

On: Aug 30, 2005 at 03:03P

THE STATE OF TEXAS
CITY OF ROCKWALL

§
§
§

By,
Francine
RESIDENTIAL SUBLEASE AGREEMENT 00336279

Residential Sublease Agreement

0
4
1
8
3

0
0
0
8
6

This Sublease Agreement (hereinafter referred to as the "Sublease") is made and entered into this 18th day of August, 2005 by and between the City of Rockwall, Texas, herein called "Sublessor," and Donald W. + Joan J. Severson, herein called "Sublessee."

RECITALS

- A. On or about the 16th day of January, 2001, Sublessor (as lessee) and the City of Dallas, Texas (as lessor) entered into an Interlocal Agreement and Lease (hereinafter defined and described as the "Base Lease") covering the lease of the Lake Ray Hubbard take line area, which encompasses the Leased Area as hereinafter defined. Said Interlocal Agreement and Lease is incorporated herein by reference.
- B. Sublessor is a municipal corporation, which has leased from the City of Dallas the land adjacent to Lake Ray Hubbard, which encompasses the perimeter boundary of Dallas' property at the lake for the purposes as set out in the Base Lease.
- C. Sublessor desires to sublease to Sublessee the leased area adjacent to Sublessee's property being described as Lot 12, Block A of the Addition Stonebridge Meadows Ph 5 so as to permit use and enjoyment of same by said Sublessee, said Leased Area being more specifically described by the hereto attached Exhibit A survey of the sublease property, during the term hereof.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged, the parties hereby agree as follows:

ARTICLE 1. DEFINITIONS

- A. **"Interlocal Agreement"** means the Base Lease, or Master Lease, covering the lease of the Lake Ray Hubbard take line area by the City of Dallas to the City of Rockwall, dated January 16, 2001, which encompasses the Leased Area as defined herein.
- B. **"Lake"** means Lake Ray Hubbard.

- C. **“Take Line”** means the perimeter boundary of Dallas’ property at the Lake.
- D. **“Take Area”** means the land owned by Dallas between the Take Line and the normal Lake pool elevation (435.5 mean sea level).
- E. **“Lake Area”** means the City of Dallas property, known as Lake Ray Hubbard, that is normally submerged by the Lake at normal Lake pool elevation (property at or below elevation 435.5 mean sea level).
- F. **“Leased Area”** means the Take Area that is within the City Limits of Rockwall, or where the Take Line is directly adjacent to the City Limits of Rockwall.
- G. **“Maintenance Responsibilities”** shall mean keeping the erosion control structure(s) in good condition throughout the term hereof so that such structures remain capable of proper protection against erosion.
- H. **“Subleased Premises”** means the area hereby subleased and more particularly described in Article 3 herein.
- I. **“Residential Area”** means the Leased Area where the Take Line is adjacent to the residential property and where no commercial activity exists, or is proposed to exist, on Dallas property. If commercial activity occurs in a Residential Area, that portion of the Leased Area will be considered a Commercial Area.
- J. **“Sublessee”** means a person or entity subleasing Dallas property in the Leased Area from City of Rockwall. Sublessee shall be an adjacent property owner.
- K. **“Shoreline”** means the line along the shore of the Lake, established by the normal Lake pool elevation (435.5 mean sea level).
- L. **“New Immediate Action Area”** means any section of the Leased Area where any of the following has occurred:
1. The shoreline is within 30 feet or less of the Take Line;
 2. A public hazard exists or can be expected to be created by erosion within a short period of time;
 3. Structures are at risk of structural damage due to erosion;
 - or
 4. Existing adjacent erosion protection is impeded if erosion is allowed to continue.
- M. **“Critical Areas”** mean areas determined to be immediate action erosion control areas, as defined in the 1987 “Lake Ray Hubbard Erosion Control Study” by Bernard Johnson Incorporated (the Bernard Johnson Report), a copy of which is available for review at the City of Rockwall Parks and Recreation Department.

