COUNCIL BILL NO. 4

Series 2025

AN ORDINANCE APPROVING A LEASE OF THE LITTLE DAISY LODE TO JUSTIN THIEDE AND KATE KERNS.

WHEREAS, the Town owns the real property commonly known as the Little Daisy Lode ("Property") located at 500 Prospect Gulch Road, Breckenridge, Colorado; and

WHEREAS, the Town desires to lease the Property to Justin Thiede and Kate Kerns (hereinafter referred to as "Tenants") for residential use; and

WHEREAS, the Town and Tenants desire to enter into a five-year lease for the Property, in order to provide consistency and certainty for both the Town and Tenants; and

WHEREAS, Section 1-11-4 of the Breckenridge Town Code requires that any lease of Town-owned real property the term of which is longer than one year must be approved and authorized by ordinance;

WHEREAS, the renewal of the Lease will be automatic unless one of the parties provides written notice to the other that the party does not want to renew the Lease; and

WHEREAS, to the extent any additional action by the Town is needed to fulfill the terms of the Lease or otherwise effectuate the intent of the Lease, the Town Manager is authorized to take such action.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF BRECKENRIDGE, COLORADO:

Section 1. Town Council hereby approves the Lease between the Town of Breckenridge and Tenants, a copy of which is attached hereto as **Exhibit 1A**.

Section 2. This ordinance shall be published and become effective as provided by Section 5.9 of the Breckenridge Town Charter.

INTRODUCED, READ ON FIRST READING, APPROVED AND ORDERED PUBLISHED IN FULL this 11th day of March 2025. A Public Hearing shall be held at the regular meeting of the Town Council of the Town of Breckenridge, Colorado on the 25th day of March, 2025, at 7:00 P.M., or as soon thereafter as possible in the Municipal Building of the Town.

TOWN OF BRECKENRIDGE, a Colorado municipal corporation

By: _____
Kelly Owens, Mayor

ATTEST:

_____
Helen Cospolich, CMC,
Town Clerk

Exhibit 1A

Residential Lease Agreement

THIS LEASE AGREEMENT (hereinafter referred to as the "Agreement") made and entered into this ____ day of April, 2025, by and between the Town of Breckenridge, 150 Ski Hill Rd., Breckenridge, Colorado 80424 (hereinafter referred to as "Landlord") and Justin Thiede and Kate Kerns, PO Box 2693, Breckenridge, CO 80424 (hereinafter referred to as "Tenants").

WITNESSETH:

WHEREAS, Landlord is the fee owner of certain real property being, lying and situated in Summit County, Colorado, such real property having a street address of 500 Prospect Gulch Road, Breckenridge, CO 80424.

WHEREAS, Landlord is desirous of leasing the Premises, in its current condition ("Condition of Premises"), to Tenants upon the terms and conditions as contained herein; and

WHEREAS, Tenants are desirous of leasing the Premises, in its current condition, from Landlord on the terms and conditions as contained herein;

NOW, THEREFORE, for and in consideration of the rent, the covenants and obligations contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. **TERM.** Landlord leases to Tenants and Tenants lease from Landlord the Leased Premises together with any and all appurtenances thereto, for a term of five years, such term beginning April 7, 2025 and ending at 12 o'clock midnight on April 6, 2030. Should Tenants desire to terminate this Lease prior to April 6, 2030, Tenants shall provide 90 days written notice to Landlord. Rent shall be prorated to reflect tenancy through the 90th day from the date notice is provided, regardless if Tenants cease to occupy the Leased Premises prior to that date.

2. **RENT.** The total rent for the term hereof is $1825.00 payable on the 1st day of each month of the term. All such payments shall be made to Landlord at Landlord's address as set forth in the preamble to this Agreement on or before the due date and without demand. The rent shall escalate 3% annually for each year of the Term.

3. **DAMAGE DEPOSIT.** Upon execution of this agreement, Tenants shall deposit with Landlord the sum of $1825.00, receipt of which is hereby acknowledged by Landlord, as security of any damage caused to the Premises during the term hereof. Such deposit shall be returned to Tenants, without interest, and less any set off for damages to the Premises upon the termination or expiration of this Agreement as set forth in Section 1 above.

4. **LEASED PREMISES.** Landlord shall lease to Tenants the real property located at 500 Prospect Gulch Road, Breckenridge, CO 80424; provided, however, the Landlord shall have nonexclusive access to the garage for use and storage of equipment and/or vehicles. For the avoidance of doubt, the garage may not be used as livable space and may only be used for the storage of Tenants' and Landlord's storage of equipment and/or vehicles. Tenant and Landlord shall cooperate in the use of the garage so that both parties have reasonable use of the space.

5. **USE OF PREMISES.** The Premises shall be used and occupied by Tenants and Tenants' immediate family, exclusively, as a private single-family dwelling; provided however, that the Tenants may operate their crafting business from the Leased Premises. Tenants shall not allow any other person, other than

12. ROUTINE MAINTENANCE AND SPECIAL REPAIRS; RULES. Tenants will, at their sole expense, keep and maintain the Premises and appurtenances in good and sanitary condition and repair during the term of this Agreement and any renewal thereof. Without limiting the generality of the foregoing, Tenants shall:

(a) Not obstruct the driveways, sidewalks, courts, entry ways, stairs and/or halls, which shall be used for the purposes of ingress and egress only;

(b) The access road to the Leased Premises is not plowed from the point of the intersection between Gold Run Gulch Road and Prospect Gulch Road. Per the existing Conditional Use Permit for Plowing with Summit County, if Tenant chooses to plow the road Tenant shall leave 4 inches of base snow coverage to accommodate recreational use on Prospect Gulch Road.

