



**BOARD OF EDUCATION
SCHOOL DISTRICT 27J**

**April 25, 2017
7:00 p.m. Regular Meeting
District Training Room
80 S. 8th Avenue
Brighton, CO 80601**

BOARD OF EDUCATION MISSION STATEMENT

The Board of Education is committed to the School District’s overall success and improvement. The central focus of all meetings and discussions will be on establishing, monitoring, and supporting the District’s goals. We will actively engage all segments of our community in this ongoing focus and provide an instructional program to assure that our students meet or exceed the highest and most rigorous standards.

AGENDA

- 1. CALL TO ORDER** President Day

All matters noticed on this agenda, in any category, may be considered for action as listed. Any item not so noticed may not be considered. Items listed on this agenda may be considered in any order, at the discretion of the chairperson.
- 2. PLEDGE OF ALLEGIANCE** President Day

ROLL CALL FOR ATTENDANCE (Policy Reference: 2.G.1) President Day
- 3. APPROVAL OF AGENDA** President Day

Recommended motion: “Move to approve the agenda dated April 25, 2017 as presented.”

ROLL CALL FOR VOTE (Policy Reference: 2.G.1). President Day
- 4. BOARD OF EDUCATION RECOGNITIONS** President Day

a. The Board of Education would like to recognize the 2016-2017 Brighton High School Wrestling Team for their third-place finish at the State Competition, and Coach Tom Wagner’s honor of being named the 5A Coach of the Year.

- b. The Board of Education would like to recognize the following groups with the Reaching In Award for their participation in the Capital Facility Fee Foundation:
- i. D.R. Horton, Division President Scott Davis will be present to accept the award on their behalf.
 - ii. Richmond American Homes, Northern Colorado Division President Tom Zieske will be present to accept the award on their behalf.
 - iii. Shea Homes, Marketing Director Cheryl Haflich will be present to accept the award on their behalf.
 - iv. Lennar, Division President Frank Walker will be present to accept the award on their behalf.
 - v. Meritage Homes, Division President Rusty Crandall will be present to accept the award on their behalf.
 - vi. Brookfield Residential, President Richard J. Dengler or Bryan Reid will be present to accept the award on their behalf.
- c. The Board of Education would like to recognize the following staff members with the Reaching Out Award for “Rookie Adventurer”:

Classified:

Angie Brotherson – Bus Driver at the Transportation Department
 Sallynn Duran – Family Outreach Case Manager at Intervention Services
 Debra Hart –Office Paraprofessional at Turnberry Elementary

Certified:

Jessica Bush – Special Education Resource Teacher at South Elementary
 Rachael Gandy – Special Education Mild/Moderate Teacher at North Elementary
 Mariela Mata – Kindergarten Teacher at North Elementary
 Stephanie Smithgall – Blind and Visually Impaired Teacher for the entire District
 Natalie Stevens – 6th Grade Language Arts Teacher at Stuart Middle School
 Michelle Stringfellow – Preschool Coach and ECSE Teacher for the entire District
 Anita Wilke – PE/Health Teacher at Stuart Middle School

Other:

Officer Christian Delein – School Resource Officer at Prairie View Middle School

5. BOND OVERSIGHT COMMITTEE REPORT

President Day

The Board of Education will be presented with the quarterly report from the 2015 Bond Oversight Committee. This is for informational purposes only. No Board of Education action is required.

Recommended Motion... “Move to approve receipt of the April 25, 2017 Bond Oversight Committee report to the Board of Education.”

ROLL CALL FOR VOTE (Policy Reference: 2.G.1)

President Day

6. SUPERINTENDENT’S REPORT

Dr. Fiedler

Dr. Fiedler will report on activities throughout the District.

A brief reception will occur to honor the award winners.

7. MATTERS OF PUBLIC COMMENT

President Day

The Board will now hear public comment on the following topics that have been indicated on the sign-in sheet. A reminder that this Board meeting is a business meeting held in public not a public meeting. The Board hears public comment to learn about the preferences and concerns of our community. So, tonight we will listen. We are prohibited by state law to take any action on the items because law requires formal public notice prior to any action on an agenda item. During our next meeting, if appropriate, we will consider your comments in our discussion, and we will ask that the Superintendent attempt to find an answer for any of your questions by that time.

The Board welcomes the comments of our community members, but to ensure that everyone will have an opportunity to participate, we have a few ground rules we ask you to follow:

- Anyone intending to address the Board should sign the speaker sign in sheet at the back of the room. I will call speakers in the order in which they signed in.
- Speakers' comments are limited to three minutes.
- If more than one person wishes to speak on the same topic, the new speaker is limited to providing only new information. Please, do not repeat views already expressed by other speakers.
- We ask you to refrain from making complaints or negative comments against individual students or District employees; however, we cannot prevent you from doing so. Such complaints and comments should be addressed first at the classroom or school level, and then if still unresolved, to the Superintendent.
- Disturbing good order by inappropriate language or gestures is grounds for removal from the meeting.

We thank you in advance for your participation tonight.

8. CONSENT AGENDA (Policy References: 2.C.4)

President Day

All matters listed under Consent Agenda are operational matters about which the Board has governing policies, implementation of which is delegated to the Superintendent. They will be enacted in one motion by category in the order listed below. There will be no discussion of these items prior to the time the Board of Directors vote on the motion, unless members of the board, staff or public request specific items to be discussed separately and/or removed from this section.

Any member of the public who wishes to discuss Consent Agenda items should notify the President of the Board at the time requested and be recognized by invitation of the President to address the Board.

- a. Approval of the Board of Education minutes dated March 14, 2017 Regular Board Meeting. (Enclosure)

- b. Approval of personnel items on memorandum dated April 19, 2017. (Confidential Enclosure)
- c. Approval of the Foundations and Landmark waivers as presented. (Enclosure and Waivers are a Separate Enclosure)

Recommended motion: “Move to approve the consent agenda items as presented.”