ARTICLE 2. PURPOSE AND INTENT

The purpose of this sublease agreement is to permit the development of property along the take area of Lake Ray Hubbard under certain regulatory conditions governing permitted uses and development standards, setting forth procedures for the development of said property and establishing an appeals process for the terms of Lake Ray Hubbard Overlay District Ordinance. The zoning overlay district has its basis in and is intended to serve as one implementation tool for the Lake Ray Hubbard Master Plan, adopted by the City of Dallas on _____; the Lake Ray Hubbard Interlocal Agreement as approved by those municipalities comprising the Lake Cities Coalition (Garland, Rockwall, and Rowlett, Texas) and the City of Dallas, Texas; and the Comprehensive Plan for the City of Rockwall, adopted on December 17, 2001. The adoption of the Zoning district is intended to provide a means for the protection of water quality, water supply, and the preservation of the natural environment and to enhance the quality of the Lake Ray Hubbard shoreline through regulation of manmade facilities. For those properties that take part in the City of Rockwall Residential Sublease Agreement the overlay zoning ordinance is to be used in conjunction and in addition to the erosion control and engineering standards as well as other development related ordinances, such as but not limited to, landscaping ordinance, tree preservation ordinance and outdoor lighting.

ARTICLE 3. DEMISE OF SUBLEASED AREA

- A. **Sublessor, for and in consideration of the rents, covenants and promises herein contained to be kept, performed and observed by Sublessee has demised and leased and by their presents does hereby demise and lease unto Sublessee, and Sublessee, for and in consideration of the covenants and agreements herein reserved on the part of the Sublessor to be kept and performed, does hereby accept from Sublessor, the Subleased Area as more specifically described by the hereto attached Exhibit A (survey of the Take Area) and subsequent to the terms and conditions as hereafter described. Sublessee acknowledges that it has inspected the Subleased Area to their satisfaction and accepts the Subleased Area "As Is" and with all faults and defects, whether known or unknown to either Sublessor or Sublessee and without representation or warranty of any kind from Sublessor as to the status or condition thereof.**
- B. All structures and/or improvements in the Take Area shall require a building permit issued by the City of Rockwall consistent with applicable ordinances and regulations of Takeline Area Overlay District allowed uses.
- C. Sublessee acknowledges that the decision to lease the Subleased Area is based solely upon the Sublessee's comprehensive inspection of the Subleased Area and not upon any warranty or representation of Sublessor, or of Sublessor's

employees, agents or representatives with regard thereto. Without limiting the foregoing, **THERE IS NO WARRANTY, EXPRESSED OR IMPLIED, OF SUITABILITY, MERCHANT ABILITY, HABITABILITY, OR FITNESS FOR ANY PARTICULAR PURPOSE GIVEN IN CONNECTION WITH THIS LEASE.**

- D. **IT IS UNDERSTOOD BY BOTH THE CITY OF ROCKWALL AND SUBLESSEE THAT THE WATER LEVEL IN THE LAKE WILL NOT REMAIN CONSTANT AND THAT ALL LAND IN THE SUBLEASED PREMISES IS SUBJECT TO FLOODING. THE PARTIES AGREE THAT NEITHER THE CITY OF DALLAS NOR THE CITY OF ROCKWALL SHALL BE RESPONSIBLE FOR DAMAGES TO ANY STRUCTURES, FACILITIES, LANDSCAPING, OR OTHER PROPERTY DAMAGE ON THE SUBLEASED AREA DUE TO WIND, WATER, EROSION, FLUCTUATING WATER LEVELS, OR FLOATING DEBRIS.**

