

COMMERCIAL LEASE

This Commercial Lease (this “New Lease”) is made and entered into by and between the CITY OF FRISCO, TEXAS, a home-rule municipality referred to in this New Lease as “City,” and COLLIN COUNTY, a Texas political subdivision, referred to in this New Lease as “Lessee.” City and Lessee sometimes are referred to herein collectively as the “Parties” or singularly as a “Party.”

WHEREAS, the Parties executed a Commercial Lease Agreement dated to be effective January 1, 2017 (the “Initial Lease”);

WHEREAS, the Initial Lease was amended and restated in an Amended and Restated Commercial Lease dated to be effective January 1, 2017 respectively (the “Amended and Restated Initial Lease”);

WHEREAS, the Amended and Restated Commercial Initial Lease was amended to be effective April 22, 2020 (“First Amended” and together with the “Amended and Restated Initial Lease,” the “First Amended Initial Lease”);

WHEREAS, the First Amended Initial Lease was amended to be effective February 21, 2023 (“Second Amended” and together with the “First Amended Initial Lease,” the “Second Amended Initial Lease”);

WHEREAS, the City has agreed to lease to Lessee, and Lessee has agreed to lease from City, the property described in **Exhibit “A”** attached to this Lease, which is a portion of Frisco City Hall located at 6101 Frisco Square Boulevard, generally being on the first floor consisting of 3,172 square feet, more or less, and highlighted blue on **Exhibit “A”** (collectively, the “premises” or the “leased premises”);

WHEREAS, the Parties agree that all prior lease agreements, including the Initial lease, the Amended and Restated Initial Lease, the First Amended Initial Lease, and the Second Amended Initial Lease shall all terminate on December 31, 2025 and the New Lease herein shall commence on January 1, 2026 (“Effective Transition Date”); and

WHEREAS, City finds that the New Lease of the premises to Lessee is for a valid public purpose.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this lease, and other good and valuable consideration, City does hereby demise and New Lease to Lessee, and Lessee does hereby New Lease from City, the premises described above.

ARTICLE 1. TERM AND TERMINATION

Term of Lease

1.1 The term of this New Lease shall be three (3) years, commencing on January 1, 2026 (“Commencement Date”), and shall terminate at Midnight on the last day of the thirty-sixth (36th) full month following the Commencement Date, subject to the termination provisions set forth in this New Lease. Lessor grants to Lessee two (2) successive options to extend the Term for one (1) year each (the “Extension(s)”) on the same terms and conditions hereof. In order to exercise the Extensions, Lessee must provide notice to Lessor of Lessee’s intention to extend the Term at least ninety (90) days prior to the expiration of the Term or any extension thereof. This New Lease may be renewed or extended by the parties upon written mutual agreement following the negotiation of any changes. The terms and conditions of the New Lease during the Extensions shall be the same as those contained in the Lease.

Termination

1.2 Either City or Lessee shall have the right to terminate this New Lease with no penalty by giving the other party one hundred twenty (120) days written notice. Any amounts pre-paid by Lessee as rent shall be returned to Lessee within thirty (30) days of the termination date in a pro-rated amount.

ARTICLE 2. RENT

Final Payment on Second Amended Initial Lease

2.1 The Lessee agrees to pay all outstanding rent, fees, and other charges for the Second Amended Initial Lease Agreement, up to and including the Effective Transition Date. The Lessee shall deliver a final payment in the amount of \$6,205.58 on or before December 31, 2025. The City acknowledges that upon receipt of this payment and completion of the move-out inspection for the Second Amended Initial Lease, all rent obligations under the Second Amended Initial Lease will be considered paid in full.

Base Rent

2.2 Lessee agrees to pay City as rent for the leased premises a base rent of thirty-five Dollars (\$35) per square foot for the 3,172 square feet which totals the sum of one hundred eleven thousand twenty Dollars (\$111,020) per annum during the New Lease term payable in monthly installments in the amount of \$9,251.66 for eleven payments, and \$9,251.74 for one payment, per month in advance, with any amount owed for a partial month being pro-rated.

2.3 On each anniversary of the Commencement Date of this Lease, the amount of the Rent shall automatically increase by five percent (5%) over the amount of the then-current annual rent (as defined in Section 2 above).

