

FRONTIER BUSINESS PARK

COMMERCIAL LEASE

This lease is made between **EFFIE CHRISTIE**, herein called Landlord, and **TOWN OF PROSPER**, herein called Tenant.

Landlord leases to Tenant the premises situated in Prosper, Collin County, Texas, described as 101 Dylan Dr., Suite D, Prosper, Texas, containing 3,600 sf, upon the following terms and conditions:

1. *Term and Base Rental.* The term of this lease is twenty-four (24) months commencing January 1, 2024 and terminating on December 31, 2025 or sooner as provided herein at the base monthly rental of Two Thousand Two Hundred Fifty and no/100 (\$2,250.00) Dollars, payable in twenty-four (24) monthly installments of \$2,250.00 in advance on the 1st day of each month for that month's rental, beginning January 1, 2024 and continuing for the remaining term of this lease. All rental payments shall be made to Landlord at the address specified below.

2. *Late Charges.* If Tenant fails to timely pay any month's rent, Tenant will pay Landlord an initial late charge of \$50.00 plus additional late charges of \$20.00 per day thereafter until rent is paid in full. If Landlord receives the monthly rent by the 3rd day of the month, Landlord will waive the late charges for that month. Any waiver of late charges under this paragraph will not affect or diminish any other right or remedy Landlord may exercise for Tenant's failure to timely pay rent (including reporting late payments to consumer reporting agencies).

3. *Additional Rent.* In addition to the base rental provided in paragraph 1 above, Tenant shall pay on the 1st day of each month the following:

(a) *Taxes and Insurance.*

(1) Tenant agrees to pay, as additional rent, Tenant's pro rata share of the Tax and Insurance Expenses within ten (10) days following receipt of an invoice from Landlord stating the amount due.

(2) At or prior to commencement of this lease and at any time during the lease term, Landlord may deliver to Tenant a written estimate of the additional rent applicable to the leased premises which may be anticipated for Tax and Insurance Expenses during the calendar year in which this lease commences

or for any succeeding calendar year, as the case may be. Based upon such written estimate, the monthly base rental shall be increased by one-twelfth (1/12) of the estimated additional rent.

- (3) Statements showing the actual Tax and Insurance Expenses, as well as the actual Common Area Maintenance Expenses as defined in paragraph 3.(b)(4) below, and Tenant's proportionate share thereof, hereinafter referred to as the "Statement of Actual Adjustment" shall be delivered by Landlord to Tenant after each calendar year. Within ten (10) days after the delivery by Landlord to Tenant of such Statement of Actual Adjustment, Tenant shall pay Landlord the amount of any additional rental shown on such statement as being due and unpaid. If such Statement of Actual Adjustment shows that Tenant has paid more than the amount of additional rental actually due from Tenant for the preceding calendar year and if Tenant is not then in default under this lease, Landlord may refund the amount of such excess to Tenant.
- (4) "Tax and Insurance Expenses" shall mean: (i) all ad valorem, rental, sales, use and other taxes (other than Landlord's income taxes), special assessments and other governmental charges, and all assessments due to deed restrictions and/or owner's associations which accrue against the property during the term of this lease; and (ii) all insurance premiums paid by Landlord with respect to the property including, without limitation, public liability, casualty, rental and property damage insurance.

(b) *Common Area Maintenance.*

- (1) In addition to the rental payable under paragraphs 1. and 3.(a) above, Tenant agrees to pay, as additional monthly rental, its pro rata share of the "Common Area Maintenance Expenses."
- (2) At or prior to the commencement of this lease and at any time during the lease term, Landlord may deliver to Tenant a written estimate of the additional rent applicable to the leased premises which may be anticipated for Common Area Maintenance Expenses during the calendar year in which this lease commences or for any succeeding calendar year, as the case may be.

Based upon such written estimate, the monthly base rental shall be increased by one-twelfth (1/12) of said estimated additional rent.