ARTICLE 4. SUBLEASE TERM

- A. Subject to the terms and conditions of this Sublease, the demise set forth in Article 3 above shall be for the Sublease Term, which shall **expire on January 16, 2041**. Residential area subleases cannot be further subleased. If a sublessee (abutting property owner) sells his or hers property, the sublease shall be transferred to the new owner.
- B. This sublease shall terminate and become null and void no later than **January 16, 2041**, unless extended by the parties hereto in writing subject to the provisions of the Base Lease or the Master Lease by and between the City of Dallas and the City of Rockwall. Any holding over or use and occupancy by Sublessee after the termination of this Sublease shall not constitute a renewal hereof or give Sublessee any rights hereunder in or to the Subleased Area upon termination. Upon termination of this Sublease, all improvements to the Subleased Area (whether or not constructed by Sublessee) shall be and become the property of Sublessor **or** its successors in interest; provided, however, Sublessee shall be entitled to remove from the Subleased Area removable equipment, provided that such removal can be accomplished without unreasonable injury to the Subleased Area or the removing improvements on the Subleased Premises.
- C. This Sublease shall be terminated or canceled by the City of Rockwall in the event that the Interlocal Agreement between the City of Rockwall and the City of Dallas is terminated or canceled by agreement or operation of law. Sublessee shall be entitled to no compensation of any kind from the City of Rockwall or the City of Dallas if this Agreement is so canceled or terminated.
- D. The annual sublease payment shall not exceed the estimated annual expenses of the City of Rockwall in administering all subleases and sublease areas, pursuant

to the base lease, divided by the number of properties within the boundaries of the City of Rockwall within the Takeline area, and subleases or legally available for sublease.

- E. Sublessee shall have the right to terminate this sublease if, at any time during this sublease, a material and substantial change in circumstances existing at the time of this sublease should occur. For the purpose of this paragraph, a “material and substantial change in circumstances” shall include but not be limited to the destruction of the residential structure of the sublessee on the lot adjacent to the leased area, a collective increase in the sublease payment of more than 100% over any ten year period or less, or the elimination by the City Council of an authorized use for which the sublessee has in place.

ARTICLE 5. SUBLEASE PAYMENT

- A. In accordance with Section III (C) of the Base Lease, Sublessee shall pay **an initial payment of \$600.00** to Sublessor and an annual payment of **\$350.00** due annually based on contract date. Said payment may be **adjusted annually** by the City during the term of the Sublease by majority vote of the City Council of the City of Rockwall.
- B. Failure of sublessee to pay the annual payment as provided for in Section A shall be considered as an event of default. If Sublessee fails to pay the annual payment within thirty (30) days of receipt of notice, Sublessor may terminate this lease and take possession of any improvements on the leased premises subject to Article 6, Section N herein.

ARTICLE 6. USE OF SUBLEASED AREA

- A. Sublessee agrees to use and maintain the Subleased Area in accordance with all City codes and regulations established by Sublessor for the Take Line area. Any violation of such regulations shall be considered a breach by Sublessee of this Agreement, for which Sublessor shall be entitled to take appropriate action if such violation is not cured. Sublessee specifically recognizes that the City of Dallas, as a third party beneficiary, has the right to enforce the terms of this Agreement in the event of the Sublessee’ breach of any of the terms contained herein.
- B. Structures or appurtenances that shall be **prohibited** within the Subleased Area, without prior approval by Sublessor and the City of Dallas are as follows but not limited to:
 - 1. Propane tanks.
 - 2. Storage of gasoline, oils, diesel, or similar types of compounds.

3. Storage of pesticides, herbicides, fungicides, or preservatives.
4. Use of pesticides, herbicides, fungicides, or preservatives that are not approved by the Texas Commission on Environmental Quality or US Environmental Protection Agency for use around water supplies, and on a listing approved provided by Dallas.
5. Storage of any hazardous materials, regardless of its nature.
6. Septic tanks and lateral lines (with the exception of city utilities).
7. Toilets.
8. Habitable structures.
9. Diving boards and slides over and/or into the lake.
10. Pets living quarters, livestock, maintenance of livestock or any such structure that houses or shelters livestock and/or pets, including but not limited to cattle, horses, swine, poultry.
11. Water wells.
12. Chemically preserved wood (e.g. railroad ties and telephone poles) in the water.

