautioned to inspect the Property *prior* to submitting a bid. The failure of any bidder to inspect the condition of all or any portion of the Property offered will NOT constitute grounds for any claim(s) or demand for adjustment or withdrawal or rescission of a binding offer or contract.

Bidders can schedule inspections of the Property by contacting Todd Hamilton by telephone at 602-386-1226 or by email at thamilton@cutlercommercial.com.

4. CONDITION OF PROPERTY

The Property is offered for sale and will be sold “AS IS” and “WHERE IS” without representation, warranty, or guaranty as to quantity, quality, title, character, condition, size or kind, square footage, or that the Property is in condition or fit to be used for the purpose for which it is intended, and claim(s) for any allowance or deduction upon such grounds will NOT be considered after the bid opening or conclusion of the auction.

5. ZONING

The two (2) parcels associated with the Property are subject to the jurisdiction of Maricopa County and/or the City of Phoenix. The parcels are zoned A-2, Industrial District, City of Phoenix.

Verification of the present zoning and determination of permitted uses there under, along with compliance of the Property for present or proposed future use shall be the responsibility of the bidder and the State makes no representation in regard thereto. The State does not guarantee that any zoning information is necessarily accurate or will remain unchanged. Any inaccuracies or changes in the zoning information shall NOT be cause for adjustment, breach, or rescission of any contract resulting from this IFB.

6. CONTRACT

The IFB and the bid, shall constitute an agreement for sale between the successful bidder ("Purchaser") and the State, subject to any applicable conditions subsequent listed herein, acting by and through its Arizona Department of Administration. Such agreement shall constitute the whole contract to be succeeded only by the formal instruments of transfer, unless modified in writing and signed by both parties. No oral statements or representations made by, or for, or on behalf of either party shall be a part of such contract, nor shall the contract or any interest therein, be transferred or assigned by the Purchaser without the consent of the State. Any assignment transaction without such consent shall be void. The bid shall be accepted by the State upon a favorable review of the terms of sale by the Joint Committee on Capital Review (JCCR) pursuant to Laws 2009, Third Special Session, Chapter 8 (HB 2009) and A.R.S. 41-792.02, and issuance of a Notice of Award to the Purchaser.

7. TAXES AND CLOSING COSTS

As of the date of conveyance of the Property, the Purchaser shall assume responsibility for all general and special real and personal property taxes that may have been or may be assessed on the Property, and to prorate sums paid, or due to be paid, by the State in lieu of taxes.

All closing costs, including escrow and financing fees, shall solely be the responsibility of the Purchaser.

8. RISK OF LOSS

As of the date of conveyance, the Purchaser shall assume responsibility for care and handling and all patent or latent risks of loss or damage to the Property and have all obligations and liabilities of ownership. In the event of a major loss or damage to the Property as a result of fire or other cause during the period of time between acceptance of the bid by the State and date of conveyance, such loss or damage shall NOT be considered grounds for invalidating the contract of sale or reduction of the purchase price.

The State is not authorized to and shall not indemnify the Purchaser.

9. REVOCATION OF BID AND DEFAULT

In the event of revocation of a bid after the opening of bids, but prior to acceptance, or in the event of revocation of a bid after notice of acceptance, or in the event of any default by the Purchaser in the performance of the contract of sale created by such acceptance, or in the event of failure by the Purchaser to consummate the transaction, the deposit, together with any payments subsequently made on account, may be forfeited at the option of the State in its sole and unfettered discretion, in which event the Purchaser shall be relieved from further liability, or without forfeiting the said deposit and payments, the State may avail itself of any legal or equitable rights that it may have under the bid or contract of sale.

10. PERFORMANCE

The Bid for Purchase of the Property shall be accepted by the State upon a favorable review of the terms of sale by the Joint Committee on Capital Review (JCCR) pursuant to Laws 2009, Third Special Session, Chapter 8 (HB 2009) and A.R.S. 41-792.02, and issuance of a Notice of Award to the Purchaser. If the Bid for Purchase of the Property is accepted by the State, and the a) State fails for any reason to perform its obligations as set forth herein; or b) Title does not transfer or vest in the Purchaser for any reason, although Purchaser is ready, willing, and able to close, the State shall promptly refund to Purchaser all amounts of money Purchaser has paid, without interest, whereupon the State shall have no further liability to Purchaser.

11. TITLE EVIDENCE

Any bidder, at its sole cost and expense, may procure any title evidence that the said bidder desires. The State will reasonably cooperate with the Purchaser or his/her authorized agent in this connection, and will permit examination and inspection of such deeds, abstracts, affidavits of title, judgments in condemnation proceedings, or other documents relating to the title of the premises and property involved, as it may have available. The State will not pay for any expense incurred in connection with title matters or survey of the Property.

12. TITLE

If a bid for the purchase of the Property is accepted, a Quitclaim Deed will convey the State's interest. The State will not pay for title insurance. The Purchaser is encouraged, but not required, to acquire a title insurance policy from a local title company.

