



**lido isle
community
association**

701 VIA LIDO SOUD, NEWPORT BEACH, CA 92663
TELEPHONE (949) 673-6170 • FAX (949) 673-8827

November 14, 2022

RE: 2023 Annual Budget Report and Annual Policy Statement

Dear Lido Isle Members:

Enclosed are the Annual Budget Report and Annual Policy Statement for the fiscal year of January 1, 2023 – December 31, 2023. This information is required to be distributed to each member 30 days prior to the end of its fiscal year:

- Annual Policy Statement
- 2023 Approved Budget
- Reserve Study Summary Disclosure
- 2023 Boat Storage Fees
- 2022-23 Insurance Summary Disclosure
- LICA Collection Policy
- IDR/ADR
- Fine Policy
- Architectural Submittal & Appeal Process
- Charges for documents provided (escrow fees)

As a result of rise in cost of goods, materials, and labor, the Association must increase the annual assessment by 20%.

The assessment is calculated by \$0.4519 per square footage. Furthermore, the following Operating budget categories reflect the increases:

- Landscape Contract – Anticipate a contract increase from \$88,944.00 per year to \$96,386.00 per year.
- Janitorial Contract – Anticipate a contract increase from \$53,940.00 per year to \$64,728.00 per year.
- Patrol Contract – Anticipate a contract increase from \$173,088.00 per year to \$363,000.00 per year.
- Management Contract – Anticipate a contract increase from \$63,000.00 per year to \$69,000.00 per year.

Additionally, the boat storage fees (wet and dry) will increase by 10% to offset some of the marine facilities maintenance costs.

Assessments:

The Assessment payment is due on **January 1, 2023** and becomes delinquent at 5:00 pm on **April 10, 2023**. A ten percent (10% late fee will be assessed on all delinquent assessments. Interest of twelve percent (12%) per annum will also be assessed on all delinquent accounts. Unpaid assessment and penalties may subject to legal action per the Association's collection policy.

Boat Storage Rates:

The boat wet and dry storage fees will be applied to those individual statements that currently have a wet or dry storage space. This assessment fee is due **January 1, 2023** and becomes delinquent after **January 31, 2023**. A ten percent (10%) late fee will be assessed on all delinquent boat storage fees and interest of ten percent (10%) per annum will be added monthly.

Annual Policy Statement:

1. The name and address of the person designated to receive official communications to the Association: Janine Stratton, C/O GrandManors, 701 Via Lido Soud, Newport Beach, CA 92663.

The Association's mailing address for overnight payment of assessment is:

Lido Isle Community Association
C/O GrandManors
701 Via Lido Soud
Newport Beach, CA 92663

Residents may also deliver payment to 701 Via Lido Soud, Newport Beach, CA 92663.

2. Association members may submit a request to the Association to obtain an annual budget report, financial statements, annual policy statement, pre-lien notices, etc. Such request must be delivered to the Association by e-mail at LidoIsle@CiraMail.com.
3. General Notices from the Association to members will be posted at the following location:
Lido Isle Clubhouse
701 Via Lido Soud
Newport Beach, CA 92663
4. Association members can arrange to have all general notice items provided to them by individual delivery by submitting a written request to the Association by email at LidoIsle@CiraMail.com.
5. Association members may receive copies of minutes, proposed minutes, or summary of minutes of meetings of the Board of Directors meeting (other than Executive Session minutes) by submitted a written request to LidoIsle@CiraMail.com or log onto www.ciranet.com .
6. The Association's policies and practices in enforcing lien rights or other legal remedies for default in payment of assessments are attached hereto.
7. The Association's discipline policy and schedule of penalties for violations of the Association's governing documents are attached hereto.
8. A summary of dispute resolution procedures is attached hereto.
9. A summary of the Association's requirements for approval of physical changes to property is attached hereto.

If you have any questions, please do not hesitate to contact the General Manager, Janine Stratton, at LidoIsle@CiraMail.com or call the office at 949-673-6170.

Sincerely,

Janine Stratton

Janine Stratton, CMCA®, AMS®
On Behalf of the Board of Directors of the,
Lido Isle Community Association

Lido Isle Community Association Revenue and Expense Budget Summary for FY 2023

	Operating Fund	Replacement Fund	Common Property Fund	Consolidated
Revenues				
Regular Assessments	\$1,907,329	-	-	\$1,907,329
TOTAL of Regular Assessments	\$1,907,329	-	-	\$1,907,329
Assessment Allocation	(\$482,000)	\$482,000	-	
TOTAL of Assessment Allocation	(\$482,000)	\$482,000	-	
TOTAL of Assessments	\$1,425,329	\$482,000	-	\$1,907,329
Other Income	\$137,800	\$800	-	\$138,600
TOTAL of Other Income	\$137,800	\$800	-	\$138,600
TOTAL of Revenues	\$1,563,129	\$482,800	-	\$2,045,929
Expenses				
Operating Expenses				
Direct Operating Expenses				
Landscape Maintenance	\$131,386	-	-	\$131,386
Docks & Moorings	\$39,638	-	-	\$39,638
Repairs and Maint	\$25,185	\$25,548	-	\$50,733
Clubhouse	\$83,881	-	-	\$83,881
Repairs/Maint - Rec. Fields & Equip.	\$8,406	-	-	\$8,406
Safety & Security	\$363,000	-	-	\$363,000
Taxes	\$6,636	-	-	\$6,636
Other Operating Exp	\$93,970	-	-	\$93,970
Utilities	\$83,876	-	-	\$83,876
TOTAL of Direct Operating Expenses	\$835,978	\$25,548	-	\$861,526
Admin Expenses				
Professional Fees	\$56,500	-	-	\$56,500
Bad Debts	-	-	-	-
Bank Charges	\$500	\$180	-	\$680
Homeowner Activities	\$10,500	-	-	\$10,500
Association Communications	\$79,400	-	-	\$79,400
Insurance	\$67,100	-	-	\$67,100
Management Fees	\$69,328	-	-	\$69,328
Administration Expenses	\$64,823	-	-	\$64,823
Compensation	\$379,000	-	-	\$379,000
TOTAL of Admin Expenses	\$727,151	\$180	-	\$727,331
TOTAL of Operating Expenses	\$1,563,129	\$25,728	-	\$1,588,857
Capital Expenses				
Reserve Expenses	-	\$200,000	-	\$200,000
TOTAL of Reserve Expenses	-	\$200,000	-	\$200,000