(c) Keep all windows, glass, window coverings, doors, locks and hardware in good, clean order and repair;

(d) Not obstruct or cover the windows or doors;

(e) Not leave windows or doors in an open position during any inclement weather;

(f) Not hang any laundry, clothing, sheets, etc. from any window, rail, porch or balcony nor air or dry any of same within any yard area or space;

(g) Not cause or permit any locks or hooks to be placed upon any door or window without the prior written consent of Landlord;

(h) Keep all air conditioning filters clean and free from dirt;

(i) Keep all lavatories, sinks, toilets, and all other water and plumbing apparatus in good order and repair and shall use same only for the purposes for which they were constructed. Tenants shall not allow any sweepings, rubbish, sand, rags, ashes or other substances to be thrown or deposited therein. Any damage to any such apparatus and the cost of clearing stopped plumbing resulting from misuse shall be borne by Tenants;

(j) And Tenants' family and guests shall at all times maintain order in the Premises and at all places on the Premises, and shall not make or permit any loud or improper noises, or otherwise disturb other residents;

(k) Keep all radios, television sets, stereos, phonographs, etc., turned down to a level of sound that does not annoy or interfere with other residents;

(l) Deposit all trash, garbage, rubbish or refuse in the locations provided therefor and shall not allow any trash, garbage, rubbish or refuse to be deposited or permitted to stand on the exterior of any building or within the common elements;

(m) Abide by and be bound by any and all rules and regulations affecting the Premises or the common area appurtenances thereto which may be adopted or promulgated by the Condominium or Homeowners' Association having control over them.

(n) Keep all smoke and Carbon monoxide alarms operational.

(o) Refrain from using microwave, electric space heater, toaster, and other electrical devices that produce heat or have heavy demand on the solar system and its batteries.

(p) Appliances such as the washer/dryer and as much as possible, the well pump, should only operate during full sun or when the generator is on.

(q) Winterize the house, garage, and utilizes prior to any extended periods of absence away from the Premises.

(r) In addition to the foregoing, Tenants shall be responsible for maintaining the existing solar system and its batteries, including checking battery water and equalizing, per recommendations in **Exhibit B**.

13. MAJOR REPAIRS.

a) Landlord is responsible for major repairs; provided, Tenants shall provide the Landlord prompt notice of a major repairs by written notice to Landlord within 30 days of discovering the damage. During the term of the Lease, Landlord shall have access to the Leased Premises upon 24 hours advance written notice to Tenants of the date and time of schedule repairs, which shall only take place during normal business hours between 8 am and 5 pm Monday through Friday, unless the Parties agree in writing otherwise.

b) Notwithstanding repairs in accordance section 13. a, during the term of the Lease, Landlord will be removing the old septic system and remediating the area where it was located. All work connected with the removal of the old septic system, including grading and revegetation of the area, is Landlord's responsibility.

14. DAMAGE TO PREMISES. In the event the Premises are destroyed or rendered wholly untenantable by fire, storm, earthquake, or other casualty not caused by the negligence of Tenants, this Agreement shall terminate from such time except for the purpose of enforcing rights that may have then accrued hereunder. The rental provided for herein shall then be accounted for by and between Landlord and Tenants up to the time of such injury or destruction of the Premises, Tenants paying rentals up to such date and Landlord refunding rentals collected beyond such date. Should a portion of the Premises thereby be rendered untenantable, the Landlord shall have the option of either repairing such injured or damaged portion or terminating this Lease. In the event that Landlord exercises its right to repair such untenantable portion, the rental shall abate in the proportion that the injured parts bears to the whole Premises, and such part so injured shall be restored by Landlord as speedily as practicable, after which the full rent shall recommence and the Agreement continue according to its terms.

15. INSPECTION OF PREMISES. Landlord and Landlord's agents shall have the right at all reasonable times during the term of this Agreement and any renewal thereof to enter the Premises for the purpose of inspecting the Premises and all buildings and improvements thereon. And for the purposes of making any repairs, additions or alterations as may be deemed appropriate by Landlord for the preservation of the Premises or the building. Landlord and its agents shall further have the right to exhibit the Premises and to display the usual "for sale", "for rent" or "vacancy" signs on the Premises at any time within forty-five (45) days before the expiration of this Lease. The right of entry shall likewise exist for the purpose of removing placards, signs, fixtures, alterations or additions, but do not conform to this Agreement or to any restrictions, rules or regulations affecting the Premises.

16. **SUBORDINATION OF LEASE.** This Agreement and Tenants' interest hereunder are and shall be subordinate, junior and inferior to any and all mortgages, liens or encumbrances now or hereafter placed on the Premises by Landlord, all advances made under any such mortgages, liens or encumbrances (including, but not limited to, future advances), the interest payable on such mortgages, liens or encumbrances and any and all renewals, extensions or modifications of such mortgages, liens or encumbrances.

17. **TENANTS'S HOLD OVER.** If Tenants remains in possession of the Premises with the consent of Landlord after the expiration of the 5 year Term of this Agreement, a new tenancy from month-to-month shall be created between Landlord and Tenants which shall be subject to all of the terms and conditions hereof except that rent shall then be due and owing at the then applicable annual Rate and except that such tenancy shall be terminable upon fifteen (15) days written notice served by either party.

