

Moss, Julia

From: Jill Ealy <jealy7@aol.com>
Sent: Thursday, June 22, 2023 11:10 AM
To: City Council
Subject: Capitola Bar & Grill

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To Members of the Capitola City Council,

My name is Jill Ealy, and I own Zeldas and previously owned Sotola Bar & Grill, now Capitola Bar & Grill. When we sold Sotola to the Strongs we held a note that was to be paid in full at 18 months. Due to this loan, the landlord Steve Yates insisted we stay on the lease until said note was paid. This last January, the Strongs stopped paying the monthly payment and then defaulted on the balloon payment that was due the following month. At this point, the Strongs owe us approximately \$80,000. As such, I have had to spend the the last year in between these two parties. At first I tried to help them find a common understanding or agreement. It quickly became clear that neither of them were interested in a compromise and were willing to go to great lengths to get what they want. I have now had to hire an attorney to navigate where we fit and how we can get paid and off this lease while having little to no control.

With that said, while the Strongs are in default of the sublease, it is my belief they should have no legal standing to raise the issue of music and an entertainment permit. If they wish to pursue this issue with the City and/or Steve Yates, they need to correct this default. Once corrected, they would be the tenant in good standing and could move forward.

Thank you for your time and consideration,
Jill Ealy