Lido Isle Community Association

Revenue and Expense Budget Summary for FY 2023

	Operating Fund	Replacement Fund	Common Property Fund	Consolidated
TOTAL of Capital Expenses	-	\$200,000	-	\$200,000
Depreciation				
Depreciation of Fixed Assets	-	-	\$277,032	\$277,032
TOTAL of Depreciation of Fixed Assets	-	-	\$277,032	\$277,032
TOTAL of Depreciation	-	-	\$277,032	\$277,032
TOTAL of Expenses	\$1,563,129	\$225,728	\$277,032	\$2,065,889
Net Surplus (Deficit)		\$257,072	(\$277,032)	(\$19,960)

Lido Isle Community Association Cash Flow Budget Summary for FY 2023

	Operating Fund	Replacement Fund	Common Property Fund	Consolidated
Beginning Cash Balance (All Cash Accounts)	\$1,520,784	\$1,635,105	-	\$3,155,889
Cash from Operating Activities	-	-	-	-
Net Surplus (Deficit)	-	\$257,072	(\$277,032)	(\$19,960)
Add Back Depreciation Expense (non-cash)	-	-	\$277,032	\$277,032
Add/Subtract Projected Decrease/Increase in A/R, Prepaid Expenses and Other Assets	-	-	-	-
Add/Subtract Projected Increase/Decrease in A/P, Prepaid Assessments, and Other Current Liabilities	-	-	-	-
Net Cash Flow from Operating Activities	-	\$257,072	-	\$257,072
Cash from Investing Activities	-	-	-	-
Purchase/Repair of Facilities & Equipment (Capitalized)	-	-	-	-
Net Cash Flow from Investing Activities	-	-	-	-
Cash from Financing Activities	-	-	-	-
Loan Principal Payments	-	-	-	-
Interfund Borrowing (Due To / Due From Other Funds)	-	-	-	-
Fund Transfers (Permanent Transfer To / From Another Fund)	-	-	-	-
Net Cash Flow from Financing Activities	-	-	-	-
Net Cash Increase (Decrease)	-	\$257,072	-	\$257,072
Ending Cash Balance	\$1,520,784	\$1,892,177	-	\$3,412,961

Lido Isle Community Association
Assessment and Reserve Funding Disclosure Summary
For the fiscal year ending 12/31/23
 ("Disclosure Summary")

The notes at the end of this Disclosure Summary should be read in conjunction with the information provided.

(1) The regular assessment for the 2023 fiscal year per ownership interest is \$0.4519 per square ft., per lot, annually.

(2) Additional regular or special assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the association's Board of Directors (the "Board") and/or members:

Date assessment will be due:	Amount per ownership interest per month or year (If assessments are variable, see note immediately below):	Purpose of the assessment:
N.A.		

Total: _____

Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on page ____ of the attached report.

(3) Based upon the most recent reserve study, dated 9/6/22, and other information available to the Board of Directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years?

Yes X No _____

(4) If the answer to #3 is "no," what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years that have not been approved by the Board or the members?

Approximate date assessment will be due:	Amount per ownership interest per month or year:
N.A.	

Total: _____

Lido Isle Community Association
Assessment and Reserve Funding Disclosure Summary
For the fiscal year ending 12/31/23
("Disclosure Summary")

(5) All major components are included in the reserve study and are included in its calculations. However, the following major assets are excluded from the reserve study calculations for the following reasons:

Major asset:	Reason this major asset was not included:
Concrete Seawalls	Indeterminate life and cost
Kitchen - Security Gates	Indeterminate life and cost
Wood Mooring Posts	Replaced as-needed
Concrete Piers	Indeterminate life and cost
Concrete	Indeterminate life and cost

(6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570, the estimated amount required in the reserve fund at the end of the current fiscal year is **\$3,361,660**, based in whole or in part on the last reserve study or update prepared by Advanced Reserve Solutions, Inc. as of 1/1/23. The projected reserve fund cash balance at the end of the current fiscal year is **\$1,386,292**, resulting in reserves being **41.24%** funded at this date. The current deficiency in the reserve fund represents **\$2,245** per ownership interest.

(7) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the Civil Code, a reserve funding plan has been developed – see the attached projections. The assumed long-term before-tax interest rate earned on reserve funds is **1%** per year and the assumed long-term inflation rate applied to major component repair and replacement costs is **2.5%** per year. Full reserve study available upon request.

