

THE RIVIERA ESTATES ASSOCIATION

2017 FISCAL YEAR ANNUAL POLICY STATEMENT

In compliance with the Annual Policy Statement requirements of §§5310 of the Davis-Stirling Common Interest Development Act (the “***Davis-Stirling Act***”), please find below and enclosed the following documents and information:

Notice of Proposed Rule Changes: Several proposed new rules or changes are enclosed. Please read them. Members have 30 days to submit written comments to the Association as provided in paragraph 1 below. After the comment period, the Board will review the comments and may then make decisions on the proposed rule changes.

1. Person Designated to Receive Official Communications to the Association

Pursuant to Civil Code §4035, any document to be delivered to the Association by a homeowner pursuant to the Davis-Stirling Act must be delivered to:

Jeaneen Fabbro
The Riviera Estates Association
PO Box 1585
Pacific Palisades, CA 90272

In addition to other means of delivery provided for in the Davis-Stirling Act, the Association will accept documents by the following means:

Email to reahoa@gmail.com
Fax to 310-454-2918

2. Right to Receive Association Notices to Two Addresses

Pursuant to Civil Code §4040(b), a homeowner may submit a request to have certain notices sent to up to two (2) different specified addresses. That written request should be delivered to the person designated in paragraph 1 above.

Upon receipt of a written request by a homeowner to add a second address for delivery of individual notices to the homeowner for delivery of notices of the following types, the Association will deliver an additional copy of those notices to the secondary address identified in the request:

- (1) The annual reports to be delivered to the homeowner pursuant to Civil Code §5300 through §5320, including this Annual Policy Statement and the Association’s Annual Budget Report.

- (2) The assessment payment and delinquency notices to be delivered to the homeowner pursuant to Civil Code §5650 through §5690, and the notice of default to be delivered to the homeowner pursuant to Civil Code §5650.

A homeowner may add, change or remove a secondary address at any time, provided, however, that the Association will only be required to send notices to a secondary address as of and from the date that the Association receives a written request to do so.

3. Location for the Posting of General Notices

Pursuant to Civil Code §4045(a)(3), any general notices to the Association's homeowners, including notices of meeting of the Association's Board of Directors, will be posted on the REA website: rivieraestates.org.

4. Right to General Notices by Individual Delivery

Pursuant to Civil Code §4045(b), a homeowner may request to receive general notices by individual delivery (rather than general delivery such as posting of general notice in the community). That written request should be delivered to the person identified above to receive official communications to the Association. Upon the Association's receipt of such written request from a homeowner, all general notices to that homeowner given pursuant to Civil Code §4045 shall be delivered to the homeowner by individual delivery in accordance with Civil Code §4040. A homeowner may cancel a prior request for individual delivery of general notices at any time.

5. Right to Receive Copies of Meeting Minutes

Pursuant to Civil Code §4950(b), the minutes, minutes proposed for adoption that are marked to indicate draft status or a summary of the minutes of any meeting of the Association's Board of Directors, other than an executive session meeting, shall be available to all homeowners within 30 days of the meeting. The minutes, proposed minutes or summary minutes shall be distributed to any homeowner upon request and upon reimbursement to the Association of the Association's costs for making that distribution.

In addition to obtaining copies of Board meeting minutes, homeowners may inspect Board meeting minutes at any reasonable time at the address noted in paragraph 1 above. To request copies of Board meeting minutes, or schedule an appointment to inspect Board meeting minutes, homeowners should contact the person designated in paragraph 1 above.

6. Statement of Assessment Collection Policies

Please see the enclosed notice Attachment 6 prepared in accordance with Civil Code §5730.

7. Policies and Practices Relating to Delinquent Assessments

Please see the enclosed document titled “Riviera Estates Association. Delinquent Assessment Collection Policy,” which describes the Association’s policies and practices in enforcing legal remedies for default in the payment of assessments. This document describes the steps the Association will take if a homeowner does not pay assessments on time and in accordance with the provisions of the Association’s governing documents.

8. Discipline Policy and Schedule of Fines

The Association’s Board of Directors has the right and authority to enforce the provisions of the Association’s governing documents when a homeowner, or the homeowner’s family members, guests or tenants, violate the governing documents. The Board may, after proper notice and an opportunity to be heard before the Board, impose disciplinary measures against a homeowner, as may in the future be described in the Association’s governing documents and subject to applicable law.

