COMMERCIAL LEASE

This Lease is made and entered into by and between the **CITY OF FRISCO, TEXAS, a Texas municipal corporation** organized under the laws of the State of Texas, referred to in this lease as "Lessor", and **COLLIN COUNTY, a Texas political subdivision**, referred to in this lease as "Lessee".

In consideration of the mutual covenants and agreements set forth in this lease, and other good and valuable consideration, Lessor does hereby demise and lease to Lessee, and Lessee does hereby lease from Lessor, the property described in **Exhibit "A"** attached to this lease, which is a portion of Frisco City Hall, generally being the west side of the second floor consisting of 5,477 square feet, more or less. These premises are referred to in this lease as "the premises" or "the leased premises." In addition, the County will be attributed 982 square feet as a pro-rata share of common space in the building.

ARTICLE 1. TERM AND TERMINATION

Term of Lease

1.1 The term of this lease shall commence on September 1, 2008, and shall terminate on December 31, 2009. This lease may be renewed or extended by the parties upon written mutual agreement following the negotiation of any changes.

Termination

1.2 Either Lessor or Lessee shall have the right to terminate this lease with no penalty by giving the other party sixty (60) 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

Base Rent

2.1 Lessee agrees to pay Lessor as rent for the leased premises a base rent of fifteen dollars ($15.00) per square foot for the 5,477 square feet which totals the sum of eighty-two thousand one hundred fifty-five dollars ($82,155.00) per annum during the lease term payable in monthly installments in the amount of six thousand eight hundred forty-six and 25/100 dollars ($6,846.25) per month in advance, with any amount owed for a partial month being pro-rated.

Additional Rent

2.2 Lessee also agrees to pay Lessor as rent for the leased premises additional rent of four and 24/100 dollars ($4.24) per square foot for the 5,477 square feet and the 982 square feet which totals the sum of twenty-seven thousand three hundred eighty six and 16/100 dollars ($27,386.16) per annum during the lease term payable in monthly installments in the amount of two thousand two hundred eighty two and 18/100 dollars ($2,282.18) per month in advance, with

any amount owed for a partial month being pro-rated, as Lessee's contribution to utilities, building maintenance, premises insurance and janitorial services.

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 lease and shall not use the premises for a purpose that is not considered a public purpose by the central appraisal district. The Lessee also has the ability to utilize public meeting space in the building that is outside of the leased premises upon coordination with the Lessor. Lessee's hours of operation for public access are anticipated to be 8:00 a.m. to 5:00 p.m. weekdays, except that on Wednesdays Lessee will operate until 7:00 p.m. Lessee's employees shall have access to the leased premises during operating hours and at reasonable times before and after operating hours for opening setup and closing.

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. Collin County 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 Lessor, nor shall Collin County allow said unsafe purpose, including, but not limited to, the storage of any flammable materials, nor shall Collin County 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 Lessor, 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 lease on the public parking surrounding the building, however Lessee's employees shall not park in the front rows or in spaces designated for visitors and shall follow the same policy's for parking as Lessor's employees.

[continued on following page]

ARTICLE 4. MAINTENANCE, SURRENDER AND HOLDOVER

Maintenance

4.1 Lessor 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, invitees, visitors or guests. Repairs and/or improvements made by Lessee must have Lessor's approval. If Lessee fails to make such repairs or replacements, Lessor, in its sole option, may, after proving ten (10) days written notice to Lessee, make such repairs or replacements and Lessee shall repay the costs incurred by Lessor as part of the next monthly rental payment due and owing, and failure to pay shall constitute and event of default.

Surrender

4.2 Lessee shall surrender the leased premises to Lessor at the expiration of this 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 lease term or earlier termination of this lease. Lessee shall reimburse Lessor for and indemnify Lessor against all damages incurred by Lessor 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 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 Lessor's consent for Lessee to holdover or to extend this lease.