ROLL CALL FOR VOTE (Policy Reference: 2.G.1) President Day

9. GOVERNANCE PROCESS THAT SUPPORTS OUR GLOBAL GOALS President Day

- a. Ownership Linkage
- b. Board Education
- c. Board Committees
 - i. Facility Planning Advisory Committee
 - ii. Capital Facility Fee Foundation
 - iii. Rocky Mountain Risk
 - iv. Reaching Out/In
 - v. Commerce City and School District 27J Use Tax Committee
 - vi. 2015 Bond Oversight Committee
- d. Board Reports – Board Members will report on activities in which they have been involved that support our Global Goals.
- e. Other Matters of Information for the Board.

10. EXPECTATIONS OF THE BOARD (Policy Reference 4.E) Dr. Fiedler

- a. Board acts to accept/reject the following reports due/submitted since last meeting. (ADDENDUM “A”) None at this time.
- b. Chief Operations Officer Terry Lucero will present the Expectation of the Board Report through 3.E Asset Protection. (Separate Enclosure)

Recommended motion: “Move to accept the Expectations of the Board Report through 3.E Asset Protection as conveying reasonable interpretation of the executive limitations.”

ROLL CALL FOR VOTE (Policy Reference: 2.G.1) President Day

11. POLICY WORK President Day

- a. Policy Review Schedule
 - i. April 25, 2017 3.E Asset Protection
 - ii. May 23, 2017 3.A Treatment of Students/Public
 - iii. June 13, 2017 3.F Financial Planning/Budgeting
 - iv. August 22, 2017 None
 - v. September 26, 2017 3.0 General Executive Constraint
 - vi. 1.2 Composite ACT Scores/1.3 Academic

	Status of 27J
	3.J Charter Schools
vi. October 24, 2017	3.D Financial Conditions & Activities Internal
vii. November 14, 2017	3.H Emergency Executive Succession
viii. December 12, 2017	3.D External Financial Conditions & Activities
	3.I Board Awareness and Support Internal & Direct Inspection
ix. January 23, 2018	3.C Treatment of Faculty/Staff/Volunteers
	3.D Financial Conditions and Activities
x. February 27, 2018	1.1 Graduation Rate
	3.B Treatment of Parents/Guardians
xi. March 13, 2018	3.G Compensation & Benefits

12. PRESENTATION OF THE PRELIMINARY 2017-2018 BUDGET President Day

Chief Financial Officer Lori Schiek will present information concerning the 2017-2018 preliminary budget. No action will be needed by the Board of Education at this time. (Separate Information Only Enclosure)

13. APPROVAL OF NAME FOR MIDDLE SCHOOL #5 President Day

Dr. Chris Fiedler will present information concerning the naming process for Middle School #5. (Enclosure)

Recommended Motion: ...“Move to approve the name _____ for Middle School #5 located in the Timberleaf Subdivision at 136th Avenue and Yosemite Street, Thornton, Colorado.”

ROLL CALL FOR VOTE (Policy Reference: 2.G.1) President Day

14. APPROVAL OF NAME FOR COMPREHENSIVE HIGH SCHOOL #3 President Day

Dr. Chris Fiedler will present information concerning the naming process for Comprehensive High School #3. (Enclosure)

Recommended Motion: ...“Move to approve the name _____ for Comprehensive High School #3 located at 13380 Yosemite Street, Thornton, Colorado.”

ROLL CALL FOR VOTE (Policy Reference: 2.G.1) President Day

15. APPROVAL OF OIL AND GAS LEASE President Day

Chief Operations Officer Terry Lucero will present information regarding the approval of an Oil and Gas Lease. (Enclosure)

Recommended Motion: “... Move to approve the Oil and Gas Lease by and between School District 27J and Petro Operating Company L.L.C. (attached) and authorize the Superintendent or his designee to execute any and all required documents.”

ROLL CALL FOR VOTE (Policy Reference: 2.G.1) President Day

16. SCHEDULE OF MEETINGS

May 9, 2017	Linkage Meeting or Planning Session Time and Location are To Be Determined
May 23, 2017	5:30 p.m. Study Session 7:00 p.m. Regular Board Meeting Lois Lesser Board Room Educational Service Center 18551 E. 60 th Avenue Brighton, CO 80601
May 30, 2017	6:00 p.m. 5 th Tuesday Joint Meeting with City Council Members Time and Location are To Be Determined
June 13, 2017	5:30 p.m. Study Session 7:00 p.m. Regular Board Meeting Lois Lesser Board Room 18551 E. 60 th Avenue Brighton, CO 80601 **Note: Only Board of Education Meeting of the Month

17. BOARD MEETING EVALUATION

Director Piotraschke

18. CLOSING COMMENTS

19. ADJOURNMENT

Date of Notice: April 20, 2017

Expectations of the Board Report Evaluation Worksheet

Date Due	Policy No.	Policy Title	Frequency	Date Submitted	Date of Board Action	Accepted	Not Accepted	Comments Conditions

**BOARD OF EDUCATION
SCHOOL DISTRICT 27J**

**March 14, 2017
Regular Meeting Minutes**

1. CALL TO ORDER: 7:17 p.m.

2. PLEDGE OF ALLEGIANCE

Director Day, Director Doucet, Director Nickeson, Director Piotraschke, Director Thimmig, Director Venerable and Director Worth were present for this entire meeting.

3. APPROVAL OF AGENDA

Motion by Director Thimmig, seconded by Director Nickeson to approve the agenda dated March 14, 2017 as presented. Roll Call Vote: All Ayes.

4. SUPERINTENDENT'S REPORT

Dr. Fiedler reported on activities throughout the District.

5. MATTERS OF PUBLIC COMMENT: None

6. CONSENT AGENDA

Motion by Director Piotraschke, seconded by Director Thimmig to approve the consent agenda as presented. Roll Call Vote: All Ayes.

