

Rick Spencer
Lagerheads Beach Bar & Watersports
0 Simonton Street
Key West, Florida 33040

City Manager
Jim Scholl
3132 Flagler Avenue
Key West, Florida 33040

July 29, 2015

Dear Mr. Scholl:

At this time we feel Lagerheads has stabilized from the September and October mandated closures of 2014. We appreciate the City of Key West working with us and allowing us to receive rent credits from August of 2014 through June of 2015. This has helped us to sustain our business and pay our creditors. We strive to run an honorable business and be good tenants of the City and with the rent credits it has helped to ease the hardship of lost revenues, loss of salaries, inventory loss, insurances, advertising expenses, loss of momentum, unemployment fees and other expenses incurred . The rent credits thus far are as follows:

	Gross	Payment	Tax	Total Payment
AUGUST	46,236.84	2774.21	208.06	2982.27
SEPTEMBER	1,097.53	65.85	4.93	70.78
OCTOBER	3805.36	228.32	17.12	245.44
NOVEMBER	18,411.18	1,104.67	82.85	1187.52
DECEMBER	18,568.83	1,114.13	83.56	1197.69
JANUARY	21,507.59	1290.46	96.78	1387.24
FEBRUARY	24,155.74	1449.34	108.7	1558.04
MARCH	47,989.51	2,879.37	215.95	3095.32
APRIL	45,254.04	2,715.24	203.64	2918.88
MAY	43,345.89	2600.75	195.06	2795.81
JUNE	38,841.60	2330.5	174.79	2505.29

The total sum of rent credits from August to current is \$19,944.28.

Our projections of gross sales were \$45,000.00 per month as shown in previous months before the closure. We endured a suppressed monthly gross amount for 6 months until March at which we feel we have now stabilized. Gross sales for 6 months should have been approximately **\$270,000.00** respectively and what we earned was **\$87,546.23** a **difference of \$182,453.77**.

We are prepared to pay July's rent and are requesting to finalize the rent credits and hope the City will agree to accept this offer as fulfillment of our loss. We feel this is a fair proposal and we appreciate the help the City has extended to us.

A handwritten signature in black ink, appearing to read "Rick E. Spencer", followed by a long horizontal line extending to the right.

Rick Spencer
Owner