



City of Watsonville

"A Community of Opportunities"

Side Letter

City of Watsonville SkyDive SurfCity Lease

This Side Letter Agreement ("Agreement") is made as of December ____, 2021, is by and among the City of Watsonville, a municipal corporation (Landlord) and SkyDive Surfcity, Inc., a corporation ("Tenant"),

RECITALS

WHEREAS, the Landlord and tenant (collectively, the "Parties"), have or are about to enter into a Lease dated in December, 2021 (the "Lease"), pursuant to which the Tenant agrees to lease certain premises (Premises) from Landlord", and

WHEREAS, Tenant intends and has agreed to make tenant improvements to be approved by the Airport Director and inspected and approved by the City Building Department, which Premises are estimated to cost in the range of \$36,000 to construct but which will have a value to Landlord of \$18,000 in four years at the expiration of the Lease, and

WHEREAS the Landlord agrees to repay Tenant for the \$18,000 value of improvements to the Premises if Tenant abides by all other terms of the Lease, and

WHEREAS the Parties wish to enter into this Agreement to set forth the terms of their mutual understanding relating to Airport repayment to the Tenant of the \$18,000 value to Landlord.

NOW, THEREFORE, in consideration of the foregoing, and the representations, warranties, covenants and conditions set forth below, the parties hereto, intending to be legally bound, agree as follows:

Landlord will repay Tenant for \$18,000 of improvements by allowing a credit each month on monthly rent over the 48-month term of the lease at \$375.00/month.

"City"

"Tenant"

CITY OF WATSONVILLE,
a municipal corporation

SkyDive Surfcity, Inc., a corporation

By: _____
Matthew D. Huffaker, City Manager

By: _____
Volker Haag, Chief Executive Officer

APPROVED AS TO FORM:

By: _____
Jacklyn Foust, Chief Financial Officer

Alan J. Smith, City Attorney