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April 3, 2025

City Manager Brian Barroso
City of Key West
1300 White Street
Key West, Florida 33040
Sent via email: Brian.Barroso@cityofkeywest-fl.gov

RE: EXERCISE OF OPTION TO EXTEND LEASE TERM BETWEEN
CITY OF KEY WEST AND TROPICAL SHELL & GIFTS, INC.

Dear City Manager Barroso:

I represent Tropical Shell & Gifts, Inc. In accordance with Second Amendment to Lease Agreement between The City of Key West, Florida ("CITY") and Tropical Shell & Gifts, Inc. ("TSG") as confirmed by RESOLUTION 18-247 ("Second Amendment"), a copy of which is attached hereto and incorporated herein as Exhibit "A", please accept this letter as TSG written notice to the CITY of their request to exercise the option to renew its tenancy. Due to the impacts of the COVID-19 pandemic the parties mutually agreed to extend the time period set forth in paragraph three of the Second Amendment (see enclosed letter dated August 9, 2021, attached hereto and incorporated herein as Exhibit "B"). As provided in the Second Amendment, the Lessee agreed to make improvements shown on Exhibit "B" of the Second Amendment, or an equal dollar amount of improvements. I have enclosed a list of improvements and funds spent by TSG (see Tropical Shell Gifts, Inc. Schedule of Improvements Funds Spent attached hereto and incorporated herein as Exhibit "C"). TSG expended \$575,587.96 on improvements through August 2022, with an additional \$251,972.09 on improvements from September 2022 through July 2023, for a total expenditure of \$827,560.05.

Please review the enclosed and confirm that RESOLUTION 18-247 conditions have been completed. Then have the City Commission respond by Resolution citing compliance with the condition precedent and the agreement to the renewal of the lease term for an additional ten (10) years, beginning July 15, 2028, and ending July 14, 2038.

If you require any additional information to effectuate this request to exercise their option, please advise and we will respond accordingly.

Sincerely,



Michelle Cates Deal, Esq.

Enc.

cc: Tropical Shell & Gifts, Inc.