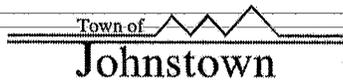


TOWN COUNCIL

MEETING

PACKET

July 6, 2016



Town Council

Agenda
Wednesday, July 6, 2016
Town Hall, Council Chambers
450 So. Parish Avenue
7:00 PM



MISSION STATEMENT-*"The mission of the government of the Town of Johnstown is to provide leadership based upon trust and integrity, commitment directed toward responsive service delivery, and vision for enhancing the quality of life in our community."*

Members of the audience are invited to speak at the Council meeting. Public Comment (item No. 5) is reserved for citizen comments on items not contained on the printed agenda. Citizen comments are limited to three (3) minutes per speaker. When several people wish to speak on the same position on a given item, they are requested to select a spokesperson to state that position. If you wish to speak at the Town Council meeting, please fill out a sign-up sheet and present it to the Town Clerk.

- 1) **CALL TO ORDER**
 - A) Pledge of Allegiance
- 2) **ROLL CALL**
- 3) **AGENDA APPROVAL**
- 4) **RECOGNITIONS AND PROCLAMATIONS**
- 5) **PUBLIC COMMENT (three-minute limit per speaker)**

*The "Consent Agenda" is a group of routine matters to be acted on with a single motion and vote. The Mayor will ask if any Council member wishes to have an item discussed or if there is public comment on those ordinances marked with an *asterisk. The Council member may then move to have the subject item removed from the Consent Agenda for discussion separately.*

- 6) **CONSENT AGENDA**
 - A) Town Council Special Meeting Minutes –June 13, 2016
 - B) Town Council Meeting Minutes –June 20, 2016
 - 7) **STAFF REPORTS**
 - 8) **OLD BUSINESS**
 - 9) **NEW BUSINESS**
 - A) ***Public Hearing** – New Liquor (Beer and Wine) License for Zheng's Inc., dba Little House
 - B) Consider Oil and Gas Lease with Synergy Resources Corporation
 - C) Consider Escrow Agreement – Town of Johnstown, Johnstown Plaza, LLC and Johnstown Metropolitan District
 - 10) **COUNCIL REPORTS AND COMMENTS**
 - 11) **MAYOR'S COMMENTS**
 - 12) **ADJOURN**
-



NOTICE OF ACCOMODATION

If you need special assistance to participate in the meeting, please contact the Town Clerk at (970) 587-4664. Notification at least 72 hours prior to the meeting will enable the Town to make reasonable arrangements to ensure accessibility to the meeting.

AGENDA ITEMS 6A-B

CONSENT

AGENDA

- **Special Town Council Meeting Minutes
(June 13, 2016)**
- **Town Council Meeting Minutes
(June 20, 2016)**

TOWN COUNCIL AGENDA COMMUNICATION

AGENDA DATE: July 6, 2016

ITEM NUMBER: 6A-B

SUBJECT: Consent Agenda

ACTION PROPOSED: Approve Consent Agenda

PRESENTED BY: Town Clerk

AGENDA ITEM DESCRIPTION: The following items are included on the Consent Agenda, which may be approved by a single motion approving the Consent Agenda:

- A) Special Town Council Meeting Minutes-June 13, 2016
- B) Council Meeting Minutes-June 20, 2016

LEGAL ADVICE: The entire Consent Agenda may be approved by a motion of the Town Council approving the Consent Agenda, which automatically approves each and every item listed on the Consent Agenda. If a Council member wishes to have a specific discussion on an individual item included with the Consent Agenda, they may move to remove the item from the Consent Agenda for discussion.

FINANCIAL ADVICE: N/A

RECOMMENDED ACTION: Approve Consent Agenda

SUGGESTED MOTION:

For Approval: I move to approve the Consent Agenda.

For Denial:

Reviewed:


Town Manager

**SPECIAL
TOWN COUNCIL
MEETING MINUTES**

The Town Council of the Town of Johnstown met for a Special Town Council Meeting on Monday, June 13, 2016 at 7:00 p.m. in the Council Chambers at 450 S. Parish Avenue, Johnstown.

Mayor James led the Pledge of Allegiance.

Roll Call:

Those present were: Councilmembers Davis, Lebsack, Mitchell, Mellon and Young

Those absent were: Councilmember Molinar Jr.

Also present: Avi Rocklin, Town Attorney, John Franklin, Town Planner and Diana Seele, Town Clerk/Treasurer

Agenda Approval

Councilmember Mellon made a motion seconded by Councilmember Lebsack to approve the Agenda. Motion carried with a unanimous vote.

New Business

A. Consider First Amendment to the Comprehensive Development Agreement, Funding Plan and Intergovernmental Agreement for Johnstown Plaza, LLC – The First Amendment would permit the Johnstown Plaza Metropolitan District to issue bonds in a single issuance, with net proceeds up to \$65 million. If the District is able to issue the full amount, then \$36,400,000 would be considered unrestricted funds, available for immediate use by the District/Developer, subject to escrow agreement conditions and bond restrictions; \$25,000,000 would be placed into a restricted account and such funds would be available for use, subject to the same conditions, based on the status of the leasing of the property. Councilmember Lebsack made a motion seconded by Councilmember Mitchell to approve the First Amendment to the Comprehensive Development Agreement, Funding Plan and Intergovernmental Agreement for Johnstown Plaza and authorize the Mayor to sign it. Motion carried with a unanimous vote.

B. Consider Resolution No. 2016-08*, Authorizing Johnstown Plaza Metropolitan District to Incur Debt, Certify a Mill Levy and Collect and Expend Funds – The previously approved Service Plan for the Johnstown Plaza Metropolitan District, states that, unless otherwise approved by resolution of Town Council, the District does not have authority to incur debt, certify a mill levy or collect or expend any funds if the Developer does not, on or before December 1, 2016, acquire all or substantially all of the Property. The District would like the authority to incur debt, certify a mill levy and collect or expend funds despite the Developer has only acquired 59.269 acres of the 98.59 total acres of property. Councilmember Mellon made a motion seconded by Councilmember Young to approve Resolution No. 2016-06. Motion carried with a unanimous vote.

There being no further business to come before the Council the meeting adjourned at 7:22 p.m.

Mayor

Town Clerk/Treasurer

**COUNCIL
MEETING MINUTES**

The Town Council of the Town of Johnstown met on Monday, June 20, 2016 at 7:00 p.m. in the Council Chambers at 450 S. Parish Avenue, Johnstown.

Mayor James led the Pledge of Allegiance.

Roll Call:

Those present were: Councilmembers Davis, Mitchell, Mellon and Young

Those absent were: Councilmembers Lebsack and Molinar Jr.

Also present: Avi Rocklin, Town Attorney, Roy Lauricello, Town Manager, John Franklin, Town Planner and Diana Seele, Town Clerk/Treasurer

Agenda Approval

Councilmember Mellon made a motion seconded by Councilmember Young to approve the Agenda. Motion carried with a unanimous vote.

Recognitions and Proclamations

Jacob Bejarano was honored for his Class 4A State High Jump Championship.

Consent Agenda

Councilmember Mellon made a motion seconded by Councilmember Mitchell to approve the Consent Agenda with the following items:

- June 6, 2016 Town Council meeting minutes
- Payment of Bills
- May Financial Statements
- Permanent Utility Easement for Central Weld County Water District Emergency Interconnect – Pioneer Ridge Community Association Inc., and SSS Holdings, LLP

Motion carried with a unanimous vote.

There being no further business to come before the Council the meeting adjourned at 7:28 p.m.

Mayor

Town Clerk/Treasurer

AGENDA ITEM 9A

NEW

LIQUOR

(Beer and Wine)

LICENSE

(Zheng's Inc. dba Little House)

(*Public Hearing)

PUBLIC HEARING PROCEDURE

NEW LIQUOR LICENSE

- a. Mayor opens public hearing.
- b. Town staff gives report.
- c. Applicant presents his/her position.
- d. Mayor asks to hear from anyone in the audience who wishes to speak in support of the issue.
*In order to afford all members of the public an equal opportunity to comment on this issue, we respectfully request that you limit your comments to **2 minutes**.
- e. Mayor asks to hear from anyone in the audience who wishes to speak in opposition of the issue.
*In order to afford all members of the public an equal opportunity to comment on this issue, we respectfully request that you limit your comments to **2 minutes**.
- f. Mayor asks Council if there are any questions that need to be clarified that were brought up during the public hearing.
- g. Mayor closes the public hearing.
- h. Mayor asks for Council discussion.
- i. Council will then take action on the issue either to approve or deny the application for a new liquor license based upon the following criteria:
 - (1) Do the reasonable requirements of the neighborhood for the type of license to be issued justify the issuance of a liquor license.
 - (2) Do the desires of the adult inhabitants, as evidenced by petitions, remonstrances, or otherwise, and all other reasonable restrictions that are or may be placed on the neighborhood by the Council justify the issuance of a new liquor license.

- (3) Consider the number, type, and availability of alcohol beverage outlets located in or near the defined neighborhood.
- (4) Is there any evidence that would justify denial of a new liquor license such as the applicant not being of good moral character.

TOWN COUNCIL AGENDA COMMUNICATION

AGENDA DATE: July 6, 2016

ITEM NUMBER: 9A

SUBJECT: *Public Hearing – Zheng’s Inc. DBA Little House - New Liquor (Beer and Wine) License

ACTION PROPOSED: Consider issuance of a new liquor (Beer and Wine) license.

PRESENTED BY: Town Attorney, Town Clerk

AGENDA ITEM DESCRIPTION: This item is a public hearing to receive comments regarding the proposed liquor (Beer and Wine) license for Little House, located at 417 Charlotte Street #D, Johnstown, CO. When approving or denying an application, the Council acts as the local licensing authority and must consider if the reasonable requirements of the defined neighborhood are not presently being met by existing establishments, the desires of the adult inhabitants, and the number, type and availability of other similar liquor establishments located in or near the petitioned neighborhood as well as the moral character of the applicants.

LEGAL ADVICE: The Town Attorney has reviewed the documents submitted and will be available at the meeting to answer questions.

FINANCIAL ADVICE: The applicant has paid all applicable fees for both the State and the Town.

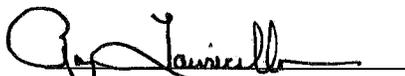
RECOMMENDED ACTION: Consider issuance of a new liquor (Beer and Wine) for Little House.

SUGGESTED MOTION:

For Approval: I move we approve the issuance of a new liquor (Beer and Wine) license for Little House.

For Denial: I move we deny the issuance of a new liquor (Beer and Wine) license for Little House.

Reviewed:


Town Manager

APPLICATION

Colorado Liquor Retail License Application

New License
 New-Concurrent
 Transfer of Ownership

- All answers must be printed in black ink or typewritten
- Applicant must check the appropriate box(es)
- Applicant should obtain a copy of the Colorado Liquor and Beer Code: www.colorado.gov/enforcement/liquor
- Local License Fee \$ _____

1. Applicant is applying as a/an

<input checked="" type="checkbox"/> Corporation	<input type="checkbox"/> Individual
<input type="checkbox"/> Partnership (includes Limited Liability and Husband and Wife Partnerships)	<input type="checkbox"/> Limited Liability Company
	<input type="checkbox"/> Association or Other

2. Applicant If an LLC, name of LLC; if partnership, at least 2 partner's names; if corporation, name of corporation

Zheng's Inc

FEIN Number
81-0731111

2a. Trade Name of Establishment (DBA)

Little House

State Sales Tax Number
30569116-0000

Business Telephone
970-5870098

3. Address of Premises (specify exact location of premises, include suite/unit numbers)

417 Charlotte St #D

City Johnstown	County Weld	State CO	ZIP Code 80534
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4. Mailing Address (Number and Street) 417 Charlotte St #D	City or Town Johnstown	State CO	ZIP Code 80534
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5. Email Address

6. If the premises currently has a liquor or beer license, you must answer the following questions

Present Trade Name of Establishment (DBA) Little House	Present State License Number	Present Class of License	Present Expiration Date
--	------------------------------	--------------------------	-------------------------

Section A Nonrefundable Application Fees	Section B (Cont.) Liquor License Fees
<input checked="" type="checkbox"/> Application Fee for New License \$ 600.00 <input type="checkbox"/> Application Fee for New License w/Concurrent Review \$ 700.00 <input type="checkbox"/> Application Fee for Transfer \$ 600.00	<input type="checkbox"/> Liquor Licensed Drugstore (City)..... \$227.50 <input type="checkbox"/> Liquor Licensed Drugstore (County) \$312.50 <input type="checkbox"/> Manager Registration - H & R..... \$ 75.00 <input type="checkbox"/> Manager Registration - Tavern \$ 75.00 <input type="checkbox"/> Master File Location Fee\$ 25.00 X _____ Total _____ <input type="checkbox"/> Master File Background\$250.00 X _____ Total _____ <input type="checkbox"/> Optional Premises License (City)..... \$500.00 <input type="checkbox"/> Optional Premises License (County) \$500.00 <input type="checkbox"/> Racetrack License (City)..... \$500.00 <input type="checkbox"/> Racetrack License (County) \$500.00 <input type="checkbox"/> Resort Complex License (City)..... \$500.00 <input type="checkbox"/> Resort Complex License (County)..... \$500.00 <input type="checkbox"/> Retail Gaming Tavern License (City) \$500.00 <input type="checkbox"/> Retail Gaming Tavern License (County)..... \$500.00 <input type="checkbox"/> Retail Liquor Store License (City)..... \$227.50 <input type="checkbox"/> Retail Liquor Store License (County)..... \$312.50 <input type="checkbox"/> Tavern License (City) \$500.00 <input type="checkbox"/> Tavern License (County)..... \$500.00 <input type="checkbox"/> Vintners Restaurant License (City) \$750.00 <input type="checkbox"/> Vintners Restaurant License (County)..... \$750.00
Section B Liquor License Fees	
<input type="checkbox"/> Add Optional Premises to H & R.....\$100.00 X _____ Total _____ <input type="checkbox"/> Add Related Facility to Resort Complex\$ 75.00 X _____ Total _____ <input type="checkbox"/> Arts License (City) \$308.75 <input type="checkbox"/> Arts License (County) \$308.75 <input checked="" type="checkbox"/> Beer and Wine License (City)..... \$351.25 <input type="checkbox"/> Beer and Wine License (County)..... \$436.25 <input type="checkbox"/> Brew Pub License (City) \$750.00 <input type="checkbox"/> Brew Pub License (County)..... \$750.00 <input type="checkbox"/> Club License (City) \$308.75 <input type="checkbox"/> Club License (County) \$308.75 <input type="checkbox"/> Distillery Pub License (City)..... \$750.00 <input type="checkbox"/> Distillery Pub License (County) \$750.00 <input type="checkbox"/> Hotel and Restaurant License (City) \$500.00 <input type="checkbox"/> Hotel and Restaurant License (County) \$500.00 <input type="checkbox"/> Hotel and Restaurant License w/one opt premises (City) \$600.00 <input type="checkbox"/> Hotel and Restaurant License w/one opt premises (County)..... \$600.00	

Questions? Visit: www.colorado.gov/enforcement/liquor for more information

Do not write in this space - For Department of Revenue use only

Liability Information			
License Account Number	Liability Date	License Issued Through (Expiration Date)	Total
			\$