- a. Approval of the Board of Education minutes dated February 28, 2017 Regular Board Meeting.
- b. Approval of personnel items on memorandum dated March 9, 2017.

7. GOVERNANCE PROCESS THAT SUPPORTS OUR GLOBAL GOALS

- a. Ownership Linkage: Director Venerable thanked Lynn Ann Sheats and Belinda Gonzales for compiling a list of the Parent-Teacher Organization meetings. The Board of Education directors plan to discuss the outreach they have planned for these groups at the next Board Planning Session.
- b. Board Education: Chief Academic Officer Kelly Corbett reviewed the Uniform Improvement Plan process with the Board of Education directors during tonight's study session.
- c. Board Committees
 - i. Facility Planning Advisory Committee: Director Day explained that the group will meet next week to discuss the boundary options for Middle School #5 and High School #3. Director Day read the names that were nominated for the same schools. The group will review the nominations and forward three options for each school to

- the superintendent, and then to the Board of Education for consideration. Director Day reminded the group that the Facility Planning Advisory Committee is an advisory committee to the superintendent and the Board of Education.
- ii. Capital Facility Fee Foundation: No Report at this time.
 - iii. Rocky Mountain Risk: Director Day explained that the group met on March 8, 2017, and Director Nickeson attended as a future alternate if needed. It was a large agenda, and Director Day explained that Director Nickeson has a large amount of experience for risk management.
 - iv. Reaching Out/In: April – Director Thimmig explained that the next award will be presented at the April 25, 2017 Board of Education meeting, and the topic is Rookie Adventurer.
 - v. Commerce City and School District 27J Use Tax Committee: No meeting has occurred since the last Board of Education meeting.
 - vi. 2015 Bond Oversight Committee: Director Piotraschke explained that the group will meet again on April 16, 2017. There was a well-attended groundbreaking on March 9, 2017 for Vikan Middle School. Construction on numerous projects will be occurring during the spring break holiday.
- d. Board Reports – Board Members will report on activities in which they have been involved that support our Global Goals: Director Worth explained that he enjoyed reading at Pennock Elementary School in celebration of Read Across America Week. He said his second year reading was a great experience. He also attended the two-day Brighton Youth Image Summit. 300 students attended from throughout the state with a large number from School District 27J. During the first day, the attendees learned leadership skills, how to use their voices, how to take care of their bodies, and were able to express concerns within the community. During the second day, Director Worth attended as an elected official and participated in a panel to answer questions from the attendees. This is the 2nd annual summit and he hopes it continues for years to come. Director Nickeson also read in celebration of Read Across America Week. He wanted to commend Sharyl Kay Lawson, a teacher at Pennock for organizing the event. He especially enjoyed her full Dr. Seuss, Cat in the Hat costume. He expressed it was a great experience. He attended the groundbreaking ceremony at Vikan Middle School along with Director Day, Director Thimmig and Director Venerable. Director Day also attended the spring graduation at BOLT Academy and Heritage Academy with Director Thimmig and Director Venerable. Director Venerable was unable to read at Pennock Elementary on the day of the event, but was able to schedule time to read on March 13, 2017 to Ms. Lawson’s class. She was glad she could participate in that way. Director Thimmig attended the Quality Schools Initiative (QSI) 2.0 meeting on March 23, 2017. She attended as an observer only, and explained that the facilitator, Jody Erickson, had given the group a homework assignment of contacting five people to ask what would be acceptable and non-acceptable mill levy approval numbers. Director Thimmig challenged the Board of Education Directors with the same homework assignment. Director Thimmig explained that \$36.2 million is the maximum amount of mill levy override that will not exceed the 25% cap of the assessed value.
- e. Other Matters of Information for the Board: None

8. EXPECTATIONS OF THE BOARD

- a. Board acts to accept/reject the following reports due/submitted since last meeting. (ADDENDUM “A”) None at this time.
- b. Chief Human Resource Officer Michael Clow presented the Expectation of the Board Report through 3.G Compensation and Benefits.

Motion by Director Nickeson, seconded by Director Piotraschke to accept the Expectations of the Board Report through 3.G Compensation and Benefits as conveying reasonable interpretation of the executive limitations.

9. POLICY WORK

a. Policy Review Schedule

- | | |
|-------------------------|--|
| i. March 14, 2017 | 3.G Compensation & Benefits |
| ii. April 25, 2017 | 3.E Asset Protection |
| iii. May 23, 2017 | 3.A Treatment of Students/Public
3.F Financial Planning/Budgeting |
| iv. June 13, 2017 | None |
| v. August 22, 2017 | 3.0 General Executive Constraint |
| vi. September 26, 2017 | 1.2 Composite ACT Scores/1.3 Academic Status of 27J
3.J Charter Schools |
| vii. October 24, 2017 | 3.D Financial Conditions & Activities Internal |
| viii. November 14, 2017 | 3.H Emergency Executive Succession |
| ix. December 12, 2017 | 3.D External Financial Conditions & Activities
3.I Board Awareness and Support Internal & Direct Inspection |
| x. January 23, 2018 | 3.C Treatment of Faculty/Staff/Volunteers
3.D Financial Conditions and Activities |
| xi. February 27, 2018 | 1.1 Graduation Rate
3.B Treatment of Parents/Guardians |

- b. The Board of Education discussed Policy 2.C Agenda Planning and accepted the Board of Education 2017-2018 calendar. Director Venerable suggested reconsidering the meeting on October 31, 2017, and to discuss it closer to that date. She also recommended the rotation of hosts for the 5th Tuesday Joint meetings with City Council Members.

Motion by Director Doucet, seconded by Director Worth to approve the Board of Education 2017-2018 calendar as presented. Roll Call Vote: All Ayes.

- c. The Board of Education discussed Policy 2.J Policy Governance Investment. No revisions to this budget have been made since 2014.