- (3) The Statement of Actual Adjustment shall then include the actual Common Area Maintenance Expenses for the preceding period, and adjustments effected, as provided in Paragraph 3.(a)(3) above.
- (4) “Common Area Maintenance Expenses” shall mean all expenses (other than Tax and Insurance Expenses described above) incurred by Landlord for the maintenance, repair and operation of the project (excluding only structural soundness of the roof, foundation and exterior walls) including, but not limited to, management fees, utility expenses (if not separately metered), maintenance and repair costs, sewer, landscaping, trash and security costs (if furnished by Landlord), wages and fringe benefits payable to employees of Landlord whose duties are connected with the operation and maintenance of the project, amounts paid to contractors or subcontractors for work or services performed in connection with the operation and maintenance of the project, all services, supplies, repairs, replacements or other expenses for maintaining, repairing and operating the project, including, without limitation, common areas and parking areas and roof, exterior wall and foundation work that is not related to structural soundness.
- (5) The term “Common Area Maintenance Expenses” does not include the cost of any capital improvement to the project other than the reasonably amortized cost of capital improvements which result in the reduction of Insurance Expenses or Common Area Maintenance Expenses. Further, the term “Common Area Maintenance Expenses” shall not include repair, restoration or other work occasioned by fire, windstorm or other casualty with respect to which Landlord actually receives insurance proceeds, income and/or franchise taxes of Landlord, expenses incurred in leasing to or procuring of tenants, leasing commissions, advertising expenses, expenses for the renovating of space for new tenants, interest or principal payments on any mortgage or other indebtedness of Landlord, compensation paid to any

employee of Landlord above the grade of building superintendent, or depreciation allowance or expense.

- (c) If the commencement date of this lease is a day other than the first day of a month or if the termination date is a day other than the last day of a month, the amount shown as due by Tenant on the Statement of Actual Adjustment shall reflect a proration based on the ratio that the number of days this lease was in effect during such month bears to the actual number of days in said month.
- (d) The failure of Landlord to exercise its rights hereunder to estimate expenses and require payment of same as additional rental shall not constitute a waiver of such rights, which rights may be exercised from time to time at Landlord's discretion.
- (e) If the nature of Tenant's business or use of the leased premises is such that additional costs are incurred by Landlord for cleaning, sanitation, trash collection or disposal services, Tenant agrees to pay as additional rental to Landlord the amount of such additional costs upon demand.

4. Use. Tenant shall use and occupy the premises as an office/warehouse for equipment storage and maintenance. The premises shall be used for no other purpose. Tenant must satisfy itself that the leased premises may be used as Tenant intends by independently investigating all matters relating to the use of the leased premises. Tenant agrees it is not relying on any warranty or representation made by Landlord, Landlord's agent or any broker concerning the use of the leased premises. Tenant acknowledges that only the leased premises may be used for Tenant's business purposes and that the parking area associated with the premises may only be used for Tenant or Tenant's employees and customers' personal vehicles. The parking area assigned to the leased premises is located adjacent to and along the front length of the premises, and Tenant agrees not to infringe on the parking area of other tenants at Frontier Business Park.

5. Prohibited Activities. Tenant shall not do or permit anything to be done in or about the leased premises nor bring or keep anything therein which will in any way increase the existing rate of or affect any fire or other insurance upon the project or any of its contents or cause cancellation of any insurance policy covering said project or any part thereof or any of its contents. Tenant shall not do or permit anything to be done in or about the leased premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the project or injure or annoy them or use or allow the leased premises to be used for any improper, immoral, unlawful or objectionable purpose,

nor shall Tenant cause, maintain or permit any nuisance in, on or about the leased premises. Tenant shall not commit or suffer to be committed any waste in or upon the leased premises.

Tenant shall not do or permit to be done in or about the leased premises any of the following:

(a) commit any violation of any federal, state or municipal ordinance or any regulation, ordinance, order or directive of a governmental agency as such statutes, ordinances, regulations, order or directives that now exist or may hereafter concern the use, safety or environment of the property; (b) commit any violation of any Certificate of Occupancy covering or affecting the use of the property or any part thereof; (c) commit any public or private nuisance.

6. *Care and Maintenance of Premises.* Tenant acknowledges that the premises are in good order and repair, unless otherwise indicated herein. Tenant shall, at its own expense and at all times, maintain the premises in good and safe condition, including plate glass, electrical wiring, plumbing and heating installations and any other system or equipment upon the premises, and shall surrender the same at termination hereof in as good condition as received, normal wear and tear excepted. Tenant shall be responsible for all repairs required, excepting the roof, exterior walls and structural foundations, unless repairs to the roof, exterior walls or structural foundations are required as a result of negligence or damage on the part of Tenant, in which event Tenant shall be responsible for such repairs.