7. Is the applicant (including any of the partners, if a partnership; members or manager if a limited liability company; or officers, stockholders or directors if a corporation) or manager under the age of twenty-one years?		Yes	No	
		<input type="checkbox"/>	<input checked="" type="checkbox"/>	
8. Has the applicant (including any of the partners, if a partnership; members or manager if a limited liability company; or officers, stockholders or directors if a corporation) or manager ever (in Colorado or any other state):				
(a) Been denied an alcohol beverage license?		<input type="checkbox"/>	<input checked="" type="checkbox"/>	
(b) Had an alcohol beverage license suspended or revoked?		<input type="checkbox"/>	<input checked="" type="checkbox"/>	
(c) Had interest in another entity that had an alcohol beverage license suspended or revoked?		<input type="checkbox"/>	<input checked="" type="checkbox"/>	
If you answered yes to 8a, b or c, explain in detail on a separate sheet.				
9. Has a liquor license application (same license class), that was located within 500 feet of the proposed premises, been denied within the preceding two years? If "yes", explain in detail.		<input type="checkbox"/>	<input checked="" type="checkbox"/>	
10. Are the premises to be licensed within 500 feet of any public or private school that meets compulsory education requirements of Colorado law, or the principal campus of any college, university or seminary?		<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Waiver by local ordinance? Other: _____		<input type="checkbox"/>	<input checked="" type="checkbox"/>	
11. Has a liquor or beer license ever been issued to the applicant (including any of the partners, if a partnership; members or manager if a Limited Liability Company; or officers, stockholders or directors if a corporation)? If yes, identify the name of the business and list any current financial interest in said business including any loans to or from a licensee.		<input type="checkbox"/>	<input checked="" type="checkbox"/>	
12. Does the Applicant, as listed on line 2 of this application, have legal possession of the premises by virtue of ownership, lease or other arrangement?		<input type="checkbox"/>	<input checked="" type="checkbox"/>	
<input type="checkbox"/> Ownership <input checked="" type="checkbox"/> Lease <input type="checkbox"/> Other (Explain in Detail) _____				
a. If leased, list name of landlord and tenant, and date of expiration, exactly as they appear on the lease:				
Landlord	Tenant	Expires		
Charlotte Square Partners	Little House	11/24/23		
b. Is a percentage of alcohol sales included as compensation to the landlord? If yes complete question 13.		<input type="checkbox"/>	<input checked="" type="checkbox"/>	
c. Attach a diagram and outline or designate the area to be licensed (including dimensions) which shows the bars, brewery, walls, partitions, entrances, exits and what each room shall be utilized for in this business. This diagram should be no larger than 8 1/2" X 11".				
13. Who, besides the owners listed in this application (including persons, firms, partnerships, corporations, limited liability companies), will loan or give money, inventory, furniture or equipment to or for use in this business; or who will receive money from this business. Attach a separate sheet if necessary.				
Last Name	First Name	Date of Birth	FEIN or SSN	Interest/Percentage
Last Name	First Name	Date of Birth	FEIN or SSN	Interest/Percentage
Attach copies of all notes and security instruments, and any written agreement, or details of any oral agreement, by which any person (including partnerships, corporations, limited liability companies, etc.) will share in the profit or gross proceeds of this establishment, and any agreement relating to the business which is contingent or conditional in any way by volume, profit, sales, giving of advice or consultation.				
14. Optional Premises or Hotel and Restaurant Licenses with Optional Premises:				
Has a local ordinance or resolution authorizing optional premises been adopted?		<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Number of additional Optional Premise areas requested. (See license fee chart)		<input type="text"/>		
15. Liquor Licensed Drug Store applicants, answer the following:				
(a) Does the applicant for a Liquor Licensed Drug Store have a license issued by the Colorado Board of Pharmacy? If "yes" a copy of license must be attached.		<input type="checkbox"/>	<input checked="" type="checkbox"/>	
16. Club Liquor License applicants answer the following: Attach a copy of applicable documentation				
(a) Is the applicant organization operated solely for a national, social, fraternal, patriotic, political or athletic purpose and not for pecuniary gain?		<input type="checkbox"/>	<input checked="" type="checkbox"/>	
(b) Is the applicant organization a regularly chartered branch, lodge or chapter of a national organization which is operated solely for the object of a patriotic or fraternal organization or society, but not for pecuniary gain?		<input type="checkbox"/>	<input checked="" type="checkbox"/>	
(c) How long has the club been incorporated?		<input type="text"/>		
(d) Has applicant occupied an establishment for three years (three years required) that was operated solely for the reasons stated above?		<input type="checkbox"/>	<input checked="" type="checkbox"/>	
17. Brew-Pub License or Vintner Restaurant Applicants answer the following:				
(a) Has the applicant received or applied for a Federal Permit? (Copy of permit or application must be attached)		<input type="checkbox"/>	<input checked="" type="checkbox"/>	
18a. For all on-premises applicants. (If this is an application for a Hotel, Restaurant or Tavern License, the manager must also submit an individual History Record - DR 8404-I)				
Last Name of Manager	First Name of Manager	Date of Birth		
Zheng	Xue	10-01-1988		
18b. Does this manager act as the manager of, or have a financial interest in, any other liquor licensed establishment in the State of Colorado? If yes, provide name, type of license and account number.		<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Name	Type of License	Account Number		
19. Tax Distraint Information. Does the applicant or any other person listed on this application and including its partners, officers, directors, stockholders, members (LLC) or managing members (LLC) and any other persons with a 10% or greater financial interest in the applicant currently have an outstanding tax distraint issued to them by the Colorado Department of Revenue? If yes, provide an explanation and include copies of any payment agreements.		<input type="checkbox"/>	<input checked="" type="checkbox"/>	

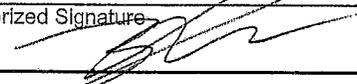
20. If applicant is a corporation, partnership, association or limited liability company, applicant must list all **Officers, Directors, General Partners, and Managing Members**. In addition, applicant must list any stockholders, partners, or members with **ownership of 10% or more in the Applicant**. All persons listed below must also attach form DR 8404-I (Individual History Record), and submit fingerprint cards to the local licensing authority.

Name	Home Address, City & State	DOB	Position	% Owned
Xue Liang Zheng	6 Rutherford Ave Johnson Co. 8034	10-1-88	Owner	100
Name	Home Address, City & State	DOB	Position	% Owned
Name	Home Address, City & State	DOB	Position	% Owned
Name	Home Address, City & State	DOB	Position	% Owned
Name	Home Address, City & State	DOB	Position	% Owned

** If Applicant is owned 100% by a parent company, please list the designated principal officer on question #20
 ** Corporations - The President, Vice-President, Secretary and Treasurer must be accounted for on question #20 (Include ownership percentage if applicable)
 ** If total ownership percentage disclosed here does not total 100%, applicant must check this box:
 Applicant affirms that no individual other than these disclosed herein, owns 10% or more of the applicant, and does not have ownership in a prohibited liquor license pursuant to Title 47 or 48, C.R.S.

Oath Of Applicant

I declare under penalty of perjury in the second degree that this application and all attachments are true, correct, and complete to the best of my knowledge. I also acknowledge that it is my responsibility and the responsibility of my agents and employees to comply with the provisions of the Colorado Liquor or Beer Code which affect my license.

Authorized Signature:  Printed Name and Title: Xue Liang Zheng owner Date: 5-17-16

Report and Approval of Local Licensing Authority (City/County)

Date application filed with local authority: 5/18/16 Date of local authority hearing (for new license applicants; cannot be less than 30 days from date of application 12-47-311 (1) C.R.S.)

The Local Licensing Authority Hereby Affirms that each person required to file DR 8404-I (Individual History Record) has:

- Been fingerprinted
- Been subject to background investigation, including NCIC/CCIC check for outstanding warrants

That the local authority has conducted, or intends to conduct, an inspection of the proposed premises to ensure that the applicant is in compliance with, and aware of, liquor code provisions affecting their class of license

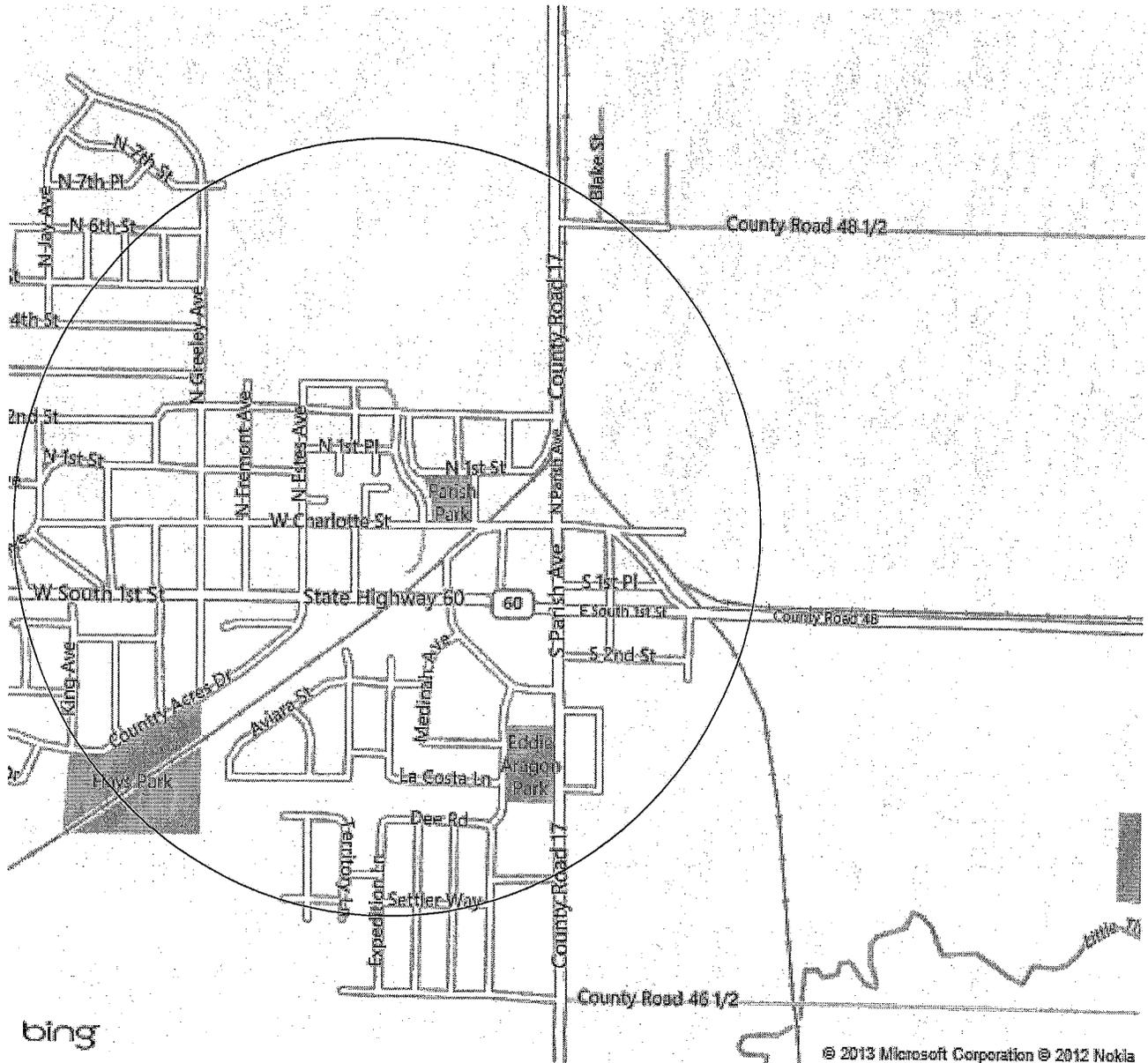
(Check One)
 Date of inspection or anticipated date _____
 Will conduct inspection upon approval of state licensing authority

The foregoing application has been examined; and the premises, business to be conducted, and character of the applicant are satisfactory. We do report that such license, if granted, will meet the reasonable requirements of the neighborhood and the desires of the adult inhabitants, and will comply with the provisions of Title 12, Article 46 or 47, C.R.S.
Therefore, this application is approved.

Local Licensing Authority for		Telephone Number	<input type="checkbox"/> Town, City <input type="checkbox"/> County	
Signature	Print	Title	Date	
Signature (attest)	Print	Title	Date	

MAP

One-Half Mile Radius 417 Charlotte Street



bing

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SUMMARY

REPORTS

(Detailing results of petitions)

Summary

Dates of Petitioning 1/15/16 / to 5/18/16

Total Contacts:

- Not at Home _____
- Not Qualified to Sign _____
- Refusals to Sign _____
- Needs & Desires Met _____
- Religious Objections _____
- Would not Sign _____
- Remained Neutral _____
- Usage Objections _____
- Other _____

Number of Signatures in Favor

66

PETITION TO THE JOHNSTOWN LIQUOR AUTHORITY

I, the undersigned, am aware that an application for a Beer, Wine liquor license has been filed with the Town of Johnstown Liquor Licensing Authority by:

dba Little House, and proposed to be located at 417 Charlotte St #D

I am at least 21 years of age and am a resident or owner or manager of a business located within the defined neighborhood boundaries of the proposed liquor establishment. I have indicated below whether I consider the granting of the above-mentioned liquor license to be desirable and necessary for the reasonable requirements of the neighborhood:

Signature	Printed Name	Address	Business Owner, Business Manager, Resident	Date Signed	Yes ✓	No ✓
	Tomi Beaver	430 S. Millbrook Rd	Resident	1/15/16	✓	
	Charles Beaver	430 Saint Charles Rd	Resident	1/15/16	✓	
	Sara Seastone	375 Saxony Rd Johnstown	Resident	1/15/16	X	
	Jeff Seastone	375 Saxony Rd	Resident	1/15/16	X	
	Greg Reimer	Johnstown	Resident	1/15/16	X	
	Dikn Reimer	Johnstown	Resident	1/15/16	X	
	Jess M. Jones	Johnstown	Resident	1-15-16	X	
	Randy Molinar	Johnstown	Resident	1-16-16	X	
	Mary Molinar	Johnstown	Resident	1-16-16	X	
	Elizabeth Molinar	Johnstown	Resident	1-16-16	X	
	Raylene Garcia	Gruelley	Resident	1-16-16	X	

Raylene Garcia

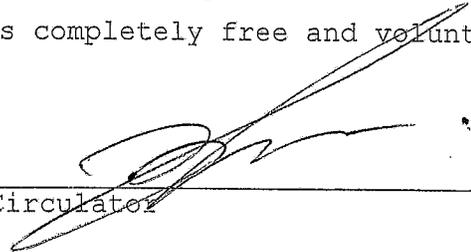
Signature	Printed Name	Address	Business Owner, Business Manager, Resident	Date Signed	Yes ✓	No ✓
12. <i>Robert Molinar</i>	Robert Molinar	332 S. Parish	Resident	1-16-16	✓	
13. <i>Travis Hagan</i>	Travis Hagan	482 Territory Ln	Resident	1-16-16	✓	
14. <i>Holly Reed</i>	Holly Reed	1112 Sandra Drive	RESIDENT	1-18-16	✓	
15. <i>Steve Sturgeon</i>	Steve Sturgeon	1112 Sandra Dr.	Resident	1-18-16	✓	
16. <i>Lindsey Zaccaria</i>	Lindsey Zaccaria	1000 N 3rd St Johnston	Resident	1-22-16	✓	
17. <i>Ryan Zaccaria</i>	Ryan Zaccaria	1000 N. 3rd St	Resident	1-22-16	✓	
18. <i>Jennifer Johns</i>	Jennifer Johns	307 Graham Ln	Resident	1-22-16	✓	
19. <i>Janet Johns</i>	Janet Johns	307 Graham Ln	Resident	1-22-16	✓	
20. <i>Jennifer Loodman</i>	Jennifer Loodman	455 St. Charles Pl	Resident	1-23-16	✓	
21. <i>J. Wilson</i>	J. Wilson	475 Charles Pl.	Resident	1-23-16	✓	
22. <i>S. Morris</i>	S. Morris	465 " "	Owner	1-23-16	✓	
23. <i>Luz Betta</i>	Luz Betta	440 " "	Owner	1-23-16	✓	
24. <i>Jacob</i>	Jacob	450 " "	owner	1-23-16	✓	
25. <i>Melissa Felsen</i>	Melissa Felsen	1145 Kai Columbine	Owner	1/23/16	✓	
26. <i>David Navarrete</i>	David Navarrete	140 Columbine Ave Apt #5	owner	1/23/16	✓	
27. <i>Danie Hernandez</i>	Danie Hernandez	120 Columbine Ave #2	Resident	1/23/16	✓	
28. <i>James F Richards</i>	JAMES F RICHARDS	209 N DENVER	RESIDENT	1-23-16	✓	
29. <i>Michael Swille</i>	Michael Swille	409 N 2nd	Resident	1-23-16	✓	
30. <i>David Nelson</i>	David Nelson	113 2nd	R	1-23-16	✓	
31. <i>Omar Coyana</i>	Omar Coyana	319 Canal Ave	R	1-23-16	✓	
32. <i>[Signature]</i>		311 N 1st St	R	1-23	✓	
33. <i>Becky Maestas</i>	Becky Maestas	305 N 1st St	R	1/23	✓	
34. <i>Michelle Simon</i>	Michelle Simon	200 E 1st St	Resident	1/24	✓	
35. <i>Glover Howard</i>	Glover Howard	445 Saint Charles	Resident	1/30	✓	

Signature	Printed Name	Address	Business Owner, Business Manager, Resident	Date Signed	Yes ✓	No ✓
	Aimee Ingalls-Flanigan	17 Raymond Pl Johnstown	Resident	3/29/16	✓	
	Sarah Vlach	217 N 1st St Johnstown	Resident	3-29-16	✓	
	Joseph C Vlach	217 N 1st Street Johnstown	Resident	3-29-16	✓	
	Karen Wood	508 Charlotte	Resident	5/16/16	✓	
	Jessica Lang	313 Deer Rd Johnstown CO	Resident	5/16/16	✓	
	Carlos Lang	313 Dee Rd Johnstown, CO	Resident	5/16/16	✓	
	Rodean Cornelsen	309 Merganser Ln. Johnstown Co	Resident	5/16/16	✓	
	Jon Cornelsen	309 Merganser Johnstown CO	Resident	5-16-16	✓	
	Megan Hackley	29 Paris Ave	Resident	5-16-16	✓	
	Emily Cheney	29 Paris Ave	Resident	5/16/16	✓	
	Maria Tovar	125 Quander Ave	Resident	5/16/16	✓	
	Anna Espinosa	125 Quander Ave	Resident	5/16/16	✓	
	Sydney Johnston	4218 Angelica Pl	resident	5/17/16	✓	
	Jon Sturgeon	112 Sandra Dr	resident	5/17/16	✓	
	Jason Johnston	9218 Angelica Pl	resident	5/17/16	✓	
	Rick Fittler	2099 WCR 48.5	Resident	5/17/16	✓	
	Charles Colletta	233 Alder Ave	Res.	5/17/16	✓	
	Kirschen Muncy	426 Juniper Street	RES.	5/17/16	✓	
	Kelly Rivera	301 W 3rd St	Business	5/18/16	✓	
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59.						