Motion by Director Venerable seconded by Director Nickeson to approve the policy 2.J Governance Investment Budget as presented. Roll Call Vote: All Ayes.

10. EAGLE RIDGE ACADEMY CONTRACT RENEWAL APPROVAL

General Counsel, Charter Liaison Janet Wyatt presented information regarding the Eagle Ridge Academy Contract Renewal Approval. Ms. Wyatt introduced Jackie Kusinen, Andy Southard, Dr. Albert Eng, Dr. Ben Ploeger, and Dr. Laura Nelson.

Motion by Director Doucet, seconded by Director Thimmig to approve the Eagle Ridge Academy Contract and appropriate waivers as presented. Roll Call Vote: All Ayes.

11. APPROVAL OF OIL AND GAS LEASE

Chief Operations Officer Terry Lucero presented information regarding the approval of an Oil and Gas lease.

Motion by Director Nickeson, seconded by Director Venerable to authorize the superintendent or his designee to negotiate a lease for final approval of the Board of Education. Director Day, Yes, Director Doucet, No, Director Nickeson, Yes, Director Piotraschke, Yes, Director Thimmig, Yes, Director Venerable, Yes, Director Worth, Yes. Motion passed by majority.

12. SCHEDULE OF MEETINGS

March 18, 2017	8:30 a.m. Board of Education Planning Session Educational Service Center 18551 E. 160 th Avenue Brighton, CO 80601
April 11, 2017	6:00 p.m. Linkage Meeting with English Language Learner Group District Training Room 80 S. 8 th Avenue Brighton, CO 80601
April 25, 2017	5:30 p.m. Study Session 7:00 p.m. Regular Board Meeting District Training Room 80 S. 8 th Avenue Brighton, CO 80601
May 9, 2017	Linkage Meeting or Planning Session Time and Location are To Be Determined
May 23, 2017	5:30 p.m. Study Session 7:00 p.m. Regular Board Meeting Lois Lesser Board Room Educational Service Center 18551 E. 60 th Avenue Brighton, CO 80601

May 30, 2017 6:00 p.m. 5th Tuesday Joint Meeting with City Council Members
Time and Location are To Be Determined

June 13, 2017 5:30 p.m. Study Session
7:00 p.m. Regular Board Meeting
Lois Lesser Board Room
18551 E. 60th Avenue
Brighton, CO 80601
**Note: Only Board of Education Meeting of the Month

13. BOARD MEETING EVALUATION

Director Worth presented the meeting evaluation.

14. CLOSING COMMENTS

15. ADJOURNMENT: 8:53 p.m.

Board of Education Agenda Item

Board Meeting of: April 25, 2017

Subject: Approval of Foundations and Landmark Requested Waivers

Status of Item: Consent

Time Needed: Consent

PERTINENT FACTS:

- The Colorado Department of Education (C.D.E.) now requires allowable waivers to be submitted with an accompanying contract. These waivers are mainly automatic waivers granted by C.D.E., or are waivers SD27J has approved in the past.
- There is no change in either contract

Board Policy or C.R.S. regarding this item:

Board Policy 3.J

Originator: Janet Wyatt

SCHOOL DISTRICT 27J



**GOVERNING POLICY OF
THE BOARD OF EDUCATION
Policy 4.E – MONITORING SUPERINTENDENT PERFORMANCE**

(Accepted 8-24-10)

Executive Limitations 3.E
Asset Protection

To: Board of Education

From: Dr. Chris Fiedler, Superintendent of Schools

Re: Expectations of the Board Report – 3.E Asset Protection

I hereby present my Expectation of the Board report on our Asset Protection, Executive Limitations 3.E, in accordance with the monitoring schedule as set forth in Board policy. I certify the information in this report is true. (Separate Enclosure)

Signed: 

Date: April 25, 2017

Dr. Chris Fiedler
Superintendent, School District 27J

Board of Education Agenda Item

Board Meeting of: April 25, 2017

Subject: Approval of Name for Middle School #5

Status of Item: Action

Time Needed: 15 Minutes

PERTINENT FACTS:

- The 2015 Bond Election authorized the construction of Middle School #5.
- The school will be located in the Timberleaf Subdivision at 136th Avenue and Yosemite Street in Thornton and is scheduled to open in August of 2020. Middle school grades will be housed in Comprehensive High School #3 beginning in Fall 2018 pending completion of Middle School #5.
- Pursuant to Superintendent Policy FF- Naming of Facilities, the Facility Planning Advisory Committee established and followed an approved process to solicit, review and suggest names for the new school to the Superintendent.
- The Naming Committee consisted of all members of the current Facility Planning Advisory Committee and three members of previous naming committees.
- The Superintendent has received and reviewed a full report of the naming process.
- The list of suggested names for Middle School #5 are, in alphabetical order:
 - Moreland Middle School
 - Riverdale Middle School
 - Rodger Quist Middle School
- The final decision for naming a new facility or significant public venue is the responsibility of the Board of Education.

Board Policy or C.R.S. regarding this item:

There are no applicable Board Policies or statutory requirements.

Originator: Dr. Chris Fiedler

Board of Education Agenda Item

Board Meeting of: April 25, 2017

Subject: Approval of Name for Comprehensive High School #3

Status of Item: Action

Time Needed: 15 Minutes

PERTINENT FACTS:

- The 2015 Bond Election authorized the construction of Comprehensive High School #3.
- The school will be located at 13380 Yosemite Street in Thornton and is scheduled to open in August of 2018.
- Pursuant to Superintendent Policy FF- Naming of Facilities, the Facility Planning Advisory Committee established and followed an approved process to solicit, review and suggest names for the new school to the Superintendent.
- The Naming Committee consisted of all members of the current Facility Planning Advisory Committee and three members of previous naming committees.
- The Superintendent has received and reviewed a full report of the naming process.
- The list of suggested names for Comprehensive High School #3 are, in alphabetical order:
 - Riverdale High School
 - Riverdale Ridge High School
 - Yosemite Heights High School
- The final decision for naming a new facility or significant public venue is the responsibility of the Board of Education.