13. TENDER OF PAYMENT AND DELIVERY OF INSTRUMENT OF CONVEYANCE

The State shall set a sale closing date of forty-five (45) calendar days after issuance of a Notice of Award. Upon agreement by the State, the Purchaser may close the transaction prior to the forty-five (45) calendar day period.

Prior to closing, the Purchaser may open an escrow account with an independent, unaffiliated local escrow company to handle the closing. The State does not mandate use of a particular escrow company. All closing costs, including

escrow and financing fees, shall be borne solely by the Purchaser. As part of the closing, the State will provide escrow instructions to the Escrow Holder regarding the recording, disposition of proceeds, and related matters.

On the closing date, the Purchaser shall tender to the State (or to the Escrow Holder) the balance of the purchase price by certified check or wire transfer. Upon such tender being made by the Purchaser, the State shall deliver to the Purchaser the instrument(s) of conveyance.

The State reserves the right to extend the closing date for a reasonable time for purposes of preparing necessary conveyance documents.

14. DELAYED CLOSING

Any change to the established closing date is subject to the written approval by the State. The State reserves the right to refuse a Purchaser's request for extension of closing. However, if the State grants an extension, the Purchaser shall pay interest on the outstanding balance of the purchase price if the closing of the sale is delayed, and the delay is caused, directly or indirectly, by the Purchaser's action and not by any action on the part of the State. The interest paid on the outstanding balance shall be at the rate set by the Arizona State Treasurer that considers the local prevailing prime interest rates and mortgage rates and the maximum amount of interest set by Arizona Revised Statute as of the date of bid acceptance. The State may impose additional terms and conditions to grant an extension.

15. SALE AND CONVEYANCE

The sale and conveyance of the Property is subject to the following:

a) All covenants, easements, reservations, restrictions, encumbrances and encroachments, whether of record or not.

b) Any statement of facts that a physical inspection and accurate survey of the Property may disclose.

16. DOCUMENTARY STAMPS AND COST OF RECORDING

The Purchaser shall pay all taxes and fees imposed on this transaction and shall obtain at Purchaser's own expense and affix to all instruments of conveyance and security documents such revenue and documentary stamps as may be required by law. All instruments of conveyance and security documents shall be placed on record in the manner prescribed by local recording statutes at the Purchaser's expense.

17. ADDITIONAL INFORMATION

The State, at the address given in this IFB, will upon request, provide additional copies of this IFB and answer requests for additional available information concerning the Property offered to facilitate preparation of bids. Each bid shall be deemed to have been made with full knowledge of all terms conditions, and requirements contained in

this IFB and any amendments made thereto prior to bid acceptance.

18. WAIVER OF INFORMALITIES OR IRREGULARITIES

The State may, at its election, waive any minor informality or irregularity in bids received.

19. CHANGES IN WRITING

None of the provisions of the Agreement may be waived, changed or altered except in writing signed by both parties.

20. CONFLICT OF INTEREST

The requirements of A.R.S. § 38-511 apply to this Agreement. The State, may cancel this Agreement, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the State is, at any time while this Agreement or any extension is in effect, an employee or agent of Purchaser respect to the subject matter of this Agreement.

21. ANTITRUST VIOLATIONS

The Purchaser assigns to the State any claim for overcharges resulting from antitrust violations to the extent that such violations concern materials or services supplied by third parties to Purchaser toward fulfillment of this Agreement.

22. JURISDICTION

This Agreement shall be construed in accordance the laws of the State of Arizona.

23. AGREEMENT IN COUNTERPART

The parties may execute this Agreement in two or more counterparts, each of which shall be deemed an original and together which shall constitute one and the same document.

24. INDEMNIFICATION

The Purchaser shall release, indemnify, defend, save and hold harmless the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees (hereinafter referred to as “State of Arizona”) from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys’ fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as “Claims”) for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the Purchaser or any of its owners, officers, directors, agents, employees or contractors, arising out of or related to

the Purchaser's use of the Property. It is agreed that the Purchaser will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable.

25. ATTORNEY AND INVESTIGATION FEES

The Purchaser shall be responsible for all costs, including those costs incurred by the State, for court costs, attorneys' fees, processing, litigation investigation, defense, and judgment costs for Purchaser's breach of this IFB.

26. DEFINED TERMS AND MARGINAL HEADINGS

The marginal headings and titles to the articles of this lease are not a part of this IFB and shall have no effect upon the construction or interpretation of any part hereof.

IN WITNESS WHEREOF, the parties hereto have executed this instrument by proper persons thereunto duly authorized so to do the day and year below written.

PURCHASER:

By: _____ Date: _____

Position: _____

FOR AND ON BEHALF OF THE
STATE, acting by and through its Arizona Department of Administration, an Agency of the State of Arizona:

By: _____ Date: _____

Position: _____