Signature	Printed Name	Address	Owner, Business Manager, Resident	Date Signed	Yes ✓	No ✓
60. <i>Teresa Alba</i>	TERESA ALBA	895 N 3 rd ST	RESIDENT	01/30/16	✓	
61. <i>Blanca Alba</i>	Blanca Alba	1806 Canvasback Dr	Resident	01/30/16	✓	
<i>Renee Molinar</i>	RENEE MOLINAR	895 N 3 rd ST. JOHNSTOWN	RESIDENT	1/30/16	✓	
63. <i>Kathy Redel</i>	KATHY REDEL	308 CHARLOTTE ST	RESIDENT	2/6/16	✓	
64. <i>E.A. Shelton</i>	E.A. SHELTON	223 N. 1ST	RESIDENT	2/6/16	✓	
65. <i>Becy M. Roe</i>	ROE	305 N 1 st St		2/6/16	✓	
66. <i>Jim Johnson</i>	JIM JOHNSON	301 E. SCOTT 1 st	RESIDENT	3/6/16	✓	
67. <i>Hunter Lange</i>	Hunter Lange	718 Countryview Dr.	Resident	2/13/16	✓	
68. <i>Donald Morgan</i>	Donald Morgan	117 KITS PI	Resident	2/18/16	✓	
69. <i>Diane Stimpfer</i>	Diane Stimpfer	2 Sebring Ln	Resident	2/23/16	✓	
70. <i>Jerry Wood</i>	JERRY WOOD	509 CHARLOTTE RES.		3/29/16	✓	
71. <i>Linda Halvorson</i>	Linda Halvorson	520 Charlotte	Res	3/29/16	✓	
72. <i>Andrea Jackson</i>	Andrea Jackson	10 Sa. Estes Ave	Res	3/29/16	✓	
73. <i>Mike Stimpfer</i>	MIKE STIMPFER	30 Fremont	Res	3/29/16	✓	
<i>Chris Blomberg</i>	CRIS B	710 Charlotte	Res	3/29/16	✓	
75. <i>Penny Aguilar</i>	Penny Aguilar	707 Charlotte	RES	3/29/16	✓	
76. <i>Mary Blitzer</i>	Mary Blitzer	615 Charlotte	Res	3/29/16	✓	
77. <i>Dani Delahunty</i>	Dani Delahunty	425 St Charles	Res	3/29	✓	
78. <i>Kristi Warner</i>	Kristi Warner	475 St Charles place	Res	3/29	✓	
79. <i>Steve Briggs</i>	Steve Briggs	415 St Charles place	Res	3/29	✓	
80. <i>Charles Beale</i>	Charles Beale	430 Saint Charles	Res	3/29	✓	
<i>Kathy Redel</i>	Kathy Redel	308 Charlotte St. Johnstown	RESIDENT	3/29	✓	
82. <i>Edgar Schram</i>	EDGAR SCHRAM	MA TRAYMOND DR	RESIDENT	3/29	✓	

AFFIDAVIT
CIRCULATOR

I, Xue Liang Zheng, do hereby certify that I was the circulator of the attached petitions and further, that I personally witnessed each signature appearing on the petitions. To the best of my knowledge, each signature thereon is the signature of the person whose name it purports to be, each address given opposite each name is the true address of the person that signed, that each person who signed the petition represented themselves to be 21 years of age or older, and that each person who signed the petition had the opportunity to read, or have read to them, the petition in its entirety and understands its meaning. I also hereby affirm that no promises, threats, or inducements were employed whatsoever in connection with the presentation of this petition and that every signature appearing hereon was completely free and voluntarily given.



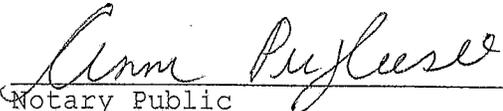
Circulator

STATE OF COLORADO)

) SS.

COUNTY OF WELD)

Subscribed and sworn to before me this 18 day
of May, 2016.



Notary Public

May 13, 2017
My commission expires

Anne D Pugliese
Notary Public
State of Colorado
Notary ID 20134028570
My Commission Expires May 13, 2017

Summary

Dates of Petitioning 5/18/16 to 5/19/16

Total Contacts: _____

Not at Home _____

Not Qualified to Sign _____

Refusals to Sign _____

Needs & Desires Met _____

Religious Objections _____

Would not Sign _____

Remained Neutral _____

Usage Objections _____

Other _____

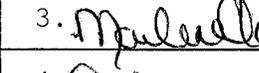
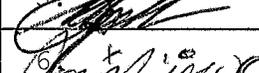
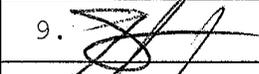
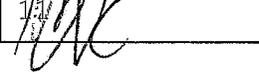
Number of Signatures in Favor 49

PETITION TO THE JOHNSTOWN LIQUOR AUTHORITY

I, the undersigned, am aware that an application for a Beer & Wine liquor license has been filed with the Town of Johnstown Liquor Licensing Authority by:

dba Little House, and proposed to be located at 417 Charlotte St.

I am at least 21 years of age and am a resident or owner or manager of a business located within the defined neighborhood boundaries of the proposed liquor establishment. I have indicated below whether I consider the granting of the above-mentioned liquor license to be desirable and necessary for the reasonable requirements of the neighborhood:

Signature	Printed Name	Address	Business Owner, Business Manager, Resident	Date Signed	Yes ✓	No ✓
	Hugo Arco	215 W. South 4	BO	5/18/16	✓	
	Summer Anderson	5 PARISH AVE	EM/owner	5/17/16	✓	
	Marlene Clark	9 S. Parish	manager	5-18-16	✓	
	Nancy Johnson	9 S. Parish	Manager	5-18-16	✓	
	ARCHIE SPILLMAN	10 LUTHERFORD AVE	OWNER	5-18-16	✓	
	Jose Nojera	2 nd Charlotte St	PCS	5-18-16	✓	
	Lesli Banger	7 S. Parish	Owner	5-18-16	✓	
	RENEE MOLINAR	21 S PARISH	MG	5-18-16	✓	
	STEVE JENSEN	8 S. PARISH	MG	5/18/16	✓	
	K. Hendricks	8 S Parish	BO	5-18-16	✓	
	L. Dent	6 S. Parish	MG	5-18-16	✓	

Signature	Printed Name	Address	Business Owner, Business Manager, Resident	Date Signed	Yes ✓	No ✓
	Julia Stone	257 Johnson Ctr Dr #105	Manager	5/18/16	✓	
	Robyn Schanman	257 Johnson Ctr Dr #107	manager	5/18/16	✓	
	Brad Johnson	324 Riviera Ln.	Resident	5/18/16	✓	
	Vanessa Sanchez	320 Piviera Ln	Resident	5/18/16	✓	
	Rogene Killeen	Johnstown 434 La Costa	Resident	5/18/16	✓	
	Arel Desmond	426 La Costa King Johnston	Resident	5/18/16	✓	
	Deb Fuller	421 La Costa Johnston Ave	Resident	5/18/16	✓	
	Roxana Calvin	416 Edgewood	Resident	5/18/16	✓	
	Betty Stolpa	410 Edgewood	Resident	5/18/16	✓	
	Lindsay Wicke	658 Torrey Pines	Resident	5/18/16	✓	
	Jess Gingery	654 Torrey pines	Resident	5-18-16	✓	
	Holly Berto	639 Torrey Pines	Resident	5/18/16	✓	
	Genevieve Dehner	642 Torrey Pines	Resident	5/18/16	✓	
	Richard Day	641 Torrey Pines	Resident	5/18/16	✓	
	ZACH SPAUR	622 AVIARA	Resident	5-18-16	✓	
	Melissa	215 Dec Rd	Resident	5-18-16	✓	
	Mike Todd	301 Dec Rd	Resident	5/18/16	✓	
	GLEN WILLIAMS	409 DEER RD	Resident	5/18/16	✓	
	Jason Winterbottom	489 Pioneer Ln	Resident	5/18/16	✓	
	Brian Halperin	493 Pioneer Ln	Resident	5/18/16	✓	
	DONALD MEINTZER	441 Expedition Ln	RES	5/18/16	✓	
	DANIELLE MEINTZER	441 Expedition Ln	RES.	5/18/16	✓	
	Corey Hagen	715 Country Regs	RES.	5/18/16	✓	
	KATHY COHOON	901 Cottonwood	RES	5.19.14	✓	

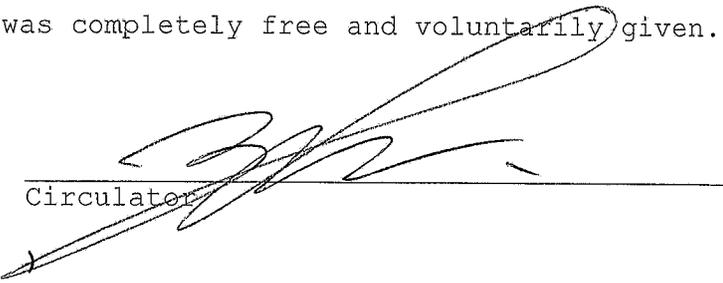
11

Signature	Printed Name	Address	Business Owner, Business Manager, Resident	Date Signed	Yes ✓	No ✓
	Paul Hartzel	905 Cottonwood	Resident	5/19/16	✓	
	Guyson Wells	1108 Country Access	RES	5/19/16	✓	
	Daniel Barbieri	426 Heritage Ln	Resident	5/19/16	✓	
	Jennifer Barrett	480 Heritage Ln	Resident	5/19/16	✓	
	Michael Koclan	496 Heritage Ln	Resident	5/19/16	✓	
	MARK KOENIG	426 FRONTIER LN	BOTH	5-19-16	✓	
	N. Krooch	435 Frontier	Resident	5/19/16	✓	
	Nyla Morton	444 Frontier	resident	5/19/16	✓	
	Valerie Brown	450 Frontier	resident	5/19/16	✓	
	Rick D. Hood	417 Settlers	"	5/19/16	✓	
	Carl Barnes	432 Territory	resident	5/19/16	✓	
	Robbin Bailey	427 Territory	Resident	5/19/16	✓	
	GARY RICHTER	419 TERRITORY	RESIDENT	5/19/16	✓	
	Tom Quintana	605 Dec. Rd	Resident	5/19/16	✓	
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AFFIDAVIT
CIRCULATOR

I, XUE Liang zheng, do hereby certify that I was the circulator of the attached petitions and further, that I personally witnessed each signature appearing on the petitions. To the best of my knowledge, each signature thereon is the signature of the person whose name it purports to be, each address given opposite each name is the true address of the person that signed, that each person who signed the petition represented themselves to be 21 years of age or older, and that each person who signed the petition had the opportunity to read, or have read to them, the petition in its entirety and understands its meaning. I also hereby affirm that no promises, threats, or inducements were employed whatsoever in connection with the presentation of this petition and that every signature appearing hereon was completely free and voluntarily given.


Circulator

STATE OF COLORADO

) SS.

COUNTY OF WELD)

Subscribed and sworn to before me this 19 day
of May, 2016.


Notary Public

May 13, 2017
My commission expires

Anne D Pugliese
Notary Public
State of Colorado
Notary ID 20134028570
My Commission Expires May 13, 2017

**POLICE
REPORT**

AGENDA ITEM 9B

OIL AND GAS

LEASE

(Synergy Resources Corporation)

TOWN COUNCIL AGENDA COMMUNICATION

AGENDA DATE: July 6, 2016

ITEM NUMBER: 9B

SUBJECT: Consider Oil and Gas Lease with Synergy Resources Corporation

ACTION PROPOSED: Approve Oil and Gas Lease with Synergy Resources Corporation

PRESENTED BY: Town Attorney

AGENDA ITEM DESCRIPTION: The Town owns the mineral rights under the Johnstown Reservoir consisting of approximately 44.963 net mineral acres. Synergy Resources Corporation ("Synergy") desires to enter into an oil and gas lease for the drilling and production of those mineral rights.

The lease is a non-surface lease and does not grant any rights to the use of the surface of the leased premises. The lease provides for a one-year term, extended by production for as long as oil and gas is produced in paying quantities. The lease further provides for an annual rental payment of \$2.50 per mineral acre (\$113.00 per year), a bonus payment of \$1,000.00 per mineral acre (\$44,963.00) and a 20% royalty to be paid on oil and gas that is produced without a deduction for costs.

Synergy agrees to indemnify the Town for any damage caused by its operations. Synergy shall also add the Town as an additional insured under its insurance policies, carrying commercial liability coverage in the amount of \$1,000,000 and umbrella coverage in the amount \$25,000,000.

Synergy agrees to conduct water sampling at the Johnstown Reservoir within a week of the commencement of the lease and then every six months thereafter, with a final test to be conducted six months after the termination of the lease, to monitor the water quality and ensure that there are no contaminants in the Reservoir resulting from Synergy's operations. The Town Manager may agree to extend the time period for the testing.

LEGAL ADVICE: The Oil and Gas Lease was reviewed and edited by the Town Attorney.

FINANCIAL ADVICE: Immediate revenue of \$44,963, annual revenue of \$113 and the potential for future royalty revenue.

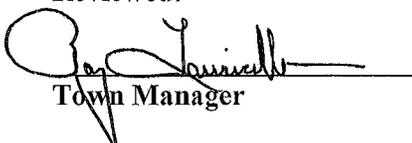
RECOMMENDED ACTION: Approve Oil and Gas Lease with Synergy Resources Corporation.

SUGGESTED MOTION:

For Approval: I move to approve the Oil and Gas Lease with Synergy Resources Corporation and authorize the Mayor to sign it.

For Denial: I move to deny approval of the Oil and Gas Lease with Synergy Resources Corporation.

Reviewed:


Town Manager

LEASE

OIL AND GAS LEASE

THIS LEASE AGREEMENT, dated this ____ day of July, 2016, made and entered into by and between THE TOWN OF JOHNSTOWN, a home rule municipality and political subdivision of the STATE OF COLORADO, whose address is 450 South Parish Avenue, Johnstown, Colorado 80534, hereinafter called "Lessor", and SYNERGY RESOURCES CORPORATION, whose address is 1625 Broadway, Suite 300, Denver, Colorado 80202, hereinafter called Lessee:

WITNESSETH

WHEREAS, said Lessee has applied to Lessor for an oil and gas lease covering the land herein described, for the sum of \$10.00 and a bonus consideration of \$1,000.00 per mineral acre, fixed by Lessor as consideration for the granting of this lease, and Lessee agrees to pay an annual rental of \$113.00, computed at the rate of \$2.50 per mineral acre or fraction thereof per year;

WHEREAS, all the requirements relative to said application have been duly complied with and said application has been approved and allowed by Lessor;

THEREFORE, in consideration of the agreements herein, on the part of Lessee to be paid, kept and performed, Lessor does lease exclusively to Lessee for the sole and only purpose of drilling for, development of and production of oil and gas, or either of them, thereon and therefrom with the right to own all oil and gas so produced and saved therefrom and not reserved as royalty by Lessor under the terms of this lease, together with rights-of-way, easements and servitudes for pipelines for the exploration and operation of said land for oil and gas, the following described land situated in the Town of Johnstown, County of Weld, State of Colorado, referred to herein as the Leased Premises or leased land, and more particularly described as follows:

A parcel of land in which the Johnstown Reservoir is situate, within that certain parcel of land surveyed for the Town of Johnstown, Colorado as shown on a map prepared by Zoyiopoulos and Associates dated November 15, 1982, signed and sealed by Erich Draht, L.S. 13184, and being on record at the Town of Johnstown, said parcel of land previously described in portions by documents recorded in the Records of Weld County as Book 474 on Page 544, Book 541 on Page 243, Book 732 on Page 545 and Book 1361 on Page 17, all being located within a part of the Southeast Quarter (SE1/4) of Section Two (2), and a part of the Southwest Quarter (SW1/4) of Section One (1), Township Four North (T.4N.), Range Sixty-eight West (R.68W.), Sixth Principal Meridian (6th P.M.), County of Weld, State of Colorado and being more particularly described as follows:

COMMENCING at the Southwest Corner of said Section 1 and assuming the South line of the SW1/4 of said Section 1 as bearing North 89°21'26" East, being a Grid Bearing of the Colorado State Plane Coordinate System, North Zone, North American Datum 1983/92, a distance of 2648.68 feet with all other bearings contained herein relative thereto:

THENCE North 89°21'26" East along the South line of the SW1/4 of said Section 1 a distance of 669.00 feet to the Southerly prolongation of the Westerly line of the Faith Lutheran Church First Filing as recorded December 19, 2002 as Reception No. 3016332 of the Records of Weld County;

THENCE North 02°52'19" West along said Southerly prolongation and along the Westerly line of said Faith Lutheran Church First Filing a distance of 419.00 feet to the Northeast corner of the Faith Lutheran Church First Filing and the TRUE POINT OF BEGINNING;

THENCE South 89°28'36" West a distance of 969.15 feet to the Northwest corner of said Faith Lutheran Church First Filing and the Northeast corner of Lot B of Recorded Exemption No 1061-02-4 RE-3625;

The next four (4) courses and distances are along the Northerly and Westerly lines of Recorded Exemption No 1061-02-4 RE-3625 as recorded February 13, 2004 as Reception No. 3154049 of the Records of Weld County:

THENCE South 89°28'36" West a distance of 179.53 feet (record distance = 179.39 feet);

THENCE South 55°36'31" West a distance of 148.03 feet (record distance = 148.01 feet);

Oil and Gas Lease
Page 2

THENCE South 30°49'02" West a distance of 73.95 feet;
THENCE North 71°31'51" West a distance of 648.70 feet to the Northwest corner of Lot A of said RE-3625, and also to an intersection with the Easterly line of Tract B of Rocksbury Ridge First Filing;

The next six (6) courses and distances are along the exterior boundary lines of Tract B of Rocksbury Ridge First Filing as recorded May 30, 2001 as Reception No. 2852701 of the Records of Weld County:

THENCE North 71°31'51" West a distance of 557.19 feet;
THENCE North 02°46'33" East a distance of 516.35 feet;
THENCE North 84°44'35" East a distance of 2122.47 feet;
THENCE South 00°47'44" West a distance of 16.49 feet;
THENCE South 20°18'34" East a distance of 342.00 feet;
THENCE North 89°21'26" East a distance of 165.37 feet to the Westerly line of the Carlson Farms Filing No. 2 as recorded September 24, 2001 as Reception No. 2885960 of the Records of Weld County;
THENCE South 02°52'19" East along the Westerly line of the Carlson Farms Filing No. 2 and along the Southerly prolongation of said Carlson Farms Filing No. 2 a distance of 600.00 feet to the North line of the Faith Lutheran Church First Filing and the TRUE POINT OF BEGINNING.