18. **SURRENDER OF PREMISES.** Upon expiration of the term hereof, Tenants shall surrender the Premises in as good a state and condition as they were at the commencement of this Agreement, reasonable use and wear and tear thereof and damages by the elements excepted.

19. **ANIMALS/PETS.** Tenants shall be prohibited from having or maintaining any animals or pets on the property.

20. **QUIET ENJOYMENT.** Tenants, upon payment of all of the sums referred to herein as being payable by Tenants and Tenants' performance of all Tenants' agreements contained herein and Tenants' observance of all rules and regulations, shall and may peacefully and quietly have, hold and enjoy said Premises for the Term hereof.

21. **INDEMNIFICATION.** Tenants agree to indemnify and defend the Town, its officers, employees, insurers, and self-insurance pool against all liability, claims, and demands, on account of injury, loss, or damage, including, without limitation, claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage, or any other loss of any kind whatsoever, which arise out of or are in any manner connected with this Agreement, to the extent that such injury, loss, or damage is caused by:

    (a) the negligence or intentional wrongful act of Tenants or Tenants' invitees, representatives or agent; or

    (b) breach of this Agreement,

    except to the extent such liability, claim or demand arises through the negligence or intentional wrongful act of the Town, its officers, employees, or agents, or Town's breach of this Agreement. To the extent indemnification is required under this Agreement, Tenants agree to investigate, handle, respond to, and to provide defense for and defend against, any such liability, claims, or demands at its expense, and to bear all other costs and expenses related thereto, including court costs, expert witness fees, and attorney fees.

22. **LIMITATION ON LIABILITY.** Notwithstanding anything to the contrary contained herein, Landlord shall not be liable or responsible to the Tenants for any consequential, incidental, or punitive damages incurred by Tenants as a result of the Condition of the Premises. Tenants furthermore acknowledge that the structures on the property are in need of repair and are assuming the risk of any injury to Tenants or their invitees for the Condition of the Premises including any known Routine Maintenance, Special Repairs, or Major Repairs, regardless of whether any such claim arises under or results from contract, negligence, or strict liability of the Tenants whose liability is being waived hereby. Tenants accept total responsibility for any and all damages of any kind which may result from the use of the Leased

16. **SUBORDINATION OF LEASE.** This Agreement and Tenants' interest hereunder are and shall be subordinate, junior and inferior to any and all mortgages, liens or encumbrances now or hereafter placed on the Premises by Landlord, all advances made under any such mortgages, liens or encumbrances (including, but not limited to, future advances), the interest payable on such mortgages, liens or encumbrances and any and all renewals, extensions or modifications of such mortgages, liens or encumbrances.

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21. **INDEMNIFICATION.** Tenants agree to indemnify and defend the Town, its officers, employees, insurers, and self-insurance pool against all liability, claims, and demands, on account of injury, loss, or damage, including, without limitation, claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage, or any other loss of any kind whatsoever, which arise out of or are in any manner connected with this Agreement, to the extent that such injury, loss, or damage is caused by:

    (a) the negligence or intentional wrongful act of Tenants or Tenants' invitees, representatives or agent; or

    (b) breach of this Agreement,

    except to the extent such liability, claim or demand arises through the negligence or intentional wrongful act of the Town, its officers, employees, or agents, or Town's breach of this Agreement. To the extent indemnification is required under this Agreement, Tenants agree to investigate, handle, respond to, and to provide defense for and defend against, any such liability, claims, or demands at its expense, and to bear all other costs and expenses related thereto, including court costs, expert witness fees, and attorney fees.

22. **LIMITATION ON LIABILITY.** Notwithstanding anything to the contrary contained herein, Landlord shall not be liable or responsible to the Tenants for any consequential, incidental, or punitive damages incurred by Tenants as a result of the Condition of the Premises. Tenants furthermore acknowledge that the structures on the property are in need of repair and are assuming the risk of any injury to Tenants or their invitees for the Condition of the Premises including any known Routine Maintenance, Special Repairs, or Major Repairs, regardless of whether any such claim arises under or results from contract, negligence, or strict liability of the Tenants whose liability is being waived hereby. Tenants accept total responsibility for any and all damages of any kind which may result from the use of the Leased

Premises. It is the Tenants' intention to hold harmless the Landlord for any injury or damage sustained by Tenants or anyone else, regardless of cause, while using the property.

23. **INSURANCE.** Tenants shall obtain, at Tenants' sole expense, any fire, theft or casualty insurance protection desired by Tenants with respect to Tenants' personal property, which is located on the property. Landlord shall have no liability for the loss or destruction of such personal property.

24. **DEFAULT.** If Tenants fail to comply with any of the material provisions of this Agreement, other than the covenant to pay rent, or of any present rules and regulations or any that may be hereafter prescribed by Landlord, or materially fail to comply with any duties imposed on Tenants by statute, within seven (7) days after delivery of written notice by Landlord specifying the non-compliance and indicating the intention of Landlord to terminate the Lease by reason thereof, Landlord may terminate this Agreement. If Tenants fail to pay rent when due and the default continues for seven (7) days thereafter, Landlord may, at Landlord's option, declare the entire balance of rent payable hereunder to be immediately due and payable and may exercise any and all rights and remedies available to Landlord at law or in equity or may immediately terminate this Agreement.

25. **LATE CHARGE.** In the event that any payment required to be paid by Tenants hereunder is not made within seven (7) days of when due, Tenants shall be charged a fifty ($50.00) dollar late fee, in addition to the rent due hereunder.

