

REVOCABLE DRAINAGE IMPROVEMENT LICENSE AGREEMENT
(Direct Connection to Storm Sewer)

This REVOCABLE LICENSE AGREEMENT (“Agreement”) is entered into this ____ day of _____, 2010, by and between Wallace Properties, LLC (“Owner”); and the Southeast Metro Stormwater Authority (“SEMSWA”), a political subdivision and a public corporation of the State of Colorado, 76 Inverness Drive East, Suite A, Centennial, CO 80112.

WITNESSETH;

WHEREAS, SEMSWA owns or has authority from the City of Centennial to manage a storm sewer facility in the vicinity of East Smoky Hill Road and South Piccadilly Street, which facility is shown in **Exhibit A** and hereby designated (“the Storm Sewer”). The Storm Sewer collects and transmits stormwater and surface runoff to a point of discharge in the West Toll Gate Creek; and

WHEREAS, Owner owns and operates a medical office building at 20291 East Smoky Hill Road (“Property”); and

WHEREAS, Owner wishes to utilize the Storm Sewer as a conduit to transmit stormwater from the foundation drains, building roof and adjacent landscape areas; and

WHEREAS, the connection of a 4” PVC pipe system and an 8” PVC pipe system to the Storm Sewer will not further compromise the capacity of the Storm Sewer.

WHEREAS, SEMSWA is willing to grant Owner a license for such use on the terms and conditions contained herein; and

WHEREAS, Owner acknowledges and agrees that the matters hereinafter set forth are reasonable conditions and requirements to be imposed by SEMSWA, and that such matters are necessary to protect, promote, and enhance the public welfare.

NOW THEREFORE, in consideration of the foregoing recitals and their mutual covenants and agreements hereinafter set forth, the sufficiency of which consideration is hereby acknowledged by both parties, the parties agree as follows:

1. Owner represents and warrants that it is the owner of the real property described as 20291 East Smokey Hill Road which is legally described on the attached **Exhibit C**.
2. Subject to the terms and conditions hereof, SEMSWA hereby permits and licenses Owner to discharge clean, uncontaminated stormwater from the Property’s foundation drains, roof and adjacent landscape areas into the existing Type 13 combination inlet via 4” PVC and an 8” PVC pipe systems (“Direct Connection”), which is further shown in **Exhibit A**.

3. Owner shall not cause any interference with or restriction to the flow of water within the Storm Sewer. In no event shall Owner make any cross-connection of the Storm Sewer to any other facility not expressly authorized herein, or divert any water from the Storm Sewer for any purpose. Owner agrees to be responsible for compliance with the requirements of all other documents that affect or regulate the Storm Sewer. Owner acknowledges that the Storm Sewer is an established conveyance system of stormwater flows and is therefore subject to occasional surcharged flow conditions, along with silt, dirt, debris and other potential contaminants. SEMSWA does not provide Owner any assurance or guarantee of either the capacity of or the water quality within the Storm Sewer system. Owner accepts any and all liability to their system associated with inundation of the system, surcharged pressure flow conditions, and the quality of the stormwater being conveyed within the Storm Sewer. SEMSWA will not perform maintenance of the Storm Sewer in order to protect or facilitate Owner's use of the Storm Sewer, nor should the Owner rely on any maintenance of the Storm Sewer by SEMSWA in Owner's maintenance of the Direct Connection.

4. The initial term of the license agreement shall expire on December 31 of the year in which the license is granted, and shall be subject to renewal on these or such other terms as may be imposed by SEMSWA pursuant to its regulations. If no notice of renewal or nonrenewal is issued to Owner prior to the end of the initial term or any renewal term, this license shall be automatically renewed for an additional one-year period without additional notice. This license may also be renewed upon different terms and conditions or may not be renewed. In the event of nonrenewal, SEMSWA shall provide 90 days advance notice to Owner.

5. Owner shall, at its sole cost and expense, maintain the Direct Connection to the Storm Sewer in good repair at all times and shall make such repairs and replacements as may be necessary to keep all components of the Direct Connection in proper operating condition and shall be responsible for all costs and liabilities relating to the Direct Connection and the connection to the Storm Sewer. The Owner shall cause inspections on the connection to the Storm Sewer to be conducted as follows:

A. The Owner agrees to cause inspection of the connections to the Storm Sewer, at the Owner's expense, by a person experienced in the inspection of stormwater facilities. Inspections shall occur at least once every calendar year.

B. An inspection report shall be submitted in writing to SEMSWA prior to January 15th of each year for the connections to the Storm Sewer. The inspection report shall be in accordance with the attached Inspection Report in **Exhibit B**.

C. The Owner agrees to perform promptly all needed maintenance and report maintenance activities to SEMSWA in writing within thirty (30) days of their completion.

6. The Owner, hereby, grants, bargains and conveys to SEMSWA and its agents easements over the Property for access from public rights-of-way, abutting private roadway, and/or private driveway, to the facilities for the purpose of inspecting, operating, installing, constructing, reconstructing, maintaining, repairing or replacing the

connections to the Storm Sewer to the extent that Owner fails to do so and as necessary to ensure their proper working condition.