C. Prohibited activities on the lake and shore area:

1. Shoreline (bank of the lake) will not be tapered, cut, smoothed, or altered in any way without a permit.
2. Leased shore area will not be excavated, channeled, cut, bored, dug, filled, smoothed, or altered in any manner unless specifically permitted.
3. Wheeled vehicles and all other motorized equipment are prohibited from operating on the lake bottom unless specifically authorized.
4. The construction of sandy beaches on the lake bottom at the shoreline are prohibited.
5. Removal of vegetation from the lake bottom at the shoreline is prohibited unless specifically authorized.
6. Railroad ties on the shoreline and Take Area are prohibited.
7. No dumping on the shoreline (bank of the lake) and take area of brush, leaves, bricks, logs, concrete rubble, asphalt rubble, soil, sand, gravel, rock, or any other material.
8. Garbage cans and waste receptacles are prohibited anywhere in the leased area.
9. No signage in the leased area unless specifically authorized.

10. No business activity will be performed from within the leased area.
11. No storage of personal items on the Take Area and shoreline unless specifically authorized by the City of Rockwall. Personal items includes but is not limited to boats, jet skis, rafts, watercraft, boat trailers, vehicles, campers, RVs, wood piles, lawn equipment, appliances, storage facilities, construction material, and storage of miscellaneous materials.
12. Drawing lake water for personal usage such as for irrigation is prohibited without a permit issued by Dallas Water Utilities.

Additional Requirements:

1. All tree removals will comply with the City of Rockwall Tree Preservation Ordinance.
 2. A permit is required for any and all types of lake dredging and lake bottom earthwork.
 3. Sublessee will immediately remove personal items littering the lake, particularly after a storm.
 4. No permit is required for minor repair or general maintenance of an authorized existing erosion control structure unless the repair or general maintenance will include different material than what was originally approved. A permit is required for modifications and alterations to existing erosion control structures.
 5. All boats on the shoreline must comply with the mooring time limit as specified in the Rockwall Takeline Overlay District Zoning Ordinance.
 6. Boats will in no way pollute lake waters from, but not limited to; bilge discharges, septic waste, fueling, cleaning, maintenance, and painting.
 7. Sublessee must first install an approved method of erosion control before the construction of lake structures. Lake structures will not be permitted without the placement of erosion control the entire length of the subleased shoreline.
- D. Sublessee agrees that he/she will not make nor allow to be made, any unlawful, improper or offensive use of the premises, which would be injurious to any person or property, or which would violate the laws of the United States or the State of Texas, or any ordinance(s) of the City of Rockwall or the City of Dallas that may

pertain to the demised premises. In the event of a conflict between the respective ordinances and/or the provisions of the lease the most restrictive shall apply. Sublessee shall be subject to the terms and penalties associated with ordinance and regulations violations in addition to the provisions of this Sublease.