Said described parcel of land contains a total of 44.963 acres, more or less and is subject to any existing easements and rights of way of record or as now existing on said described parcel of land.

TO HAVE AND TO HOLD said land, and all the rights and privileges granted hereunder to Lessee until the hour of twelve o'clock noon on July 6, 2017, as primary term, and so long thereafter as oil and gas, or either of them, is produced in paying quantities from said land or Lessee is diligently engaged in bona fide drilling or reworking operations on said land, subject to the terms and conditions herein. Drilling or reworking operations shall be deemed to be diligently performed if there is no delay or cessation thereof for a greater period than sixty (60) consecutive days, unless an extension in writing is granted by Lessor; provided that such drilling or reworking operations are commenced during said primary term or any extension thereof, or while this lease is in force by reason of production of oil and gas or either of them, or that such reworking is commenced within (60) sixty days upon cessation of production for the purpose of re-establishing the same, and provided further that such production is commenced during such primary term or any extension thereof, or while this lease is in force by reason of such drilling or reworking operations or other production.

EXPLORATION - Lessor reserves the right to conduct exploration on the Leased Premises provided such exploration does not interfere with rights granted herein.

In consideration of the premises, the parties covenant and agree as follows:

1. RENTAL - Lessee agrees to pay an annual rental of \$113.00, computed at the rate of \$2.50 per mineral acre or fraction thereof per year. The annual rental shall be due and payable on or before each anniversary date hereof. If this lease is extended for an additional term as provided for in the EXTENSION paragraph hereof, Lessee shall pay to Lessor the sum of Two and 50/100 Dollars (\$2.50) per acre for the land covered hereby for the term of the extension. There shall be no refund of unused rental.
2. ROYALTY PROVISIONS:
 - A. Lessee Responsible for All Costs/Expenses: Lessee shall account for any and all substances produced on the leased land and shall pay to Lessor as royalty, in addition to the rentals provided, the royalties described in paragraphs B through D below, which shall be free of all costs of any kind. In this regard, Lessee agrees to bear one hundred percent (100%) of all

costs and expenses incurred in rendering hydrocarbons produced on or from the Leased Premises and delivering the same into the purchaser's pipeline for immediate transportation to an end user or storage facility.

- B. Royalty Payment on Products: On products, Lessee shall pay Lessor a royalty payment of twenty percent (20%) of the gross market value or proceeds of sale thereof, whichever is higher.
- C. Royalty Payment on Gas: On gas or residue gas remaining after separation, extraction or processing operations, Lessee shall pay Lessor twenty percent (20%) of the proceeds of sale or of the market value thereof, whichever is higher.
- D. Royalty Payment on Oil: Lessee shall pay Lessor for oil produced and saved from the Leased Premises twenty percent (20%) of the market value of the oil at the wellhead, or the price actually paid to Lessee at the well by the purchaser thereof, whichever is higher; and in no event shall the royalties be based upon a market value at the well less than the posted price in the field for such oil, or in the absence of a posted price in the field for such oil, upon a market value at the well less than the prevailing price received by other producers in the field for oil of like grade and gravity at the time such oil is run into pipelines or storage tanks.
- E. No Refund of Bonus: If Lessor owns a lesser interest in the oil and gas deposits of the above-described land than the entire and undivided fee simple estate, then the royalties and rentals herein provided shall be paid to Lessor only in the portion which its interest bears to the whole and undivided fee, but no refund of any bonus consideration shall be made by Lessor hereunder.
- F. Timing of Royalty Payments: All royalties payable under the terms of this lease shall be payable in cash to Lessor within one hundred eighty (180) days following the first commercial sale of production and thereafter no more than sixty (60) days after the end of the month following the month during which production takes place. Subject to the provisions of Paragraph 16 of this Lease concerning shut-in wells, royalties shall be paid to Lessor by Lessee and/or its assigns or by the product purchaser for oil and/or gas. Upon the failure of any party to pay Lessor the royalty as provided in this paragraph, Lessor may, at Lessor's option, elect to terminate this Lease by sending written notice to Lessee. Lessee shall then have sixty (60) days from the date of service of such written notice in which to avoid termination of this Lease by making or causing to be made the proper royalty payment or payments that should have been paid. If such royalty payment is not made on, or before, the expiration of the 60-day period, or written approval is not obtained from Lessor to defer such payment, Lessor may elect to terminate this Lease by filing a Notice of Termination with the Weld County Clerk and Recorder. The effective date of said termination shall be the date said Notice of Termination is recorded.
- G. Recovery of Liquid Hydrocarbons: Lessee agrees that before any gas produced from the Leased Premises is used or sold off the Leased Premises, it will be run, free of cost to Lessor, through an adequate oil and gas separator of a conventional type or equipment at least as efficient, to the end that all liquid hydrocarbons recoverable from the gas by such means will be recovered on the lease and Lessor properly compensated therefor.
- H. Excess Payments to Lessor: Any payment of royalty or shut-in gas royalty hereunder paid to Lessor in excess of the amount actually due to the Lessor shall nevertheless become the property of the Lessor if Lessee does not make written request to Lessor for reimbursement within one (1) year from the date that Lessor received the erroneous payment, it being agreed and expressly understood between the parties hereto that Lessor is not the collecting agent for

any other royalty owner under the lands covered hereby, and a determination of the name, interest ownership and whereabouts of any person entitled to any payment whatsoever under the terms hereof shall be the sole responsibility of Lessee. It is further expressly agreed and understood that: (i) this provision shall in no way diminish the obligation of Lessee to make full and punctual payments of all amounts due to Lessor or to any other person under the terms and provisions of this Lease, and (ii) any overpayments made to the Lessor under any provisions of this Lease shall not be entitled to be offset against future amounts payable to parties hereunder.

- I. Effect of Division Order: The terms of this Lease may not be amended by any division order and the signing of a division order by any mineral owner may not be made a prerequisite to payment of royalty hereunder.
 - J. Limitation of Sale to Subsidiaries and/or Affiliates: Oil, gas or products may not be sold to a subsidiary or affiliate of Lessee as defined herein without the Lessor's prior written permission.
 - K. Royalty Payable on All Gas Produced: Lessee shall pay Lessor royalty on all gas produced, regardless of whether or not such gas is produced to the credit of Lessee or sold under a contract executed by or binding on Lessee. Should gas be sold under a sales contract not binding on Lessee, Lessor's royalty will be calculated based on the highest price paid for any of the gas produced from the well from which such gas is produced. In no event will the price paid Lessor for Lessor's share of gas be less than the price paid Lessee for Lessee's share of gas.
3. LESSOR'S ACCESS TO LEASED PROPERTY AND RECORDS: Lessee agrees to keep and to have in its possession *complete and accurate* books and records showing the production and disposition of any and all substances produced on the leased land and to permit Lessor, at all reasonable hours, to examine the same, or to furnish copies of same to Lessor upon request along with purchaser's support documentation. Lessor will not be unreasonable with requests. All said books and records shall be retained by Lessee and made available in Colorado to Lessor for a period of not less than five (5) years.
 4. MEASUREMENTS: All production shall be accurately measured using standards established by the American Gas Association (AGA) and/or the American Petroleum Institute (API) and all measuring devices shall be tamper proof as nearly as possible. Oil royalties due within the terms of this lease shall be calculated on actual and accurate measurements within API standards unless a different means of measurement, subject to Lessor's approval, is provided.
 5. PAYMENTS AND REPORTS: All payments and reports due hereunder shall be made on or before the day such payments and reports are due. Nothing in this paragraph shall be construed to extend the expiration of the primary term hereof. Oil royalty payments and supporting documents shall be submitted prior to the last day of the second month following each month's sale of production, and gas royalty payments and supporting documents shall be submitted prior to the last day of the second month following each month's sale of production. All payments shall be made by cash, check, certified check, or money order. Payment having restrictions, qualifications, or encumbrances of any kind whatsoever shall not be accepted by Lessor. A penalty for a late payment shall be charged as set forth in the PENALTIES paragraph herein.
 6. PENALTIES: A penalty shall be imposed for, but not limited to, late payments, improper payments, operational deficiencies, violation of any covenant of this lease, or false statements made to Lessor. Penalties shall be determined by Lessor, unless otherwise provided for by law, and may be in the form of, but not limited to, interest, fees, fines, and/or lease cancellation. A penalty schedule shall

be prepared by Lessor and shall become effective immediately after public notice. Said schedule may be changed from time to time after public notice.

7. LAW: The terms and conditions of this lease shall be performed and exercised subject to all laws, rules, regulations, orders, local ordinances or resolutions applicable to, and binding upon, the administration of lands and minerals owned by the Town of Johnstown and situated in Weld County, and to laws, rules and regulations governing oil and gas operations in Colorado. Violations shall result in penalties as provided for by law or as set forth in the aforementioned schedule or shall, at the option of Lessor, result in default as provided hereinafter.
8. SURRENDER: Lessee may at any time, by paying to Lessor all amounts then due as provided herein, surrender this lease insofar as the same covers all or any portion of the land herein leased and be relieved from further obligations with respect to the land so surrendered; provided that this surrender clause and the option herein reserved to Lessee shall cease and become absolutely inoperative immediately and concurrently with the institution of any suit in any court of law by Lessee, Lessor or any assignee of either to enforce this lease, or any of its terms expressed or implied. In no case shall any surrender be effective until Lessee shall have made full provision for conservation of the leased products and protection of the surface rights of the Leased Premises.
11. OFFSET WELLS: Lessee agrees to protect the leased land from drainage by offset wells located on adjoining lands not owned by Lessor, when such drainage is not compensated for by counter-drainage. It shall be presumed that the production of oil and gas from offset wells results in drainage from the leased land, unless Lessee demonstrates to Lessor's satisfaction, by engineering, geological, or other data, that production from such offset well does not result in such drainage, or that the drilling of a well or wells on the leased land would not accomplish the purposes of protecting the deposits under the leased land. Lessor's decision as to the existence of such drainage shall be final, and Lessee shall comply with Lessor's order thereon or surrender this lease as to any such undeveloped acreage as designated by Lessor.
12. DEVELOPMENT: Upon discovery of oil and gas or either of them on the Leased Premises, Lessee shall proceed with reasonable diligence to develop said oil and gas at a rate, and to an extent, commensurate with the economic development of the field in which the Leased Premises lies.
13. POOLING CLAUSE: Lessee may at any time or times pool any part or all of said land or lease or any stratum or strata with other lands and leases, stratum or strata, in the same field so as to constitute a spacing unit to facilitate an orderly or uniform well-spacing pattern or to comply with any order, rule, or regulation of the State or Federal regulatory or conservation agency having jurisdiction. Such pooling shall be accomplished or terminated by filing of record and with the Colorado Oil and Gas Conservation Commission a declaration of pooling, or declaration of termination of pooling, and by mailing or tendering a copy to Lessor. Drilling or reworking operations upon or production from any part of such spacing unit shall be considered for all purposes of this lease as operations or productions from this lease. Lessee shall allocate to this lease the proportionate share of production which the acreage in this lease included in any such spacing unit bears to the total acreage in said spacing unit.
14. UNITIZATION – COMMUNITIZATION: In the event Lessor permits the land herein leased to be included within a communitization or unitization agreement, the terms of this lease may be deemed to be modified to conform to such agreement. When only a portion of the land under this lease is committed by an agreement, Lessor may segregate the land and issue a separate lease for each portion not committed thereunder; the term of such separate lease shall be limited as to the original term of this lease. The terms of the lease on that portion remaining in the unit shall be deemed to be modified to conform to such agreement. Non-producing leases shall terminate on the first anniversary date of the lease following the termination date of the unit or part thereof modifying the

lease, but in no event prior to the end of the primary term of the lease or the extension term of the lease.

15. PRODUCTION: Lessee shall, subject to applicable laws, regulations and orders, operate and produce the wells from which oil and gas may be recovered the Leased Premises so long as the same are capable of producing in paying quantities, and shall operate the same so as to produce at a rate commensurate with the rate of production of wells on adjoining lands within the same field and within the limits of good engineering practice, except for such times as there exist neither market nor storage therefore, and except for such limitations on, or suspensions of, production as may be approved in writing by Lessor. Lessee shall be responsible for adequate site security on all producing properties.
16. SHUT-IN WELLS: If Lessee shall complete a well productive of gas and Lessee is unable to produce such gas due to a lack of suitable market therefore, Lessor may grant Lessee suspension of his obligations to produce hereunder until a suitable market for such gas can be found, and during any such suspension period, it shall be deemed that gas is being produced hereunder in paying quantities. Except, however, that beginning on the anniversary date next, of the year of an extension of the lease by reason of a shut-in well, Lessee shall pay to Lessor a shut-in royalty equal to \$2.50 per acre of the lease per annum in addition to the annual rental. The minimum amount of such shut-in royalty payment shall be \$240. Each year's shut-in royalty shall be forfeited to Lessor except for the shut-in royalty paid for the year during which the well begins production. The maximum extension of the lease, due to the existence of a shut-in well, shall be two (2) years beyond the extension term as described in the EXTENSION paragraph herein. The granting of any further extensions shall be at the sole option of Lessor.
17. OPERATIONS: Exploration, drilling or production operation, including permanent installations, shall be in compliance with all Colorado Oil and Gas Conservation Commission and State of Colorado Regulations. Reports required to be filed with the Colorado Oil and Gas Conservation Commission shall be made immediately available to Lessor upon written request to Lessee.
18. NOTIFICATION: Lessee shall notify Lessor and the surface lessee or surface owner of the location of each drill site at least two weeks prior to commencing drilling operations thereon. Lessee shall notify Lessor before commencing to plug and abandon any well by copy of Lessee's request for approval or sundry notice of intent to plug and abandon.
19. INSURANCE: Lessee shall be liable for all damages to the surface of the land, water wells, reservoirs or improvements caused by Lessee's operations hereunder. Lessee shall maintain insurance in the minimum amount of \$1,000,000 commercial liability coverage and \$25,000,000 umbrella coverage to protect against any damages that may be caused by Lessee's operations. Lessee shall include Lessor as an additional insured on such insurance policies and provide certificates of insurance to Lessor within ten (10) days of the commencement of this Lease.
20. SURFACE LAND: Lessee shall not place any machinery, equipment or fixtures upon the surface of the Leased Premises without the prior written consent of Lessor. Any machinery, equipment or fixtures left on this land for a period of more than six (6) months after the expiration hereof, shall automatically become the property of Lessor.
21. OTHER DISCOVERY: Should Lessee discover any valuable products other than oil and gas, on or within the Leased Premises, Lessee shall within seven (7) days report such discovery to Lessor, in which event Lessee and Lessor may negotiate a provision for production of such discovery.
22. WATER: This lease does not grant permission, express or implied, to Lessee for water exploration, drilling, or establishing water wells without the written permission of Lessor. If Lessee desires to

establish or adjudicate any water right for beneficial use on the leased land, any such adjudication or application shall be in the name of Lessor if Lessor is the surface owner. The same shall apply to any non-tributary water rights established on the leased land which may be put to beneficial use off said land.

23. DEFAULT: Upon failure or default of Lessee to comply with any of the terms and provisions hereof including, but not limited to, the failure to comply with laws, rules and regulations governing Colorado oil and gas operations, Lessor is hereby authorized upon notice and hearing, as hereinafter provided, to cancel this lease as to all of the leased land so claimed or possessed by lessee hereunder. In the event of any such default or failure, Lessor shall, before making any such cancellation, send to Lessee by certified mail, to the post office address of said lessee as shown by the records of Lessor, a notice of intention to cancel for such failure or default, specifying the same, stating that if within sixty (60) days from the date of mailing said notice, Lessee shall correct such failure or default, no cancellation will be made. If such failure or default is not corrected within sixty (60) days after the mailing of such notice, and if Lessee does not request a hearing on such notice within sixty (60) days, this lease will terminate and be canceled by operation of this paragraph without further action by Lessor, or further notice to Lessee.
24. EXTENSION: If Lessee fails to make discovery of oil and gas, or either of them, in paying quantities during the primary term hereof, or during drilling operations commenced during the primary term hereof, Lessee may make written application to Lessor for an extension of this lease. The granting of such extension shall be at the sole option of Lessor, according to the following conditions:
- A. Extension Limit: No lease term will be extended for more than six (6) months from the original expiration date.
 - B. Extension Payment: The Lessee shall pay to the Lessor the sum of one-third of the original bonus.
 - C. Delay Rental: The Lessee must pay to the Lessor the sum of Two and 50/100 Dollars (\$2.50) per acre leased as delayed rental for the term of the extension.
 - D. No Change in Royalty: The royalty will remain the same.
25. HOLD HARMLESS: Lessee shall indemnify Lessor against all liability and loss, and against all claims and actions, including the defense of such claims or actions, based upon, or arising out of, damage or injury, including death, to persons or property caused by, or sustained in connection with, operations on this leased land or by conditions created thereby, or based upon any violation of any statute, ordinance, or regulation.
26. VENUE: Venue for any legal proceeding shall be in Weld County, State of Colorado.
27. ERRORS: Every effort is made by Lessor to avoid errors in all procedures including, but not limited to, lease preparation. Lessor shall not be liable for any inconvenience or loss caused by errors which may occur. Lessee shall notify Lessor immediately upon discovery of any errors or discrepancy whatsoever.
28. ARCHAEOLOGY: Lessee shall not destroy, disturb, mar, collect, remove or alter any prehistoric or historic resources of any kind on Lessor's lands as provided by law. These resources include, but are not limited to, all artifacts of stone, wood or metal, pictographs, structures, and bones. A discovery of anything of prehistoric or historic nature shall be reported to Lessor or the State of Colorado Archaeologist immediately.