NOTES:

(A) The financial representations set forth in this summary are based on the best estimates of the preparer and the Board at that time. The estimates are subject to change. (B) For the purposes of understanding this Disclosure Summary: (1) "Estimated remaining useful life" means the time reasonably calculated to remain before a major component will require replacement. (2) "Major component" has the meaning used in Section 5550. Components with an estimated remaining useful life of more than 30 years may be included in the study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding Disclosure Summary. (3) The form set out in subdivision (a) shall accompany each annual budget report or summary thereof that is delivered pursuant to Section 5300. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision (a) is provided. (4) For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component. This shall not be construed to require the Board to fund reserves in accordance with this calculation. (5) Based on reserve studies or the occurrence of one or more unanticipated events, the Board could increase regular assessments and/or levy special assessments, consistent with the provisions of the CC&Rs and applicable law, to fund additional reserves as it deems necessary. For example, the information contained in this Disclosure Summary includes (i) estimates of replacement value and life expectancies of the components and (ii) assumptions regarding future events. Estimates are projections of a future event based on information currently available and are not necessarily indicative of the actual future outcome. The longer the time period between the estimate and the estimated event, the more likely the possibility of error and/or discrepancy. For example, some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the preparation of this Disclosure Summary. Therefore, the actual replacement cost and remaining life may vary from this report and summary and the variation may be significant. Additionally, inflation and other economic events may impact this report and summary, particularly over an extended period of time (such as thirty (30) years) and those events could have a significant and negative impact on the accuracy of this Disclosure Summary and, further, the funds available to meet the association's obligation for repair and/or replacement of major components during their estimated useful life.

Lido Isle Community Association

Executive Summary

Directed Cash Flow Calculation Method

Client Information:

Account Number	12490
Version Number	2
Analysis Date	09/06/2022
Fiscal Year	1/1/2023 to 12/31/2023
Number of Units	880
Phasing	1 of 1

Global Parameters:

Inflation Rate	2.50 %
Annual Contribution Increase	1.75 %
Investment Rate	1.00 %
Taxes on Investments	30.00 %
Contingency	3.00 %

Community Profile:

Lido Isle Community Association consists of 880 units originally built beginning in the 1930's. Common areas consist of community clubhouse with snack bar, locker rooms, meeting rooms and offices, beach area with swim float and docks, 3 tennis court areas, 2 tot lots, 2 boat storage facilities with boat lifts and several greenbelt park areas with docks.

Since most of the components examined in this analysis have been replaced/repared at least once, we have used actual replacement dates to begin aging the components when available to us. When actual replacement dates were not available, we have estimated this date based on the current condition of the components at our most recent site inspection.

ARS site visits conducted: August 3rd & 5th, 2021, September 25-26, 2018, August 26, 2015, July 19, 2012, February 6th, 19th, 2009 & August 2nd & 4th, 2006

Adequacy of Reserves as of January 1, 2023:

Anticipated Reserve Balance	\$1,386,292.00
Fully Funded Reserve Balance	\$3,361,660.09
Percent Funded	41.24%

Recommended Funding for the 2023 Fiscal Year:	Annual	Monthly	Per Unit
			Per Month
Member Contribution	\$476,000	\$39,666.67	\$45.08
Interest Contribution	\$6,309	\$525.71	\$0.60
Total Contribution	\$482,309	\$40,192.38	\$45.67

Lido Isle Community Association

Membership Disclosure Summary

Sorted by Category

Major Reserve Components	Current Cost	Assigned Reserves	Remaining Life Range	Useful Life Range
060 Clubhouse	\$2,619,363	\$822,167	0-49	4-50
065 Tennis Areas	\$323,626	\$137,144	0-18	4-46
070 Beaches & Parks	\$654,843	\$96,169	0-28	4-34
075 Dock Areas	\$2,983,902	\$290,434	0-30	4-41
100 Medians	\$26,000	\$0	7-13	30-35
Contingency	n.a.	\$40,377	n.a.	n.a.
Total	\$6,607,734	\$1,386,292	0-49	4-50

Lido Isle Community Association

Projections

Directed Cash Flow Calculation Method

Fiscal Year	Beginning Balance	Member Contribution	Interest Contribution	Expenditures	Ending Balance	Fully Funded Ending Balance	Percent Funded
2023	\$1,386,292	\$476,000	\$6,309	\$705,853	\$1,162,748	\$3,022,210	38%
2024	\$1,162,748	\$484,330	\$8,737	\$140,246	\$1,515,570	\$3,279,649	46%
2025	\$1,515,570	\$492,806	\$9,992	\$318,336	\$1,700,031	\$3,363,858	51%
2026	\$1,700,031	\$501,430	\$12,566	\$140,104	\$2,073,923	\$3,647,536	57%
2027	\$2,073,923	\$510,205	\$11,831	\$622,722	\$1,973,238	\$3,440,845	57%
2028	\$1,973,238	\$519,133	\$13,644	\$267,938	\$2,238,078	\$3,611,623	62%
2029	\$2,238,078	\$528,218	\$16,417	\$142,158	\$2,640,555	\$3,929,644	67%
2030	\$2,640,555	\$537,462	\$18,444	\$260,220	\$2,936,241	\$4,140,443	71%
2031	\$2,936,241	\$546,868	\$21,426	\$135,454	\$3,369,082	\$4,498,961	75%
2032	\$3,369,082	\$556,438	\$22,623	\$402,323	\$3,545,820	\$4,596,239	77%
2033	\$3,545,820	\$566,176	\$26,185	\$76,206	\$4,061,975	\$5,050,466	80%
2034	\$4,061,975	\$576,084	\$17,340	\$1,856,506	\$2,798,892	\$3,646,610	77%
2035	\$2,798,892	\$586,165	\$20,882	\$93,572	\$3,312,368	\$4,079,623	81%
2036	\$3,312,368	\$596,423	\$24,071	\$157,667	\$3,775,195	\$4,466,809	85%
2037	\$3,775,195	\$606,860	\$26,268	\$312,387	\$4,095,936	\$4,711,536	87%
2038	\$4,095,936	\$617,480	\$29,127	\$230,983	\$4,511,560	\$5,059,875	89%
2039	\$4,511,560	\$628,286	\$32,835	\$123,472	\$5,049,210	\$5,542,281	91%
2040	\$5,049,210	\$639,281	\$33,774	\$532,499	\$5,189,765	\$5,616,953	92%
2041	\$5,189,765	\$650,469	\$34,194	\$618,261	\$5,256,167	\$5,615,264	94%
2042	\$5,256,167	\$661,852	\$36,309	\$388,785	\$5,565,544	\$5,868,513	95%
2043	\$5,565,544	\$673,434	\$40,248	\$142,566	\$6,136,659	\$6,401,100	96%
2044	\$6,136,659	\$685,220	\$38,780	\$928,137	\$5,932,522	\$6,131,045	97%
2045	\$5,932,522	\$697,211	\$42,152	\$249,245	\$6,422,640	\$6,584,717	98%
2046	\$6,422,640	\$709,412	\$42,959	\$629,986	\$6,545,025	\$6,661,851	98%
2047	\$6,545,025	\$721,827	\$43,651	\$659,608	\$6,650,895	\$6,724,046	99%
2048	\$6,650,895	\$734,459	\$46,702	\$336,778	\$7,095,277	\$7,143,424	99%
2049	\$7,095,277	\$747,312	\$50,963	\$180,313	\$7,713,238	\$7,753,645	99%
2050	\$7,713,238	\$760,390	\$54,128	\$353,507	\$8,174,249	\$8,211,822	100%
2051	\$8,174,249	\$773,697	\$58,581	\$186,541	\$8,819,986	\$8,873,668	99%
2052	\$8,819,986	\$787,236	\$48,467	\$2,278,622	\$7,377,067	\$7,359,026	100%