Board Policy or C.R.S. regarding this item:

There are no applicable Board Policies or statutory requirements.

Originator: Dr. Chris Fiedler

Board Meeting of: April 25, 2017

Subject: Approval of Oil and Gas Lease

Status of Item: Action

Time Needed: 10 Minutes

PERTINENT FACTS:

- The District is in receipt of an offer from Petro-Operating Company, LLC to lease certain mineral interests owned by the District.
- This matter was previously presented to the Board on March 14, 2017. At that time staff was directed to present the actual lease for review and consideration.
- The mineral rights are located under future school sites located within Brighton East Farms adjacent to the Educational Services Center as well as underneath Pennock Elementary.
- The previously discussed District-owned mineral rights under the Mountain View Estates school site are held by production and cannot be leased.
- The wells would not be drilled on the District owned sites. The minerals will be extracted from wells to be located north of Weld County Road #2.
- The District's refusal to lease the rights will not preclude the drilling of the wells or the extraction the minerals.
- The District's refusal to enter into the lease agreement will void any offer of a lease bonus and reduce the royalty payments from 20% to 12.5% (state statute requires a minimum 12.5% royalty interest).
- The significant terms of the lease include:
 - The lease of all mineral interests under the properties described above totaling 25.02 net mineral acres;
 - A bonus payment of \$3,000 per net mineral acre to be paid within 45 days of entering the lease
 - A 20% royalty based on the District's percentage ownership of mineral interest;
 - The lease will be for an initial term of 3 years during which time the wells must be drilled and continuing until mineral extraction efforts have ceased.
 - The lease may be extended for an additional 2 years by payment of an additional bonus payment equal to the original bonus payment.
- The lease terms and form are consistent with the lease agreement entered between the City of Brighton and Petro Operating Company L.L.C.
- The lease has been reviewed by District legal Counsel and is approved as to form;
- Pursuant to Board Policy 3.E.7 – The Board of Education was provided information for discussion on this matter at its planning meeting of Feb. 25, 2017;
- The lease is attached for your review.

Board Policy or C.R.S. regarding this item:

- C.R.S. 22-32-110(1) (f) – Board of Education Powers and Duties – To rent or lease District property...
- Board Policy – Management Limitation 3.E.7 – Asset Protection – The Superintendent will not allow the purchase, disposal or lease of real estate or personal property valued at \$20,000... without providing the Board with information for discussion prior to the final decision being made.
- C.R.S. 22-32- 112 - Board of Education Powers and Duties – Oil and Gas Leases

Originator: Terry Lucero, Chief Operating Officer

OIL AND GAS LEASE

(No Surface Occupancy)

AGREEMENT, Made and entered into the _____ day of _____, 2017 by and between BRIGHTON SCHOOL DISTRICT 27J, as Lessor, hereinafter called Lessor(s), whose address is 18551 E 160TH AVE., BRIGHTON, CO 80601, and **PETRO-OPERATING COMPANY, LLC** whose address is **9033 E. Easter Place, Suite 112, Centennial, CO 80112**, hereinafter called Lessee:

1. **Grant of Leased Premises.** In consideration of a cash bonus in hand paid, the receipt of which is hereby acknowledged, and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter called leased premises:

See Exhibit "A" attached hereto and made a part hereof for description of leased lands.

in the County of Adams, State of Colorado, containing **32.37 gross acres**, more or less, for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith ("Oil and Gas Substances"). The term "gas" as used herein includes helium, carbon dioxide, gaseous sulfur compounds, methane produced from coal formations and other commercial gases, as well as normal hydrocarbon gases. If, at any time, it is determined that the leased premises is greater than, or less than **32.37 gross acres**, then **PETRO-OPERATING COMPANY, LLC** will adjust the bonus payment and pay all back royalties to Lessor.

2. **Paid Up Lease.** This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. **Royalty Payment.** For all Oil and Gas Substances that are physically produced from the leased premises, or lands pooled, unitized or communitized therewith, and sold, Lessor shall receive a royalty of **20%** of the weighted average sales price actually received by Lessee or, if applicable, its affiliate, as a result of all sales of the affected production to an unaffiliated party. Lessor's royalty shall not be subject to its proportionate share of Post Production Costs but will bear its proportionate share of all production, severance and ad valorem taxes. As used in this provision, Post Production Costs shall mean all costs actually incurred by Lessee or its affiliate and all losses of produced volumes used as fuel, line loss, flaring, venting or otherwise from and after the wellhead until the Oil and Gas Substances are in a marketable condition and have reached a recognized market for the same. Post Production Costs include without limitation, all costs of gathering, marketing, compression, dehydration, removal of liquid or gaseous substances or impurities from the affected production prior to the time Oil and Gas Substances produced from the leased premises or from land pooled therewith are in a marketable condition and have reached a recognized market for the same and any other treatment or processing required by the first unaffiliated party who purchases the affected production.

If Lessee uses the Oil and Gas Substances (other than as fuel in connection with the production and sale thereof) in lieu of receiving sale proceeds, the price to be used to pay Lessor's royalty under this provision shall be the weighted average sales price referred to above for the applicable month.

4. **Term of Lease.** This lease shall be in force for a primary term of three (3) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled or unitized therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof. Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term.

The primary term may be extended for an additional **two (2) years** by paying to Lessor an equal sum as originally paid herein, if paid in advance before the expiration of the primary term. In the event Lessee makes the payment provided for above, then all terms of this Lease shall remain in full force and effect as if the original primary term was five (5) years.