29. DEFINITIONS: For purposes of this Lease, the following definitions apply:
- A. "*Products*" refers to any and all substances produced on or from the Leased Premises, including all oil and gas, found on or under the leased property.
 - B. "*Market Value*" shall mean for gas and products therefrom (i) the gross price at which gas or products therefrom are sold pursuant to a gas contract, as contemplated in paragraph 2C, or (ii) if not sold pursuant to a gas contract, as contemplated in paragraph 2C, the highest gross price reasonably obtainable for the quantity of gas or products available for sale, through good faith negotiations for gas or products produced from the Leased Premises at the place where such gas or product is available for sale on the date of such a contract with adequate provisions for redetermination of price at intervals of no less frequency than two (2) years to ensure that the production is being sold for no less than the current market price. Included within the definition of "*Market Value*" as used herein is the presumption that gas contracts are arms-length contracts with purchasers who are not subsidiaries or affiliates of Lessee. "*Market Value*" shall never be less than the amount actually received by the Lessee for the sale of hydrocarbons.
 - C. "*Affiliate*" is defined as the parent company or a subsidiary of Lessee, a corporation or other entity having common ownership with Lessee, a partner or joint venturer of Lessee with respect to the ownership or operation of the processing plant, a corporation or other entity in which Lessee owns a ten percent or greater interest, or any individual, corporation or other entity that owns a ten percent or greater interest in Lessee.
 - D. "*Costs*" and/or "*Expenses*" shall mean all costs of gathering, production, transportation, treating, compression, dehydration, processing, marketing, trucking or other expense, directly or indirectly incurred by Lessee, whether as a direct charge or a reduced price or otherwise, including fuel use attributable to any of the services listed above. "*Costs*" or "*Expenses*" also include depreciation, construction, repair, renovation or operation of any pipeline, plant, or other facilities or equipment used in connection with the treating, separation, extraction, gathering, processing, refining, transporting, manufacturing or marketing of hydrocarbons produced from the Leased Premises or lands pooled therewith.
 - E. "*Gas*" as used herein shall mean all gases (combustible and noncombustible) including, but not limited to, all gaseous hydrocarbons, gaseous compounds, carbon dioxide, and helium.
 - F. "*Oil and gas*" as used herein shall include all substances produced as by-products therewith, including, but not limited to, sulfur.
 - G. "*Paying quantities*" as used herein shall mean and refer to quantities of oil and gas or of either of them sufficient to pay for the current cost of producing same.
30. HEIRS AND ASSIGNS: The benefits and obligations of this lease shall inure to, and be binding upon, the heirs, legal representatives, successors or assigns of Lessee.
31. WARRANTY OF TITLE: Lessor does not warrant title to the leased premises. There shall be no obligation on Lessor's part to purchase new or supplemental or other title papers, nor to do any curative work in connection with title to the Leased Premises.
32. FORCE MAJEURE: Neither party shall be responsible for delays or failures in performance resulting from acts or occurrences beyond the reasonable control of such party, including, without limitation: fire, explosion, power failure, flood, earthquake or other act of God; war, revolution, civil

commotion, terrorism, or acts of public enemies; any law, order, regulation, ordinance, or requirement of any government or legal body or any representative of any such government or legal body; or labor unrest, including without limitation, strikes, slowdowns, picketing or boycotts. In such event, the party affected shall be excused from such performance (other than any obligation to pay money) on a day-to-day basis to the extent of such interference (and the other party shall likewise be excused from performance of its obligations on a day-to-day basis to the extent such party's obligations relate to the performance so interfered with).

33. SURVEYS, ABSTRACTS, TITLE OPINIONS AND CURATIVE WORK: If Lessee shall cause any of the exterior or interior lines of the property covered by this lease to be surveyed, Lessee shall furnish Lessor a copy of such survey. Lessee shall furnish Lessor, within a reasonable time, with a copy of all maps submitted to the Corps of Engineers of the United States Army, Railroad, or other governmental or official agency or department having jurisdiction, showing the proposed location of all roads, pipelines, canals and drill sites on the Leased Premises.
34. RESERVOIR BASELINE SAMPLING AND MONITORING; SPECIFIC INDEMNIFICATION: All or a portion of the Leased Premises lies beneath the Johnstown Reservoir (the "Reservoir"). The Reservoir is utilized by Lessor to store domestic water. In order to detect any adverse impacts related to oil and gas activity of Lessee under the Reservoir, Lessee agrees to conduct initial water sampling at the Reservoir and to monitor the water quality during the term of the Lease.

An initial baseline sample of the Reservoir shall be collected within one week of the execution of this Lease. A second sampling event shall be conducted no later than six (6) months after such date and subsequent sampling events shall occur no later than every six (6) months thereafter, unless the Lessor, in its sole discretion, agrees in writing to a longer period of time. Consent for an extension of the time period for subsequent sampling may be given by the Lessor's Town Manager. Lessee shall conduct the sampling events during the Lease term, including any extensions thereof, and shall conduct a final sampling event six months after the termination of the Lease. Lessee shall provide written notice to Lessor of a scheduled sampling event at least ten (10) days prior to the sampling, and Lessor, in its discretion, may be present at the testing.

Sampling and analysis shall be conducted in conformance with accepted industry standards as mandated under COGCC Rule 318A.f.(5). Initial baseline analysis shall include information required under COGCC Rule 318A.f.(6), and subsequent sampling analysis shall include the information listed under COGCC Rule 318A.f.(7). Lessee shall notify the Lessor immediately if BTEX compounds (benzene, toluene, ethylbenzene and xylenes) or TPH (total petroleum hydrocarbons) are detected in a water sample from the Reservoir or if any other substances resulting from Lessor's operations and detrimental to the health and safety of Lessor's citizens are detected. Lessee shall provide all final laboratory analytical results to the Lessor within a reasonable time period after the sampling event, not to exceed thirty (30) days from the collection of the samples.

Notwithstanding any other provision of this Lease, if any contaminants are found in the Reservoir and are present as a result of Lessee's operations under the Reservoir that are not in conformance with accepted industry standards or the Water Quality Control Commission's surface water standards, Lessor may provide written notice requiring Lessee to immediately cease all oil and gas activity under the Reservoir. Upon the cessation of oil and gas activity, the Parties shall cooperate to determine the source of the contamination and the remedy, and oil and gas activity shall not re-commence until the Lessor provides written notice of consent, which consent shall not be unreasonably withheld.

If the contamination is found to result from the Lessee's oil and gas activity, this Lease shall terminate and Lessee shall have no further rights to conduct oil and gas activity under the

Reservoir. There shall be no refund of any unused rental payment or other payments. In addition, Lessee shall be responsible for cleaning up the contamination and shall promptly undertake any and all activity required to effectuate the clean-up. If Lessee does not undertake the clean-up efforts, Lessor may perform the clean-up and submit an invoice of the cost to Lessee.

Lessee hereby agrees to release, indemnify and hold harmless Lessor from any action, claim or demand for damages (excluding punitive damages) to any person or property arising out of use of the Leased Premises for operations by Lessee, its agents, contractors or employees for damages proximately caused by Lessee, its agents, contractors or employees to the Reservoir, except where such action, claim or demand results from the negligence or willful misconduct of Lessor, its agents, contractors or employees.

35. **NON-SURFACE USE OIL AND GAS LEASE: NOTWITHSTANDING ANY LANGUAGE CONTAINED IN THIS LEASE TO THE CONTRARY, THIS IS A NON-SURFACE USE OIL AND GAS LEASE. NO OPERATION OF ANY KIND SHALL TAKE PLACE ON THE SURFACE OF THE LEASED PREMISES.**
36. **COUNTERPARTS:** This agreement may be executed by in any number of counterparts, each which shall be deemed an original instrument, but all of which together shall constitute but one and the same instrument.

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LESSOR:

ATTEST:

THE TOWN OF JOHNSTOWN

By: _____
Diana Seele, Town Clerk

By: _____
Scott James, Mayor

STATE OF _____)

) ss

COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____,
2016, by Scott James, Mayor, The Town of Johnstown.

Witness my hand and official seal.

Notary Public

My Commission Expires: _____

STATE OF _____)

) ss

COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____,
2016, by Diana Seele, Town Clerk, The Town of Johnstown.

Witness my hand and official seal.

Notary Public

My Commission Expires: _____

LESSEE:
SYNERGY RESOURCES CORPORATION

By: Matthew Miller
Matthew Miller, Vice President, Land

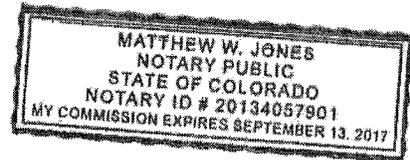
STATE OF COLORADO)
) ss
COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 21ST day of JUNE, 2016, by Matthew Miller, Vice President, Land, Synergy Resources Corporation.

Witness my hand and official seal,

Matthew W. Jones
Notary Public

My Commission Expires: 9/13/2017



**SHORT
FORM
LEASE**

MEMORANDUM OF OIL AND GAS LEASE / SHORT FORM LEASE

STATE OF COLORADO

COUNTY OF WELD

KNOW ALL MEN BY THESE PRESENTS THAT:

THE TOWN OF JOHNSTOWN, a home rule municipality and political subdivision of the STATE OF COLORADO, whose address is 450 South Parish Avenue, Johnstown, Colorado 80534, herein referred to as "Lessor", has executed an Oil and Gas Lease in favor of **Synergy Resources Corporation**, whose address is 1625 Broadway, Suite 300, Denver, Colorado 80202, herein referred to as "Lessee", dated effective _____, 2016. The original unrecorded Oil and Gas Lease and this Memorandum of Oil and Gas Lease / Short Form Lease are collectively referred to as the "Lease".

By this instrument, effective as of the date first written above, Lessor, in consideration of the sum of \$10.00 and other valuable consideration, in hand, receipt of which is hereby acknowledged, does hereby grant, lease and let unto Lessee, for the sole purpose of drilling for, development of and production of oil and gas, or either of them, thereon and therefrom with the right to own all oil and gas so produced and saved therefrom and not reserved as royalty by Lessor under the terms of this lease, together with rights-of-way, easements and servitudes for pipelines for the exploration and operation for oil and gas on said lands, being situated in the County of Weld, State of Colorado, to-wit:

A parcel of land in which the Johnstown Reservoir is situate, within that certain parcel of land surveyed for the Town of Johnstown, Colorado as shown on a map prepared by Zoyiopoulos and Associates dated November 15, 1982, signed and sealed by Erich Draht, L.S. 13184, and being on record at the Town of Johnstown, said parcel of land previously described in portions by documents recorded in the Records of Weld County as Book 474 on Page 544, Book 541 on Page 243, Book 732 on Page 545 and Book 1361 on Page 17, all being located within a part of the Southeast Quarter (SE1/4) of Section Two (2), and a part of the Southwest Quarter (SW1/4) of Section One (1), Township Four North (T.4N.), Range Sixty-eight West (R.68W.), Sixth Principal Meridian (6th P.M.), County of Weld, State of Colorado and being more particularly described as follows:

COMMENCING at the Southwest Corner of said Section 1 and assuming the South line of the SW1/4 of said Section 1 as bearing North 89°21'26" East, being a Grid Bearing of the Colorado State Plane

Coordinate System, North Zone, North American Datum 1983/92, a distance of 2648.68 feet with all other bearings contained herein relative thereto:

THENCE North 89°21'26" East along the South line of the SW1/4 of said Section 1 a distance of 669.00 feet to the Southerly prolongation of the Westerly line of the Faith Lutheran Church First Filing as recorded December 19, 2002 as Reception No. 3016332 of the Records of Weld County;
THENCE North 02°52'19" West along said Southerly prolongation and along the Westerly line of said Faith Lutheran Church First Filing a distance of 419.00 feet to the Northeast corner of the Faith Lutheran Church First Filing and the TRUE POINT OF BEGINNING;
THENCE South 89°28'36" West a distance of 969.15 feet to the Northwest corner of said Faith Lutheran Church First Filing and the Northeast corner of Lot B of Recorded Exemption No 1061-02-4 RE-3625;

The next four (4) courses and distances are along the Northerly and Westerly lines of Recorded Exemption No 1061-02-4 RE-3625 as recorded February 13, 2004 as Reception No. 3154049 of the Records of Weld County:

THENCE South 89°28'36" West a distance of 179.53 feet (record distance = 179.39 feet);
THENCE South 55°36'31" West a distance of 148.03 feet (record distance = 148.01 feet);
THENCE South 30°49'02" West a distance of 73.95 feet;
THENCE North 71°31'51" West a distance of 648.70 feet to the Northwest corner of Lot A of said RE-3625, and also to an intersection with the Easterly line of Tract B of Rocksbury Ridge First Filing;

The next six (6) courses and distances are along the exterior boundary lines of Tract B of Rocksbury Ridge First Filing as recorded May 30, 2001 as Reception No. 2852701 of the Records of Weld County:

THENCE North 71°31'51" West a distance of 557.19 feet;
THENCE North 02°46'33" East a distance of 516.35 feet;
THENCE North 84°44'35" East a distance of 2122.47 feet;
THENCE South 00°47'44" West a distance of 16.49 feet;
THENCE South 20°18'34" East a distance of 342.00 feet;
THENCE North 89°21'26" East a distance of 165.37 feet to the Westerly line of the Carlson Farms Filing No. 2 as recorded September 24, 2001 as Reception No. 2885960 of the Records of Weld County;
THENCE South 02°52'19" East along the Westerly line of the Carlson Farms Filing No. 2 and along the Southerly prolongation of said Carlson Farms Filing No. 2 a distance of 600.00 feet to the North line of the Faith Lutheran Church First Filing and the TRUE POINT OF BEGINNING.

Said described parcel of land contains a total of 44.963 acres, more or less and is subject to any existing easements and rights of way of record or as now existing on said described parcel of land.

This agreement entered into in this Lease makes reference to and incorporates the terms, conditions, and provisions of that certain unrecorded (long form) Oil & Gas Lease, dated _____, 2016, by and between the above described Lessor and Lessee. Included in those terms, conditions, and provisions herein incorporated, is a primary term of one (1) year, commencing upon the effective date of this agreement. This lease also incorporates an opinion to further extend this agreement beyond primary term for an additional six (6) months.

Nothing in this Lease shall be construed to vary any of the terms, conditions, and provisions of the referenced and incorporated unrecorded (long form) Oil & Gas Mineral Lease. Moreover, the terms, conditions, and provisions herein incorporated from the above referenced unrecorded (long form) Oil and Gas Lease shall prevail in any conflicts that may arise between this Lease and the said incorporated agreement.

This Lease and all provisions thereof, whether by description or incorporation, shall be applicable to and binding upon the parties and their respective successors and assigns. Reference herein to lessor and lessee shall include reference to their respective successors and assigns. The lessors for themselves and their heirs, successors and assigns, hereby expressly release and waive any and all rights of homestead, dower, curtesy and augmented estate rights.

IN WITNESS WHEREOF, this instrument is executed by the parties hereto in the presence of the undersigned notaries public as of the date set out within each notary acknowledgement.

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AGENDA ITEM 9C

**ESCROW
AGREEMENT
(Town of Johnstown)
(Johnstown Plaza, LLC)
(Johnstown Plaza Metropolitan District)**

TOWN COUNCIL AGENDA COMMUNICATION

AGENDA DATE: July 6, 2016

ITEM NUMBER: 9C

SUBJECT: Consider Escrow Agreement

ACTION PROPOSED: Approve Escrow Agreement

PRESENTED BY: Town Attorney

AGENDA ITEM DESCRIPTION: The Escrow Agreement is by and among the Town, Johnstown Plaza, LLC (“Developer”) and the Johnstown Plaza Metropolitan District (“District”). The purpose of the Escrow Agreement is to provide the Town with an opportunity to review and approve the disbursement of funds for the construction of the Johnstown Plaza project.

The District is issuing bonds with net proceeds of \$65 million for the project. The District will use the funds to pay for public improvements and purchase public land from the developer. Upon receipt of funds for the public land, the Developer will use the funds to pay for the private improvements associated with the project.

The escrow agreement provides for the creation of different accounts for the public improvements and private improvements. Funds will be released directly by the bond trustee into the appropriate escrow account. When certain milestones are met, the District or the Developer, as appropriate, may submit a disbursement request to the Town. The Town, through the Town Manager, will have seventeen days to approve or object to a disbursement request. Once approved, the escrow agent will release the funds directly to the District or the Developer. If there is an objection, the parties will attempt to resolve the issues.