NOTE: In some cases, the projected Ending Balance may exceed the Fully Funded Ending Balance in years following high Expenditures. This is a result of the provision for contingency in this analysis, which in these projections is never expended. The contingency is continually adjusted according to need and any excess is redistributed among all components included.

BOAT STORAGE FEES - 2023

DRY STORAGE	TOTAL	LICA	LIYC	LENGTH	2022 Fee	2023 Fee	LICA ANNUAL REVENUE
Antibes Dry Storage	26	11	15	17	927.15	1,019.87	\$ 11,218.52
	2	2	0	19	1,088.85	1,197.74	\$ 2,395.47
	19	18	1	21	1,222.20	1,344.42	\$ 24,199.56
	6	6	0	25	1,526.70	1,679.37	\$ 10,076.22
	11	11	0	28	1,937.25	2,130.98	\$ 23,440.73
	64	48	16			TOTAL	\$ 71,330.49
					Vacancy Rate		
						INCOME	\$ 69,385.14
Genoa West Dry Storage	44	41	3	Ground	651.00	716.10	\$ 29,360.10
	12	12	0	Rack	470.40	517.44	\$ 6,209.28
	50	50	0	Kayak	173.25	190.58	\$ 9,528.75
	106	103	3			TOTAL	\$ 45,098.13
					Vacancy Rate		
						INCOME	\$ 43,868.22
Genoa East Dry Storage	12	12	0	Rack	173.25	190.58	\$ 2,286.90
	88	87	1	Ground	219.45	241.40	\$ 21,001.37
	13	1	12	Laser	651.00	716.10	\$ 716.10
	113	100	13			TOTAL	\$ 24,004.37
					Vacancy Rate		
						INCOME	\$ 23,380.88
TOTAL DRY STORAGE							\$ 136,634.24
WET							
Antibes Slips and Side Ties	6	6	0	18	4,434.65	4,878.12	\$ 29,268.69
	6	6	0	21	5,320.37	5,852.41	\$ 35,114.44
	11	11	0	26	7,537.09	8,290.80	\$ 91,198.79
	6	6	0	36	10,935.98	12,029.58	\$ 72,177.47
	29	29	0			TOTAL	\$ 227,759.39
					Vacancy Rate		
						INCOME	\$ 225,877.08
Moorings	45	45	0	18	\$ 1,149.50	1,264.45	\$ 56,900.25

Dry Space Revenue	\$ 136,634.24
Antibes Wet Space Revenue	\$ 225,877.08
Mooring Revenue	\$ 56,900.25
BOAT STORAGE REVENUE	\$ 419,411.56

TOTAL

245
FISCHER AVENUE
#D-8
COSTA MESA
CALIFORNIA
92626
(714) 444-2679
(800) 695-1995
FAX (714) 444-0176
LICENSE NO. 0B26477
LICENSE NO. 0563274



LIDO ISLE COMMUNITY ASSOCIATION
INSURANCE SUMMARY DISCLOSURE

Pursuant to Section 1365(e) of the California Civil Code, the Association is providing you with the following information regarding its insurance policies. Pursuant to Civil Code Section 1365(e), this summary is being distributed not less than 30 days nor more than 90 days preceding the beginning of the Association's fiscal year.

I. GENERAL LIABILITY INSURANCE

- A. Name of Insurer: Philadelphia Insurance Company **PHPK2416015**
- B. Policy Limits: \$1,000,000 Each Occurrence and \$2,000,000 Aggregate
- C. Amount of Deductible (if any): None
- D. Policy Dates: 06/01/22-06/01/23
- E. Premium: \$18,349.76

II. PROPERTY INSURANCE

- A. Name of Insurer: Philadelphia Insurance Company **PHPK2416015**
- B. Policy Limits: \$2,000,000 Building, Contents, Personal Property
- C. Amount of Deductible: \$1,000
- D. Policy Dates: 06/01/22-06/01/23
- E. Premium: \$6,657

III. EXCESS LIABILITY INSURANCE

- A. Name of Insurer: Philadelphia Insurance Company **PHUB815258**
- B. Policy Limits: \$4,000,000 Each Occurrence/Aggregate
- C. Policy Dates: 06/01/22-06/01/23
- D. Premium: \$3,657

IV. DIRECTORS AND OFFICERS INSURANCE

- A. Name of Insurer: CNA **0250797733**
- B. Policy Limits: \$1,000,000 Maximum Aggregate Limit
- C. Amount of Deductible: \$5,000
- D. Policy Dates: 06/01/22-06/01/23
- E. Premium: \$7,732