At the expiration of the primary term, as the same may have been extended, this lease shall automatically terminate and expire as to all lands that are subject to this lease which are located outside the boundaries of a spacing unit established by the Colorado Oil and Gas Conservation Commission, upon which there is a well producing in paying quantities or a well capable of producing in paying quantities which is shut-in for the reasons stated in this Lease. Lessee shall file a release of those portions of the leased premises in the Adams County records within 30 days of such termination or, if Lessee fails to do so, Lessor shall have the right to such release.

5. **Operations.** If Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on or affecting the leased premises or lands pooled or unitized therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of this lease or the action

of any governmental authority, then in the event this lease is beyond the primary term it shall nevertheless remain in force if Lessee commences further Operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled or unitized therewith within 120 days after completion of operations on such dry hole or within 120 days after such cessation of all production in paying quantities. If after the primary term this lease is not otherwise being maintained in force, but Lessee is then engaged in Operations, as defined below, this entire lease shall remain in force for an additional 120 days from the completion of operations on such dry hole or the cessation of all production in paying quantities, and if any such Operations result in the production of Oil and Gas Substances, as long thereafter as there is production in paying quantities from the leased premises or lands pooled or unitized therewith. As used herein, the term Operations shall mean any activity continuously conducted on or affecting the leased premises or pooled therewith that is customary and reasonably calculated to obtain or restore production, including without limitation, (i) drilling or acts preparatory to drilling actually conducted on the leased premises or lands pooled therewith (such as building roads or constructing a drill site as long as actual drilling operations are commenced forthwith following the completion of the preparatory acts); (ii) completing, reworking, plugging back, deepening, treating, stimulating, refitting, installing any artificial lift or production-enhancement equipment or technique; and (iii) constructing facilities to enable the production, treatment, transportation and marketing of substances produced from the leased premises.

6. No Surface Occupancy. Notwithstanding anything herein contained, this Lease is a “No Surface Occupancy” Oil and Gas Lease. It is agreed and understood that Lessee, its successors or assigns shall not conduct any drilling or completion operations or locate any facilities on the surface of the leased lands. It is understood that the Lessee, its successors or assigns shall not be allowed any access to the surface of the leased lands without the prior written consent of Lessor. Lessee is granted the right to drill and operate directional or horizontal wells through and under said lands. Lessee shall be liable for any and all damages to the leased lands due to subsidence, collapse or settlement caused by Lessee’s operations hereunder.

7. Shut-in Royalty. If after the primary term one or more wells on the leased premises or lands pooled or unitized therewith are capable of producing Oil and Gas Substances in paying quantities, but such well or wells are either shut in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purpose of maintaining this lease. If for a period of 120 consecutive days such well or wells are shut in or production therefrom is not sold by Lessee, then Lessee shall pay an aggregate shut-in royalty of **ten dollars per acre** then covered by this lease. The payment shall be made to Lessor on or before the first anniversary date of the lease following the end of the 120-day period and thereafter on or before each anniversary while the well or wells are shut in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by operations under this lease, or if production is being sold by Lessee from another well or wells on the leased premises or lands pooled or unitized therewith, no shut-in royalty shall be due until the first anniversary date of the lease following the end of the 90-day period after the end of the period next following the cessation of such operations or production, as the case may be. Lessee’s failure to properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease. However, after the expiration of the primary term, this lease may not be maintained in force by the payment of shut in royalties for any period in excess of one (1) consecutive year from the date the well is first shut in.

8. Pooling and Unitization. Lessee, at its option, is hereby given the right and power at any time and from time to time as a recurring right, either before or after production, as to all or any part of the land described herein and as to any one or more of the formations hereunder, to pool or unitize the leasehold estate and the mineral estate covered by this lease with other land, lease, or leases in the immediate vicinity for the production of oil and gas, or separately for the production of either, when in Lessee’s judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease, or leases. Likewise, units previously formed to include formations not producing oil or gas may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling, or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling, or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in such unit. In addition to the foregoing, Lessee shall have the right to unitize, pool, or combine all or any part of the described lands as to one or more of the formations thereunder with other lands in the same general area by entering into a cooperative or unit plan of development or operation approved by any governmental authority and, from time to time, with like approval, to modify, change, or terminate any such plan or agreement and, in such event, the terms, conditions, and provisions of this lease shall be deemed modified to conform to the terms, conditions, and provisions of such approved cooperative or unit plan of development or operation and, particularly, all drilling and development requirements of this lease, express or implied, shall be satisfied by compliance with the drilling and development requirements of such plan or agreement, and this lease shall not terminate or expire during the life of such plan or agreement. In the event that said above described lands or any part thereof, shall hereafter be operated under any such cooperative or unit plan of development or operation whereby the production therefrom is allocated to different portions of the land covered by said plan, then the production allocated to any particular tract of land shall, for the purpose of computing the royalties to be paid hereunder to Lessor, be regarded as having been produced from the particular tract of land to which it is allocated and not to any other tract of land; and the royalty payments to be made hereunder to Lessor shall be based upon production only as so allocated. It is hereby

agreed that Lessor shall formally express its consent to any cooperative or unit plan of development or operation adopted by Lessee and approved by any governmental agency by executing the same upon request of Lessee.

9. Payment Reductions. If Lessor owns less than the full mineral estate in all or any part of the leased premises, payment of royalties and shut-in royalties hereunder shall be reduced as follows: royalties and shut-in royalties for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises. To the extent any royalty or other payment attributable to the mineral estate covered by this lease is payable to someone other than Lessor, such royalty or other payment shall be deducted from the corresponding amount otherwise payable to Lessor hereunder.

10. Ownership Changes. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

11. Regulation and Delay. All express or implied covenants of this lease shall be subject to all Federal, State, and local Laws, Executive Orders, Rules, or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable for damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule, or Regulation, or Act of God, adverse field, weather, or market conditions, inability to obtain materials in the open market or transportation thereof, wars, strikes, lockouts, riots, fracking bans and/or moratoria upon well completions and/or production restrictions, or other conditions or circumstances beyond the control of the Lessee. The time during which Lessee is prevented from conducting drilling, completion, reworking, and/or production operations during the primary term of this lease, under the contingencies above stated, shall be added to the primary term of this lease.

12. Breach or Default. Any dispute arising under this lease shall be resolved in accordance with the dispute resolution procedures set out below. If Lessor believes that Lessee is in default of any covenant or condition of this lease, it may give Lessee written notice thereof which notice shall describe the claimed default in reasonable detail. Lessee shall have 60 days to cure the claimed default, commence action to cure the claimed default if 60 days is not sufficient to cure the same or deny the existence of the claimed default. If Lessee commences action to cure the claimed default, and if 60 days is not sufficient to cure the same, it shall diligently pursue such action until the default is cured to the reasonable satisfaction of Lessor for a period not to exceed 90 days. No mediation or arbitration shall be initiated by Lessor for damages, forfeiture or cancellation with respect to any claimed default by Lessee hereunder during such 30 day period (or longer if Lessee has commenced action to cure the claimed default). If the matter is arbitrated in accordance with the dispute resolution section below and there is a final determination that a default has occurred, this lease shall not be forfeited or cancelled in whole or in part unless Lessee is given a reasonable time, not to exceed 90 days, after said determination to remedy the default and Lessee fails to do so.

13. Dispute Resolution. In the event of any dispute, disagreement or controversy arising out of, relating to or connected with this Lease, the Parties shall use reasonable, good faith efforts to settle such dispute or claim through negotiations with each other. If such negotiations fail to produce a mutually acceptable resolution to the matter in dispute, the Parties will submit the same to non-binding mediation before a sole mediator. The mediation will be conducted by the Judicial Arbitrator Group, Inc., 1601 Blake St, Suite 400, Denver, CO 80202 ("JAG"). The matter in dispute will be submitted to mediation within fifteen (15) days of a written demand for mediation from one Party to the other. If the mediation is not successful, the matter in dispute shall be submitted for final and binding arbitration by the same mediator to be held no later than thirty (30) days after the conclusion of the mediation, as signified by a written notice from the mediator that mediation has terminated. Within five (5) days of the date of the mediator's notice, any party desiring arbitration shall concisely state the matter(s) in dispute, the position of the Party with respect to such matter(s) and the Party's proposed resolution of the same.

a. During any negotiations conducted pursuant to this Agreement, the Parties will keep and maintain a record of all issues upon which agreement has been reached. To narrow and focus the issues that may need to be resolved in an arbitration proceeding, each of the submittals by the Parties shall include all points that have been agreed to by the Parties during their negotiations.

b. Any arbitration proceeding shall be conducted in accordance with the Uniform Arbitration Act found at C.R.S. §13-22-201 *et seq.* (or a successor statute). The purpose of the arbitrator's role is to produce a final decision of any matter submitted for arbitration to which the Parties' herein agree to be bound. The place of arbitration shall be at the offices of JAG in Denver, Colorado.

c. The JAG mediator/arbitrator shall, ideally, be possessed of demonstrated experience in matters pertaining to the law of oil and gas development, and, at a minimum, Colorado law of real property governing the use and enjoyment of surface and subsurface estates. If the Parties cannot reach agreement on the choice of JAG mediator/arbitrator within ten (10) days of the original demand for arbitration (or such other time as may be agreed to by the Parties), they shall abide by the assignment of JAG mediator/arbitrator made by the JAG Administrator.

e. For any matter requiring judicial resolution in connection with the arbitration, including the enforcement of any award, enforcement of this agreement to arbitrate, or injunctive relief to preserve the status quo pending arbitration, the Parties agree to the exclusive jurisdiction of the State District Court of the County of Adams, Colorado.

f. The Parties shall share equally in the cost of retaining the services of JAG for any mediation or arbitration conducted hereunder and each shall be solely responsible for its own costs and expenses of preparing for and pursuing any mediation or arbitration.

g. Anything to the contrary herein notwithstanding, in the event of any litigation arising out of this contract, the court shall award to the prevailing party all reasonable costs and expenses, including attorney and legal fees. If there is no prevailing party, each Party shall be responsible for their own costs and legal expenses.

14. Warranty of Title. Lessor makes no warranty of title; Lessee to rely on its own title investigation. Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

15. Indemnity. Lessee will indemnify and hold Lessor, its officers, directors, employees, agents, successors and assigns (hereafter collectively referred to as "Indemnified Parties") harmless from any and all claims, demands, suits, losses, damages, and costs (including, without limitation, any attorney fees) incurred by the Indemnified Parties which may be asserted against the Indemnified Parties by reason of or which may arise out of or which may be related to Lessee's activities or Operations on the leased premises (including, without limitation, any claims by any owners or lessees of minerals that Lessee's operations hereunder are either illegal, unauthorized, or constitute an improper interference with their rights). This indemnity specifically includes any claim of whatever nature which may be asserted by reason of or which may arise out of or which may be related to the completion or fracturing or refracturing of any well drilled by Lessee on the leased premises or lands pooled or unitized therewith and shall survive the termination of this lease.

16. Depth Restriction. This lease is limited in depth from the surface of the earth down to 100 feet below the base of the Dakota Sands Formation.

17. Successors and Assigns. This lease and all provisions thereof 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. Should any one or more of the parties named above as Lessors not execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

18. Applicable Law. The terms and conditions of this Lease are in addition to any applicable requirements that may be imposed by Federal Law, State Statute, Colorado case law, or Order, Rule, or Regulation of the Colorado Oil and Gas Conservation Commission or the City of Brighton. This Lease does not and will not be construed to waive any portion of existing or future Laws, Orders, Rules, or Regulations set forth by the Colorado Oil and Gas Conservation Commission or the City of Brighton.

IN WITNESS WHEREOF, this instrument is executed as of the date first above written.