For the first time, the Board has proposed operating rules that permit the Board to impose fines for certain violations:

1. Violations of the Architectural Guidelines; and
2. Violations of the new (still pending) Short-term Rental Policy.

9. Dispute Resolution Procedures

The Davis-Stirling Act provides two procedures for dispute resolution. The purpose of these procedures is to encourage homeowners and the Association to resolve disputes involving violations, or alleged violations, of the Association’s governing documents and/or certain laws without incurring the time and expense involved in a lawsuit.

The first dispute resolution process is Internal Dispute Resolution. This process is an informal process (often referred to as a “meet and confer”) to resolve disputes between a homeowner and the Association. Attached please find the Association’s “Internal Dispute Resolution Procedure Policy,” which complies with Civil Code §5915.

The second dispute resolution process is Alternative Dispute Resolution. This process is a more formal process to resolve disputes between a homeowner and the Association, or between two or more homeowners, and includes mediation, arbitration, conciliation and other nonjudicial procedures that involve a neutral third party. The form of dispute resolution chosen may be binding or nonbinding, with the voluntary consent of the parties. The Alternative Dispute Resolution process is commenced by the service as of a "Request for Resolution", as described in Civil Code §5935. Enclosed for your review and reference is a copy of Civil Code §5925 through §5965 (Article 3 of Chapter 10 of Part 5 of the Civil Code).

Please note the following: Failure of a member of the association to endeavor 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 certain actions of enforcement of the governing documents or the applicable law. A copy of Civil Code §5930 is enclosed.

10. Requirements for Association Approval of Physical Changes

The Association's governing documents, specifically the Association's CC&Rs, require that homeowners obtain approval from the Association before making certain physical changes to their properties. A summary of the types of changes that require Association approval and the procedure used to review and approve or disapprove a proposed change are described in the attached document titled "Architectural Requirements," prepared in accordance with Civil Code §4765.

11. Requirements for Filming in the Riviera Estates

The Association requires that homeowners comply with the enclosed Filming Rules & Regulations and obtain approval from the Association before allowing their homes or grounds to be used or involved in any location filming, including "still shoots." One of the enclosed proposed rule changes is to increase the filming fees.

12. Mailing Address for Overnight Payment of Assessments

The mailing address for overnight payment of assessments, pursuant to Civil Code §5655, is:

Jeaneen Fabbro
The Riviera Estates Association
PO Box 1585

13. Other Information

- (1) Members have the right to attend meeting of the Board of Directors, except for certain executive sessions allowed by law. Meeting are held at the homes of Board members. Dates and times are scheduled by the Board from time to time, usually a month or more in advance. The information is available in the Associations' office by calling 310/459-3346. You may also write to: Riviera Estates Association, P.O Box 1585, Pacific Palisades, CA 90272-1585, email the office at" reahoa@gmail.com or find information on the website when it is complete at rivieraestates.org. Homeowners are welcome to attend the open session meetings of the Board, and may address the Board during the homeowner forum held either at the beginning or end of each open session.
- (2) The references to the "Civil Code" and other laws in this Annual Policy Statement shall mean and refer to the California Civil Code and other California laws.
- (3) **Security and Privacy Disclaimer.** The Association does not undertake to provide security or privacy for the Association's development, the homeowners, the residents, any invitees, or any persons or property located within the development, nor does the Association make any representations or warranties concerning the security, privacy and/or safety of the development, the homeowners, the residents, any invitees, or any persons or property located within the development.
- (4) **Nomination of Directors Annually.** The Association's pending rules for nominations of directors annually are set forth below. The substantive new additions to the old rules are italicized:

On or about September 1 of each year preceding an annual meeting ("Annual Meeting"), the board may form a nominating committee or act as the nominating committee.

Between September 1 and October 1 preceding each Annual Meeting, any member of the Association may submit nominations for one or more Board members in writing by mail, fax or e-mail to the Association's office. A nomination is valid only if the Association confirms with the nominee his or her willingness to serve. *Self-nominations are valid and are automatically deemed confirmed. All candidates for election of directors, including incumbents, must submit a petition ("Petition") signed by at least six members (co-owners of lot(s) do not count as additional members) to demonstrate support for the candidacy. As permitted by Civil Code §5105(a)(3), the ballot may list under a separate heading the self-nominated person(s) who lack(s) such a Petition. That separate heading will be "Self-Nominated Candidates Without A Supporting*

Petition. ”

Should you have any questions or comments pertaining to the above or enclosed information, please contact Jeaneen Fabbro, Mika Fabbro or Boston Russell, by telephone at 310-459-3346 or by email at reahoa@gmail.com

Sincerely,

**THE BOARD OF DIRECTORS OF
THE RIVIERA ESTATES ASSOCIATION**