V. CRIME INSURANCE

- a. Name of Insurer: CNA **0250816569**
- b. Policy Limits: \$900,000
- c. Amount of Deductible: \$5,000
- d. Policy Dates: 06/01/22-06/01/23
- e. Premium: \$1,445

VI. FLOATING DOCKS INSURANCE

- a. Name of Insurer: Navigators Insurance Company **SF22CFT00508003**
- b. Policy Limits: \$800,000
- c. Amount of Deductible: \$5,000* except \$25,000 for Earth Movement, EQ, Land/Mud Slide/Tidal Wave
- d. Policy Dates: 06/01/22-06/01/23
- e. Premium: \$7,245

245
FISCHER AVENUE
#D-8
COSTA MESA
CALIFORNIA
92626
(714) 444-2679
(800) 695-1995
FAX (714) 444-0176
LICENSE NO. 0B26177
LICENSE NO. 0563274



VII. MARINA OPERATOR LIABILITY INSURANCE

- a. Name of Insurer: Navigators Insurance Company SF22LIA00508001
- b. Policy Limits: \$1,000,000
- c. Amount of Deductible: \$1,000
- d. Policy Dates: 06/01/22-06/01/23
- e. Premium: \$7,336

VIII. EXCESS MARINA LIABILITY INSURANCE

- a. Name of Insurer: Navigators Insurance Company SF22LIA00508002
- b. Policy Limits: \$4,000,000
- c. Policy Dates: 06/01/22-06/01/23
- d. Premium: \$12,000

IX. WORKERS COMPENSATION INSURANCE

- a. Name of Insured: State Compensation Fund 1965395-22
- b. Policy Limits: Statutory
- c. Policy Dates: 06/01/22-06/01/23
- d. Estimated Annual Premium: \$1,055

This summary of the Association's policies of insurance provides only certain information, as required by subdivision (e) of Section 1365 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any Association member may, upon request and provision of reasonable notice, review the Association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the Association maintains the policies of insurance specified in the summary, the Association's policies of insurance may not cover your property, including personal property or, real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate additional coverage.

The Association will notify you as soon as reasonably practical if any of these policies are canceled and not immediately replaced. If a policy is renewed or a policy is issued to replace a policy and there is no lapse in coverage, the Association will notify you in its next available mailing to members.

NOTICE ASSESSMENTS AND FORECLOSURE

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

ASSESSMENTS AND FORECLOSURE

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of the owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure, or without court action, often referred to as non-judicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or non-judicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or non-judicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 of Part 5 of Division 4 of the Civil Code. When using judicial or non-judicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid (Section 5700 through 5720 of the Civil Code, inclusive). In a judicial or non-judicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use non-judicial foreclosure to collect fines or penalties, except for costs to repair common area damaged by a member or a member's guests, if the governing documents provide for this (Section 5725 of the Civil Code).

The association must comply with the requirements of Article 2 (commencing with Section 5650 of Chapter 8 of Part 5 of Division 4 of the Civil Code) when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association (Section 5675 of the Civil Code).

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of records with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt (Section 5660 of the Civil Code).

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard (Section 5685 of the Civil Code). The collection practices of the association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

PAYMENTS

When an owner makes a payment, the owner may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments (Section 5655 of the Civil Code). An owner may, but is not obligated to, pay under

protest any disputed charge or sum levied by the association, including, but not limited to, an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 2 (commencing with Section 5900) of Chapter 10 of Part 5 of Division 4 of the Civil Code. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 3 (commencing with Section 5925) of Chapter 10 of Part 5 of Division 4 of the Civil Code, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure. An owner is not liable for charges, interests, and costs of collection, if it is established that the assessment was paid properly on time (Section 5685 of the Civil Code).

MEETING AND PAYMENT PLANS

An owner of a separate interest that is not a timeshare interest may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exists (Section 5665 of the Civil Code). The board must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform with the payment plan standards of the association, if they exist (Section 5665 of the Civil Code).

Effective January 1, 2014

Summary of Internal Dispute Resolution & Alternative Dispute Resolution

Article 2. Internal Dispute Resolution

5900 Application of Article.

This article applies to a dispute between an association and a member involving their rights, duties, or liabilities under this act, under the Nonprofit Mutual Benefit Corporation Law (Part 3 (commencing with Section 7110) of Division 2 of Title 1 of the Corporations Code), or under the governing documents of the common interest development or association.

This article supplements, and does not replace, Article 3 (commencing with Section 5925), relating to alternative dispute resolution as a prerequisite to an enforcement action.

5905 Fair, Reasonable and Expedious Dispute Resolution Required.

- (a) An association shall provide fair, reasonable, and expeditious procedure for resolving a dispute within the scope of this article.
- (b) In developing a procedure pursuant to an article, an association shall make maximum, reasonable use of the available local dispute resolution programs involving a neutral third party, including low cost mediation programs such as those listed on the Internet Web sites of the Department of Consumer Affairs and the United States Department of Housing and Urban Development.

- (c) If an association does not provide a fair, reasonable, and expeditious procedure for resolving a dispute within the scope of this article, the procedure provided in Section 5915 applies and satisfies the requirements of subdivision (a).

5910 Minimum Requirements of Association Procedure.

A fair, reasonable, and expeditious dispute resolution procedure shall at a minimum satisfy all the following requirements:

The procedure may be invoked by either party to the dispute. A request invoking the procedure shall be in writing.

The procedure shall provide for prompt deadlines. The procedure shall state the maximum time for the association to act on a request invoking the procedure.

If the procedure is invoked by a member, the association shall participate in the procedure.

If the procedure is invoked by the association, the member may elect not to participate in the procedure. If the member participates but the dispute is resolved other than by agreement of the member, the member shall have a right to appeal to the board.

