

**TOWN OF LAKE CITY
BOARD OF TRUSTEES
ORDINANCE NO. 2026-06**

**AN ORDINANCE APPROVING A LEASE OF CERTAIN
RIGHT-OF-WAY OWNED BY THE TOWN OF LAKE CITY
[A PORTION OF THE 8th STREET RIGHT-OF-WAY]**

WHEREAS, the Town Board of Trustees (the “Board”) of the Town of Lake City, Colorado (the “Town”), pursuant to Colorado statute and the Town of Lake City Municipal Code (the “Code”), is vested with the authority of administering the affairs of the Town; and

WHEREAS, the Town owns certain real estate commonly referred to as a portion of the 8th street right-of-way, and more particularly described in Exhibit A of the Lease (the “Property”) attached hereto and incorporated herein by this reference; and

WHEREAS, through various agreements, the Town has historically permitted JKM Enterprises, INC. to utilize the Property in substantially similar fashion as Lake City Outdoors Corp. (the “Lessee”), the successor in interest to the JKM Enterprises, INC. property, proposes to use the Property; and

WHEREAS, the Lessee agrees to utilize the Property in accordance with the terms of the Lease, attached hereto as Exhibit A; and

WHEREAS, the Town desires to lease the Property to the Lessee subject to various conditions, including the Lessee’s obligation to maintain the Property in a sightly condition and provide agreed upon public access to fishing; and

WHEREAS, the Town Board of Trustees determines it to be in the public interest to lease the Property to the Lessee pursuant to the terms and conditions contained in the Real Property Lease (the “Lease”) attached hereto and incorporated herein as Exhibit A.

**NOW THEREFORE BE IT ORDAINED BY THE BOARD OF TRUSTEES
OF THE TOWN OF LAKE CITY, COLORADO AS FOLLOWS:**

Section 1. Pursuant to the authority of C.R.S. § 31-15-713(1)(c), the Lease attached hereto as Exhibit A, and incorporated herein by this reference is hereby approved and the Mayor or their designee are authorized and directed to execute the same.

Section 2. The Mayor or their designee are hereby authorized and directed to negotiate and approve on behalf of the Town such revisions to the Lease as the Mayor or their designee determine are necessary or desirable for the protection of the Town, so long as the essential terms and conditions of the Lease are not altered.

Section 3. Validity. If any part of this ordinance is held to be unconstitutional or invalid for any reason such decision shall not affect the validity or constitutionality of the remaining portions of this ordinance. The Board of Trustees hereby declares that it would have approved this ordinance and each part or parts thereof irrespective of the fact that any one part or parts be declared unconstitutional or invalid.

Section 4. Repeal. Existing ordinances or parts of ordinances covering the same matters as embraced in this ordinance are hereby repealed and all ordinances or parts of ordinances inconsistent with the provisions of this ordinance are hereby repealed, except that this repeal shall not affect or prevent collection of any fees assessed pursuant to the provisions of any ordinance hereby repealed prior to the taking effect of this ordinance.

INTRODUCED, PASSED AND ADOPTED A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE TOWN OF LAKE CITY, COLORADO AND SIGNED THIS 3RD DAY OF JUNE, 2026.

Votes Approving: _____
Votes Opposed: _____
Absent: _____
Abstained: _____

ATTEST:

**BOARD OF TRUSTEES OF THE
TOWN OF LAKE CITY, COLORADO**

Christina Bowman
Town Clerk

By: _____
Dave Roberts
Mayor

EXHIBIT A

LEASE AGREEMENT

THIS LEASE AGREEMENT, hereinafter called the "Agreement", is made and entered into as of the 3rd day of June, 2026, by and, between the **TOWN OF LAKE CITY, COLORADO**, hereinafter "Town", a Colorado statutory municipality and **LAKE CITY OUTDOORS CORP.**, a Colorado Corporation, hereinafter "Lessee." The Town and the Lessee are each referred to herein as a "Party" and, collectively, as the "Parties."