2.4 In addition to the base rent, Lessee agrees to pay City as reimbursement for cabling infrastructure costs, thirty-five thousand and 24/100 Dollars (\$35,000.27), and for the

panic hardware and installation, five thousand seven hundred ninety-five and 00/100 Dollars (\$5,795.00). This payment shall be due on or before December 31, 2025.

ARTICLE 3. USE OF PREMISES

Permitted Use

3.1 Lessee shall operate the leased premises for the purpose of public services, continuously during the term of this New Lease and shall not use the premises for a purpose that is not considered a public purpose by the central appraisal district.

3.1.1 Lessee also has the ability to utilize public meeting space in the building that is outside of the leased premises at no cost subject to advance reservation with the City. Lessee's hours of operation for access are anticipated to be 8:00 a.m. to 5:00 p.m. weekdays and weekends. Lessee shall have access to the leased premises during operating hours and at reasonable times before and after operating hours for opening setup and closing.

3.1.2 City's employees will have access to and share utilization with Lessee's employees of shared kitchen space and shared restroom space.

Waste, Nuisance, or Illegal Uses

3.2 Lessee shall not use, or permit the use of, the premises for any purpose which shall increase the existing rate of insurance upon the building, or cause the cancellation of any insurance policy covering said building, or sell or permit to be kept, used or sold in or about said premises any article which may be prohibited by the City of Frisco insurance policies. Lessee shall not commit any waste upon the premises, nor cause any public or private nuisance or other act which may disturb the quiet enjoyment of City, nor shall Lessee allow said unsafe purpose, including, but not limited to, the storage of any flammable materials, nor shall Lessee use any apparatus, machinery or device in or on said premises which shall make any noise or set up any vibration which can be detected by City, or which shall in any way be a detriment to said building.

Parking

3.3 Lessee's employees, customers, guests and invitees shall have the right to park, without charge, during the term of this New Lease on the public parking surrounding the building and within the parking garage behind the building, however Lessee's employees shall not park in the front rows or in spaces designated for visitors and shall follow the same policies for parking as City's employees.

ARTICLE 4. MAINTENANCE, SURRENDER AND HOLDOVER

Maintenance

4.1 City shall maintain the leased premises and parking area in good condition, except that Lessee shall promptly make any repairs or replacements to the leased premises that are the result of damage caused by Lessee or Lessee's employees, agents, guests and/or invitees. Repairs and/or improvements made by Lessee must have City's written approval. If Lessee fails to make such repairs or replacements, City, in its sole option, may, after providing ten (10) days written notice to Lessee, make such repairs or replacements and Lessee shall repay the costs incurred by City, and failure to pay within ten (10) days of the date of the demand shall constitute an event of default.

Acceptance; Surrender

4.2 Lessee acknowledges that it shall take possession of the Leased Premises and accepts the leased premises in its "As Is" condition. Lessee shall surrender the leased premises to City at the expiration of this New Lease in good order, repair and condition, at least equal to the condition at the beginning of this lease, ordinary wear and tear excepted.

Holdover

4.3 Lessee shall vacate the leased premises immediately upon the expiration of the New Lease term or earlier termination of this New Lease. Lessee shall reimburse City for and indemnify City against all damages incurred by City as a result of any delay by Lessee in vacating the leased premises. If Lessee does not vacate the leased premises upon the expiration of the New Lease term or earlier termination of this lease, Lessee's occupancy of the leased premises shall be a day-to-day tenancy, subject to all of the terms of this lease, except that the rent during the holdover period shall be increased to an amount which is one-and-one-half (1½) times the rent in effect on the expiration or termination of this lease, computed on a daily basis for each day of the holdover period, plus all additional sums due under this lease. This paragraph shall not be construed as City's consent for Lessee to holdover or to extend this lease.

ARTICLE 5. HOLD HARMLESS; COMPLIANCE WITH LAWS

Hold Harmless Clause

5.1 Lessee agrees to indemnify and hold City harmless, to the extent allowed by law, against any and all claims, demands, damages, costs, and expenses, including reasonable attorney's fees for the defense of such claims and demands, arising from the conduct or management of Lessee's business on the leased premises or from its use of the leased premises, or from any breach on the part of Lessee of any conditions of this lease, or from any act or negligence of Lessee, its agents, contractors, employees, volunteers, sublessees, concessionaires, or licensees in or about the leased premises, but Lessee shall not indemnify or hold harmless City for the City's own negligence or willful misconduct. In case of any action or proceeding brought against City by reason of such claim, Lessee, upon notice from City, agrees to defend the action or proceeding by counsel acceptable to City.