A resolution of the dispute pursuant to the procedure, which is not in conflict with the law or the governing documents, binds the association and is judicially enforceable. An agreement reached pursuant to the procedure, which is not in conflict with the law or the governing documents, binds the parties and is judicially enforceable.

The procedure shall provide a means by which the member and the association may explain their positions.

A member of the association shall not be charged a fee to participate in the process.

5915 Default Meet & Defer.

This section applies to an association that does not otherwise provide a fair, reasonable, and expeditious dispute resolution procedure. The procedure provided in this section is fair, reasonable, and expeditious, within the meaning of this article.

Either party to the dispute within the scope of this article may invoke the following procedure:

- (1) The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.
- (2) A member of an association may refuse a request to meet and confer. The association may not refuse a request to meet and confer.
- (3) The board shall designate a director to meet and confer.
- (4) The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute.
- (5) A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the board designee on behalf of the association.

An agreement reached under this section binds the parties and is judicially enforceable if both of the following conditions are satisfied:

- (1) The agreement is not in conflict with law or the governing documents of the common interest development or association.
- (2) The agreement is either consistent with the authority granted by the board to its designee or the agreement is ratified

by the board.

A member may not be charged a fee to participate in the process.

5920 Notice in Policy Statement.

The annual policy statement prepared pursuant to Section 5310 shall include a description of the internal dispute resolution process provided pursuant to this article.

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Article 3. Alternative Dispute Resolution

5925 DEFINITIONS.

As used in this article:

“Alternative dispute resolution” means mediation, arbitration, conciliation, or other nonjudicial procedure that involves a neutral party in the decision making process. The form of alternative dispute resolution chosen pursuant to this article may be binding or nonbinding, with the voluntary consent of the parties.

“Enforcement action” means a civil action or proceeding, other than a cross-complaint, for any of the following purposes:

- (1) Enforcement of this act.
- (2) Enforcement of the Nonprofit Mutual Benefit Corporation Law (Part 3 (commencing with Section 7110) of Division 2 of the Title 1 of the Corporations Code).
- (3) Enforcement of the governing documents.

5930 ADR PREREQUISITE TO ENFORCEMENT ACTION.

An association or a member may not file an enforcement action in the superior court unless the parties have endeavored to submit their dispute to alternative dispute resolution pursuant to this article.

This section applies only to an enforcement action that is solely for declaratory, injunctive, or writ relief, or for that relief in conjunction with a claim for monetary damages not in excess of the jurisdictional limits stated in Sections 116.220 and 116.221 of the Code of Civil Procedure.

This section does not apply to a small claims action.

Except as otherwise provided by law, this section does not apply to an assessment dispute.

5935 REQUEST FOR RESOLUTION

Any party to a dispute may initiate the process required by Section 5930 by serving on all other parties to the dispute a Request for Resolution. The Request for Resolution shall include all of the following:

- (1) A brief description of the dispute between the parties.

(2) A request for alternative dispute resolution.

(3) A notice that the party receiving the Request for Resolution is required to respond within 30 days of receipt or the request will be deemed rejected.

(4) If the party on whom the request is served is the member, a copy of this article.

Service of this Request for Resolution shall be by personal delivery, first-class mail, express mail, facsimile transmission, or other means reasonably calculated to provide the party on whom the request is served actual notice of the request.

A party on whom a Request for Resolution is served has 30 days following service to accept or reject the request. If a party does not accept the request within that period, the request is deemed rejected by the party.

5940 ADR PROCESS.

If the party on whom a Request for Resolution is served accepts the request, the parties shall complete the alternative dispute resolution within 90 days after the party initiating the request receives the acceptance, unless this period is extended by written stipulation signed by both parties.

Chapter 2 (commencing with Section 1115) of Division 9 of the Evidence Code applies to any form of alternative dispute resolution initiated by a Request for Resolution under this article, other than arbitration.

The costs of the alternative dispute resolution shall be borne by the parties.

5945 TOLLING OF STATUTE OF LIMITATIONS.

If a Request for Resolution is served before the end of the applicable time limitation for commencing an enforcement action, the time limitation is tolled during the following periods:

The period provided in this Section 5935 for response to a Request for Resolution.

If the Request for Resolution is accepted, the period provided by Section 5940 for completion of alternative dispute resolution, including any extension of time stipulated to by the parties pursuant to Section 5490.

5950 CERTIFICATION OF EFFORTS TO RESOLVE DISPUTE.

At the time of commencement of an enforcement action, the party commencing the action shall file with the initial pleading a certificate stating that one or more of the following conditions are satisfied:

(1) Alternative dispute resolution has been completed in compliance with this article.

(2) One of the other parties to the dispute did not accept the terms offered for alternative dispute resolution.

(3) Preliminary or temporary injunctive relief is necessary.

Failure to file a certificate pursuant to subdivision (a) is grounds for a demurrer or a motion to strike unless the court finds that dismissal of the action for failure to comply with this article would result in substantial prejudice to one of the parties.

5955 STAY OF LITIGATION FOR DISPUTE RESOLUTION

After an enforcement action is commenced, on written stipulations of the parties, the matter may be referred to alternative dispute resolution. The referred action is stayed. During the stay, the action is not subject to the rules implementing subdivision

(c) of Section 68603 of the Government Code.

The costs of the alternative dispute resolution shall be borne by the parties.

5960 ATTORNEY FEES.

In an enforcement action in which attorney's fees costs may be awarded, the court, in determining the amount of the award, may consider whether a party's refusal to participate in alternative dispute resolution before commencement of the action was reasonable.

5965 NOTICE IN ANNUAL POLICY STATEMENT.

An association shall annually provide its members a summary of the provisions of this article that specifically references this article. The summary shall include the following language: "Failure of a member of the association to comply with the alternative dispute resolution requirements of Section 5930 of the Civil Code may result in the loss of the member's right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law."