WITNESSETH:

WHEREAS, the Town is the owner of certain real Property located generally east of Colorado State Highway 149 along the right-of-way commonly referred to as Eight Street, Lake City, Colorado, and more particularly described in Exhibit A, attached hereto and incorporated herein by this reference (the "Property"); and

WHEREAS, the Town previously granted a Revocable Permit to JKM Enterprises, Inc. to utilize the Property in conjunction with the Lake City Auto company for storage of vehicles; and

WHEREAS, JKM Enterprises, Inc. has sold the business and property adjoining the 8th Street right-of-way Property to Lake City Outdoors Corp. (the "Lessee"); and

WHEREAS, the Lessee desires to lease the Property and utilize it in a substantially similar fashion as previously utilized by JKM Enterprises, Inc.; and

WHEREAS, the Town is not currently and does not foresee utilizing the Property for Governmental purposes in the near future; and

WHEREAS, the Town desires to lease the Property to Lessee; and

WHEREAS, the Lessee desires to lease the Property from the Town; and

NOW THEREFORE, in consideration of the mutual obligations and other consideration set forth herein, the Parties agree as follows:

ARTICLE 1 TERM

1. This Agreement shall be a thirty (30) year lease of the Property commencing on June 1, 2026 and terminating on June 1, 2056 (the "Lease Term") unless otherwise terminated pursuant to the provisions contained herein. The lease may be renewed for subsequent terms.

2. This lease and the rights and duties conferred upon the Parties through this lease shall run with the land.

3. The Parties may renegotiate the terms or provisions of this Lease for any reason from time to time.

4. This Agreement is expressly conditioned upon the Lessee's compliance with the conditions set forth in Articles 4 and 5 of this Agreement.

ARTICLE 2 TERMS OF RENT

The Lessee shall pay the Town, in equal monthly instalments, \$50.00 (the "Rent"). The Rent shall be due on the first day of each month (the "Due Date") and paid under the following instructions:

a. Rent shall be paid by check made payable to the Town of Lake City in person at 230 N. Bluff Street, Lake City, Colorado, 81235. Notwithstanding any provision herein to the contrary, Lessee may occupy the Property free of charge from June 1, 2026 to July 1, 2026.

b. Lessee may elect to pay the Rent in one lump sum annually in the amount of six-hundred dollars (\$600.00).

c. If Rent is not paid on the Due Date, there shall be a late fee of twenty-five (\$25) dollars every day Rent is late (the "Late Fee"). Rent is considered late when it has not been paid within seven (7) days after the Due Date.

ARTICLE 3 USE OF THE PROPERTY

Lessee shall be entitled to utilize the Property in a manner consistent with Town Code. The Parties agree the main purpose of the lease is to provide Lessee with additional display and parking area for vehicles for sale and for rental off highway vehicles and related uses. Any proposed change in use may be presented to the Town for consideration, but shall not be implemented without written approval of the Town.

ARTICLE 4 MAINTENANCE, REPAIRS, OR ALTERATIONS

The Lessee shall, at their own expense and at all times, maintain premises in a clean and sanitary manner, and shall surrender the same at termination hereof, in as good condition as received, normal wear and tear excepted. The Lessee may not make any alterations or improvements to the Property or any portion of the leased premises without the consent in writing of the Town.

Additionally, within one year of the date of this Agreement, Lessee shall bring the Property into compliance with Town nuisance and trash related codes. Upon inspection and approval of the same by the Town Manager, the Town shall approve this condition in writing to the Lessee and the Lessee shall maintain the property cleanliness to the same standard while not permitting the accumulation of trash, debris, hazardous material, or other nuisances.

**ARTICLE 5
FISHING ACCESS**

As a portion of the consideration for this lease, Lessee agrees to provide the Town with mutually agreeable reasonable access to fishing in the river adjoining Lessee's property.

**ARTICLE 6
BREACH AND DEFAULT**

In the event the Town finds the Lessee to be in breach of the requirements of Article 4 or 5 of this Lease, the Town shall notify the Lessee in writing of the specific violation, and the time to remedy the violation. Lessee shall have a reasonable time, but in no event less than thirty (30) days to cure any violation. The Parties agree due to the remoteness of the Property, many violation will require at least sixty (60) days to cure. The Parties further agree to work in good faith to remedy any violation as quickly as possible and may mutually agree to allow such longer period as necessary to remedy a violation.

If the Lessee fails to comply with any of the financial or material provisions of this Agreement, or materially fails to comply with any duties imposed on the Lessee by statute or State laws, within the time period after delivery of written notice by the Town specifying the non-compliance and indicating the intention of the Town to terminate the Agreement by reason thereof, the Town may terminate this Agreement.

**ARTICLE 7
TERMINATION OF LEASE FOR VIOLATION**

This Lease is expressly conditioned on Lessee's continued compliance with the Town Code and the terms and conditions set forth herein, most particularly the orderly maintenance of the Property and the prohibition of accumulation of junk, trash, and other unsightly nuisances. This Lease may be terminated at any time by the Town subject to the following procedures:

1. Written notice of the violation or proposed change in use giving rise to the potential termination shall be provided to Lessee.
2. In the event of a violation, Lessee shall be given not less than 30 days or such longer time as the Parties agree, to cure the violation (the "Cure Period"). If the violation is not cured within the Cure Period, the Town shall hold a Public Hearing to show cause why the Lessee's Lease shall

not be terminated. Such show cause Public Hearing shall be no earlier than 30 days after the end of the Cure Period.

3. In the event termination is being considered for a public or Town use of the right-of-way, as contemplated in Article 8, below, Lessee shall be provided not less than 60 days notice of the Public Hearing. Lessee shall have the right to present evidence in its favor or in opposition of the proposed use that would terminate the Lease.

4. The Town shall not terminate the Lease prior to its expiration without the majority of the Board of Trustees of the Town of Lake City holding a Public Hearing and, after considering all the evidence presented finding (1) the Lessee was in violation of a provision of this Lease or Town Code, received proper notice of the same according to this Lease, and failed to properly cure the same, or (2) the Town provided proper notice to the Lessee of the Town needs the Property for a Town purpose consistent with those commonly associated with Right-of-way uses (ie. Not simply for storage of Town equipment) and there is not an acceptable reasonable alternative property that could be comparably utilized for such need.

ARTICLE 8 NOTIFICATION OF POTENTIAL TERMINATION FOR RIGHT-OF-WAY RELATED USE

The Parties agree the Property is owned by the Town for right-of-way purposes. The Parties further acknowledge the unique topography of the Property, specifically its small size terminating at a river makes it unlikely to be required to be used for a right-of-way or related Town purpose. Notwithstanding the preceding, the Parties recognize there may be times in which the Town may need to terminate this Lease to provide a legitimate right-of-way or Town related purpose. In the event the Town becomes aware of any such proposal, the Town shall notify the Lessee in writing in advance of the potential termination and reason for termination of the Lease. The Lessee shall have the right, at a public hearing to present alternatives or evidence opposing the termination of the lease. The procedures shall follow those set forth in Article 8, above.

ARTICLE 9 NOTICES

Any notices to be sent by the Town or the Lessee to each other shall use the following addresses:

Town of Lake City
230 N. Bluff Street
Lake City, Colorado 81235

Lessee
Lake City Outdoors Corp.
PO Box 67
Lake City, Colorado 81235

ARTICLE 10 INDEMNIFICATION

The Town shall not be liable for any damage or injury to the Lessee, or any other person, or to any property, occurring on the Premises, or any part thereof, and the Lessee agrees to hold the Town harmless from any claims or damages unless caused solely by the Town's negligence. To the fullest extent permitted by law, the Town shall hold harmless the Lessee for any injury or damages claimed on the fishing access described in Article 5.

ARTICLE 11 MISCELLANEOUS PROVISIONS

Cumulative Rights. All remedies provided in this Agreement shall be deemed cumulative and additional and not in lieu of, or exclusive of, each other or of any other remedy available to the Town, or Lessee, at law or in equity, and the exercise of any remedy, or the existence herein of other remedies or indemnities shall not prevent the exercise of any other remedy.

Non-Waiver. The failure by either party to exercise any right or rights accruing to it by virtue of the breach of any covenant, condition, or agreement herein by the other party shall not operate as a waiver of the exercise of such right or rights in the event of any subsequent breach by such other party, nor shall such other party be relieved thereby from its obligations under the terms hereof.

Non-liability Of Individuals. No director, officer, agent, or employee of either party hereto shall be charged personally or held contractually liable by or to the other party under any term or provision of this Agreement or of any supplement, modification or amendment to this Agreement because of any breach thereof, or because of its or their execution or attempted execution of the same.

Limitation On Use. Lessee shall not use, or permit the use of the Property, or any part thereof, for any purpose or use other than those authorized by this Agreement. Neither shall Lessee permit nor suffer any disorderly noise or nuisance whatsoever about the Property, or other Town Property.

Governing Law. This Agreement shall be performable and enforceable in the Town of Lake City, Colorado, and shall be construed in accordance with the laws of the State of Colorado.

Benefits. This Agreement is made for the sole and exclusive benefit of the Town and the Lessee and is not made for the benefit of any third party.

Construction. In the event of any ambiguity in any of the terms of this Agreement, it shall not be construed for or against any party hereto on the basis that such party did or did not author the same.

Headings. The titles of the several articles of this Agreement are inserted herein for convenience only, and are not intended and shall not be construed to affect in any manner the terms and provisions hereof, or the interpretation or construction thereof.

Entire Agreement. This Agreement, which is the entire agreement between the parties hereto, supersedes all prior agreements, understandings, warranties or promises between the parties hereto, whether written, spoken or implied from the conduct of the parties hereto.

Severability. In the event any covenant, condition or provision of this Agreement is held to be invalid by final judgment of any court of competent jurisdiction, the invalidity of such covenant, condition or provision shall not in any way affect any of the other covenants, conditions or provisions of this Agreement, provided that the invalidity of any such covenant, condition or provision does not materially prejudice either the Town or Lessee in his or its respective rights and obligations under the valid covenants, conditions or provisions of this Agreement.

Surrender Of Possession. Upon the expiration of this Agreement or its earlier termination as herein provided, Lessee shall remove all of its personal property from the Property and all other Town Property and surrender entire possession of its rights to the Town and its improvements.

Force Majeure. Neither the Town nor the Lessee shall be deemed in violation of this Agreement if prevented from performing any of its obligations hereunder by reason of strikes, boycotts, labor disputes, embargoes, shortage of energy or materials, acts of God or nature, act of public enemy, acts of superior governmental authority, weather conditions, rights, rebellion, sabotage or any other circumstances that are not within its control.

No Limitation On General Powers. Nothing in this Agreement shall be construed as in any way limiting the general powers of the Town to fully exercise their governmental functions or their obligations under any bond covenants or federal, state or local laws rules or regulations.

No Relationship. Nothing contained herein shall be deemed or construed by the parties hereto nor by any third party as creating the relationship of employer and employee, principal and agent or a partnership or a joint venture between the parties hereto. the Town shall not be responsible for any debts or obligations whatsoever of Lessee.

Survival. To the extent necessary to carry out all of the terms and provisions hereof, the aid terms, obligations, and rights set forth herein required shall survive and shall not be affected by the expiration or termination of this agreement.

SIGNATURES ON FOLLOWING PAGE

TOWN
TOWN OF LAKE CITY

Dave Roberts, Mayor

DATE

Attest:

By: _____
Christina Bowman, Town Clerk

DATE

LESSEE
LAKE CITY OUTDOORS CORP.

Name: James Benefield

DATE