7. *Alterations.* Tenant shall not, without first obtaining the written consent of Landlord, make any alterations, additions or improvements in, to or about the premises, including heating and air conditioning units, which shall be installed at Tenant's expense. Any alterations approved by Landlord and made by Tenant shall become part of the leased premises.

8. *Ordinances and Statutes.* Tenant shall comply with all statutes, ordinances and requirements of all municipal, state and federal authorities now in force or which may hereafter be in force pertaining to the premises, occasioned by or affecting the use thereof by Tenant.

9. *Assignment and Subletting.* Tenant shall not assign this lease or sublet any portion of the premises without prior written consent of the Landlord, which shall not be unreasonably withheld. Any such assignment or subletting without consent shall be void and, at the option of Landlord, may terminate this lease.

10. *Utilities.* All applications and connections for necessary utility services on the demised premises shall be made in the name of Tenant only, and Tenant shall be solely liable for utility charges as they become due, including those for water, sewer, gas, electricity and telephone services.

Tenant acknowledges the premises are served by an on-site water well and an on-site septic system and agrees to refrain from water usage above that required in the normal course of Tenant's business and to refrain from the placement of any shop towels, feminine hygiene products or other heavy paper products in the toilet(s) located in the premises.

11. *Entry and Inspection.* Tenant shall permit Landlord or Landlord's agents to enter upon the premises at reasonable times and upon reasonable notice for the purpose of inspecting the same and will permit Landlord at any time within sixty (60) days prior to the expiration of this lease to place upon the premises any usual "to let" or "for lease" signs and permit persons desiring to lease the same to inspect the premises thereafter.

12. *Possession.* If Landlord is unable to deliver possession of the premises at the commencement hereof, Landlord shall not be liable for any damage caused thereby nor shall this lease be void or voidable, but Tenant shall not be liable for any rent until possession is delivered. Tenant may terminate this lease if possession is not delivered within three (3) days of the commencement of the term hereof.

13. *Indemnification of Landlord.* To the extent allowed by Texas law, Tenant shall indemnify, defend and hold harmless Landlord, his successors, heirs and assigns, from any demands, actions, causes of action, obligations, loss, damage, liability or expense, including attorneys' fees and expenses, on account of or with respect to damage to property and injuries, including death, to any and all persons which may arise out of Tenant's occupancy of the premises, Tenant's action or inaction or result from any defect, deficiency or negligence in the leased premises, and Tenant shall defend at his own expense any suits or other proceedings brought against Landlord, his successors, heirs and assigns, or any of them, on account thereof, and shall pay all expenses and satisfy all judgments which may be incurred or rendered against them or any of them in connection herewith. Landlord shall not be liable for any damage or injury to Tenant or any other person or to any property occurring on the demised premises or any part thereof, and Tenant agrees to hold Landlord harmless from any claim for damages, no matter how caused, including, but not limited to, the negligence of Landlord or any defect in the leased premises.

14. *Tenant Insurance.* Tenant, at its expense, shall maintain Fire Legal Liability (Damage to Premises Rented to You) in the amount of \$180,000.00 and Public Liability Insurance including bodily injury and property damage insuring Tenant with \$1,000,000.00 per occurrence minimum coverage. It is agreed and understood that Tenant shall have the obligation to provide insurance

coverage on furniture, equipment, machinery, goods and supplies owned by Tenant or brought onto the property by Tenant.

Tenant shall provide Landlord with a Certificate of Insurance showing Landlord as loss payee on fire legal liability coverage and additional insured on public liability coverage. The Certificate shall provide for ten days' written notice to Landlord in the event of cancellation or material change of coverage. To the maximum extent permitted by insurance policies which may be owned by Landlord or Tenant, Landlord and Tenant, for the benefit of each other, waive any and all rights of subrogation which might otherwise exist.