The Escrow Agreement terminates when all the funds for public improvements are expended and when: (1) the Developer has leases for 200,000 square feet of retail in addition to Scheels; (2) the Town has issued a final certificate of occupancy for at least 100,000 square feet of retail (tenant improvements for at least 100,000 square feet of retail are complete) and (3) the Town has issued tenant improvement permits for an additional 100,000 square feet of retail. Stated differently, the agreement terminates when the public funds are expended, 350,000 square feet of total retail is complete and leases are in place for another 100,000 square feet.

LEGAL ADVICE: The Escrow Agreement was drafted by the Town Attorney, the Town’s special counsel, McGeady Becher, P.C., and by counsel for the Developer and the District.

FINANCIAL ADVICE: N/A

RECOMMENDED ACTION: Approve Escrow Agreement.

SUGGESTED MOTION:

For Approval: I move to approve the Escrow Agreement and authorize the Mayor to sign it.

For Denial: I move to deny approval of the Escrow Agreement.

Reviewed:


Town Manager

AGREEMENT

ESCROW AGREEMENT

This **ESCROW AGREEMENT** (the “**Agreement**”) is made and entered into as of the ___ day of July, 2016, by and among the TOWN OF JOHNSTOWN, COLORADO, a home-rule municipality of the Counties of Larimer and Weld, State of Colorado (“**Town**”), JOHNSTOWN PLAZA, LLC, a Kansas Limited Liability Company (“**Developer**”), JOHNSTOWN PLAZA METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the state of Colorado (“**District**”) and UMB BANK, N.A., a national banking association as escrow agent (“**Escrow Agent**”). Town, Developer, District and Escrow Agent are sometimes individually referred to as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, the District is organized pursuant to and in accordance with the provisions of §§ 32-1-101, *et seq.*, C.R.S. for the purpose of constructing, financing, operating and maintaining certain public improvements for itself, its taxpayers, residents and users; and

WHEREAS, pursuant to the Service Plan for the District, approved by the Town on August 17, 2015 and supplemented by Resolution No. 2015-13 and Resolution No. 2016-08 (the “**Service Plan**”), the District is authorized to finance and provide public improvements needed for the Johnstown Plaza project (the “**Project**”); and

WHEREAS, the Town, the Developer, and the District entered into the Comprehensive Development Agreement, Funding Plan and Intergovernmental Agreement for Johnstown Plaza, Johnstown, Colorado on February 18, 2016 (the “**Development Agreement**”), as approved by the Town Council on January 20, 2016, for the purpose of establishing the terms and conditions of the overall development of the Project; and

WHEREAS, on June 13, 2016, the parties entered into the First Amendment to the Development Agreement which *inter alia* contemplated the establishment of an escrow account for purposes of ensuring the ongoing construction and the completion of construction of the Project; and

WHEREAS, the Project will be constructed with the use of various revenue sources of the Developer and the District, including, but not necessarily limited to, the proceeds deposited hereunder pursuant to two Indentures of Trust (collectively, the “**Indenture**”) between the District and UMB Bank, n.a., as trustee (the “**Bond Trustee**”) for the District’s Special Revenue Bonds Series 2016A (the “**Series A Bonds**”) and the District’s Taxable Special Revenue Bonds, Series 2016B (the “**Series B Bonds**” and collectively, the “**Bonds**”), to be spent on Verified Eligible Costs, and funds for private improvements constructed by the Developer (the “**Private Improvements**”); and

WHEREAS, as set out in the Budget attached hereto on Exhibit A and Exhibit A-1 (the “**Budget**”), Verified Eligible Costs are to be funded with the proceeds of the Bonds and the Private Improvements are to be paid from various sources other than Bond proceeds in order to acquire, construct and install the Project; and

WHEREAS, on February 18, 2016, District and Developer entered into the Advance Reimbursement and Payment Agreement (the “**Reimbursement Agreement**”); and

WHEREAS, the Parties hereto desire to set forth the terms and conditions by which the Escrow Agent shall manage and disburse the escrow established hereunder.

NOW THEREFORE, in consideration of the mutual covenants and promises expressed herein, the parties hereby agree as follows:

COVENANTS AND AGREEMENTS

(Capitalized terms used but not defined herein shall have the meaning set forth in the Indenture and the Development Agreement, as amended)

1. Appointment of Escrow Agent and Establishment of Escrow Accounts. The Developer, the District and the Town hereby appoint the Escrow Agent and the Escrow Agent hereby accepts such appointment pursuant to the terms and conditions of this Agreement. The Escrow Agent shall establish the following accounts for the purpose of holding the Bond proceeds referenced in this Agreement and all interested earned (the “**Escrow Funds**”): (1) the **Johnstown 2016 Tax Exempt Bond Proceeds Account**, (2) the **Johnstown 2016 Taxable Bond Proceeds Account** and (3) the **Developer Funds Account**. The three "separate accounts shall collectively be referred to as “the **Accounts**” and the Johnstown 2016 Tax Exempt Bond Proceeds Account and the Johnstown 2016 Taxable Bond Proceeds Account shall collectively be referred to as “the **Johnstown 2016 Bond Proceeds Accounts.**” Monies in the Accounts shall be distributed by the Escrow Agent pursuant to the provisions of this Agreement, and all deposits made into the Accounts shall be treated in all respects as escrowed funds with no portion thereof subject to any claims of the Escrow Agent’s general creditors. A description of the Accounts is as follows:

A. The Johnstown 2016 Tax Exempt Bond Proceeds Account: Amounts released pursuant to the terms of the Indenture by the Bond Trustee from the net proceeds of the Series A Bonds that were issued on a tax exempt basis (the “**Tax Exempt Bond Proceeds**”) shall be deposited by the Bond Trustee directly into the Johnstown 2016 Tax Exempt Bond Proceeds Account. All references in this Agreement to “Tax Exempt Bond Proceeds” are deemed to include any interest earned on the Tax Exempt Bond Proceeds while being held pursuant to this Agreement. Tax Exempt Bond Proceeds shall be invested in legal investments as may be directed by the District.

B. The Johnstown 2016 Taxable Bond Proceeds Account: Amounts released by the Bond Trustee from the net proceeds of the Series B Bonds that were issued on a taxable basis (the “**Taxable Bond Proceeds**”) pursuant to the terms of the Indenture shall be deposited by the Bond Trustee directly into the Johnstown 2016 Taxable Bond Proceeds Account. All references in this Agreement to “Taxable Bond Proceeds” are deemed to include any interest earned on the Taxable Bond Proceeds while being held pursuant to this Agreement. Taxable Bond Proceeds shall be invested as may be directed by the District.

C. The Developer Funds Account: Bond proceeds utilized: (i) to fund reimbursement of Verified Eligible Costs incurred by the Developer for soft costs prior to the issuance of the Bonds under the Reimbursement Agreement and (ii) to fund the purchase of interests in land by the District from the Developer pursuant to those certain real estate contracts or other instruments entered into between the District and the Developer shall be “**Developer Funds.**” Developer Funds shall be deposited into the Developer Funds Account for purposes of securing and completing the Private Improvements. Developer Funds may also, at the discretion of the Developer, be used to fund or reimburse the Developer for Verified Eligible Costs incurred after the issuance of the Bonds. Upon the sale of land, the proceeds shall be directly deposited into the Developer Funds Account. All references in this Agreement to “Developer Funds” are deemed to include any interest earned on the Developer Funds while being held pursuant to this Agreement that are not required to be paid to the federal government pursuant to the Internal Revenue Code of 1986, as amended. The Developer Funds shall be invested as may be directed by the Developer.

D. Investment of Funds in Accounts: The Escrow Agent may conclusively rely upon the District’s or Developer’s written instruction as to both the suitability and legality of the directed investments regarding their respective accounts. If the District or Developer fails to provide written directions concerning investment of moneys held by the Escrow Agent in their respective accounts, the Escrow Agent may invest in a money market fund that qualifies as a legal investment, and matures or is subject to redemption prior to the date such funds will be needed. Unless otherwise confirmed or directed in writing, an account statement delivered periodically by the Escrow Agent to the District or Developer for their respective accounts shall confirm that the investment transactions identified therein accurately reflect the investment directions of the District or Developer, unless the District or Developer notifies the Escrow Agent in writing to the contrary within 30 days of the date of such statement. The Escrow Agent may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including cash sweep account fees, and it is specifically provided herein that the Escrow Agent may purchase or invest in shares of any investment company that (i) is registered under the Investment Company Act of 1940, as amended (including both corporations and Massachusetts business trusts, and including companies for which the Escrow Agent may provide advisory, administrative, custodial, or other services for compensation), (ii) invests substantially all of its assets in short-term high-quality money-market instruments, limited to obligations issued or guaranteed by the United States, and (iii) maintains a constant asset value per share, and, the Escrow Agent may implement its automated cash investments system to assure that cash on hand is invested and to charge reasonable cash management fees, which may be deducted from income earned on investments.

2. Use of Accounts.

A. Use of Funds. The Escrow Funds deposited into the Accounts shall be used to: (i) directly fund costs related to the acquisition, construction and installation of the public facilities which qualify as District Public Improvements or Town Public

Improvements as defined within the Development Agreement, as may be amended from time to time, within or benefiting the Project (collectively the “**Public Improvements**”) by either the District or the Developer; (ii) reimburse the Developer for costs advanced to acquire, construct and install the Project, including the Private Improvements; (iii) make payments pursuant to the Reimbursement Agreement; or (iv) pay or reimburse the District and the Developer for Verified Eligible Costs. Moneys on deposit in the Accounts are not pledged to the payment of the Bonds and shall not secure the payment thereof.

B. Tax Covenants.

(i) The District shall at all times do and perform all acts and things necessary or desirable in order to assure that interest paid on the Series A Bonds shall, for the purposes of federal income taxation, be excludable from the gross income of the recipients thereof and exempt from such taxation.

(ii) The District shall not permit the use of any proceeds of the Series A Bonds or any funds of the District held under this Agreement, directly or indirectly, to acquire any securities or obligations, and shall not take or permit to be taken any action or actions with regard to the investment of any proceeds of the Series A Bonds, which would cause any Series A Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code or “federally guaranteed” within the meaning of Section 149(b) of the Code and any such applicable requirements promulgated from time to time thereunder and under Section 103(b) of the Code, and the District shall observe and not violate the requirements of Section 148 of the Code and any such applicable regulations. The District shall comply with all requirements of Sections 148 and 149(d) of the Code to the extent applicable to the Series A Bonds. In the event that at any time the District is of the opinion that for purposes of this paragraph it is necessary to restrict or to limit the yield on the investment of any moneys held by the Escrow Agent under the Escrow Agreement, the District shall so restrict or limit the yield on such investment or shall so instruct the Escrow Agent in a detailed certificate, and the Escrow Agent shall take such action as may be necessary in accordance with such instructions.

(iii) The District specifically covenants to comply with the provisions and procedures of the Tax Certificate and with all tax matters and covenants of the District contained in the Escrow Agreement.

3. Requests to the Town for Construction Costs and Public Land Acquisition Costs.
The District or the Developer, as appropriate, may submit requests for the release of Escrow Funds as follows:

A. Disbursement Requests from the Johnstown 2016 Bond Proceeds Accounts.
The District or the Developer may submit written requests to the Town for the payment of Verified Eligible Costs from the Johnstown 2016 Bond Proceeds Accounts based broadly and generally on the costs set out in the Budget attached hereto as Exhibit A and Exhibit A-1. The parties acknowledge that the Budget contains preliminary estimates and shall not

limit the specific amounts or timing of a requisition as long as the amount to be requisitioned reasonably reflects the work performed and is properly certified. The written request (a “**Disbursement Request**”) shall be provided by the twentieth (20th) day of each month, or on the first business day thereafter. The Town shall have seventeen (17) days, or on the first business day thereafter, to approve or object to all, or a portion of, the Disbursement Request as set forth in Subsection 3.D below. If a Disbursement Request is not timely provided in any given month, the Town may, in its discretion, respond to the Disbursement Request as if it were timely provided, wait to review the Disbursement Request until the next calendar month or agree in writing to modify the schedule.

Each Disbursement Request shall generally take the form of and contain the information set out in Exhibit C attached hereto, and, include, at a minimum, the following information:

(i) Reference to the underlying construction contract of the District or basis for payment and a description of the work performed for which payment is being requested;

(ii) The total amount of the requested funds;

(iii) Detail of the total amount of progress payments on the construction and other applicable contracts executed by District, all payments made toward the same prior to the date of the Disbursement Request, including copies of lien waivers and the amount that will be outstanding after payment of the requisition;

(iv) Certification by the District’s engineer that all costs to be paid pursuant to the Disbursement Request constitute Verified Eligible Costs and estimates of the percentage of total completion of the Public Improvements, including the public site work, and the cost to complete the work that is the subject of the Disbursement Request. The District’s engineer shall be an independent licensed engineer experienced in the design and construction of public improvements in the Johnstown metropolitan area. As of the date hereof, Tamarack Consulting LLC is the District’s Engineer. The District may select a different engineer upon written notice to and approval of the Town, which approval may be provided by the Town Manager and shall not be unreasonably withheld, conditioned, or delayed. In lieu of certification by the District’s engineer, certain costs contained within a Disbursement Request may be certified by the District’s independent accountant as Verified Eligible Costs, consistent with the Development Agreement, which shall also contain an estimates of the percentage of completion of the work and the cost to complete the work;

(v) If the request is for expense related to the District’s purchase of public land from the Developer, the District shall provide an appraisal from an independent appraiser of its choosing evidencing the fair market value of the real property or any part thereof. The appraisal must be dated no more than sixty (60) days from the date of the anticipated draw of the funds (approximately no more than thirty (30) days from the date of the Disbursement Request). The appraisal

must be publically available and kept by the District for as long as the Bonds are outstanding. The District shall provide written notice of the name and other professional information of the independent appraiser for review and approval by the Town, which approval may be provided by the Town Manager and shall not be unreasonably withheld, conditioned, or delayed. If the Town Manager takes no action within fifteen (15) business days, the appraiser shall be deemed approved by the Town; and

(vi) The Johnstown 2016 Bond Proceeds Accounts from which payment should be made, and how much from each account.

B. Disbursement Requests from the Developer Funds Account. The Developer shall be entitled to make a written request for payment from the Developer Funds Account (each, also a “**Disbursement Request**”) to the District and the Town. The Developer’s Disbursement Request shall be provided to the Town by the twentieth (20th) day of each month, or on the first business day thereafter. The Town shall have seventeen (17) days, or on the first business day thereafter, to approve or object to all, or a portion of, the Disbursement Request as set forth in Subsection 3.D below. If a Disbursement Request is not timely provided in any given month, the Town may, in its discretion, respond to the Disbursement Request as if it were timely provided, wait to review the Disbursement Request until the next calendar month or agree in writing to modify the schedule.

The Developer’s request for disbursement of funds shall be based on the cost structure set out in Subsection 3.C(ii) and/or the Budget without regard to the actual dollar amounts set out in the Budget as long as the amount being requested is reasonable and reflects the work performed and is generally consistent with Subsection 3.C(ii). Each Disbursement Request shall generally take the form of and contain the information set out in Exhibit D attached hereto, and, include, at a minimum, the following information:

- (i) The category of cost set out in the Budget; and
- (ii) The total amount of the requested funds and the calculation supporting the request.

Notwithstanding the foregoing, if Developer Funds are being utilized to fund Verified Eligible Costs, the Developer shall submit the form attached as Exhibit C.

C. Costs Subject to Disbursement from the Accounts. As set out in the Budget, the following costs may be requisitioned from the Accounts:

- (i) Johnstown 2016 Bond Proceeds Accounts.
 - a. Public Site Work and Public Improvements. Direct payment, or reimbursement to the Developer or the District, of certified Verified Eligible Costs for the Public Improvements of site work for the Johnstown Plaza Project for the public costs and expenses described

initially in the attached budget (“**Public Site Work**”) and a pro rata allocation of the soft costs related thereto as reflected on the Budget.

b. Public Land. Direct payment for the fair market value of all or part of the real property acquired or to be acquired by the District from the Developer as a Verified Eligible Cost, as evidenced by the appraisal referenced in Section 3.A(v) above.

(ii) Developer Funds Account

a. Private Site Work. When a building permit for a building shell has been issued by the Town to the Developer, the Developer may submit a Disbursement Request for reimbursement of the private site work associated with the private site work costs and private site improvements and related soft costs associated with such building based upon an estimate of \$30.00/s.f. (“**Private Site Work Costs**”). The Private Site Work Costs are to be paid solely from the Developer Funds Account.

b. Private Building Shell. When a building shell has received a conditional certificate of occupancy for tenant improvements from the Town (a “**CCO**”), the Developer may submit a Disbursement Request for reimbursement of the building shell costs and the Private Building soft costs associated with that building based upon an estimate of \$65.00/s.f. (“**Private Building Shell Costs**”). The Private Building Shell Costs are to be paid solely from the Developer Funds Account. A CCO is issued when the building is fit for occupancy except for the completion of interior improvements, including tenant improvements, and the building permit is thus closed.

c. Tenant Improvement Allowance. When a permit for tenant improvements has been issued by the Town, the Developer may submit a Disbursement Request for tenant improvements based upon an estimate of \$55.00/s.f. to be used for the hard costs associated with the tenant improvements. Upon issuance of a final Certificate of Occupancy, Developer may submit a Disbursement Request for the payment of soft costs based upon an estimate of \$15.00/s.f. Tenant improvement costs are to be paid solely from the Developer Funds Account. A final Certificate of Occupancy is issued when the tenant improvements are complete and the tenant improvement permit is thus closed.

d. Definitions: “Building” and “Tenant improvements” as used in this Subsection 3.C(ii) include all appurtenances, such as, without limitation, landscaping, signage, soft costs, furniture, fixtures, equipment, lighting and utility connections.

