IMPORTANT INSTRUCTIONS TO BIDDERS

This Important Instruction to Bidders is made subject to the terms of the Invitation for Bid (IFB) including its 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, Exhibits, and any associated amendments to the IFB, all of which are incorporated to this 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. TYPE OF SALE

The sale of the Property will be by public auction via a sealed bid process.

2. START DATE

The State will accept sealed bids beginning Wednesday, February 4, 2011 at 8:00 a.m. U.S. Mountain Standard Time. Bidders must legibly print "2422 WEST HOLLY, 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 201
Phoenix, AZ 85007

3. TERMS OF SALE

Bids to purchase the Property must be on an ALL CASH basis only. The Purchaser shall arrange its own financing and pay the balance due in full by the closing date. The State will not extend credit terms. The State does not have information on the availability of private financing, nor does it have information regarding the suitability of the Property for financing.

4. MINIMUM OPENING BID

The asking price for the Property is $675,000.

The State reserves the right to reject any and all bids.

5. BINDING OFFER

Bidders agree that bids are binding offers. Subject to any applicable terms and conditions, the binding offer is a legal and binding contract between the State and the individual submitting a bid and signing the "Bidder Registration and Bid Form for Purchase of Real Property" form for the property advertised in this IFB.

6. BID PROCESS

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

Bidders must submit the "Bidder Registration and Bid Form for Purchase 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. The "Bidder Registration and Bid Form for Purchase of Real Property" must be filled out legibly. The person signing the "Bidder Registration and Bid Form for Purchase of Real Property" must initial all erasures, strikeovers, and corrections. The "Bidder Registration and Bid Form for Purchase of Real Property" must be signed and dated with the name of the signer printed legibly underneath.

A bid deposit of FIFTY THOUSAND DOLLARS AND NO CENTS ($50,000.00) must accompany the "Bidder Registration and Bid Form for Purchase of Real Property" in the form of a cashier's check or certified check. Personal or company checks will **NOT** be accepted and will be returned to the sender. Make checks payable to: "The Arizona Department of Administration, General Services Division."

Failure to provide a bid deposit of $50,000.00 shall result in the State's rejection of the bid.

It is the responsibility of the bidder to register, tender a bid deposit, 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 contingences are in place.

7. BID DEPOSIT; BID CREDIT; REFUND OF BID DEPOSITS

Failure to provide a bid deposit of $50,000 shall result in the State's rejection of the bid.

Upon acceptance of a bid, the bid deposit shall be credited, without interest, toward

the payment of the Purchaser's obligation to the State. The full balance of the purchase price is payable within forty-five (45) calendar days after the State's issuance of a "Notice of Award."

Bid deposits accompanying bids that are rejected will be refunded to bidders without interest.

8. BID OPENING

The date for receipt of final bids is April 5, 2011. Bidding will close promptly at 3:00 p.m. U.S. Mountain Standard Time on April 5, 2011. Bids received after 3:00 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 201, Phoenix, AZ 85007 and consideration will be given to selling the Property to the high bidder.

The State WILL NOT accept late bids.

9. 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 a ***conditional*** acceptance of the high bid and declare the high bidder to be the Purchaser of the Property.

The State's acceptance of the award is conditional on 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."

10. 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. The back-up bidder will be required to provide a $50,000 bid deposit before the State will consider the bid for conditional acceptance.

11. 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 sale 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 $1,000. 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.

12. 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. The State's issuance of a "Notice of Acceptance" is conditional on 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.

The processing of a bid deposit by the State shall not, in itself, constitute acceptance of the bidder's offer.

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

13. BID EXECUTED ON BEHALF OF BIDDER

A bid executed by an attorney or agent on behalf of the bidder shall be accompanied by an authenticated copy of their Power of Attorney or other evidence of their authority to act on behalf of the bidder.