15. *Eminent Domain.* If the premises or any part thereof or any estate therein or any other part of the building materially affecting Tenant's use of the premises shall be taken by eminent domain, this lease shall terminate on the date when title vests pursuant to such taking. The rent and any additional rent shall be apportioned as of the termination date, and any rent paid for any period beyond that date shall be repaid to Tenant. Tenant shall not be entitled to any part of the award for such taking or payment in lieu thereof, but Tenant may file a claim for any taking of fixtures and improvements owned by Tenant and for moving expenses.

16. *Destruction of Premises.* In the event of a partial destruction of the premises during the term hereof from any cause, Landlord shall forthwith repair the same, provided that such repairs can be made within sixty (60) days under existing governmental laws and regulations, but such partial destruction shall not terminate this lease, except that Tenant shall be entitled to a proportionate reduction of rent while such repairs are being made, based upon the extent to which the making of such repairs shall interfere with the business of Tenant on the premises. If such repairs cannot be made within said sixty (60) days, Landlord, at his option, may make the same within a reasonable time, this lease continuing in effect with the rent proportionately abated as aforesaid, and in the event that Landlord shall not elect to make such repairs which cannot be made within sixty (60) days, this lease may be terminated at the option of either party. In the event that the building in which the leased premises may be situated is destroyed to an extent of not less than one-third of the replacement costs thereof, Landlord may elect to terminate this lease whether the leased premises be injured or not. A total destruction of the building in which the premises may be situated shall terminate this lease.

17. *Landlord's Remedies on Default.* The following events shall be deemed to be events of default by Tenant under this lease:

- (a)** Tenant fails to pay any installment of rental or any other expense demanded by Landlord as herein provided and such failure continues for a period of ten days.
- (b)** Tenant fails to comply with any term, provision or covenant of this lease other than the payment of rental or expenses demanded by Landlord and does not cure such failure within ten days after written notice thereof to Tenant.
- (c)** Tenant or any guarantor of Tenant's obligations under this lease becomes insolvent, makes a transfer in fraud of creditors or shall make an assignment for the benefit of creditors.
- (d)** Tenant or any guarantor of Tenant's obligations under this lease files a petition under federal or state bankruptcy laws or under any similar law or statute of the United States or any state thereof; or Tenant or any guarantor of Tenant's obligations under this lease is adjudged bankrupt or insolvent and proceedings filed against Tenant or any guarantor of Tenant's obligations under this lease.
- (e)** A receiver or trustee is appointed for the leased premises or for all or substantially all of the assets of Tenant or any guarantor of Tenant's obligations under this lease.
- (f)** Tenant deserts or vacates any portion of the leased premises.
- (g)** Tenant does or permits to be done anything which creates a lien on the leased premises.
- (h)** The business operated by Tenant is closed for failure to pay any required state sales tax or for any other reason.

Upon the occurrence of any default by Tenant as set forth above, Landlord shall have the option to pursue any one or more of the following remedies without any notice or demand whatsoever:

- (a)** Terminate this lease, in which event Tenant shall immediately surrender the leased premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which he may have for possession or arrearages in rental, enter upon and take possession of the leased premises and expel or remove Tenant and any other person who may be occupying the leased premises or any part thereof, by force if necessary, without being liable for prosecution or any claim of damages therefor.
- (b)** Enter upon and take possession of the leased premises and expel or remove Tenant and any other person who may be occupying the leased premises or any part thereof, by force

if necessary, without being liable for prosecution or any claim for damages therefor with or without having terminated the lease.

(c) Alter all locks and other security devices at the leased premises without terminating the lease.

No such alteration of locks or other security devices and no removal or other exercise of dominion by Landlord over the property of Tenant or others at the leased premises shall be deemed unauthorized or constitute a conversion, Tenant hereby consenting, after any event of default, to the aforesaid exercise of dominion over Tenant's property within the leased premises. Tenant agrees that any re-entry by Landlord may be pursuant to a judgment obtained in forcible detainer proceedings or other legal proceedings or without the necessity for any legal proceedings, as Landlord may elect, and Landlord shall not be liable in trespass or otherwise.