(iii) Balance of Funds. Any funds remaining in the Accounts upon termination shall be disbursed to the District or Developer, as appropriate, as set forth in Section 11.

D. Town's Review of Disbursement Requests. Consistent with the provisions herein, the District or the Developer may submit a Disbursement Request to the Town. The District or the Developer shall also, simultaneously therewith, submit a requisition request ("**Requisition**") to the Town in the form attached hereto as Exhibit B-1, for release of funds from the Johnstown 2016 Bond Proceeds Account, or Exhibit B-2, for release of funds from the Developer Funds Account which Requisition shall, in the appropriate time, be provided to the Escrow Agent. Upon receipt, the Town shall review the Disbursement Request and, if satisfied that the request appears to be consistent with the terms of this Agreement, shall approve and sign the Requisition. The Town's review of the Disbursement Request and approval of the Requisition shall not be unreasonably conditioned, delayed, or withheld, and shall be granted or disputed, in whole or in part, by the seventeenth (17th) day after the submittal, or on the first business day thereafter. In the event that the Town takes no action within the allotted time period, the Requisition shall be deemed approved.

The Town may object to all or any portion of a Disbursement Request by providing written notice to the District or the Developer, as appropriate, by the seventeenth (17th) day after submittal, or on the first business day thereafter (the "**Town Objection**"). A Town Objection shall specify all, or the specific portions of the Disbursement Request, to which there is an objection and the specific reasons therefor. The Town and the District or the Developer, as appropriate, shall work together in good faith to resolve any Town Objection consistent with the intent of the Development Agreement and this Agreement. If the parties are not able to reach a resolution, the parties shall participate in mediation as set forth in Section 16. If the Town provides a Town Objection to a portion, but not all, of the Disbursement Request, the Town shall indicate on the Requisition the amount of Escrow Funds that are authorized to be released.

The Town Manager may approve and execute a Requisition on behalf of the Town. The Town Manager, in his sole discretion, in order to expedite construction and assist the Developer in expediting the completion of construction, may waive in writing any and all of the non-substantive requirements of this Agreement as it relates to Town's approval of a Requisition.

The Town's review of a Disbursement Request and approval of a Requisition is solely administrative and shall not limit or waive any rights the Town may have nor shall it affect the District or the Developer's responsibility and liability for the design, construction and installation of, and payments for, the Improvements. The Town shall be entitled to rely upon the contents of the Disbursement Request without a corresponding obligation to independently verify the same.

E. Disbursement by the Escrow Agent. Upon receipt of a Requisition signed by the Town, the Escrow Agent shall make disbursement of the authorized amount of

Escrow Funds to District or the Developer, as appropriate, within two (2) business days. Upon receipt of a Requisition that is not signed by the Town and a certification by both the District and the Developer attesting to the delivery of the Requisition to the Town and the Town's failure to respond ("**Certification**"), which Certification shall also to be provided to the Town, the Escrow Agent shall make disbursement to District or the Developer, as appropriate, of the full amount of the Requisition within two (2) business days. Notwithstanding any Town Objection, the Escrow Agent shall release funds for any undisputed portion of the Requisition to District or the Developer, as appropriate, within two (2) business days. The Escrow Agent may conclusively rely as to the completeness and accuracy of all statements in such Requisition or Certification if such Requisition or Certification is signed by the District Representative, the Town Representative, or Developer and the Escrow Agent, in good faith, believes the Requisition or Certification is genuine. The Escrow Agent shall not be required to make any independent investigation in connection therewith.

4. Duties of Escrow Agent. The duties of the Escrow Agent shall be as follows:

A. During the term of this Escrow Agreement, Escrow Agent shall hold and disburse the Escrow Funds in accordance with the terms and provisions of this Agreement.

B. If a dispute shall develop concerning the release of Escrow Funds, then in any such event, Escrow Agent shall deliver the Escrow Funds in accordance with joint written instructions of Parties hereto if received by the Escrow Agent within ten (10) days after the Escrow Agent has issued a written request for instructions. The Escrow Agent shall have the right to pay the Escrow Funds into a court of competent jurisdiction and interplead the Parties, after which the Escrow Agent shall be discharged from any obligation in connection with this Agreement.

C. Escrow Agent may act in reliance upon any written instrument or signature which it, in good faith, believes to be genuine, and may assume the validity and accuracy of any statement or assertion contained in such written instrument.

D. Escrow Agent shall execute and deliver all forms required by Federal, State and other governmental agencies relative to the Escrow Funds.

E. Notwithstanding the foregoing or any provisions to the contrary contained herein, the Escrow Agent shall not remit any moneys on deposit in the Johnstown 2016 Bond Proceeds Accounts to District or the Developer except (1) to pay or reimburse Verified Eligible Costs and upon compliance with the requisition process set forth in Section 3 hereof or (2) in any manner that the District reasonably deems necessary to maintain the tax-exempt status of interest on the Series A Bonds referred to in the Indenture, as stated in a written opinion of Bond Counsel.

F. Final Allocation of Proceeds. The Escrow Agent shall determine the actual amount of proceeds of the Bonds spent on Verified Eligible Costs, or any of the costs identified in Section 1.1.K.(i) and (ii) of the Comprehensive Agreement (the "Final

Allocation of Proceeds”). Such determination of the Final Allocation of Proceeds shall be performed in accordance with the terms of the Development Agreement, which Final Allocation of Proceeds shall be used, in part, to confirm that the distribution of proceeds of the Bonds used for Verified Eligible Costs did not exceed the Cap Amount. Such determination shall be based solely on representations made to the Escrow Agent by the other Parties to this Escrow Agreement in Exhibits B, C or D and approvals of such Exhibits. The Parties hereby confirm that the Escrow Agent is not a party to the Development Agreement and has no obligation or responsibility to determine whether a payment requested from any of the Accounts does or does not qualify as a Verified Eligible Cost.

5. Audit. Any Party shall have the right, at its expense and at reasonable times, to conduct or to cause to be conducted an audit of the Accounts and all disbursements therefrom.

6. Expenses and Compensation Relating to Escrow. The Escrow Agent shall receive from District an annual fee of \$2,000.00 for its services in connection with this Escrow Agreement and shall invoice District for the same on a quarterly basis in the amount of \$500.00 in arrears (the “**Compensation**”). The Escrow Agent shall also receive from District a one-time acceptance fee in the amount of \$1,000.00. The Escrow Agent expressly waives any lien upon or claim against any other moneys and investments in the Escrow Fund. The Escrow Agent shall further be entitled to reimbursement in full, for all costs, expenses, charges, fees, or other payments (“**Fees and Expenses**”) made or to be made by Escrow Agent in the performance of Escrow Agent’s duties and obligations under this Agreement. Such Fees and Expenses shall be paid by District and shall not be paid or reimbursed with moneys on deposit in the Johnstown 2016 Bond Proceeds Accounts.

7. Non-liability of Escrow Agent. The Escrow Agent shall not be liable for any mistakes of fact, or errors of judgment, or for acts or omissions of any kind unless caused by the willful misconduct or gross negligence of the Escrow Agent. District and Developer shall, on a separate (and not joint and several basis) indemnify and hold harmless the Escrow Agent (and any successor Escrow Agent) from and against any and all losses, liabilities, claims, actions, damages and expenses, including reasonable attorney's fees and disbursements, arising out of and in connection with this Escrow Agreement. The Escrow Agent may conclusively rely and act upon any instrument or other writing it, in good faith, believes to be genuine and to be signed and presented by the proper person. The Escrow Agent may, at any time, ask for written confirmation from the Town and/or the District/Developer concerning the propriety of a proposed disbursement of the Escrow Funds or other action or refusal to act by the Escrow Agent. The Escrow Agent shall not be liable for any taxes, assessments or other governmental charges that may be levied or assessed upon the escrow or any part thereof, or upon the income therefrom. The Escrow Agent shall in no event be liable in connection with its investment or reinvestment of any cash held by it hereunder in good faith, in accordance with the terms hereof, including, without limitation, any liability for any delays (not resulting from its negligence or willful misconduct or breach of this Agreement) in the investment or reinvestment of the Escrow Funds, or any loss of interest incident to any such delays. Each of the District and Developer agree that it shall be responsible for all required tax reporting, if any, with respect to the Johnstown 2016 Bond Proceeds Account and the Developer Funds Account.

8. Advice of Counsel. The Escrow Agent may act in good faith pursuant to the advice of counsel retained or consulted by the Escrow Agent with respect to any matter relating to this Escrow Agreement and shall not be liable for any action taken or omitted in accordance with such advice.

9. Patriot Act. The Escrow Agent is serving as escrow holder only and has no interest in the Escrow Funds deposited hereunder. Any payments of income from this Escrow Agreement shall be subject to withholding of any applicable Taxes. The parties hereto will provide completed Forms W-9 (or Forms W-8, in the case of non-U.S. persons) and other forms and documents that the Escrow Agent may reasonably request (collectively, "Tax Reporting Documentation") at the time of execution of this Agreement and any information reasonably requested by the Escrow Agent to comply with the USA Patriot Act of 2001, as amended from time to time. The parties hereto understand that if such Tax Reporting Documentation is not so certified to the Escrow Agent, the Escrow Agent may be required by the Internal Revenue Code, as it may be amended from time to time, to withhold a portion of any interest or other income earned on the investment of monies or other property held by the Escrow Agent (the "Escrow Income") pursuant to this Escrow Agreement.

10. Resignation or Termination of Escrow Agent. Upon a 30-day written joint notice of the Town, the District and the Developer, the Escrow Agent may be terminated and a new escrow agent appointed under such notice. The Escrow Agent may resign under this Escrow Agreement by giving written notice to the Town, the District and the Developer, effective 30 days after the date of said notice. The Escrow Agent may petition a court of competent jurisdiction to appoint a successor in the event no such successor shall have been appointed within the 30 days. In the event of termination or resignation of the Escrow Agent, and upon the appointment by the Town the District and the Developer of a new escrow agent or custodian, or upon their mutual written instructions to the Escrow Agent providing for other disposition of the escrow, the Escrow Agent must deliver the Escrow Funds within a reasonable period of time as so directed to the new escrow agent, and thereafter will be relieved of any and all liability under this Agreement.

11. Termination of Escrow.

A. Termination Conditions. In addition to the construction of the Scheels All Sports store, it is anticipated that approximately 310,000 square feet of retail development will be constructed in Phase I of the Project (the "**Phase I Retail-Additional**"), for a total of approximately 550,000 square feet of retail development. This Agreement shall terminate when:

(i) Leases for 200,000 square feet or more of the Phase 1 Retail – Additional space have been executed, as verified by the Leasing Verification Agent;

(ii) A final Certificate of Occupancy has been issued by the Town for at least 100,000 square feet of the Phase 1 Retail – Additional space, including the tenant improvements;

(iii) Permits for tenant improvements for an additional 100,000 square feet of Phase 1 Retail – Additional have been issued by the Town that, together with the final Certificate of Occupancy for the 100,000 square feet of Phase 1 Retail – Additional referenced above, total 200,000 square feet of Phase 1 Retail – Additional; and

(iv) All public funds have been released from the Johnstown 2016 Bond Proceeds Accounts to pay Verified Eligible Costs or other approved Requisitions and Disbursement Requests.

B. Termination upon Satisfaction of Conditions. Upon receipt of a written notice signed by the Town, the District and the Developer stating that the termination conditions set forth above have been satisfied (the “**Termination Notice**”), the Escrow Agent shall, not later than 2 business days after receipt of the Termination Notice, release the funds remaining in the Developer Funds Account to the Developer.

C. Termination upon Failure to Satisfy Conditions.

(i) Johnstown 2106 Tax Exempt Bond Proceeds Account. If funds remain on deposit in the Johnstown 2106 Tax Exempt Bond Proceeds Account three (3) years from the date of the execution of this Agreement, or at such earlier date that the Project is deemed abandoned by the Developer, then the District and the Town shall agree on how the remaining bond proceeds shall be spent. If the District and the Town are not able to reach an agreement within sixty (60) days thereafter, the funds shall be returned to the Bond Trustee and used to repay the Series A Bonds.

(ii) Johnstown 2106 Taxable Bond Proceeds Account. If funds remain on deposit in the Johnstown 2106 Taxable Bond Proceeds Account three (3) years from the date of the execution of this Agreement, or at such earlier date that the Project is deemed abandoned by the Developer, then the District and the Town shall agree on how the remaining bond proceeds shall be spent. If the District and the Town are not able to reach an agreement within sixty (60) days thereafter, the funds shall be returned to the Bond Trustee and used to repay the Series B Bonds.

(iii) Developer Funds Account. The Developer Funds Account shall not terminate until the termination conditions are satisfied. Escrow funds deposited therein shall be used to pay for Private Improvements for the Project as set forth in this Agreement.

12. Notices.

A. Simple Notice Procedure. Except for notices to the Escrow Agent, any notification or objection set forth in Section 3, shall be given by use of the procedure set forth in this Section 10.A. Notice shall be provided in writing and personally delivered or sent by an email as follows:

If to Town: Roy Lauricello, Town Manager
rcello@townofjohnstown.com

With a copy to: Avi Rocklin, Town Attorney
avi@rocklinlaw.com

and

Mary Ann McGeady
mmcgeady@specialdistrictlaw.com

Elizabeth Cortese
ecortese@specialdistrictlaw.com

If to the District: Denise Denslow, District Manager
denise.denslow@claconnect.com

With a copy to: David O'Leary
doleary@spencerfane.com

Rick Kron
rkron@spencerfane.com

If to the Developer: Allen Schlup, Esq.
allen.schlup@adschluplaw.com

With a copy to: Aaron March
amarch@whitegoss.com

Kimberly Spies
kspies@whitegoss.com

B. Complex Notice Procedure.

(i) Any Notice to the Escrow Agent, including the delivery of a Requisition as set forth in Section 3.E, must be given in accordance with this Section 10.B hereof unless waived in writing by Escrow Agent.

(ii) Any notice or communication required under this Agreement not described in Section 10.A must be in writing, and may be given personally, sent via nationally recognized overnight carrier service, or by registered or certified mail, return receipt requested. If given by registered or certified mail, the same will be deemed to have been given and received on the first to occur of: (i) actual receipt by any of the addressees designated below as the party to whom notices are to be sent; or (ii) three days after a registered or certified letter containing such notice,

properly addressed, with postage prepaid, is deposited in the United States mail. If personally delivered or sent via nationally recognized overnight carrier service, a notice will be deemed to have been given and received on the first to occur of: (i) one business day after being deposited with a nationally recognized overnight air courier service; or (ii) delivery to the party to whom it is addressed. Any party hereto may at any time, by giving written notice to the other party hereto as provided herein designate additional persons to whom notices or communications will be given, and designate any other address in substitution of the address to which such notice or communication will be given. Such notices or communications will be given to the parties at their addresses set forth below:

If to the Town:

Roy Lauricello, Town Manager
Town of Johnstown
450 South Parish Avenue
Johnstown, CO 80534

With a copy to:

Avi Rocklin, Town Attorney
19 Old Town Square, Suite 238
Fort Collins, CO 80524

and

MaryAnn M. McGeady
Elisabeth A. Cortese
McGeady Becher P.C.
450 East 17th Avenue, Suite 400
Denver, CO 80203-1254

If to the District:

Johnstown Plaza Metropolitan District
c/o Spencer Fane LLP
1700 Lincoln Street, Suite 2000
Denver, CO 80203

With a copy to:

Rick Kron
David O'Leary
Spencer Fane LLP
1700 Lincoln Street, Suite 2000
Denver, CO 80203

If to the Developer:

Johnstown Plaza, LLC
c/o A.D. Schlup Law, LLC
6917 West 135th Street, Suite B-29
Overland Park, KS 66223

With a copy to:

Allen D. Schlup, Esq.
A.D. Schlup Law, LLC
6917 West 135th Street, Suite B-29
Overland Park, KS 66223

and

Aaron G. March
White Goss
4510 Belleview Avenue, Suite 300
Kansas City, MO 64111

If to the Escrow Agent:

UMB Bank, n.a.
Corporate Trust & Escrow Services
1670 Broadway
Denver, CO 80210

13. Amendment. This Agreement may not be amended, supplemented or discharged, and no provision of this Agreement may be modified or waived, except by a written instrument signed by all of the Parties hereto. No waiver of any provision of this Agreement by any Party will be deemed a continuing waiver of any matter by such Party. In the event of a conflict between this Agreement and the Amended Agreement, the provisions of the Amended Agreement shall control.

14. Third Party Beneficiaries. Notwithstanding anything contained herein to the contrary, including, without limitation the Recitals, the Parties to this Agreement shall be the District, the Town, the Escrow Agent and the Developer. This Agreement is not intended to give any benefits, rights, privileges, actions or remedies to any person, partnership, firm or corporation, as a third party beneficiary or otherwise under any theory of law.

15. Binding Agreement. This Agreement shall inure to and be binding on the heirs, executor, administrators, successors, and assigns of the Parties hereto.

16. Severability. Any provision of this Agreement which is declared by a court of competent jurisdiction to be illegal, invalid, prohibited or unenforceable will be ineffective to the extent of such illegality, invalidity, prohibition or unenforceability without invalidating the remaining provisions of this Agreement.