7. In the event the Owner fails to inspect, report, or properly maintain the connections to the Storm Sewer after fourteen (14) days written notice by SEMSWA of such deficiencies to the Owner, SEMSWA may enter upon the property and take whatever steps it deems necessary to properly maintain the connection to the Storm Sewer. However, if the Owner's failures could cause damage to property, loss of life or a violation of a NPDES MS4 Permit, SEMSWA may take immediate action, without notice to the Owner, to alleviate that failure. It is expressly understood and agreed that SEMSWA is under no obligation to maintain or repair the connections to the Storm Sewer and in no event shall this Agreement be considered to impose any such obligation on SEMSWA.

8. If SEMSWA is required to take any action to maintain the Direct Connection, Owner shall be invoiced by SEMSWA for the cost thereof. Owner shall pay such invoice within thirty (30) days of its receipt. If Owner fails to do so, SEMSWA may place a lien on the Property, foreclose such lien and shall be entitled to an award of the cost of maintenance, its court costs and reasonable attorney fees.

9. This license shall be deemed to permit Owner to discharge the flows of clean, uncontaminated stormwater from the Direct Connection to the Storm Sewer. SEMSWA permits the discharge of only clean water into its facilities. Clean water for purposes of this agreement is defined as uncontaminated stormwater from the Direct Connection.

SEMSWA acknowledges that the Direct Connection stormwater be discharged to the Storm Sewer is non-potable water which is variable in quality and does not necessarily meet the federal Safe Drinking Water Act, or any other drinking water laws or regulations.

10. Owner shall and hereby does indemnify, and agrees to defend and hold harmless, SEMSWA and its Board of Directors, employees, and agents, from and against any and all claims, enforcement actions, fines, or penalties arising from the discharge of the Direct Connection to the Storm Sewer.

11. If SEMSWA at any time determines in its reasonable discretion that Owner is in material breach of any provision of this Agreement and after having been given a thirty day written notice to cure such breach, SEMSWA shall have the right to terminate this Agreement and remove the connections to the Storm Sewer without liability. Nothing herein shall prevent or preclude SEMSWA from removing such connections without giving a thirty day notice and without any liability to Owner in the event SEMSWA determines that such action is necessary to protect the public health, safety or welfare of its citizens. Notwithstanding the foregoing, this license agreement may be terminated by SEMSWA without cause, upon providing Owner with 90 days written notice of revocation. Upon receipt of such notice, Owner shall promptly remove the Direct Connection to the Storm Sewer and restore that portion of the Storm Sewer to its original condition to SEMSWA's satisfaction.

12. Owner shall maintain a policy of general liability insurance with respect to the Direct Connection and Owner's activities. The amount of such insurance shall be no less than \$1,000,000.00. Such policy shall name SEMSWA as an additional named insured. Such policy shall provide that it shall not be amended or terminated except upon at least 30 days' prior written notice to SEMSWA. Owner shall provide to SEMSWA on ACORD Form 27 evidence of insurance coverage meeting the requirements of this paragraph.

13. Owner's rights under this Agreement may not be assigned or transferred to any person or entity without express written permission of SEMSWA. SEMSWA will grant such permission if such assignee or transferee provides the proof of insurance referred to in Paragraph 12 above, executes a formal written assumption of all obligations and undertakings of Owner under this Agreement, without exception, and provided that, at the time such permission is requested, SEMSWA's Executive Director determines that: (a) there are no stormwater quality issues or concerns pertaining to the Direct Connection to the Storm Sewer; and (b) Owner is not in breach of any provision hereof.

14. This Agreement constitutes the final and complete agreement between the Parties hereto. No other promises or representations have been made to or relied upon by Owner or SEMSWA, and no other consideration than that specified herein is involved in this Agreement. Each of the undersigned signatories represents that he/she has authority to bind the party for whom he/she is signing, and that it is the intent of each party that this Agreement is binding upon the parties and their successors, heirs, family members, agents, employees, and assigns, and is contractual, and not merely an understanding or recital.

SIGNED BY THE PARTIES as of the date above written.

