



CRYSTAL BLUE WATER

RESIDENT HANDBOOK

October, 2008

Introduction

Welcome to Crystal Blue Condominiums! This new, upscale McCall neighborhood is being developed in the heart of McCall, with Payette Lake, downtown McCall, Ponderosa State Park, the McCall golf course and the McCall athletic club all within walking distance. It is the gateway to you and your family's Idaho mountain experience.

There are currently 4 buildings (with 2 units per building). At full build-out, there will be 12 or 13 buildings with a total of 29 units. It is anticipated that 2 to 4 buildings will be completed each year, which would put the full build-out at 2010. The budget and maintenance schedule will be amended as new buildings are completed.

The grounds are private property and designated as common area, and they are for the exclusive use of Crystal Blue residents and their guests. This is your community and we're glad you're here. Keeping in mind that it is a community living situation, considering the point of view of others and following that philosophy will reduce disputes and serve as a basis for healthy relationships.

The Resident Handbook is compiled in a three-ring binder for several reasons. For starters, it allows the addition of new and updated information without reprinting the entire document to keep the information as current as possible. We encourage you to contact us for copies of governing documents, budgets, minutes, newsletters and other information. We want this information to be useful. If you believe something should be added or modified, please e-mail bslaughter@idahomutualtrust.com with your suggestions.

Again, welcome to Crystal Blue!

Administration and Management

The business of Crystal Blue Condominiums is supervised by a Board of three directors elected from the membership. Initially, until control of the Association is turned over to the general membership, the declarant (Idaho Mutual Trust) will appoint three persons to serve as directors. The directors may

elect to hire an outside management company and appoint committees to help handle the affairs of the Association. Board and committee members serve as uncompensated volunteers for the benefit of all members.

The Board of Directors has four officers: President, vice-President, Secretary and Treasurer. For the current slate of officers and contact information, please call 639-8165. After control of the Association is turned over to the general membership and a new board is elected, the newly elected board members will elect the officers for the coming year.

There are no committees currently appointed. As the Association membership settles in, committees may be formed to help with the operation of the Association. Examples of some committees that may be formed include but are not limited to:

- Architectural Review
- Landscape and Grounds
- Newsletter
- Pool
- Social
- Neighborhood Watch
- Budget

As of the date of the publication of this handbook, the management of the Association will be handled by the declarant, Idaho Mutual Trust, LLC. Whether it is in-house or outside management, the management body will take care of the day-to-day affairs of the operation of Crystal Blue. The manager's duties are varied but basics include:

- Assist the Board in the resolution of resident problems
- Inspect the property
- Enforce rules, regulations and the governing documents
- Handle banking, collections, payables and reporting
- Develop bids and contracts for services
- Advise the Board on policy and common practice

The management company works under the direction of the Board according to the conditions of the Management Agreement and authority granted by the governing documents. The Management Agreement is not all inclusive. Special services may carry additional charges.

Amenities

There are many natural amenities surrounding Crystal Blue. However, there are not currently any amenities developed on the property other than the landscaped common area. The declarant is considering building an amenity such as a club house, fire pit, tennis court, or the like on one of the undeveloped sites. Please contact management to share any ideas you may have regarding the possible amenity.

Annual Planning Calendar

Currently, there is no Annual Planning Calendar in effect. In the future, as needs dictate, significant administrative, maintenance and social events will be entered onto the calendar. The calendar will be made available to the membership as it evolves.

Areas of Responsibility—Insurance and Maintenance

Crystal Blue Condominiums has the responsibility to maintain and insure the grounds and certain building components. Owners have the responsibility to maintain certain building components. In general, condominium owners must maintain and insure the interior portion of their unit from the decorated surface in. But there are other components that fall outside this guideline. Please ask your insurance agent to review the Association's insurance coverage so that it's understood what you are responsible to maintain and insure.

The Association's insurance company is Moreton & Company and the agent is J.J. Knowles (208.321.2012).

Contact Information

We would like to hear from you. It will expedite your request or feedback if you route it to the most appropriate party. Listed below is general contact information.

Crystal Blue Condominiums
Ben Slaughter
12594 W. Explorer Dr., Suite 100
Boise, Idaho 83713
ph: (208) 639-8165
fx: (208) 639-8169

Management

Ben Slaughter
ph: (208) 639-8165
e-mail: bslaughter@idahomutualtrust.com

Emergencies vs. Routine Items

Please call the office phone number, (208) 639-8165, during normal business hours to report routine maintenance or operational issues. You may also leave a message on our voice mail if it is after-hours and your call will be addressed on the next business day.

Emergencies may be called in at any time to Ben Slaughter at (208) 761-3634. **Please only call this number in the event of an emergency.**

Emergencies are considered to be circumstances that could lead to injury, life-safety, or property damage if left unattended. Examples of emergencies include, but are not limited to, persons acting in a suspicious manner on the property, plumbing or electrical matters that may lead to flooding or fire, an injured person on the property.

911 - Immediate threats to property or person by fire or suspicious persons should be first and without delay called into 911. A subsequent call can be placed to management to inform them of the situation. Please do not assume someone else is making the calls.

Financial

Annual Budget: The annual budget is based on past history of expenses, current inflation factor, projected increases or decreases in contracts and utilities and projected capital improvements (reserve expenses). You may obtain budget updates by contacting management.

Dues Collection Policy: The following is sub-section 9.8 of Article 9 (Assessments) of the Covenants, Conditions and Restrictions (CC&R's) of the Association.

9.8 Notice and Assessment Due Date. Unless the Board establishes a different schedule for the payment of Regular Assessments, the Regular Assessment shall be paid in monthly installments. Each Regular Assessment shall become delinquent unless paid upon the earlier of: (a) the tenth (10th) of the month, without prior notice or demand from the Association, so long as Regular Assessments are paid monthly; or (b) seven (7) days from the Association's notice to an Owner. Each Special Assessment shall become delinquent unless paid within ten (10) days after the Association's delivery of notice thereof to an Owner. There shall accrue, with each delinquent payment a single late charge of ten percent (10%) of the delinquent installment. In addition, each installment payment which is delinquent for more than twenty (20) days shall accrue interest at the lesser of (i) twelve percent (12%) per annum or (ii) the maximum rate allowed by law calculated from the date of delinquency to and including the date full payment is received by the Association. The Association may bring an action against any delinquent Owner and may foreclose the lien against such Owner's Condominium as more fully provided herein.

The monthly homeowners association fees are Crystal Blue's only source of income, so it is critical that you pay on time. If you do not pay, your neighbors will bear the burden for the shortfall. For that reason, Crystal Blue has adopted a strict but reasonable Collection Policy.

If the Association receives any dues checks that are returned unpaid as NSF (non-sufficient funds), a late fee will apply to that month's dues payment and an additional \$25 NSF check charge will be levied against your account.

Payments received shall be first applied to assessments owed, then to late charges, interest, NSF charges or other collection expenses.

PROCESS FOR DELINQUENCY NOTIFICATION: For all balances exceeding \$50 that are thirty (30) days past due, the following notification process applies:

- **FIRST NOTICE:** First Notice of Past Due Charges including detail of assessments, late fees, NSF charges, interest and other charges that apply will be sent by First Class Mail to an owner whose balance is thirty (30) days past due.
- **SECOND NOTICE:** Second Notice of Past Due Charges including detail of assessments, late fees, NSF charges, interest and other charges that apply will be sent by First Class Mail to an owner whose balance is sixty (60) days past due.
- **10 DAY DEMAND:** 10 Day Demand for Payment, including detail of assessments, late fees, NSF charges and interest charges that apply will be sent by First Class Mail to an owner whose balance is seventy five (75) days past due. This Notice will recite intent to turn the matter over to an attorney for collection enforcement if balance is not paid within 10 days. Attorney actions include, but are not limited to, filing a lien against the owner's property, a personal judgment against the owner and property foreclosure.

LEGAL SERVICES: If a delinquent account is referred to an attorney for collection, the owner shall be charged the Association's attorney fees and related costs.

OTHER CHARGES: The Association may charge the owner for:

- Fees charged by Property Manager to collect funds payable to the Association,
- Owner bankruptcy,
- Foreclosure action or deed in lieu of foreclosure,
- Notification, filing and satisfying liens,
- Enforcement of the Association's Rules, Bylaws, Declaration or Policies,
- Costs of litigation
- Repairs to the Association's common areas that result from the acts of owners, their tenants or guests.

INCOME & EXPENSE STATEMENTS: Initially, the declarant will produce a quarterly Income & Expense Statement to be made available to the membership. Once the control of the Association is turned over to the membership by the declarant, a monthly Income and Expense Statement will be produced each month.

RESERVE STUDY: Crystal Blue follows a repair and replacement plan that is funded monthly through homeowner fees. This planning strategy is recommended by community association industry experts. By following the recommendations, Crystal Blue will be more likely to have funds when needed for all predictable repairs and replacements without the need for special assessment. Although 100% funding of the reserve fund is the goal, general industry standards consider a reserve fund that is at least 70% or more funded to be healthy.

ADVANCES BY DECLARANT: As can be seen by viewing the 2008 budget pro forma, the initial expenses of the Association exceed the income received through dues. The declarant may, in its sole discretion, advance funds to cover the funding gap. Any such funds advanced by declarant will be repaid by the Association once there are sufficient funds.

Governing Documents

Crystal Blue is governed by a number of different documents: Articles of Incorporation, Declaration, Bylaws, Board Resolutions, and Rules & Regulations. The Board is authorized and responsible to run Crystal Blue business in accordance with them. The governing documents have been made a part of disclosure and are contained in this handbook.

Meetings

Annual Meetings will be held each year as called for in the governing documents. Regular Board meetings will be held at a frequency to be determined by the Board. Initially, the declarant's appointed Board members will be responsible for managing and directing all of the Association's affairs until control of the Association is turned over to the general membership.

Resolving Disputes

Neighbors generally don't want to be in conflict and will be cooperative when a reasonable request is made. We encourage you to resolve disputes directly with your neighbor. If the situation cannot be resolved one-on-one or if your dispute is with a rule violation or Board policy, Crystal Blue will aim to

resolve the dispute in a timely and fair manner. There will be ample opportunity for all sides to be heard.

Rules and Regulations

Certain rules and regulations control the use of Crystal Blue common property and individual units. The governing documents specifically authorize the Board to enact necessary and reasonable rules. This is done for your protection and to safeguard your property value. All owners, renters and guests are subject to Crystal Blue Rules and Regulations. It is the responsibility of each homeowner to inform renters and guests, and the homeowner is held accountable for any violation by renters or guests. All rule violation notices may be appealed to the Board. To report a rule enforcement issue, email bslaughter@idahomutualtrust.com or call 639-8165. Identification of the reporting party will remain confidential, except to the extent that those eyewitness statements may eventually be necessary to support legal proceedings should the matter reach that point. The Rules and Regulation have been made a part of disclosure and are contained in this handbook.

Safety and Security

Each owner is responsible for their own security and safety. **If at any time you feel or sense a threat to safety or security, please call 911.** Management may have personnel (who can be contacted from time-to-time) respond to after-hours emergencies and issues (such as loud disturbances or assigned parking conflicts). This service is intended to be a convenience and a courtesy, and it is not meant to take the place of trained security providers or law enforcement authorities.

It is recommended for personal security that locks be changed when you move in to your home. It is also recommended that you consider installing secondary window locks and a sliding glass door security device where appropriate. Garage doors should be closed when not in use.

Utilities

The homeowners association pays for common area utilities. Unit owners pay for water, sewer, trash, electricity and gas/propane that serve their own unit. Unit owners must also pay for phone service, cable television service and any internet service.

Here is a partial list of area utility companies:

Idaho Power	(208) 388-2323	Suburban Propane	(208) 375-4254
City of McCall	(208) 634-5580	Lake Shore Disposal	(208) 634-7176
Frontier Comm.	(208) 634-6100		

You are not necessarily restricted to using Qwest or Cableone for phone, internet or cable television services, and are advised to research other choices that may be available in this area.

GARBAGE DISPOSAL AND COLLECTION: Each homeowner is responsible for disposing of their own garbage. You can arrange for city garbage collection by calling the City of McCall at the above number.

SNOW REMOVAL and LANDSCAPING: The Association will retain a maintenance firm that will be responsible for landscape and snow removal maintenance on all common areas. Snow removal will include all driveways, front walkways and roofs (when applicable).