

**CITY OF KEY WEST
POLICE & FIRE PENSION
BOARD OF TRUSTEES**

*Susy Pita, Plan Administrator
Post Office Box 490837
Leesburg, FL 34749-0837
Phone 352-787-9795*



August 30, 2011

City Clerk
City of Key West
525 Angela Street
Key West, Florida 33040

Re: 529 Front Street, Key West, Florida

To Whom it May Concern;

I am submitting this bid for the purchase of the above referenced property on behalf of The Key West Police and Fire Pension Board of Trustees ("The Board").

The Board is interested in purchasing the property from the City pursuant to the terms of the bid proposal set forth herein. The Board believes that it is possible for The City and The Board to both benefit from the sale of the property to the Board as a result of the existing relationship between the Board and the City, particularly as a result of possible exchanges of value related to the City's ongoing obligation to the Board's pension plan. As a result of this bid, the Board is requesting the opportunity to negotiate with the City regarding the method of payment and manner of payment of the bid price.

Price: The bid price for the property is \$2.1 million dollars. This price assumes the City does not own the 22 transient/motel unit development rights currently assigned to the property. The Board would negotiate a higher price to be paid should the city be determined to have the right to sell the referenced development rights with the property.

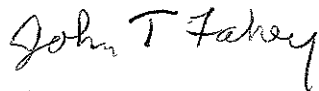
Method of Payment, Manner of Payment: The Board would propose that the City and the Board enter into negotiations regarding

the method and manner of payment with the opportunity for the Board and the City to reach agreement allowing the City to reduce its obligation to the Board's pension plan in exchange for credit to the Board against the bid price.

Bond: The Board hereby places a cash bond with this bid in the amount of 5% of the bid price (\$105,000.00). In the event that the bid is rejected, or in the event that the parties' negotiations do not result in an agreement to move forward with the purchase, the cash bond shall be immediately returned to the Board. If the parties' negotiations result in an agreement to move forward with the purchase, the date of said agreement shall be considered the "date of bid acceptance" as referenced in the Public Notice advertising the property for sale.

Thank you for your consideration of the Board's bid.

Sincerely,

A handwritten signature in cursive script that reads "John T. Fahey".

John T. Fahey, Chairman
The City of Key West Police and Fire Pension
Board of Trustees

M 347114

NOTICE TO CUSTOMER
THE PURCHASE OF AN INDEMNITY BOND WILL BE
REQUIRED BEFORE AN OFFICIAL CHECK OF THIS BANK
WILL BE REPLACED OR REFUNDED IN THE EVENT IT IS
LOST, MISPLACED OR STOLEN.



P.O. BOX 986
CONWAY, AR 72033

369757

81-275/829
2000040

REMITTER

FELDMAN KOENIG HIGHSMITH & VAN LOON, PA

DATE 09/01/11

PAY TO THE ORDER OF CITY OF KEY WEST

\$105,000.00

One Hundred Five Thousand Dollars and 00 Cents



THIS DOCUMENT HAS A MICRO-PRINT SIGNATURE LINE, WATERMARK AND A THERMOCHROMIC ICON. ABSENCE OF THESE FEATURES WILL INDICATE A COPY
PIER HOUSE PROPERTY BID

CASHIER'S CHECK

Magdalena Probst

Nichole Hite

⑈ 369757⑈ + ⑈ 082902757⑈

2000040⑈ 4007