- E. The City of Rockwall and the City of Dallas retain the right to make regular or special inspections of the Subleased Premises to ensure that it is being maintained and used in accordance with the terms of this Sublease and the Base Lease and that all terms of this Sublease and the Base Lease are being upheld. The City of Rockwall will provide written notice of a breach or violation, or noncompliance with the terms of this Sublease or the Base Lease to Sublessee. Sublessee will have **ten (10)** days to correct and/or abate all violations, unless otherwise agreed by the City of Rockwall. If Sublessee has commenced and is pursuing the cure of the same, then after first advising the City Council of Rockwall or its designated representatives of Sublessee's effort to cure, Sublessee may utilize an additional **ten (10)** days, if approved by the City of Rockwall. Failure to correct all violations in the allotted time constitutes a material breach of this Sublease.
- F. In the event of the default after the expiration of the applicable notice and cure periods (except for the non-payment of agreed sublease), the City of Rockwall shall be entitled in addition to any other penalties or fines to assess and receive from Sublessee as liquidated damages the sum of **\$500.00** per day for each day the breach remains uncured.
- G. Failure by the City to provide the **ten (10)** day notice described above shall not constitute a waiver of any breach of this Sublease. Waiver of any breach of any provision of this Sublease shall not be considered as a waiver of any subsequent breach of the same or any other provision of the Sublease.
- H. The City of Rockwall has adopted the Takeline Area Overlay District Zoning Ordinance and policies for the construction of structures and/or other improvements in the Subleased Premises. A detailed plan for construction of fences and other proposed structures in accordance with the Take Area Zoning Ordinance adopted June 21, 2004, must be approved by the City of Rockwall and the City of Dallas prior to construction. If improvements or structures have been constructed in the Takeline area or the shoreline prior to the execution of this Sublease, all existing noncompliance items or encroachments that are not approved must be abated prior to the execution of this sublease agreement. No structures or improvements that are in noncompliance or are encroaching will be grandfathered.
- I. Sublessee recognizes and consents to the City of Rockwall and the City of Dallas having the right of ingress and egress to the Subleased premises for any operational or maintenance purposes upon twenty-four (24) hours advance notification to Sublessee; except that no advance notice will be required in case of an emergency or possible health and/or safety hazards.

- J. Sublessee understands that pursuant to the Base Lease Dallas will make a reasonable effort to repair any damage resulting from Dallas accessing the Take Area for utility maintenance and/or public safety vehicles, and will restore the damaged property as nearly as possible to its condition prior to the damage created by the City of Dallas accessing the Take Area; however, if the damage is located within a dedicated easement the requirements of that easement shall govern and no additional obligations are assumed by the City of Rockwall or the City of Dallas as a result of the execution of this Sublease. Likewise, the City of Rockwall will make a reasonable effort to repair any damage resulting from the City of Rockwall accessing the Take Area for utility maintenance and/or public safety vehicles, and will restore the damaged property as nearly as possible to its condition prior to the damage created by the City of Rockwall accessing the Takeline Area however, if the damage is located within a dedicated easement the requirements of that easement shall govern and no additional obligations are assumed by the City of Rockwall or the City of Dallas as a result of the execution of this Sublease.
- K. Sublessee recognizes that the City of Rockwall may require easements in the future in the Subleased Area. Sublessee hereby agrees to approve future easements with the understanding that the Sublessor will make all reasonable efforts to avoid damage to existing improvements. If damage results from the use of a future easement, Sublessor will restore the damaged property as nearly as possible to its condition prior to the damage created by the Sublessor.
- L. Sublessee recognizes that Sublessor has established specific setbacks, reservation of future easements or other development requirements unique to this Sublease. Such specific requirements are set forth in the Take Area Zoning Ordinance adopted June 21, 2004. Sublessee agrees to abide by all requirements during the term of the Sublease.
- M. Sublessee recognizes that prior to placement of any structures and/or personal items, improvements, including, but not limited to: landscaping, construction or subgrade alterations on the Subleased Premises a construction alteration permit must first be obtained from the City of Rockwall. Such construction alteration permit will be in addition to any other permit or approval required by the City of Dallas. Time limits for completion of construction will be established at the issuance of the construction alteration permit. **No construction will be considered complete and/or approved until a final inspection is conducted by the City of Rockwall and/or the City of Dallas or their appointed representatives.**
- N. If this lease is terminated for any reason stated within this agreement any structures and/or any improvements must be removed within 30 days.