26. **ABANDONMENT.** If at any time during the term of this Agreement Tenants abandon the Premises or any part thereof, Landlord may, at Landlord's option, obtain possession of the Premises in the manner provided by law, and without becoming liable to Tenants for damages or for any payment of any kind whatever. Landlord may, at Landlord's discretion, as agent for Tenants, relet the Premises, or any part thereof: for the whole or any part thereof, for the whole or any part of the then unexpired term, and may receive and collect all rent payable by virtue of such reletting, and, at Landlord's option, hold Tenants liable for any difference between the rent that would have been payable under this Agreement during the balance of the unexpired term, if this Agreement had continued in force, and the net rent for such period realized by Landlord by means of such reletting. If Landlord's right of reentry is exercised following abandonment of the Premises by Tenants, then Landlord shall consider any personal property belonging to Tenants and left on the Premises to also have been abandoned, in which case Landlord may dispose of all such personal property in any manner Landlord shall deem proper and Landlord is hereby relieved of all liability for doing so.

27. **ATTORNEYS' FEES.** Should it become necessary for Landlord to employ an attorney to enforce any of the conditions or covenants hereof, including the collection of rentals or gaining possession of the Premises, Tenants agree to pay all expenses so incurred, including a reasonable attorneys' fee.

28. **RECORDING OF AGREEMENT.** Tenants shall not record this Agreement on the Public Records of any public office. In the event that Tenants shall record this Agreement, this Agreement shall, at Landlord's option, terminate immediately and Landlord shall be entitled to all rights and remedies that it has at law or in equity.

29. **GOVERNING LAW; VENUE.** This Agreement shall be governed, construed and interpreted by, through and under the Laws of the State of Colorado. Venue for any disputes shall be in the courts of Summit, County, Colorado.

30. **SEVERABILITY.** If any provision of this Agreement or the application thereof shall, for any reason and to any extent, be invalid or unenforceable, neither the remainder of this Agreement nor the application of

the provision to other persons, entities or circumstances shall be affected thereby, but instead shall be enforced to the maximum extent permitted by law.

31. **BINDING EFFECT.** The covenants, obligations and conditions herein contained shall be binding on and inure to the benefit of the heirs, legal representatives, and assigns of the parties hereto.

32. **DESCRIPTIVE HEADINGS.** The descriptive headings used herein are for convenience of reference only and they are not intended to have any effect whatsoever in determining the rights or obligations of the Landlord or Tenants.

33. **CONSTRUCTION.** The pronouns used herein shall include, where appropriate, either gender or both, singular and plural.

34. **NON-WAIVER.** No indulgence, waiver, election or non-election by Landlord under this Agreement shall affect Tenants' duties and liabilities hereunder.

35. **MODIFICATION.** The parties hereby agree that this document contains the entire agreement between the parties and this Agreement shall not be modified, changed, altered or amended in any way except through a written amendment signed by all of the parties hereto.

36. **NOTICE.** Any notice required or permitted under this Lease or under state law shall be deemed sufficiently given or served if sent by United States certified mail, return receipt requested, addressed as follows:

    If to Landlord to:

    Town of Breckenridge
    P.O. Box 168
    150 Ski Hill Road
    Breckenridge, Colorado 80424

    Attn: Keely Ambrose, Town Attorney
    Telephone number: (970) 547-3117

    If to Tenants to:

    Justin Thiede & Kate Kerns
    PO Box 2693
    Breckenridge, Colorado 80424

    Justin Thiede: (970) 333-1200
    Kate Kerns: (970) 485-4006

37. **ADDITIONAL PROVISIONS; DISCLOSURES**

    Propane tanks get filled on move out; Propane shares adjusted at that time.

As to Landlord this _____ day of _____, 2025.

LANDLORD:

Sign:_____ Print: _____ Date:_____

As to Tenants this _____ day of _____, 2025.

TENANTS (Tenants”)::

Sign:_____ Print: _____ Date:_____

TENANTS (Tenants”)::

Sign:_____ Print: _____ Date:_____

Exhibit A

Improvement Project List

Litte Daisy Project List			
Project	**Reference**	**Cost**	**Permit**
Smoke detectors/CO Dectotors	Main Home Report (MHR) #14	1,000.00	No
GFCI outelts and protectieve electrical wiring	MHR # 15	1,500.00	Yes
Remove cross connection of water drain pipe	MHR # 1	3,500.00	Yes
Interior hand rail	MHR # 3/ COS 5.4, 12.3	2,500.00	Potential
Interior guard rails	MHR #6,#7/ COS 12.3	2,500.00	No
Exterior decks hand Rails & guard rails	MHR #8 ,#9 / COS page 5 & 6 1.4	10,000.00	Yes
Install lags in rim joist/post in ground	COS report page 5, 1.2	400.00	No
Window glazing/ Tape	MHR #10	100.00	No
Remove living accommodations in garage	Safety hazard	OST	No
Remove tree leaning on house	Safety hazard for structure	OST	No
Cantilever beam	COS report page 29, 12.2	?	?
Water testing		?	No
	Total	**21,500.00**	

500 Prospect Gulch

Site visit notes related to report from COS Inspections Report ID: 20231211-0500 Prospect Gulch-Road

Main Home - In addition to notes and recommendations from report, please see additional -

1) Water quality and multiple cross connections noted. Water cistern with multiple pipes connected located on third floor (master bedroom and office location). Atmospheric vented water heater is located in open closet that freely communicates with these spaces. Noted staining on sinks, fixtures and bathtub indicate dissolved solids in water supply. Water conditioning unit has been bypassed and current tenant indicated this unit has not been functional for an extended period of time.