ARTICLE 5. HOLD HARMLESS

Hold Harmless Clause

5.1 Lessee agrees to indemnify and hold Lessor harmless 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, sublessees, concessionaires, or licensees in or about the leased premises, but Lessor shall not indemnify or hold harmless Lessor for its own negligence or willful misconduct. In case of any action or proceeding brought against Lessor by reason of such claim, Lessee, upon notice from Lessor, agrees to defend the action or proceeding by counsel acceptable to Lessor.

ARTICLE 6. TELEPHONE CHARGES

Telephone Charges

6.1 Lessee shall be responsible for installing and maintaining its own telephone system and shall be solely responsible for paying its own telephone utilities. Lessee shall be responsible for coordinating with Lessor, and obtaining Lessor'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 telephone services.

ARTICLE 7. ALTERATIONS, ADDITIONS, AND IMPROVEMENTS

Consent of Lessor

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

Property of Lessor

7.2 All alterations, additions, or improvements made by Lessee which remain on the leased premises at the expiration or termination of this Lease shall become 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 lease shall be deemed abandoned by Lessee and shall automatically become the property of Lessor.

Signs

8.2 Lessee shall not have the right to install, erect, place or maintain interior or exterior signs, unless the sign is approved in writing by Lessor prior to installation. Lessor shall have sole discretion in determining whether a sign may be installed, erected, placed or maintained.

ARTICLE 9. DAMAGE OR DESTRUCTION OF PREMISES

Notice to Lessor

9.1 If the leased premises or any structures or improvements on the leased premises should be damaged or destroyed by fire, water leak or other casualty, Lessee shall give immediate written notice of the damage or destruction to Lessor, including a description of the damage and, as far as known to Lessee, the cause of the damage.

Casualty

9.2 This Lease shall not terminate upon a casualty, regardless of the amount of damage by fire, water leak or other casualty. Lessor shall not be required to make any repairs. The lease may be terminated by either party in writing if Lessor determines that it will not make any repairs.

ARTICLE 10. DEFAULT

Default by Lessee

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

Waiver of Breach

10.2 A waiver by either Lessor or Lessee of a breach or default of this 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 LESSOR

11.1 Lessee shall permit representatives and employees of Lessor to enter into and on the leased premises at all reasonable times for the purpose of inspection of the premises and conducting any services, maintenance, etc.

ARTICLE 12. ASSIGNMENT AND SUBLEASE

Assignment and Subletting by Lessee

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

Assignment by Lessor

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

ARTICLE 13. MISCELLANEOUS

Notices and Addresses

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

Lessor: City of Frisco
George Purefoy, City Manager
6101 Frisco Square Blvd.
Frisco, TX 75034

Lessee: Collin County
JUDGE KEITH SELF
210 S. MCDONALD ST
MCKINNEY TX 75069 MD

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

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

Texas Law to Apply

13.3 This 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 lease are performable in Collin County, Texas.

Legal Construction

13.4 In case any one or more of the provisions contained in this 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 lease shall be construed as if the invalid, illegal, or unenforceable provision had never been included in the lease.

Prior Agreements Superseded

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

Amendment

13.6 No amendment, modification, or alteration of the terms of this 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

13.7 The rights and remedies provided by this 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

13.8 If, as a result of a breach of this 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

13.9 Neither Lessor nor Lessee shall be required to perform any term, condition, or covenant in this 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 Lessor or Lessee and which by the exercise of due diligence Lessor or Lessee is unable, wholly or in part, to prevent or overcome.

Time of Essence

13.10 Time is of the essence of this lease.

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

EXECUTED to be effective the 1st day of September, 2008.

[execution page follows]

LESSOR:

THE CITY OF FRISCO, TEXAS,
a Texas corporation organized under the
laws of the State of Texas

By: _____
George Purefoy, City Manager
Date Executed: _____

LESSEE:

COLLIN COUNTY, TEXAS

By: _____
Printed Name: Keith Self, County Judge
Date Executed: 1/30/09

EXHIBIT A
(Leased Premises Diagram and Details)