Compliance with Government Regulations; Background Checks; Drug Testing.

5.2 Throughout the term of this lease, Lessee will promptly comply with (a) all present and future laws, ordinances, orders, rules, regulations and requirements of every constituted governmental authority or agency in any way relating to the leased premises, the use thereof, or the maintenance of insurance policies herein required, at normal premiums, whether or not such law, ordinance, order, rule, regulation or requirement shall necessitate structural changes or improvements or interfere with the use and enjoyment of the leased premises; and (b) all duties or obligations of any kind imposed by law, covenants, conditions, agreements or easements, upon the owner, occupant, Lessee or holder of any other interest in the leased premises. All of the foregoing contained in subsections (a) and (b) hereof are hereinafter collectively termed "Requirements."

5.3 Throughout the term of this New Lease, Lessee shall conduct, or cause to be conducted (by contract or otherwise), third-party background checks at its expense on all Lessee employees, agents and volunteers and on all prospective Lessee employees, agents and volunteers who will be assigned or who are considered for assignment to work on the premises (collectively, "Lessee Personnel"). In no event shall any person who has been convicted of any criminal offense involving sexual assault, aggravated sexual assault, rape, child abuse, sale or purchase of a child, child pornography, sexual solicitation of a child or a breach of trust or has participated in a pre-trial diversion with respect to such an offense, or who has been convicted of a violent felony, be permitted or assigned by Lessee to work on the premises. Throughout the term of this lease, Lessee shall conduct, or cause to be conducted (by contract or otherwise), pre-employment drug testing of all applicants for a Lessee Personnel position who have otherwise completed the employment screening process and to whom a conditional offer of employment or volunteer position has been extended and accepted. In no event shall any such applicant who refuses to be tested, who fails to cooperate with the testing process or who tests positive for an illegal substance be permitted or assigned by Lessee to work on the premises. City may, in its sole discretion, require that Lessee provide written evidence of completed background checks and/or drug testing on any Lessee Personnel upon reasonable notice. In the event that Lessee does not comply with the terms of this paragraph, City will have the right, in its sole and absolute discretion, to terminate this Agreement immediately in addition to all other remedies that may be available to City by law or under this Agreement.

ARTICLE 6. TELEPHONE CHARGES

Telephone Charges

6.1 City shall be responsible for installing and maintaining a telephone system for use by Lessee, but Lessee shall be solely responsible for paying its own long-distance telephone charges. Lessee shall be responsible for coordinating with City and obtaining City's prior approval, for any wiring, cable or other technical alterations required to be made to the building or the leased premises for Lessee to receive any other telecommunications and internet services.

ARTICLE 7. ALTERATIONS, ADDITIONS, AND IMPROVEMENTS

Consent of City

7.1 Lessee shall not make any structural alterations, additions, or improvements to the leased premises without the prior written consent of City and Lessee may not remove improvements or any part thereof without the consent of the City. Nonstructural alterations, additions, or improvements shall not require approval by City.

Property of City

7.2 All alterations, additions, or improvements made by Lessee which remain on the leased premises at the expiration or termination of this New Lease shall become the property of City.

Improvements by Lessor

7.3 Lessor, at Lessor's expense, will (i) make such improvements (specifically limited to walls, doors, lighting, electrical, phone\data drops, carpet, paint, and millwork) required to modify the current leased premises to create the office space labeled as C205B and highlighted red on Exhibit "A", and (ii) provide modular furniture to create two full cubicles and two modular tables/desks as generally depicted in the space highlighted red on Exhibit "A". At the termination of the New Lease all improvements and furniture contemplated in this Article 7.3 shall remain the property of Lessor.

ARTICLE 8. TRADE FIXTURES AND SIGNS

Trade Fixtures

8.1 Lessee shall have the right at all times to erect or install shelves or other trade fixtures in, on, or about the leased premises, provided that Lessee complies with all applicable governmental laws, ordinances, and regulations regarding such fixtures. Lessee shall have the right to remove all trade fixtures at the termination of this lease. Any trade fixtures that have not been removed by Lessee at the termination of this New Lease shall be deemed abandoned by Lessee and shall automatically become the property of City.

Signs and Other Materials

8.2 Lessee shall not have the right to install, erect, distribute, place, hold or maintain interior or exterior signs, publications, flyers, displays, oral presentations, tour, exhibits or products, unless the same is approved in writing by City prior to the installation, distribution or holding thereof. City shall have sole discretion in determining whether a sign, publication, flyer, display, oral presentation, tour, exhibit or product may be installed, erected, distributed, placed, held or maintained.

ARTICLE 9. DAMAGE OR DESTRUCTION OF PREMISES

Notice to City

9.1 If the leased premises or any structures or improvements on the leased premises are damaged or destroyed by fire, flood, windstorm, tornado or other casualty, Lessee shall immediately give written notice of the damage or destruction to City, including a description of the damage and, as far as known to Lessee, the cause of the damage.

Partial Damage

9.2 If the leased premises or any structures or improvements on the leased premises are damaged by fire, tornado or other casualty, but not to such an extent that rebuilding or repairs cannot reasonably be completed within one hundred twenty (120) days from the date City receives written notification by Lessee of the occurrence of the damage, then this New Lease will not terminate, but City shall proceed with reasonable diligence to rebuild or repair the leased premises or any structures or improvements on the leased premises (other than leasehold improvements made by Lessee or any assignee, subtenant or other occupant of the leased premises) to substantially the condition they were in before the damage. If the casualty occurs during the final four (4) months of the term, City will not be required to rebuild or repair the damage unless the parties agree to extend the term of this New Lease within fifteen (15) days after the date of receipt by City of the notification of the occurrence of the damage. If the parties do not agree to extend the term of this lease, City may, at City's option, terminate this New Lease by promptly delivering a written termination notice to Lessee, in which event the rent will be abated for the unexpired portion of the term, effective on the date of receipt by City of the written notification of the damage. To the extent the leased premises cannot be occupied (in whole or in part) after the casualty, the rent payable under this New Lease during the period the premises cannot be fully occupied will be adjusted equitably.

Substantial or Total Destruction

9.3 If the leased premises or any structures or improvements on the leased premises are substantially or totally destroyed by fire, tornado, or other casualty, or so damaged that rebuilding or repairs cannot reasonably be completed within one hundred twenty (120) days after the date City receives written notification from Lessee of the occurrence of the damage, either City or Lessee may terminate this New Lease by promptly delivering a written termination notice to the other party, in which event the monthly installments of rent will be abated for the unexpired portion of the term, effective on the date of the damage or destruction. If neither party promptly terminates this lease, City shall proceed with reasonable diligence to rebuild and repair the leased premises or any structures or improvements on the leased premises (except that Lessee shall rebuild and repair Lessee's fixtures and improvements in the leased premises). To the extent the leased premises cannot be occupied (in whole or in part) after the casualty, the rent payable under this New Lease during the period the leased premises cannot be fully occupied will be adjusted equitably.

ARTICLE 10. DEFAULT

Default by Lessee

10.1 If Lessee shall remain in default under any other condition of this New Lease for a period of thirty (30) days after written notice from City, City shall have all remedies at law or equity to dispossess Lessee from the leased premises, recover damages and to allow City to retake possession of the leased premises, including an action for forcible entry and detainer.

Waiver of Breach

10.2 A waiver by either City or Lessee of a breach or default of this New Lease by the other party does not constitute a continuing waiver or a waiver of any subsequent breach of the lease.

ARTICLE 11. INSPECTION BY CITY

11.1 Lessee shall permit representatives and employees of City to enter into and on the leased premises at all reasonable times for the purpose of inspection, maintenance, making repairs or alterations to the leased premises, or any other purpose necessary to protect City's interest in the leased premises or to perform City's duties under this lease.

ARTICLE 12. ASSIGNMENT AND SUBLEASE

Assignment and Subletting by Lessee

12.1 Lessee may not sublet, assign, encumber, or otherwise transfer this New Lease or any right or interest in this New Lease or in the leased premises or the improvements on the leased premises.

Assignment by City

12.2 City may assign or transfer any or all of its interests under the terms of this New Lease provided that City notifies such assignee of the contents of this lease.