   Recommendation - Remove all direct cross connections per 2018 IRC P2902 $1,500. Isolate water heater in sealed room with adequate combustion air per 2018 IRC M2005.2 $3,500. The water filtration consists of three cartridge type sediment filters. These are not sufficient if certain dissolved solids, organics and/or bacteria are present. Water testing should be done $1,500.
   Filtration and water conditioning should be provided based on results $3,500.

2) Multiple riser stairway from master bedroom too steep, should be rebuilt with rise and run according to IRC Section R311.7.S. Fairly major structural revisions/accommodation will have to be made to allow for this $7,500.

3) Handrails (too large of a diameter for small hands) and guardrails (too large of gaps, toddlers could slip through) on stairs and rails from master bedroom are all non-compliant and currently present a safety hazard. See 2018 IRC Sections R311.7.8 and R312.1 please $2,500.

   Recommendation - Reconstruct these areas to code.

4) The two-riser stairway from kitchen to living room has one riser at 7 1/4" and one riser at 8 1/2". These risers can

only vary 3/8" and both should be less than 7 3/4" per 2018 IRC Section R311.7.5.1, this is a major trip and fall, risk/item $2,500.

5) There is an over 7" open slot beside this two-riser stair mentioned above between the two floors, kitchen vs living room. This slot is only allowed to be 4" so toddlers do not slip through per 2018 IRC Section R311.7.5.1, last sentence $1,500.

   Recommendation - Reconstruct these areas to code.

6) Stairway to basement is pretty good, its handrails and guardrails and open risers are not.

   Recommendation - Reconstruct its handrails, guardrails and open risers to code $2,500.

7) Interior balcony guardrails have openings over 4" where toddlers could slip through. It is approximately ten feet straight down to the basement/walk out levels concrete floor below. Guards should be made to comply with 2018 IRC Section R312.1 $2,500.

   Recommendation - Reconstruct balcony guardrails to code.

8) Exterior decks/balconies guardrails are not to code, per 2018 IRC Section 312.1. There is more than a 4" gap throughout all of them. A simple wire system could be retrofitted to remedy the issue most affordably.

   Recommendation - Retrofit wire fencing to outsides of log guardrails throughout $2,500.

9) Master bedroom deck has no guardrails on its edges to prevent falling approximately 10' to the rough grade below.

   Recommendation - Construct code worthy guardrails around edges of master deck $5,000.

10) Glazing in hazardous locations per 2018 IRC Section R308.

    Recommendation - Provide tempered glazing or safety window film that meets Impact Test per 2018 IRC Section R308.3.1 on low window in elevated bedroom up from far corner of living room
    $750.

11) Wood stove on lower and upper level and associated vent piping are near combustible construction.

    Recommendation - Install appliances and venting per manufacturer specifications $750.

12) Gas stove on lower walk-out level with exhaust installed directly below operable window.

    Recommendation - Construct window so that it is permanently fixed closed $750. Refer to manufacturer installation instructions and 2018 IRC M1504.3.

13) One permanent automatic heat source installed.

    Recommendation - Depending on interpretation, the code does not require automatic heating in habitable spaces, it is our recommendation that a permanent and automatic thermostatically controlled heat source be installed to meet minimum heating requirements per 2018 IRC Section R303.10 $12,500.

r4) Smoke and Carbon Monoxide Detectors non-compliant throughout home. Cheap retro fitted battery type units are all failing.

Recommendation -Install interconnected wireless Bluetooth type smoke detectors per 2018 IRC Section R314 in sleeping rooms, habitable spaces and near cooking appliances. Install interconnected wireless Bluetooth type CO detectors per 2018 IRC Section R315 and CRS38- 45-102 $1,500.

15) Electrical wiring is not protected from physical damage. GFCI in Bathroom not working. Wirenuts exposed, box and fixture were removed and left in dangerous condition.

Recommendation- Protect NM cable per 2023 NEC Section 334.15 with code worthy sleeves or chases. Test all GFCI outlets and repair as needed. Ensure all wiring is terminated in box per 2023 NEC section 300 $1,500.

16) Clothes dryer venting is missing. Install proper clothes dryer venting per Section M1502.1 of the Exhaust Systems Chapter of the 2018 IRC.

Recommendation - Install new code worthy vent $1,500.

General Recommendations for Main Home Structure - Follow all recommendations from COS report and additional recommendations previously noted in this report.

Total Estimate $66,000 (with 20% added for inaccuracies and oversights)

500 Prospect Gulch

Site visit notes related to report from COS Inspections Report ID: 20231211-0500 Prospect Gulch-Road

Detached Garage Structure - In addition to notes and recommendations from report, please see additional -

1) Back-up generator installed with solar equipment (solar panels on roof- rack mounting undetermined) including battery storage. This is the main power system for the property. Noted 2000 gallon (2 ea. lpg tanks on site - these serve back-up generator, hot water heater, free standing gas stove and oven w/ cooktop). Backup generator exhaust is piped through wall - assuming installation of equipment unknown - but currently this application presents a health hazard to occupants in the garage area and the habitable space on the second floor.