ACCEPTANCE AND APPROVAL:

For the Board of Directors of the Southeast Metro Stormwater Authority

John McCarty, Executive Director

Authorization pursuant to Resolution No. _____

Wallace Properties, LLC

By: _____

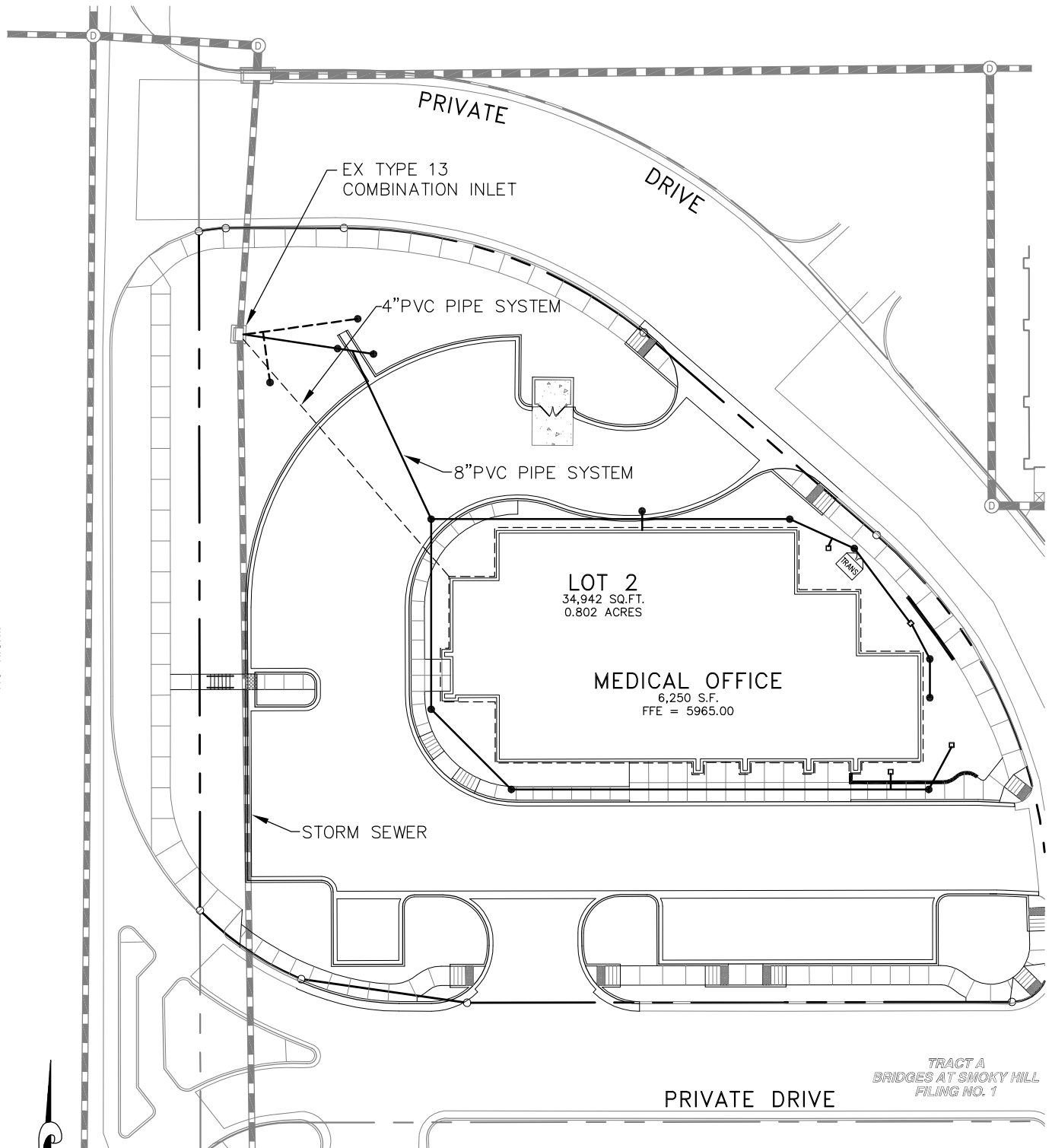
County of _____)
 _____) s.s.
 State of Colorado)

This instrument was acknowledged before me this _____ day of _____, 2010 by
as _____ of _____, Owner.

My commission expires _____. Witness my hand and official seal.

EXHIBIT A

S. PICADILLY STREET
110' R.O.W.



NOT TO SCALE

20291 EAST SMOKY HILL ROAD
CENTENNIAL, COLORADO



Exhibit B

Annual Inspection and Maintenance Reporting Form
for
Direct Connections to the Storm Sewer
(This form to be submitted to SEMSWA prior to January 15 of each year)

Date: _____

To: Southeast Metro Stormwater Authority
Attn: Stormwater Facility Operations and Maintenance Program
76 Inverness Drive East
Suite A
Englewood, CO 80112-5116

Re: Certification of Inspection and Maintenance; Submittal of forms

Property/Subdivision Name: _____

Property Address: _____

Contact Name: _____

I verify that the required stormwater facility inspections and required maintenance have been completed in accordance with the Revocable Drainage Improvement License associated with the above referenced property.

The required Direct Connection to the Storm Sewer Inspection and Maintenance forms are attached.

Name of Party Responsible for Inspection
& Maintenance

Property Owner

Authorized Signature

Signature

EXHIBIT C

LEGAL DESCRIPTION:

LOT 2, BRIDGES AT SMOKY HILL FILING NO. 1, COUNTY
OF ARAPAHOE, STATE OF COLORADO.

20291 EAST SMOKY HILL ROAD
CENTENNIAL, COLORADO