

RAMS HEAD[®]

March 22, 2019

Mayor Teri Johnston

Commissioners Gregory Davila, Mary Lou Hoover, Samuel Kaufman, Clayton Lopez, Billy Wardlow,
Jimmy Weekly
City Hall
1300 White Street
Key West, Florida 22040

Dear Madam Mayor and Honorable Commissioners,

On behalf of Rams Head Promotions of Key West LLC, we are excited that we were recommended by the [City Staff] as the preferred provider to manage and operate the Truman Amphitheater. Our successful experience operating similar venues and our love of Key West make us the correct choice for the City.

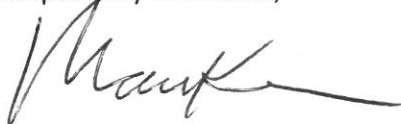
We attended the recent City Commissioners meeting on March 20, 2019 and believe it's important to clarify the financial element included in our proposal. Our understanding of the request for qualification ("RFQ") submittal was that the decision to award would be based on the candidate's qualifications and that the financial terms and conditions would be subsequently negotiated with City officials as noted in the draft contract attached to the RFQ. Our inclusion of a financial forecast was to provide the City with one approach that may be considered in these subsequent negotiations. The Commissioners discussion at the meeting regarding this potential approach focused solely on the percentage of net profit as the primary revenue stream. This was inaccurate. Our recommendation provided a direct revenue stream to the City of \$1.00 per ticket sold, with the percentage of net profit as an additional revenue stream. Based on the shows we have produced at the Amphitheater to date and extrapolating the average number of tickets sold over 16 shows that we have used in our projections, the City would receive in year one, approximately \$48,000 plus the net profit share.

Please also keep in mind that other than lawn mowing, Rams Head Promotions of Key West LLC will pay for regular maintenance and upkeep of the facility.

Finally, in reviewing our forecast model in preparation of this letter, we noted one additional item needing clarification. On Page 12 of our proposal in the financial forecast, under Payroll and Burden, we noted a General Manager salary and burden. Please note that the description should have read General Manager, Assistant Manager, Marketing staff and Administration, all local hires.

We appreciate the opportunity to provide this important clarification.

Respectfully submitted,



Marc Krens CPA