   Recommendation - Install back-up generator and associated equipment per 2023 NEC Section 445, including batteries per 2023 NEC Section 480, in a manufacturer approved and code approved location $7,000. This recommendation should be followed whether the space above the garage remains habitable or is converted to storage. (Follow generator manufacturer installation instructions. Hydrogen is a byproduct of battery charging and should be done in a controlled environment as recommended by the solar/generator/battery manufacturer installation instructions and guidelines)

2) Stairs are non-compliant and currently present a safety hazard. 2018 IRC Section R311.7

   Recommendation - Stairs are non-compliant and should be removed $750 and or re-built to code $2,500. If space above is converted to storage, my recommendation is to remove the stairs and install a fire rated attic ladder that will interface with the minimum½" gypsum board required for fire protection of floors per 2018 IRC R302.13 $750.

3) The habitable space above is not separated from garage per code. 2018 IRC Table R302.6

Recommendation - Habitable space above is not separated from garage per 2018 IRC section R302.6 and should be either 1) altered to storage and fire protect the garage floor with½" minimum gypsum board $750 **or** 2) construct new stairs, fire rated ceiling with 5/8 type x gypsum board and fire rated separation door per 2018 IRC section R302.5.1 $5,000.

4) Wood stove on lower and upper level and associated vent piping are near combustible construction and **may** exceed manufacturer specifications.

Recommendations- Install appliances and venting per manufacturer specifications $750.

5) Composting toilet in habitable space above garage.

Recommendation - Remove water closet if space is converted to storage $250. If habitable space is to remain, install a water closet that meets minimum code requirements per 2018 IRC Section P2712 $2,500.

6) No running water (hot or cold) and proper sanitary drainage to habitable space.

Recommendation - Convert space to storage and remove all habitable space use and convert to storage $750. If habitable space is to remain, code approved Sanitation per 2018 IRC Section R306 should be installed to provide running water and sanitary drainage. 1}1ndividual Water Supply and Sewage Disposal per 2018 IRC Section P2602.1 2) Hot water required per 2018 IRC Section P2801.1 $5,000.

7) No permanent automatic heat source installed.

Recommendation - Depending on interpretation, code does not require automatic heating in habitable spaces, if the space does not convert to storage, it is our recommendation that a permanent and automatic thermostatically controlled heat source be installed to meet minimum heating requirements per 2018 IRC Section R303.10 $6,250.

8) Deck guardrails on apartment above garage non-compliant. A simple wire system could be retrofitted to remedy the issue most affordably.

Recommendation - Provide guards per 2018 IRC Section R312.1. Retrofit wire fencing to outsides of log guardrails $750.

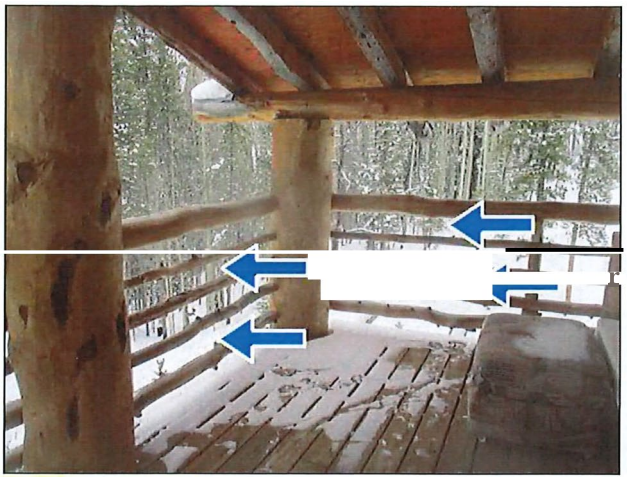
9) Smoke and Carbon Monoxide Detectors non-compliant. Cheap retro fitted battery type units are all failing.

Recommendation- Install interconnected wireless Bluetooth type smoke detectors per 2018 IRC Section R314 in sleeping rooms, habitable spaces and near cooking appliances. Install interconnected wireless Bluetooth type CO detectors per 2018 IRC SectionR315 and CRS 38-45- 102 $750.

General Recommendations for Detached Garage Structure - May want to remove Habitable space. Follow all recommendations from COS report and additional recommendations previously noted in this report.

Total Estimate Remove Apartment/Storage Only $22,500 (with 20% added for inaccuracies and oversights)

Total Estimate Leave Habitable Space Upstairs Intact $36,500 (with 20% added for inaccuracies and oversights)



1.4 Rail spacing.

1.4 Install guardrail.

2. Garage

2.3 Ceiling

There is livable space above garage. There is no 5/8" drywall on garage ceiling for required fire separation. There is not a 20 minute rated door between livable space and garage. Stairs and railings do not meet today's standards. Have qualified contractor correct for occupant safety.

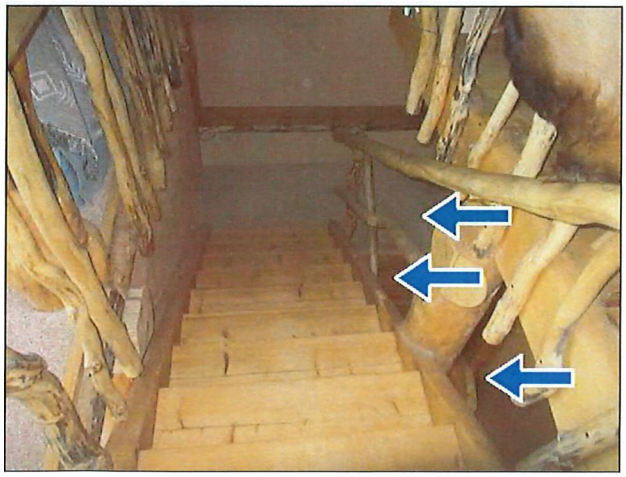
5. Basement/Structure

5.4 Basement Stairway

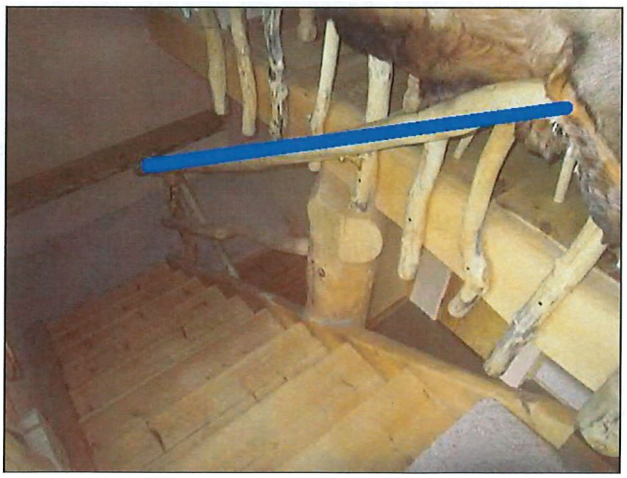
Install grippable handrail for occupant safety.

Space between balusters/rungs/railings could be hazardous to a small child. Recommend upgrading. Today's standards call for smaller openings throughout.

Have qualified contractor repair the above items for occupant safety.



5.4 Rail spacing.

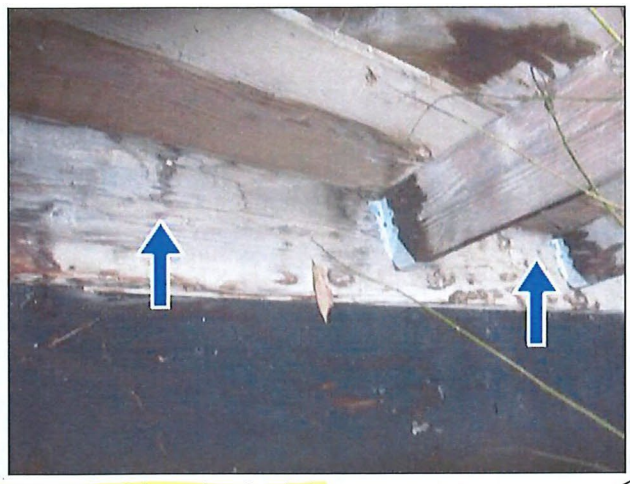


5.4 Install grippable handrail.

5.10 Post

Posts are bearing on wood timbers, concrete pad is typical. Have qualified contractor correct for proper use.

0500 Prospect Gulch Road



1.2 Install lags in rim joist.

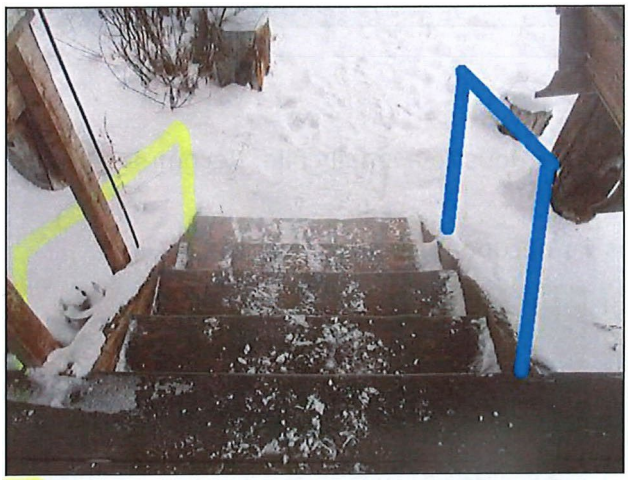
1.2 Post in ground.

1.4 Railing

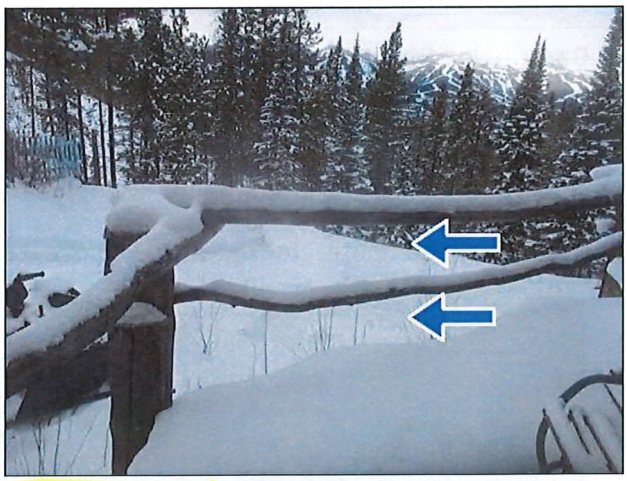
(1) Space between balusters/rungs/railings could be hazardous to a small child. Recommend grading. Today's standards call for smaller openings throughout.

Install grippable handrail as required for safety on all exterior stairs with 4 risers or more. Install guardrails on upper deck.

Have qualified contractor correct the above items for occupant safety.