ARTICLE 7. EROSION PROTECTION

- A. *For all subleases, the City of Rockwall will require sublessee of Residential Zoned Areas to either completely install, or pay for the installation of, Shoreline erosion protection in accordance with Section VI of the Base Lease or Master Lease in Critical Areas, whenever such Critical Areas may arise (as defined in Section VI (A) Base Lease), before execution of the sublease. Erosion protection required under the sublease must be completed no later than twelve (12) months from the date of execution of the sublease, but prior to, or concurrent with, a sublessee's commencement of construction of any improvements. If a Critical Area arises after execution of the sublease, the City of Dallas or the City of Rockwall are not responsible for any erosion control measures required and the sublessee shall not look to the City of Dallas or the City of Rockwall for action. If any part of the subleased area becomes a Critical Area after execution of the sublease, the sublessee of a residential area may, at sublessee's option, install erosion protection in accordance with this sublease agreement and Base Lease. Erosion protection required under the sublease must be completed prior to a sublessee's commencement of construction of any improvements of any kind on the leased area, subject to the City of Rockwall's permitting process.*
- B. In areas determined to be Critical Areas or New Immediate Action Areas, as defined above (collectively referred to as "Critical Areas"), the Sublessee will be responsible for installation and maintenance of erosion control. Such required erosion protection must be completed no later than twelve (12) months from the date of execution of this Sublease, but prior to, or concurrent with, the Sublessee's commencement of construction of any improvement. If the City of Dallas has installed or performed maintenance or erosion control in any Critical Area, the Sublessee will reimburse the City of Dallas for the cost of installation and maintenance from the date of execution of the Base Lease to the later of, the date of execution of the Sublessee's sublease with the City of Rockwall, or the date of installation of the erosion control. If Dallas installed or performed maintenance or erosion control in any area that is not a Critical Area, the Sublessee will reimburse Dallas for the cost of installation and maintenance from the date of execution of the Base Lease to the date of execution of the Sublessee's sublease with the City of Rockwall (*i.e.* there will be no retroactive reimbursement obligations of the Sublessee in a non-Critical Area; the full extent of the erosion reimbursement obligations of the Sublessee in a non-Critical Area will be known at the time of execution of the sublease). Reimbursements can be paid in a lump sum or over a term to be determined by Dallas. Term payments will include interest charges and the term will not exceed the life of the asset. Sublessee shall assume maintenance responsibility for existing or proposed erosion control.
- C. Sublessee may install erosion control subject to the approval of the City of Dallas and the City of Rockwall. Sublessee will be responsible for maintenance of the installed erosion control in the same manner as set out above.

- D. The City of Dallas and the City of Rockwall will establish a listing of types of erosion control approved for use around the Lake, based on the Bernard Johnson Report or engineering data or criteria list. The list may be expanded jointly by Dallas and the City of Rockwall should new and approved technology become available for such erosion control. If the City of Dallas or the City of Rockwall installs erosion control, it can install any type listed in the Bernard Johnson Report, or on the updated/approved listing, as it deems economically and/or environmentally feasible.
- E. The Sublessee may reclaim lost Shoreline with the approval of the City of Rockwall and prior written approval of the City of Dallas, as determined on a case-by-case basis. Any reclamation or cut and fill in the Lake or at the Shoreline shall not reduce the usable water storage capacity or flood storage capacity of the Lake, as determined by the City of Dallas. Sublessee, or the parties performing the reclamation, will be responsible for obtaining all related permits for the reclamation, such as the U.S. Army Corps of Engineer permits.
- F. No activities will be allowed which will increase the erosion of the Shoreline property, including any alteration of vegetation or property, as determined by the City of Dallas as described by the Bernard Johnson report.
- G. Erosion control installations must comply with all local, state, and federal laws, regulations and requirements and shall be designed by a licensed professional engineer and installed by a competent contractor with demonstrated experience in the installation of that system.
- H. Sublessee agrees to allow abutting Sublessee(s) to connect to the erosion protection mechanism so installed, so as not to create gaps between abutting properties in said erosion protection.