The summary shall be included in the annual policy statement prepared pursuant to Section 5310.



**lido isle
community
association**

701 VIA LIDO SOUD, LIDO ISLE • NEWPORT BEACH, CA 92663

**BOARD APPROVED
POLICY/PROCEDURE
DIRECTIVE**

DIRECTIVE NO. 31

UPDATED: OCT 8, 2014

SUPERSEDES: AUG. 13, 2008

POLICY: NOTICE OF NONCOMPLIANCE/VIOLATION OF CC&R's, BY-LAWS AND/OR FINES

1. The Association may, in the Board's discretion, seek compliance with the Governing Documents by pursuing any one or combination of the remedies described below, including proceeding immediately with monetary penalty, suspension of privileges, implementing correction of the violation, Alternative Dispute Resolution, or legal action.
2. If a violation of the Governing Documents exists or has occurred, a courtesy letter may be sent requesting the Member to cease subsequent acts of this nature or to bring the violation into compliance within a reasonable time specified in the letter.
3. A violation hearing letter may be sent as the first notice or; after a courtesy letter has been sent and the violation remains or; a subsequent act of the same provision occurred. The Board of Directors may impose a monetary penalty, suspend Membership privileges, and/or implement corrective maintenance and charge the Member for the cost thereof, after the Member is offered an opportunity to be heard on the matter. The violation hearing letter shall contain the following information:
 - (a) A brief description of the violation, a reference to the provisions of the Governing Documents violated and, in the event of a continuing violation, the date by which the violation is to be corrected.
 - (b) The disciplinary, corrective action, and/or penalties which may be imposed.
 - (c) The date, time, and place of the meeting in which the Member has the opportunity to attend a hearing before the Board of Directors, view the evidence of the violation, and present a defense including supporting witnesses.

The violation hearing letter must be delivered by personal delivery or mailed by first-class mail to the Member at least 10 days prior to the meeting date. The Member shall be entitled to submit a statement of defense to the Board in advance of the hearing. The hearing shall be conducted according to such reasonable rules and procedures as may be set forth by the Board. The hearing shall be conducted in Executive Session, unless the Member specifically requests in writing that the hearing be conducted during the Open Session. Proof of notice for the hearing shall be placed in the minutes of the meeting (i.e., a copy of the notice together with a statement of the date and manner of deliver of the notice). Within fifteen (15) days following the hearing, the Board's written decision shall be mailed to the Member. No disciplinary action against the Member may take effect prior to five (5) days after the hearing date.

4. The Board may offer Internal Dispute Resolution ("IDR") to a Member pursuant to California Civil Code Sections 5900 et seq. or elect the Alternative Dispute Resolution ("ADR") process complying, as necessary, with the provisions of California Civil Code 5925 et seq., before bringing any civil action or suit to enforce the Association's Governing Documents.
5. The Association may file an action in law or in equity to recover monetary damages, for injunctive relief, or any other legal or equitable remedy available to the Association.

**LIDO ISLE COMMUNITY ASSOCIATION
MONETARY PENALTY SCHEDULE**

If, following delivery of a courtesy letter to the homeowner as provided for within LICA's Compliance Policy, a violation of the governing documents is not corrected by the homeowner, the Board of Directors may impose monetary penalties in the amounts described below, but only after providing written notice to the homeowner and affording the homeowner with an opportunity for a hearing before the Board of Directors.

After providing the Member with written notice and the opportunity for a hearing, the Board of Directors may impose monetary penalties in the amounts described below.

1. Initial Violation

For an initial violation of the governing documents, other than the installation or construction of unapproved improvements, the Board may impose a monetary penalty of up to \$100.00, following notice and an opportunity for a hearing.

For an initial violation of the governing documents concerning the installation or construction of unapproved improvements, the Board may impose a monetary penalty of up to \$1,000.00, following notice and an opportunity for a hearing.

2. Subsequent Violations and/or Failure to Correct Continuing Violation

For each subsequent violation of the same provision of the governing documents, the Board may impose a monetary penalty of up to \$250.00, following notice and an opportunity for a hearing.

In the event of an Owner's failure to correct a continuing violation, the Board may impose a monetary penalty of up to \$250.00 each month, following notice and an opportunity for a hearing, for as long as the violation remains uncorrected.

In addition to, or instead of imposing monetary penalties, the Board of Directors may, at any time, commence ADR (Alternative Dispute Resolution) or legal proceedings to obtain a homeowner's compliance with the governing documents if the nature of the violation and the facts and circumstances presented warrant legal action.

SECTION 1: AUTHORITY FOR POLICY & REGULATIONS

The authority for the review, approval, and enforcement of the policies in this Directive are derived from the LICA By-Laws, and Covenants, Conditions & Restrictions, henceforward "CC&Rs".

SECTION 2: PROCEDURE TO OBTAIN APPROVAL

The Property Owner, their Architectural Representative and Contractor(s), must comply with LICA CC&R's and Directives. If any of the procedures in the Directive(s) are not adhered to, potential fines and/or loss of deposit can occur.

- A. **Application Required:** The Property Owner must complete an application in full and submit it to the LICA Management office with the required fees, deposit, and supporting documentation as described herein.
- B. **Architectural Review:**
1. ARC meetings are held the first and third Mondays of each month at 4:00 pm.
 2. All applications, fees, deposits, and the required documentation must be submitted to the LICA Management office no later than 4:00 pm, one (1) full week prior to an ARC meeting date to be on agenda.
 3. For significant construction/landscape projects, the Owner or Architectural Representative are strongly encouraged to attend the ARC meeting.
 4. Incomplete documentation will delay written/stamped approval. Plans which are denied may be re-submitted with updated plans and supporting materials at a later meeting date.
- C. **Plan Review Process:**
***NO WORK CAN BEGIN UNTIL THE FINAL APPROVAL IS OBTAINED BY ARC.**
1. Preliminary Plans must be approved/stamped by the ARC prior to obtaining City approval.
 2. Preliminary Plans then will be approved and stamped by the City of Newport Beach.
 3. The city-stamped plans must then be re-submitted to the ARC to ensure the plans approved by the city are substantially the same as the approved/stamped Preliminary Plan.
 4. ARC will provide written approval.

SECTION 3: FEES AND DEPOSITS

- A. Architectural Fees:
1. Processing Fee: A nonrefundable processing fee is charged to offset LICA's costs for processing an application, reviewing, approving design documentation and monitoring progress of work.
 2. Performance Deposit: A performance deposit is required to ensure compliance. All, or part, of the deposit may be refundable upon completion of the project and ARC sign off.
 3. ARC Fee Schedule: See Architectural Fee Schedule for specific fee and deposit amounts. Board of Directors has authority to change fees when necessary.

Architectural Fees & Deposits

PROPOSED WORK	FEE	DEPOSITS
Minor Repairs	None	None
Modification of Approved Plans	None	None
Painting	None	None
Replacement of Windows, Doors, and Minor Trim	\$150	\$1,000
Replacement or Repair of No More Than 300 Sq. Ft. of Roof	\$150	\$1,000
Addition of No More than 300 Sq. Ft. of Enclosed Space or Installation/Remodel of Deck	\$500	\$2,500
Landscape/Hardscape	\$500	\$2,500
Replacement or Repair of Major Portion of Roof	\$500	\$2,500
Solar Panel Installation	\$500	\$2,500
New Construction/Major Remodel	\$5,000	\$10,000



LICA POLICY: ARCHITECTURAL APPEAL PROCESS

APPEAL FOR WAIVER OF COVENANTS, CONDITIONS AND RESTRICTIONS (CC&R'S)

- I. A property owner may seek a waiver of specific, objective design and building requirements of the CC&Rs, including but not limited to specifications of material(s), pitch and visibility of roof(s), square footage, open space, and wall height(s), as defined under Article XIII of the CC&R's, by the following process:
 - A. The Property Owner may apply to the LICA Board of Directors to request a "Petition for Consent to a Waiver of the CC&R's". This document will be prepared and mailed by LICA to the Owner of each Lido Isle lot or parcel, the nearest corners or edges which lie within 500 feet of the corners or edges of the lot or lots or property for which a waiver is being requested. (Refer to CC&R's Article XIII, Section 1)
 - B. The mailing will include a brief letter from LICA, containing:
 - 1. Name(s) of the applicant(s)
 - 2. Address of the property for which a waiver is requested.
 - 3. Brief description of the design features involved in the petition.
 - 4. The CC&R's sections for which the property owner is seeking a waiver.
 - 5. Effects of such waiver on this and adjacent properties.
 - 6. Basis for Architectural Committee support, or non-support of a waiver.
 - 7. A brief letter from the petitioner outlining reasons for seeking the waiver, that may include design details on letter size paper.
 - 8. A stamped return postcard, which shall contain language allowing the mailing recipient to consent or decline granting a waiver of the CC&R's:
 - C. The Property Owner shall reimburse LICA for all costs associated with the appeal.
 - D. The petition must be consented by the Owners of more than half the lots or parcels within 500 feet of the property (not simply a majority of those obtained) as an initial condition for approval of the waiver.
 - E. If consent is obtained from owners of more than half the lots or parcels within 500 feet, LICA shall call a public hearing thereon, advertised to all Property Owners of the Association.
 - F. In addition to consent by owners of more than half the lots or parcels within 500 feet, LICA's Board of Directors also must find sufficient hardship or special circumstances applicable to the property involved (not to the Property Owner) which justifies waiver in this individual instance of one or more requirements of the CC&Rs.

APPEAL FOR RECONSIDERATION OF AESTHETICS

- II. The Owner of a property may request LICA's Board of Directors to reconsider disapproval by the Architectural Committee of an aesthetic design element not controlled by express requirements of the CC&Rs.
 - A. Aesthetic elements included in this provision are paint color or finish, design of window(s), door(s), other trim, style (but not percent blockage) of gates, railings and walls, and color or configuration (but not composition) of roof covering.
 - B. The Owner's request for appeal shall be submitted in writing to LICA within thirty (30) days after the Owner receives written notice of disapproval by the Architectural Committee.
 - C. The Board of Directors shall uphold the Architectural Review Committee's disapproval if the Board concludes that the Committee acted within its authority under the CC&Rs, these Procedures or other LICA governing documents. The Board shall render its decision at a regular Board meeting, within 45 days following LICA's receipt of the request, and shall transmit its decision in writing to the Owner within 15 days after that decision. If no written decision is provided the owner within 15 days following the Board's decision, the request for reconsideration shall be deemed denied. A request for reconsideration shall not be considered approved by passage or lapse of time.



Additional Services Fees – Billed to Owner/Other	Price / Unit
Access Key, Remote, Plus Any Applicable Third-Party Charges for Supplies	\$10.00 each
Governing Documents Replacement Fee	\$50.00 each
Returned Payment Charge	\$25.00 each
Special Assessment Payoff Calculation, Account Status	\$295.00 each
Statement of Account	\$295.00 each
Conveyance Processing Fee	\$415.00 each
Refinance	\$250.00 each
Resale Certificate Fulfillment Fee	\$510.00 each
Condominium Lender Questionnaire	\$355.00 each
Mortgage Loan Subordination Fee	\$250.00 each
Closing Document Rush Fee	\$200.00 each
Coupon Replacement Fee	\$10.00 each
Conveyance Fee Surcharge for Delinquent Accounts	\$195.00 each
Request Update Fee	\$90.00 each
Title Search	\$75.00 each