1.4 Install grippable handrail.



1.4 Rail spacing.

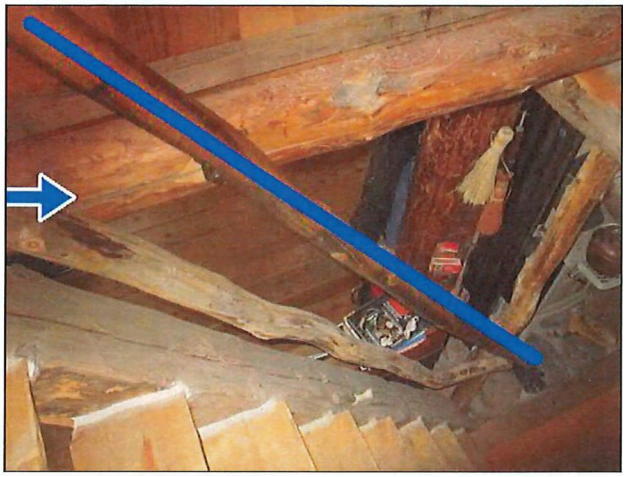
Install grippable handrail for occupant safety.

Stairs do not meet today's standards.

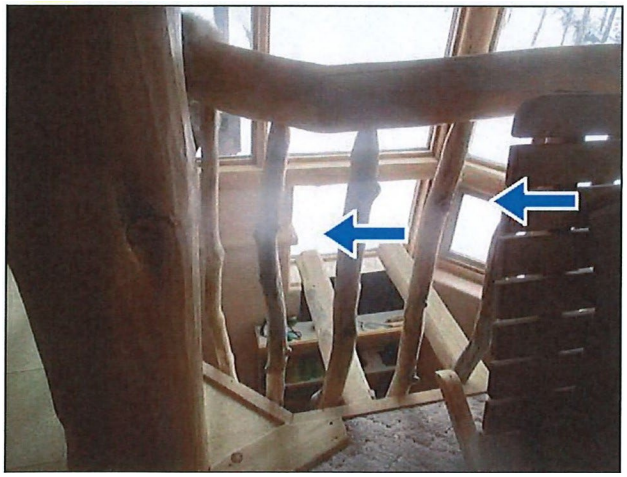
Space between balusters/rungs/railings and stair treads could be hazardous to a small child. Recommend upgrading. Today's standards call for smaller openings.

Have qualified contractor correct the above items for occupant safety.

12.3 Steep stairs.



12.3 Rail spacing and install grippable handrail.



12.3 Rail spacing.

12.4 Window

Type: Casement, Wood, Fixed, Thermal, Sliding

Comments:

There is evidence of prior moisture on window frames, casings and sills, most likely from condensation which is typical in this environment. Keep all wood surfaces sealed to prolong life expectancy.

House contains windows with thermal seals. These seals can crack or break at anytime. Check all seals again during walk through to ensure the seals are not cracked. At times it is difficult to detect moisture between panes due to lighting, barometric and humidity levels. No moisture detected between panes at time of inspection.

12.5 Door

There are water marks in places, dry at time of inspection. Ask existing owner for history.

Upper bedroom beam is spliced with cantilever beam below supporting splice, not typical. Have qualified contractor evaluate and advise. Does not appear to be settling.

12.2 Water marks.

12.2 Water marks.

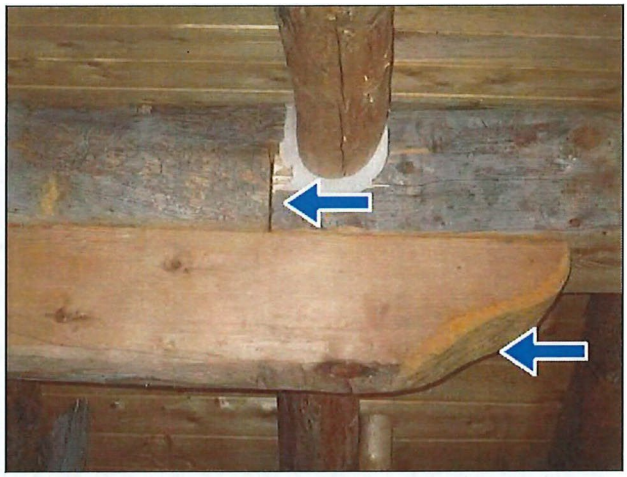


Exhibit B
Recommended Maintenance for Solar

From the previous owner: The Premises uses only solar power from the sun shining during the day. Batteries store excess power for use when cloudy or at night.

Please refrain from using microwave, electric space heater, electric pop corn popper, toaster, and other electrical devices that produce heat or have heavy demand.

Washer/dryer, and as much as possible the well pump, should only operate during full sun or when the generator is on.

Important! The solar batteries put off hydrogen gas above 56V charging.
This can be from the sun or generator.
Hydrogen is odorless tasteless explosive gas.
Crack doors to allow hydrogen gas to escape, either when sun is charging or genset.
Batteries perform best, however when they are 70 deg.
Solar panels charge best when they are cold.
Can run genset for short time by programming run time to whatever, then it will go to float and can shutoff generator manually.

Check Batter water monthly before Equalize.

Equalize every 3 months or as needed.
Charge controller charger batteries with solar panels.
Inverter charges batteries with generator.
Both have equalize setting 61.9 Bulk 58 Float 54.
Do not equalize with charge controller/solar.
To equalize with generator:
Press [ ] button for R button (I)
Turn on 60 amp breaker on generator
Turn inverter green button to EQ, it should be for 2 hours & go to gloat, turn generator off & set generator green button to off

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