ARTICLE 8. HOLD HARMLESS

Sublessee hereby agrees to defend, indemnify and hold the City of Dallas and Sublessor, their respective officers, agents and employees, fully harmless from any claims, lawsuits or expenses for personal injury (including death), property damage or other harm for which damages may be recovered under law, suffered by any person or persons (including but not limited to Sublessee), that may arise out of or be occasioned by Sublessee's fault or negligence in the use, occupancy, maintenance or operation of the Subleased Premises for any purpose, or that arises out of or is occasioned by erosion control improvements installed, used or maintained by Sublessee, or by Sublessee's failure to install erosion control devices as required under the Sublease, **REGARDLESS OF WHETHER OR NOT THE NEGLIGENCE OR FAULT OF THE CITY OF DALLAS OR THE CITY OF ROCKWALL IN OPERATING OR MAINTAINING**

THE LAKE AREA, OR ORIGINALLY INSTALLING OR MAINTAINING ANY EXISTING EROSION CONTROL IMPROVEMENTS ASSUMED BY SUBLESSEE, OR IN DETERMINING WHAT EROSION CONTROL IMPROVEMENTS WERE APPROPRIATE, CONTRIBUTED TO THE DAMAGE OR INJURY.

ARTICLE 9. COVENANT RUNNING WITH THE LAND

- A. This Sublessee cannot be further subleased by Sublessee, except that this Sublease shall be transferred to any subsequent owner of the residential property, as described herein. Sublessee agrees to notify in writing, Sublessor of any change in ownership of the property within ten (10) days of closing. This covenant shall be considered as a covenant running with the land and shall be filed for record in the deed records of Rockwall County, Texas.
- B. It is the understanding of the parties that this Sublease contains the entire understanding of the Sublessor and Sublessee and that any change, alteration, or modification of this Sublease shall only be effective if in writing approved by both parties.
- C. Sublessee further asserts that he/she has received a summary of the Base Lease and the Takeline Area Overlay District Zoning Ordinance which is incorporated herein by reference and that he/she has read said Base Lease and understands its terms and provisions.
- D. Sublessee agrees to provide Sublessor with a certificate that extends coverage under Sublessee's Homeowners Insurance Policy to the leased premises.

ARTICLE 10. SEVERABILITY

In case any one or more of the provisions contained in this Sublease shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Sublease shall be considered as if such invalid, illegal, unenforceable provision had never been contained in this Sublease.

EXECUTED on the date first written above.

SUBLESSOR:

CITY OF Rockwall

[Signature]

(Authorized Signature)

SUBLESSEE:

Donald W. Severson
JOAN J. SEVERSON

NAME

403 Stonebridge Drive
ADDRESS.

972-771-3292

TELEPHONE

469-955-5490

ALTERNATE TELEPHONE

[Signature]
SIGNATURE

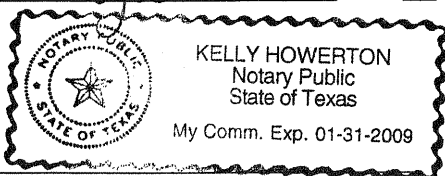
ACKNOWLEDGMENT

THE STATE OF TEXAS §

COUNTY OF DALLAS/ROCKWALL §

BEFORE ME, the, undersigned, a Notary Public in and for said County and State, on this day personally appeared Donald + Joan Severson known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 18th day of August, 2005.



[Signature]
Notary Public in and for the
State of Texas

My Commission Expires:

STATE OF TEXAS)
COUNTY OF ROCKWALL)
CITY OF ROCKWALL)

BEFORE ME, a notary public in and for said county and state, personally appeared Julie Couch, City Manager of the City of Rockwall, and acknowledged to me that she executed the within and foregoing document as her free and voluntary act and deed, and the free and voluntary act deed of the City of Rockwall, for the uses and purposes set forth therein.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS 16th day of August, 2005.

Kelly Howerton
Notary Public in and for the State of Texas

My Commission Expires:

