

16055 Space Center Blvd. Suite 150 Houston, Texas 77062

281.480.1211 tel. 281.480.1210 fax

March 18, 2022

Shoreacres Recreation Association Inc. P. O. Box 1014
Shoreacres, Texas 77571-0063
Attention: *Mark A. Gonzales*, President

Shoreacres Recreation Association Inc. 3316 Miramar Drive Shoreacres, Texas 77571 Attention: *David Gerany*, Director and Treasurer

Re: Condition of Pier.

Dear Mr. Gonzales and Mr. Gerany:

Via Certified Mail Return Receipt Requested 7021 2720 0001 0711 4252 And Regular Mail

Via Certified Mail Return Receipt Requested 7021 2720 0001 0711 4269 And Regular Mail

As you will recall, our firm is the City Attorney for the City of Shoreacres, Texas (hereinafter referred to as the "City"). The City asked our firm to forward this demand letter to Shoreacres Recreation Association Inc. as a result of current breaches by Shoreacres Recreation Association Inc. of the May 11, 2011 Lease Agreement of that portion of the park lying between Miramar Drive and the waters of Galveston Bay in the City.

Upon information and belief, the City (as Lessor) and Shoreacres Recreation Association Inc. (as Lessee) leased that portion of the park lying between Miramar Drive and the waters of Galveston Bay in the City from May 11, 2011 until May 10, 2041 for Lessee's construction, maintenance and operation of a pier extending from the leased premises into Galveston Bay, together with all appurtenances and activities in connection therewith, including the parking of motor vehicles, unless sooner terminated by the parties. A true and correct copy of the May 11, 2011 Lease is attached as Exhibit A.

Part of the consideration of the lease of the leased premises to Lessee is Lessee's agreement to maintain the pier and other structures placed on the leased premises in a good state of repair and in a safe condition. Our client attaches seven (7) recent photographs that clearly show that the pier is in disrepair. See exhibits B-H. Towards the front of the pier nearest the parking lot, there are numerous missing planks/boards. There is even a significant gap closest to the bulkhead that has no boards. As a result, the pier is inoperable and unsafe. No citizen can physically walk on the pier nearest the bulkhead. Exhibit C shows orange plastic erected on posts near the bulkhead. Exhibit F shows there is another large gap of missing planks/boards after the portion that has a metal pole erected. It is difficult to decipher the condition of the pier that extends farthest into the Galveston Bay.

The photos also show that the safety barrier that used to be erected is now in disrepair and ineffective.

The bottom line is that the pier is currently in major disrepair and is dangerous to the public. The pictures show the pier needs major repairs and is unsafe. It should be noted that the City contends Shoreacres Recreation Association Inc. is also in violation of its covenant in section 8 of the Lease in that the current unsafe and dangerous condition of the pier is in breach of Shoreacres Recreation Association Inc.'s obligation to maintain the pier in a good and workmanlike manner in accordance with the minimum standards of the Texas GLO during the term of its Lease with the City.

Under section 7 of the Lease, our client provides Shoreacres Recreation Association Inc. with written demand to repair the pier to a state where it is in good repair and is safe. Shoreacres Recreation Association Inc. has 90 days to make the necessary work and repairs to restore the pier to a safe condition. If Shoreacres Recreation Association Inc. fails to timely cure the same, then the Lease with the City will terminate by its express terms and the City will then take action to regain possession of the leased premises from Shoreacres Recreation Association Inc.

Notice is provided that if an eviction proceeding is required to be filed by the City, then our client will seek reimbursement of all incurred attorneys' fees under section 38.001 of the Texas Civil Practice and Remedies Code.

Our client wishes to resolve the issues amicably and expeditiously. As such, please contact Mayor David Jennings to arrange for a meeting with the Shoreacres Recreation Association Inc. Board to discuss its plans to remedy the situation.

Sincerely,

Christopher A. Gregg

CAG/

Enclosures

cc: City of Shoreacres, Texas

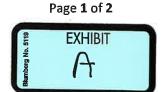
LEASE AGREEMENT

STATE OF TEXAS §

COUNTY OF HARRIS §

This lease agreement is entered into on the 11th day of MAT 2011 by and between the City of Shoreacres, Texas (Lessor) and Shoreacres Recreation Association, Inc. (Lessee), a private non-profit Texas corporation. Lessor shall lease to Lessee that portion of the park lying between Miramar Drive and the waters of Galveston Bay in the City of Shoreacres, Texas, being 0.3549 acres of land being out of Shoreacres Addition as recorded in Volume 7, Page 10 H.C.M.R. situated in the William P. Harris Survey, Harris County, Texas, as described and set out in the description Attachment A hereto upon the following terms, condition and agreements hereinafter contained:

- 1. The term of this lease is for a period of thirty (30) years, beginning on the date hereof and ending on the same day of May, 2041.
- 2. As rent for the use and occupancy of the leased premises, Lessee hereby agrees, bind and obligates itself to pay unto the Lessor the sum of One Hundred Dollars (\$100.00) annually, beginning on the 31st day of May, 2011 and like annual installments on or before the 31st day of May of each succeeding calendar year thereafter until the expiration of thirty (30) years.
- 3. Lessee shall use the leased premises for the construction, maintenance and operation of a pier extending from the leased premises into Galveston Bay, together with all appurtenances and activities in connection therewith, including but not limited to, the parking of motor vehicles.
- 4. Lessee shall have the right to erect any and all buildings and structures on the leased premises as maybe necessary to the conduct of its business, provided that such buildings and structures must have the prior approval of the Lessor.
- 5. No exclusive rights are granted to Lessee to use the park between Miramar Drive and Galveston Bay and the Lessor reserves the right to make leases of portions of said park to other parties.
- 6. Lessee shall not assign this lease nor sublet the leased premises, or any part thereof.
- 7. The Lessee shall maintain the pier and any other structures placed on the leased premises, in a good state of repair and in a safe condition. In the event Lessee shall abandon the leased premises and/or the pier or shall not maintain the pier and/or other structures in a good state of repair and safe condition, Lessor shall give written notice of such default to Lessee and in the event Lessee does not, within ninety (90) days after receipt of such notice, commence the necessary work and repairs to restore the leased premises and/or



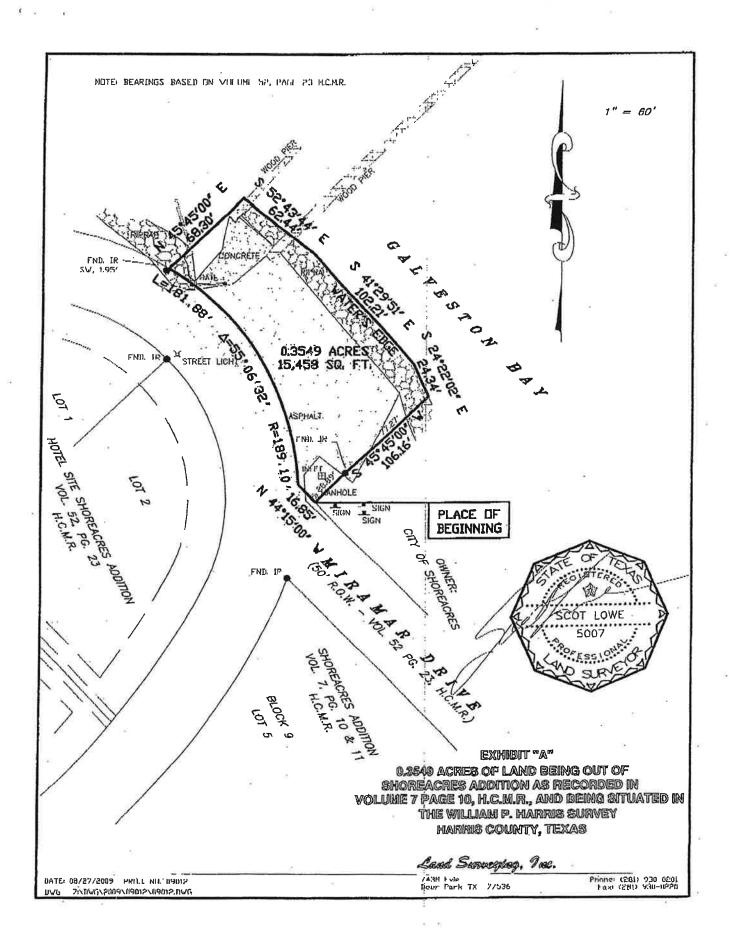
the pier or other structures to a safe condition, then this Lease Agreement shall terminate and both parties released herefrom.

- 8. Lessee shall negotiate, finalize and sign (and furnish a copy to the Lessor), continuously keep in place at all times during the lease from Lessor and then shall comply with all such lease terms and regulations of the Texas General Land Office (Texas GLO) and shall maintain the pier in a good and workmanlike manner in accordance with the minimum standards of the Texas GLO during the term of the lease from Lessor and thereafter to the extent the lease with the Texas GLO requires any hazard to navigation removal obligations of the Lessee after expiration of the Texas GLO lease. Lessee agrees to indemnify and hold Lessor harmless from all liability under any lease Lessee has or shall have with the Texas GLO including any post lease hazard to navigation removal liability.
- 9. Lessee shall maintain and keep in force throughout the term of the lease liability insurance in an amount totaling \$1,000,000.00, with the Lessor named as an additional insured under such policy. Lessee shall furnish a copy of the policy to Lessor within seven (7) days after procuring the policy.
- 10. Lessee acknowledges and agrees that Lessor shall have a blanket easement for unrestricted access and use of the land area for utilities, communications and drainage to include pipes, conduits, culverts, and other conveyances. Additionally, Lessee acknowledges and agrees that Lessor shall have the right to use the land area from time-to-time for special events, parking, or other uses as may be necessary and convenient to Lessor.