LESSOR: BRIGHTON SCHOOL DISTRICT 27J

By: _____

By: _____

ACKNOWLEDGEMENTS

STATE OF COLORADO)
)
County of _____)

On this ____ day of _____, 2017, before me, the undersigned Notary Public in and for said county and state, personally appeared

_____, known to me to be the person or persons whose names are subscribed to the foregoing instrument, and acknowledged that the same was executed and delivered as his free and voluntary act for the purposes therein set forth. In witness whereof I hereunto set my hand and official seal as of the date hereinabove stated.

My Commission Expires _____

Notary Public, State of Colorado

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated _____, by and between the **Brighton School District 27J**, as Lessor, and **PETRO-OPERATING COMPANY, LLC**, as Lessee.

DESCRIPTION OF LEASED LANDS:

TOWNSHIP 1 SOUTH, RANGE 66 WEST OF THE 6TH P.M.

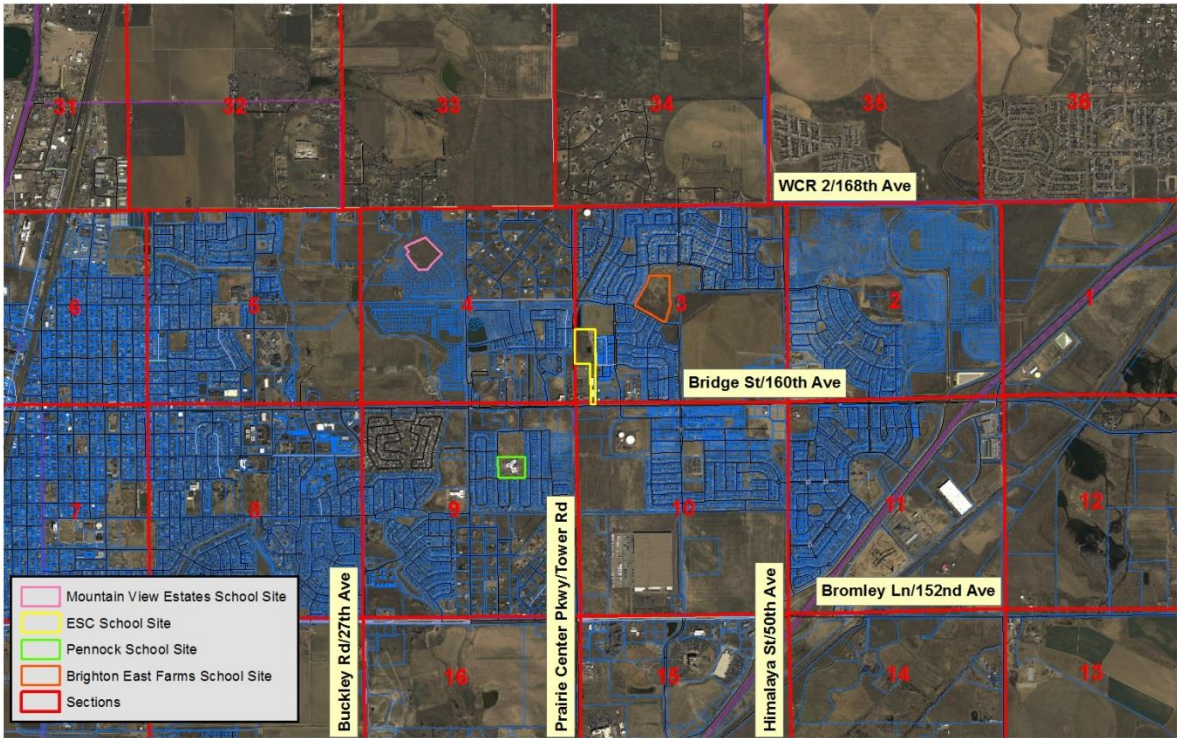
Section 3: A parcel of land in the SW/4 of (said) Section 3, described as beginning at the Southwest Corner of said Section 3, said section corner being the true point of beginning; then North 1043.55 feet along the West line of said Section 3; then East 417.42 feet parallel to the South line of said Section 3; then South 1043.55 feet parallel to the West line of said Section 3, to a point on the South line of said Section 3, then West 417.42 feet along the said South line to the point of beginning; except the South 50 feet thereof (which is Colorado State Highway 7), and except the West 40 feet thereof (containing 9.54 acres, more or less).

Also, that part of the W/2 of Section 3 described as Tract V of Brighton East Farms Filing No. 2 (containing 15 acres, more or less)

TOWNSHIP 1 SOUTH, RANGE 66 WEST OF THE 6TH P.M.

Section 9: A parcel of land in the NE/4 more particularly described in deed recorded 9/24/2002 at Reception Number C1027348 in the records of Adams County, Colorado (containing 7.83 acres, more or less)

Adams County, Colorado



	METHOD	FREQUENCY	SCHEDULE
3.D - Financial Condition & Activities	Internal	Semi - Annually	January & October
	External	Annually	December
3.C - Treatment of Faculty/Staff/Volunteers	Internal	Annually	January
1.1 - Graduation Rate	Internal	Annually	February
3.B - Treatment of Parents/Guardians	Internal	Annually	February
3.G - Compensation & Benefits	Internal	Annually	March
3.E - Asset Protection	Internal	Annually	April
3.A - Treatment of Students/Public	Internal	Annually	May
3.F - Financial Planning/Budgeting	Internal	Annually	May
3.0 - Global Executive Constraint	Internal	Annually	August
1.2 - Composite ACT Scores	Internal	Annually	September
1.3 - TCAP in reading, writing, math and Science	Internal	Annually	September
3.J - Charter Schools	Internal	Annually	September
3.H - Emergency Executive Succession	Internal	Annually	November
3.I - Board Awareness & Support	Internal	Annually	December
	Direct Inspection	Annually	December