17. Attorneys' Fees. In the event any litigation or legal proceeding arises between the Parties out of this Agreement and is prosecuted to final judgment, then if the Town or the District is a prevailing party against the Developer, the District and/or the Town will be entitled to recover from the Developer all of its costs and expenses incurred in connection with such litigation, including reasonable attorneys' fees, to the extent permitted by law. If the Developer is the prevailing party, it shall bear its own costs.

18. Mediation. If a dispute arises under this Agreement that the Parties are not able to mutually resolve, prior to commencing litigation, the Parties shall first submit the matter to mediation conducted by a neutral mediator. The Parties shall attempt to agree upon a mediator and shall endeavor to find a mediator having experience in construction-related matters. If the Parties are unable to agree upon a mediator, any Party may apply to the Judicial Arbitrator Group in Denver, Colorado, for appointment of a mediator. The cost of the mediation shall be shared equally by the Parties. Unless the dispute involves the Escrow Agent, the Escrow Agent shall not be obligated to comply with this Section 18.

19. Governing Law. This Agreement and all claims or controversies arising out of or relating to this Agreement shall be governed and construed in accordance with the law of the State of Colorado, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Colorado. Venue for all actions arising from this Agreement shall be in the District Court in and for Larimer or Weld County.

20. Governmental Immunity. Nothing in this Agreement shall be construed to waive, limit, or otherwise modify, in whole or in part, any governmental immunity that may be available by law to the Town or to the District, their respective officials, employees, contractors, or agents, or any other person acting on behalf of the Town or the District and, in particular, governmental immunity afforded or available to the Town and the District pursuant to the Colorado Governmental Immunity Act, §§ 24-10-101, *et seq.*, C.R.S.

21. Negotiated Provisions. This Agreement shall not be construed more strictly against one party than against another merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being acknowledged that each Party has contributed substantially and materially to the preparation of this Agreement.

22. Headings for Convenience Only. Paragraph headings and titles contained herein are intended for convenience and reference only and are not intended to define, limit or describe the scope or intent of any provision of this Agreement.

23. Counterparts; Facsimile Signatures. This Agreement may be executed in several counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same instrument. Executed copies hereof may be delivered by facsimile or email of a PDF document, and, upon receipt, shall be deemed originals and binding upon the signatories hereto, and shall have the full force and effect of the original for all purposes, including the rules of evidence applicable to court proceedings.

24. Electronic Execution and Storage. The Parties hereto agree that the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law

[Remainder of page intentionally left blank. Signature pages follow].

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first written above.

JOHNSTOWN PLAZA METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the state of Colorado

Date: _____

By: _____
Its President

ATTEST:

Secretary

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing Escrow Agreement for Johnstown Plaza, Johnstown, Colorado was acknowledged before me this _____ day of _____ 2016, by _____ as President and _____ as Secretary of JOHNSTOWN PLAZA METROPOLITAN DISTRICT, a quasi-municipal corporation of the state of Colorado.

Witness my hand and official seal.

My commission expires: _____

Notary Public

TOWN:

THE TOWN OF JOHNSTOWN
a home-rule municipality of the County of Weld,
State of Colorado

Date: _____

By: _____
Scott James, Mayor

ATTEST:

Diana Seele, Town Clerk

ESCROW AGENT:

UMB BANK, N.A., a national banking association,
having an office and corporate trust offices in
Denver, Colorado

Name: _____
Title: _____

STATE OF COLORADO)
) *ss.*
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____,
2016, by _____, as the _____
of UMB Bank, n.a., Escrow Agent.

WITNESS my hand and official seal.

My commission expires: _____

(S E A L)

Notary Public

EXHIBITS A and A-1
ESCROW DRAW BUDGET ESTIMATES

RECONCILIATION OF QUARTERLY PLAN OF FINANCE USES TO ESCROW AGREEMENT RELEASE NUMBERS

USES FROM QUARTERLY PLAN OF FINANCE			RECONCILIATION		ESCROW AGREEMENT RELEASE NUMBERS				
<u>Uses</u>			<u>Ref#</u>		<u>Public Uses</u>	<u>Total Cost</u>			
Building Shell	\$	11,440,000	(a)	Ref# (c)	Public Site Work	\$	19,005,000		
Tenant Improvements		20,000,000	(b)	Ref# (e)	Soft Costs - Public Site Work	\$	15,988,662		
Site Work - Public		19,005,000	(c)		Total	\$	34,993,662		
Site Work - Private		5,095,000	(d)		<u>Private Uses</u>	<u>Total Cost</u>		<u>Cost PSF</u>	<u>Rounded PSF</u>
Soft Costs - Public		15,988,662	(e)	Ref# (d) + 31% x Ref# (f)	Private Site Work (release @ Building Permit)	\$	8,486,287	\$	27.69
Soft Costs - Private		11,005,876	(f)	Ref# (a) + 69% x Ref# (f)	Building Shell (release @ Conditional CO)	\$	19,054,588	\$	62.17
Total Uses	\$	82,534,538		80% x Ref# (b)	Tenant Improvements (release @ TI Permit)	\$	16,000,000	\$	52.20
				20% x Ref# (b)	Tenant Improvements (release @ Final CO)	\$	4,000,000	\$	13.05
					Total	\$	47,540,876	\$	155.11
					Grand Total	\$	82,534,538		

QUARTERLY PLAN OF FINANCE
FOR INFORMATION ONLY; ESTIMATES ONLY
Johnstown Plaza (Phase I)

PUBLIC										
	<u>Phase I</u>	<u>2Q2016</u>	<u>3Q2016</u>	<u>4Q2016</u>	<u>1Q 2017</u>	<u>2Q2017</u>	<u>3Q2017</u>	<u>4Q2017</u>	<u>1Q2018</u>	<u>TOTAL</u>
Sources										
Bond Proceeds	\$ 34,993,662	\$ 5,098,232	\$ 8,099,799	\$ 8,099,799	\$ 5,399,866	\$ 3,499,366	\$ 1,598,866	\$ 1,598,866	\$ 1,598,866	\$ 34,993,662
Total Private Capital										
Bank Loans	-	-	-	-	-	-	-	-	-	-
Equity (Including Related Party Loans)	-	-	-	-	-	-	-	-	-	-
Total Sources	\$ 34,993,662	\$ 5,098,232	\$ 8,099,799	\$ 8,099,799	\$ 5,399,866	\$ 3,499,366	\$ 1,598,866	\$ 1,598,866	\$ 1,598,866	\$ 34,993,662
Uses										
Building Shell	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tenant Improvements	-	-	-	-	-	-	-	-	-	-
Site Work - Public	19,005,000	1,900,500	5,701,500	5,701,500	3,801,000	1,900,500	-	-	-	19,005,000
Site Work - Private	-	-	-	-	-	-	-	-	-	-
Soft Costs - Public	15,988,662	3,197,732	2,398,299	2,398,299	1,598,866	1,598,866	1,598,866	1,598,866	1,598,866	15,988,662
Soft Costs - Private	-	-	-	-	-	-	-	-	-	-
Total Uses	\$ 34,993,662	\$ 5,098,232	\$ 8,099,799	\$ 8,099,799	\$ 5,399,866	\$ 3,499,366	\$ 1,598,866	\$ 1,598,866	\$ 1,598,866	\$ 34,993,662
PRIVATE										
	<u>Phase I</u>	<u>2Q2016</u>	<u>3Q2016</u>	<u>4Q2016</u>	<u>1Q 2017</u>	<u>2Q2017</u>	<u>3Q2017</u>	<u>4Q2017</u>	<u>1Q2018</u>	<u>TOTAL</u>
Sources										
Bond Proceeds	\$ 30,006,338	\$ -	\$ -	\$ -	\$ -	\$ 9,340,400	\$ 8,813,881	\$ 6,650,881	\$ 5,201,175	\$ 30,006,338
Total Private Capital										
Bank Loans	5,970,000	1,990,000	1,990,000	109,139	-	-	-	-	-	4,089,139
Equity (Including Related Party Loans)	13,445,399	254,588	2,417,588	4,298,449	6,407,588	67,188	-	-	-	13,445,399
Total Sources	\$ 49,421,737	\$ 2,244,588	\$ 4,407,588	\$ 4,407,588	\$ 6,407,588	\$ 9,407,588	\$ 8,813,881	\$ 6,650,881	\$ 5,201,175	\$ 47,540,876
Uses										
Building Shell	\$ 11,440,000	\$ 1,144,000	\$ 2,288,000	\$ 2,288,000	\$ 2,288,000	\$ 2,288,000	\$ 1,144,000	\$ -	\$ -	\$ 11,440,000
Tenant Improvements	20,000,000	-	-	-	2,000,000	5,000,000	5,000,000	5,000,000	3,000,000	20,000,000
Site Work - Public	-	-	-	-	-	-	-	-	-	-
Site Work - Private	5,095,000	-	1,019,000	1,019,000	1,019,000	1,019,000	1,019,000	-	-	5,095,000
Soft Costs - Public	-	-	-	-	-	-	-	-	-	-
Soft Costs - Private	11,005,876	1,100,588	1,100,588	1,100,588	1,100,588	1,100,588	1,650,881	1,650,881	2,201,175	11,005,876
Total Uses	\$ 47,540,876	\$ 2,244,588	\$ 4,407,588	\$ 4,407,588	\$ 6,407,588	\$ 9,407,588	\$ 8,813,881	\$ 6,650,881	\$ 5,201,175	\$ 47,540,876

EXHIBIT B-1
FORM OF ESCROW ACCOUNT REQUISITION
JOHNSTOWN 2016 BOND PROCEEDS ACCOUNT

Requisition No. _____

Johnstown Plaza Metropolitan District
(in the Town of Johnstown, Colorado)

\$ _____
Special Revenue Bonds
Series 2016A

\$ _____
Taxable Special Revenue Bonds
Series 2016B

The undersigned certifies that s/he is a District Representative under that certain Escrow Agreement dated as of _____, 2016 (the "Escrow Agreement") among Johnstown Plaza Metropolitan District, Town of Johnstown, Colorado (the "District"), Town of Johnstown, Colorado ("Town"), Johnstown Plaza, L.L.C. ("Developer") and UMB Bank, n.a. (the "Escrow Agent"). All capitalized terms used in this certificate shall have the respective meanings assigned in the Escrow Agreement.

The Town hereby approves a Requisition in the amount of \$ _____ from the Johnstown 2016 Tax Exempt Bond Proceeds Account and \$ _____ from the Johnstown 2016 Taxable Bond Proceeds Account.

The name and address of the person, firm, or corporation to whom payment is due or has been made is as follows:

The above payment obligations have been or will be properly incurred, is or will be a proper charge against the Johnstown 2016 Bond Proceeds Account, and have not been the basis of any previous withdrawal. The disbursement requested herein will be used solely for the payment of Project Costs.

Disbursement instructions are attached hereto.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 20__.

By _____
District Representative

TOWN APPROVAL

I, Roy Lauricello, the Town Manager for the Town of Johnstown, have reviewed Requisition No. _____. The Town hereby approves and authorize the Escrow Agent to release funds in the amount of \$ _____ from the Johnstown 2016 Tax Exempt Bond Proceeds Account and \$ _____ from the Johnstown 2016 Taxable Bond Proceeds Account.

By: _____
Roy Lauricello, Town Manager

EXHIBIT B-2
FORM OF ESCROW ACCOUNT REQUISITION
DEVELOPER FUNDS ACCOUNT

Requisition No. _____

Johnstown Plaza, LLC
(in the Town of Johnstown, Colorado)

The undersigned certifies that s/he is a Developer Representative under that certain Escrow Agreement dated as of _____, 2016 (the "Escrow Agreement") among Johnstown Plaza Metropolitan District, Town of Johnstown, Colorado (the "District"), Town of Johnstown, Colorado ("Town"), Johnstown Plaza, L.L.C. ("Developer") and UMB Bank, n.a. (the "Escrow Agent"). All capitalized terms used in this certificate shall have the respective meanings assigned in the Escrow Agreement.

The Town hereby approves a Requisition in the amount of \$ _____, and the Escrow Agent is authorized to make such Requisition from the Developer Funds Account.

The name and address of the person, firm, or corporation to whom payment is due or has been made is as follows:

The above payment obligations have been or will be properly incurred, is or will be a proper charge against the Developer Funds Account, and have not been the basis of any previous withdrawal. The disbursement requested herein will be used solely for the payment of Project Costs.

Disbursement instructions are attached hereto.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____, 20__.

By _____
Developer Representative

TOWN APPROVAL

I, Roy Lauricello, the Town Manager for the Town of Johnstown, have reviewed Requisition No. _____. The Town hereby approves and authorize the Escrow Agent to release funds in the total amount of \$ _____ from the Developer Funds Account.

By: _____
Roy Lauricello, Town Manager

**EXHIBIT C
FORM OF DISBURSEMENT REQUEST
FOR PUBLIC IMPROVEMENTS**

Requisition No. _____

The _____ (District or Developer) hereby requests a Requisition from the Johnstown 2016 Bonds Proceeds Account.

The request for funds is based on the following information required by Section 3 of the Escrow Agreement:

1. The amount sought to be requisitioned is \$ _____, which amount is hereby allocated to the electoral authorization of the District as follows:

Infrastructure Category	Requested Disbursement Amount	Total Amount Previously Disbursed (not including this requisition)	Total Amount of Electoral Authorization Applied (including this requisition)	Total Amount of Electoral Authorization Remaining
Water				
Sanitation				
Streets				
Traffic and Safety				
Parks and Recreation				
Transportation				
TV Relay and Translation				
Mosquito Control				
Security				
Fire Protection and Emergency Medical				
Total				

2. The construction contract for which payment is sought and a description of the work performed:

3. The total amount of progress payments on the construction and other applicable contracts is as follows:

4. All payments made toward the construction and other applicable contracts to date is as follows:

5. An estimate of the percentage of total completion of the Public Improvements is as follows:

6. An estimate of cost to complete the work that is it is the subject of this Requisition is as follows:

7. If the Requisition is for the cost of the District's purchase of public land from the Developer, the fair market value of the public land is as follows:

8. Funds in the amount of \$_____ are requested to be paid from the Johnstown 2016 Tax Exempt Bond Proceeds Account and funds in the amount of \$_____ are requested to be paid from the Johnstown 2016 Taxable Bond Proceeds Account.

9. Certification that any lien waivers required have been obtained and shall be certified by the District Engineer in accordance with the requirements of the Development Agreement and the Verified Eligible Cost requirements.

10. An independent appraisal of the fair market value of the public land is (circle one) attached/not attached. If an appraisal is not attached, the reason is as follows:

11. Payment shall be made to the _____ (District or Developer) as follows:

12. Any additional relevant information is as follows:

I have hereunto set my hand this ____ day of _____, 20__.

By _____
District Representative

I, _____, with Tamarack Consulting LLC, the District Engineer hereby certify that that all costs to be paid for Requisition No. _____ constitute Verified Eligible Costs and that Requisition No. _____ contains an estimate of the percentage of total completion of the Public Improvements and Public Site Work and the cost to complete the public work that is the subject of said Requisition.

By: _____
District Engineer

TOWN APPROVAL

I, Roy Lauricello, the Town Manager for the Town of Johnstown, have reviewed Requisition No. _____. The Town hereby approves and authorize the Escrow Agent to release funds in the total amount of \$_____ from the Johnstown 2016 Bonds Proceeds Account. The Town hereby approves and authorize the Escrow Agent to release funds in the total amount of \$_____ from the Developer Funds Account.

By: _____
Roy Lauricello, Town Manager

EXHIBIT D
FORM OF DISBURSEMENT REQUEST
FOR PRIVATE IMPROVEMENTS

Requisition No. _____

Dated: _____, 20__

This Disbursement Request is submitted pursuant to that certain Escrow Agreement dated as of _____, 2016 (the "Escrow Agreement") by and among the Johnstown Plaza Metropolitan District, Town of Johnstown, Colorado (the "District"), Town of Johnstown, Colorado ("Town"), Johnstown Plaza, L.L.C. ("Developer") and UMB Bank, n.a.(the "Escrow Agent"). All capitalized terms used in this certificate shall have the respective meanings assigned in the Escrow Agreement.

The Developer hereby requests a Requisition from the Developer Funds Account in the amount of \$_____.

The request for funds is based on the following information required by Section 3 of the Escrow Agreement:

1. The category of cost set out in the Budget is the following:
2. If the request is for Private Site Work Costs, the following information substantiates the request, which shall, at a minimum, include the building permit number, the building for which the permit is issued, and the square footage:
3. If the request is for Private Building Shell Costs, the following information substantiates the request, which shall, at a minimum, include the conditional certificate of occupancy number and the square footage:
4. If the request is for the hard costs associated with tenant improvements, the following information substantiates the request, which shall, at a minimum, include the permit number(s) for the tenant improvements and the square footage:
5. If the request is for the softs costs associated with tenant improvements, the following information substantiates the request, which shall, at a minimum, include the final certificate of occupancy number and the square footage:
6. Any additional relevant information is as follows:

I have hereunto set my hand this ____ day of _____, 20__.

By: _____
Developer

TOWN APPROVAL

I, Roy Lauricello, the Town Manager for the Town of Johnstown, have reviewed Requisition No. ____ and hereby approve and authorize the Escrow Agent to release funds in the total amount of \$ _____ from the Developer Funds Account.

By: _____
Roy Lauricello, Town Manager