In testimony whereof the City of Shoreacres, Texas has caused these presents to be executed, in duplicate originals, by its Mayor and attested by its City Secretary and Shoreacres Recreation Association, Inc., as caused these presents to be executed by its President and attested by its Secretary, this the 23¢b day of May, 2010.

| LESSEE: Shoreacres Recreation Association, Inc. |
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8/27/2009 0 :5:49 ACRES SHOREACRES ADDITON WILLIAM P. HARRIS SURVEY HARRIS COUNTY, TEXAS

DESCRIPTION

Of 0.3549 acres of land being out of Shoreacres Addition as recorded in Volume 7, Page 10 H.C.M.R. situated in the William P. Harris Survey. Harris County, Texas. Said 0.3549 acres being more particularly described by metes and bounds as follows: (Bearings based on Volume 7, Page 10 H.C.M.R.);

BEGINNING at a point in the northeasterly right-of-way line of Miramar Drive (50' R.O.W.) being in the southwesterly line of a tract of land conveyed by deed to the City of Shoreacres, from said point an iron rod was found bearing North 45°45'00" West a distance of 28.89 feet;

THENCE along the common line of said City of Shoreacres tract and said Miramar Drive right-of-way and along a curve to the left having a radius of 189.10 feet, a central angle of 55°06'32" and an arc length of 181.88 feet to a point for corner of the herein described tract, from said point an iron rod was found bearing Southwest a distance of 1.95 feet;

THENCE North 45°45′00" East, leaving the common line of said City of Shoreacres tract and said Miramar Drive right-of-way, for a distance of 68.30 feet to a point for corner at the edge of water for Galveston Bay;

THENCE Along said edge of water the following courses and distances;

South 52°43'44" East, a distance of 62.44 feet; South 41°29'51" East, a distance of 102.21 feet;

THENCE South 24°22'02" East continuing along said edge of water for a distance of 24.34 feet to a point for corner;

THENCE South 45°45'00" West, leaving said edge of water, passing at a distance of 77.27 feet a found iron rod, and continuing for a total distance of 106.16 feet to the PLACE OF BEGINNING of herein described tract of land and containing within these calls 0.3549 acres or 15,458 square feet of land.

WITNESS MY HAND AND SEAL THIS THE 27th DAY AUGUST, 2009.

SCOT LOWE, R.P.L.S. No. 5007

ORDINANCE NO. 2010-59

AN ORDINANCE APPROVING AND AUTHORIZING AN AGREEMENT BETWEEN THE CITY OF SHOREACRES AND THE SHOREACRES RECREATION ASSOCIATION, FOR THE LEASE OF REAL PROPERTY (PIER) ON MIRAMAR DRIVE; MAKING VARIOUS FINDINGS AND PROVISIONS RELATING TO THE SUBJECT; FINDING COMPLIANCE WITH THE OPEN MEETINGS LAW; AND PROVIDING AN EFFECTIVE DATE HEREOF.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SHOREACRES:

Section 1. The City Council hereby approves and authorizes the contract, agreement, or other undertaking described in the title of this ordinance, a copy of which is on file in the office of the City Secretary. The Mayor is hereby authorized to execute all related documents on behalf of the City of Shoreacres to confirm acceptance by the City of Shoreacres. The City Secretary is hereby authorized to attest to all such signatures and to affix the seal of the City to all such documents.

Section 2. The City Council officially finds, determines, recites, and declares that a sufficient written notice of the date, hour, place and subject of this meeting of the City Council was posted at a place convenient to the public at the City Hall of the City for the time required by law preceding this meeting, as required by the Open Meetings Law, Chapter 551, Texas Government Code; and that this meeting has been open to the public as required by law at all times during which this ordinance and the subject matter thereof has been discussed, considered and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

Section 3. This Ordinance shall be effective from and after its passage and approval, and it is so ordered.

| PASSED AND APPROVED, this _Z | <u> </u> |
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| OTEV MANAGEMENT | CITY OF SHOREACRES |
| ATTEST: | By: Delly Arons, Mayor |
| David K. Stall, City Secretary | |

