

DRAFT

ENCROACHMENT LICENSE AGREEMENT

THIS ENCROACHMENT LICENSE AGREEMENT (“License”) is entered into this ____ day of _____, 2026, by and between the TOWN OF GRAND LAKE, a Colorado municipal corporation, (“the Town”) and _____ (“Licensees”).

WHEREAS, Licensees are the owners of certain real property described on Exhibit A, attached (“the Licensees’ Property”); and

WHEREAS, the Licensees or their predecessors constructed a building denoted as “House” and a structure denoted as “Dock”, portions of which encroach onto the Town's Property as shown on the Improvement Location Certificate, attached as Exhibit B; and

WHEREAS, the encroaching portions of the House and the Dock are referred to collectively, as the “Encroachments”; and

WHEREAS, the Encroachments have existed for many years and do not interfere with the Town's or the public’s current use of the Town’s Property; and

WHEREAS, the Town does not desire to have the Encroachments removed at this time, but intends to preserve its right to do so in the future if it needs or desires to use the Town’s Property for Town or public purposes; and

WHEREAS, the parties hereto desire to document the Encroachments, as well as the terms and conditions under which the Encroachments will be allowed to remain and to be repaired or replaced, and the circumstances under which the Encroachments will be removed, in accordance with the terms and conditions of this Encroachment License Agreement.

NOW THEREFORE, in consideration of the promises, agreements, rights and obligations set forth herein the parties agree as follows:

1. The Town hereby grants to Licensees, their successors and assigns, a license to encroach onto the Town's Property to the degree and in the manner that the Encroachments exist as of the date hereof.
2. The right to use and occupy a portion of the Town's Property under the provisions of this License is specifically limited to the Encroachments currently located thereon. The Encroachments shall not be enlarged or otherwise expanded and use of the Encroachments, as well as the improvements connected to or associated with the Encroachments, shall be consistent with the zoning district in which they are located as defined by the Town's land use code, as amended from time to time.
3. Licensees, their successors and assigns, shall be permitted to maintain, repair and replace

the Encroachments, so long as such maintenance, repairs, or replacements comply with the Town's then-existing building code and other applicable codes and do not further intrude upon or encumber the Town's Property or otherwise expand the scope or extent of the Encroachments permitted under this License. After requesting and receiving written approval from the Manager of the Town, Licensees shall have the right to access the Town's Property to the extent reasonably necessary in order to perform such maintenance, repairs, or replacements.

4. The License granted herein shall continue so long as the House or Dock exist or until this License is terminated pursuant to its provisions. In the event the existing House is destroyed by more than fifty percent (50%), or the existing encroaching portion of the House is damaged or destroyed or voluntarily replaced, any reconstruction or replacement shall not encroach onto the Town's Property. In the event the existing Dock is destroyed by natural causes, any restoration or reconstruction shall not extend into the Town's Property and the encroachment license granted by this Agreement shall terminate as it relates to the Dock.
5. In the event that any reconstructed or replaced structure or building encroaches onto the Town's Property in violation of Section 4 above and the Licensees do not remove the encroachment within thirty (30) days of notice from the Town, , then and in that event the Town shall be entitled to take all reasonable steps to remove such improvements and Licensees agree to reimburse the Town for all costs and expenses incurred in removing such improvements. In the event the Licensees fail to pay the Town for all costs and expenses incurred in removing the improvements from the Town's Property, then the Town shall be entitled to (1) record such costs and expenses as a lien against the Property and certify such costs to the Grand County Treasurer to be collected in the same manner as delinquent taxes, and (2) recover all such costs and expenses through all legal and equitable remedies available to the Town. In the event the Town incurs any costs or expenses under this Section 5, Licensees waive any objection or defense to any lien the Town may file to recover such costs and expenses.
6. In the event that the Town Board of Trustees, in its sole discretion determines to make further Town or public use of the Town's Property in a manner that requires removal or reduction of the Licensees' encroachment onto the Town's Property, the Town shall provide Licensees six month notice of the need for Licensees to remove the portions of the Encroachments from the Town's Property to the extent the Town determines such removal is needed for the Town or public use. This License shall be terminate upon removal of the Encroachments pursuant to the provisions of this Section. If the encroachment is merely reduced pursuant to the provisions of this Section, then the extent of the License shall be similarly reduced.
7. If it becomes reasonably necessary for the Town to remove or interfere with any part of the Encroachments in order to install, maintain, repair or replace utilities, including but not limited to water and sewer lines, , the Town shall be entitled to do so and shall not be liable for any damage to any portion of the Encroachments that results from such work by or at the direction the Town. The Town shall make reasonable efforts to minimize the

disturbance of or damage to the Encroachments as a result of performing such work.

8. This License shall run with the land and be binding upon and inure to the benefit of the parties hereto, their heirs, successors in interest, personal representatives, and assigns.
9. Licensees, for themselves, their heirs, successors and assigns agree to maintain a homeowners or commercial general liability insurance policy with a limit of liability of at least \$1,000,000 at all times during the term of this License. Licensees agree to furnish the Town with proof of such insurance upon request. In addition, Licensees, their heirs, successors and assigns, agree to indemnify and hold harmless the Town from any loss or liability whatsoever, including defense costs and attorney's fees arising out of damage to property or injury to persons attributable to or related to the use of the Encroachments. Licensees further agree to indemnify the Town against any and all liens asserted or established against the Town's Property related in any manner to the Encroachments or their use.
10. The Town is a Colorado municipal corporation and is entitled to certain rights and protections under the Colorado Governmental Immunity Act, Sections 24-10-101, et seq., C.R.S. ("the Act"). By entering into this License, the Town does not waive and does not intend to waive any of its rights or protections under the Act.
11. By entering into this License, Licensees expressly acknowledge that their interest in the Town's Property is limited to a license to encroach thereon with the permission of the Town as provided in this License, and that neither Licensees' occupancy or use of any portions of the Town's Property nor the occupancy or use of portions of such Property by any of Licensees' predecessors or successors shall be used as the basis for any claim to use such Town's Property, whether such claim is based on estoppel or waiver or adverse possession or easement by prescription or any other basis, and that the sole basis for Licensees' right and claim to use portions of the Town's Property shall be this License.

TOWN OF GRAND LAKE

ATTEST:

By _____
Mayor

Town Clerk

STATE OF COLORADO)
) ss
COUNTY OF GRAND)

Acknowledged before me this ____ day of _____, 2026 by _____ as Mayor and _____ as Town Clerk of the Town of Grand Lake, Colorado.

My commission expires: _____

Notary Public

LICENSEES:

By: _____

(address)

STATE OF _____)
)
COUNTY OF _____)

Acknowledged before me this ____ day of _____, 2026

My commission expires: _____

Notary Public