If Landlord elects to terminate this lease by reason of an event of default, then notwithstanding such termination, Tenant shall be liable for and shall pay to Landlord the sum of all rental and other indebtedness accrued to date of such termination. If Landlord elects to repossess the leased premises without terminating this lease, then Tenant shall be liable for and shall pay to Landlord all rental and other indebtedness accrued to the date of such repossession, plus rental required to be paid by Tenant to Landlord during the remainder of the term of this lease until the date of expiration of such term diminished by any net sums thereafter received by Landlord through reletting the leased premises during such period (after deducting expenses incurred by Landlord in connection with reletting the leased premises).

18. *Security Deposit.* Tenant shall place with Landlord an additional security deposit in the amount of Two Thousand Forty-five (\$2,045.00) Dollars, which shall be added to Tenant's existing deposit in the amount of Nine Hundred and no/100 (\$900.00) Dollars, for a total of a Two Thousand Nine Hundred Forty-five and no/100 (\$2,945.00) Dollars to be held by Landlord as a security deposit for the performance of Tenant's obligations under this lease, including without limitation the surrender of possession of the premises to Landlord as herein provided. If Landlord applies any part of the deposit to cure any default of Tenant, Tenant shall on demand deposit with Landlord the amount so applied so that Landlord shall have the full deposit on hand at all times during the term of this lease. Within thirty (30) days after Tenant surrenders the leased premises and provides Landlord written notice of Tenant's forwarding address, Landlord will refund the security deposit less any amounts applied toward amounts owed by Tenant or other charges authorized by this lease.

- 19. *Move Out Condition.*** At the expiration of this lease, Tenant agrees to surrender the premises in the same condition as when received, except for normal wear and tear. Tenant will leave the leased premises in a clean condition free of all trash, debris, personal property, hazardous materials and environmental contaminants.
- 20. *Attorney's Fees.*** In case suit should be brought for recovery of the premises or for any sum due hereunder or because of any act which may arise out of the possession of the premises by either party, the prevailing party shall be entitled to all costs incurred in connection with such action, including reasonable attorney's fees.
- 21. *Notices.*** Any notice which either party may or is required to give shall be given by mailing the same, postage prepaid, to Tenant at _____ or Landlord at the address shown below or at such other places as may be designated by the parties from time to time.
- 22. *Heirs, Assigns, Successors.*** This lease is binding upon and inures to the benefit of the heirs, assigns and successors in interest to the parties hereto.
- 23. *Automatic Renewal and Termination.*** This lease automatically renews on a month to month basis unless Landlord or Tenant provides the other party written notice of termination not less than thirty (30) days prior to the expiration date. If the lease automatically renews on a month to month basis, it will continue to renew on a month to month basis until either party provides written notice of termination to the other party, and the notice of termination will be effective on the last day of the month following the month in which the notice is given. Landlord will not be required to prorate rent even if Tenant surrenders the property before the termination date.
- 24. *Option to Renew and Extend.*** Tenant shall have the right to renew and extend this lease three (3) times in one year increments. All terms and condition of the lease shall remain the same, except the rental rate shall be subject to adjustment at Landlord's option.
- 25. *Tenant Mailbox.*** Tenant, at Tenant's option, is entitled to one mailbox slot in the cluster mailbox at Frontier Business Park and shall be provided a mailbox key by Tenant. Such key shall be returned to Landlord upon expiration of this lease or Tenant shall pay a \$100 lost key charge.
- 26. *Subordination.*** This lease is and shall be subordinated to all existing and future liens and encumbrances against the property.
- 27. *Entire Agreement.*** The foregoing constitutes the entire agreement between the parties and may be modified only by a writing signed by both parties. The following exhibits, if any, have been made a part of this lease before the parties' execution hereof.

Signed this _____ day of _____, 2023.

Landlord's Address:

c/o Collin County Land Co.

P. O. Box 610

Prosper, Texas 75078

972-346-3333

972-346-3430 (fax)

EFFIE CHRISTIE, Lessor

Tenant's Address:

101 Dylan Drive, Suite D

Prosper, Texas 75078

Phone: _____

TOWN OF PROSPER

By _____

Property Manager:

Kathy Webster

Collin County Land Company

P. O. Box 610

Prosper, Texas 75078

972-346-3333

214-957-5875 cell

kwebster@collincountylandcompany.com