ARTICLE 13. INSURANCE

13.1 During the term of this lease, Lessee shall, at its sole cost and expense, obtain and maintain insurance against claims for injuries to persons (including death) and/or damages to property which may arise from or in connection with Lessee's performance of this lease, including without any limitation, coverage for any work subcontracted with any other person or entity, insurance against claims for injuries to persons (including death) and/or damages to property which may arise from or in connection with its performance thereunder, in the following amounts:

General Liability insurance for personal \$1 Million per occurrence

injury (including death) and property damage	\$2 Million aggregate, including coverage for advertising injury and products coverage
Statutory Worker's compensation insurance	as required by state law
Employers Liability insurance	\$1 Million bodily injury per accident \$1 Million bodily injury by disease-policy limit \$1 Million bodily injury by disease-each employee of Lessee
Hired and Non-Owned Auto Liability insurance covering Lessees and its employees and agents	\$500,000 per occurrence
Umbrella Liability insurance	\$5 Million per occurrence \$5 Million aggregate
Any other policy(ies) as the City may reasonably require	Amounts TBD

13.2 Lessee is self-insured for all or a portion of the coverages required under this Article. The City acknowledges that Lessee's self-insurance program satisfies the requirements set forth above. Upon request, Lessee shall provide reasonable evidence of self-insurance, such as a certificate or letter of self-insurance. Lessee agrees to assume the same responsibilities and liabilities as would be provided by the insurance policies described herein.

ARTICLE 14. MISCELLANEOUS

Notices and Addresses

14.1 All notices required under this New Lease must be given by certified mail or registered mail, addressed to the proper party, at the following addresses:

City: City of Frisco
6101 Frisco Square Blvd.
Frisco, TX 75034
Attn: City Manager

Lessee: Collin County
4600 Community Ave.
McKinney, TX 75071
Attn: Director of Building Projects

Collin County Administrator:

2300 Bloomdale Road
McKinney, TX 75071
Attn: Yoon Kim

Either party may change the address to which notices are to be sent it by giving the other party notice of the new address in the manner provided in this section.

Parties Bound

14.2 This New Lease shall be binding upon, and inure to the benefit of, the parties to this New Lease and their respective heirs, executors, administrators, legal representatives, successors, and assigns when permitted by this agreement.

Texas Law to Apply

14.3 This New Lease shall be construed under, and in accordance with the laws of the State of Texas, and all obligations of the parties created by this New Lease are performable in Collin County, Texas.

Legal Construction

14.4 In case any one or more of the provisions contained in this New Lease shall for any reason be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of the lease, and this New Lease shall be construed as if the invalid, illegal, or unenforceable provision had never been included in the lease.

Prior Agreements Superseded

14.5 This New Lease constitutes the sole and only agreement of the parties to the New Lease and supersedes any prior understandings or written or oral agreements between the parties respecting the subject matter of this lease.

Amendment

14.6 No amendment, modification, or alteration of the terms of this New Lease shall be binding unless it is in writing, dated subsequent to the date of this lease, and duly executed by the parties to this lease.

Rights and Remedies Cumulative

14.7 The rights and remedies provided by this New Lease are cumulative, and the use of any one right or remedy by either party shall not preclude or waive its rights to use any or all other remedies. These rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance, or otherwise.

Attorney's Fees and Costs

14.8 If, as a result of a breach of this New Lease by either party, the other party employs an attorney or attorneys to enforce its rights under this lease, then the breaching party agrees to pay the other party the reasonable attorney's fees and costs incurred to enforce this lease.

Force Majeure

14.9 Neither City nor Lessee shall be required to perform any term, condition, or covenant in this New Lease so long as performance is delayed or prevented by force majeure, which shall mean acts of God, strikes, lockouts, material or labor restrictions by any governmental authority, civil riots, floods, and any other cause not reasonably within the control of City or Lessee and which by the exercise of due diligence City or Lessee is unable, wholly or in part, to prevent or overcome.

Time of Essence

14.10 Time is of the essence of this lease.

[Signature page follows.]

The undersigned City and Lessee execute this agreement on the date set forth below, at Frisco, Collin County, Texas.

EXECUTED to be effective the ____ day of _____, 2025 .

City:

THE CITY OF FRISCO, TEXAS,
a home-rule municipality

By: _____
Wesley Pierson, City Manager

Date Executed: _____

Lessee:

COLLIN COUNTY,
a Texas political subdivision

By: _____

Printed Name: _____

Date Executed: _____

**EXHIBIT A
(Leased Premises Diagram)**

