ARCHITECTURAL REVIEW PROCEDURES AND INTERPRETIVE GUIDELINES

(Adopted by Resolution of the Board of Directors of the Corona Highlands Property Owners Association)

ARTICLE I

INTRODUCTION, PURPOSE, AND AUTHORITY

1. Purpose and Corporate Alignment

These Architectural Review Procedures and Interpretive Guidelines (the "**Guidelines**") are adopted by the Board of Directors (the "**Board**") of the Corona Highlands Property Owners Association (the "**Association**") to **implement, interpret, and administer** the architectural provisions of that certain *Declaration Concerning Restrictions and Improvements* recorded May 3, 1949, in Book 1837, Page 452 of the Official Records of Orange County, California (the "**Declaration**").

Consistent with Article I of the Association's Bylaws, the principal purpose, object, and aim of the Association is the protection and improvement of private and public property within Tract 1237, and the implementation, interpretation, and enforcement of the covenants, conditions, restrictions, provisions, and charges contained in the Declaration. These Guidelines are adopted solely to carry out that stated corporate purpose.

These Guidelines do not create new restrictions, expand existing restrictions, or modify the substantive rights or obligations set forth in the Declaration. They are intended to promote consistent, fair, and transparent administration of the Declaration as written.

2. Board Authority

All architectural review authority is exercised by or under the direction of the Board pursuant to the Association's Bylaws and the California Nonprofit Mutual Benefit Corporation Law. **The Board has adopted these Guidelines by resolution and retains final authority over their interpretation, application, and enforcement.**

3. Architectural Review Committee

The Architectural Review Committee (the "**ARC**") is a committee of the Board and is comprised of members of the Board. The ARC acts solely in a delegated and advisory capacity to review submissions and make recommendations or determinations on behalf of the Board in accordance with these Guidelines and the Declaration. Any action or determination of the ARC is subject to review, modification, or reversal by the Board.

4. Effect and Limitations of Guidelines

These Guidelines constitute Board-adopted procedures and interpretive guidance for administering the architectural provisions of the Declaration. In the event of any conflict between these Guidelines and the Declaration, the Declaration shall control. Any enforcement action, remedy, or penalty shall arise from a **failure to comply with the Declaration as administered through these Guidelines**, **as determined by the Board, and not from the Guidelines standing alone.**

ARTICLE II

DEFINITIONS

Capitalized terms not otherwise defined herein shall have the meanings assigned in the Declaration or the Association's Bylaws.

5. Highest Finished Grade Level

For purposes of implementing the height limitation contained in the Declaration, **the Highest Finished Grade Level is interpreted as the highest elevation of the ground surface upon which the original main floor slab of the residence was constructed. Historically, this elevation has been established at six (6) inches below the original main floor level of the residence. This interpretation reflects the Board's good-faith and long-standing application of the Declaration.**

6. Basement

A **Basement** is that portion of a building between floor and ceiling which is partly below and partly above grade, but so located that the vertical distance from grade to the floor below is greater than the vertical distance from grade to the ceiling above.

7. One Story

For interpretive consistency, **One Story** shall have the meaning assigned under the City of Newport Beach Building Code, defined as the portion of a building between the upper surface of a floor and the upper surface of the floor or roof next above.

ARTICLE III

GUIDELINES FOR ARCHITECTURAL REVIEW

8. Scope of Review

Prior written approval of the Association, acting through the ARC on behalf of the Board, is required before the erection, construction, modification, refurbishment, remodeling, alteration, or change of any structure or improvement that affects the structural outline, height, number of stories, footprint, or exterior appearance of improvements subject to the Declaration.

9. Basis for Review

In reviewing applications, the ARC and Board shall implement and administer the Declaration and may consider, among other things:

- Compliance with the height and story limitations contained in the Declaration;
- Consistency with prior interpretations and applications of the Declaration;
- Documentation sufficient to verify finished grade, elevations, and height calculations;
- Applicable provisions of the City of Newport Beach Building Code, without assuming responsibility for municipal compliance; and
- **The impact of proposed improvements on neighboring properties, consistent with the intent of the Declaration.**

10. Height and Story Limitations

Except as expressly provided in the Declaration for certain enumerated lots, residences shall not exceed one (1) story, nor shall the highest ridge or point thereof exceed sixteen (16) feet above the Highest Finished Grade Level, as interpreted herein. Homes lawfully constructed under prior interpretations are deemed compliant and are not rendered nonconforming by these Guidelines.

Story poles shall be installed to demonstrate intended compliance for 14 consecutive days prior to commencement of construction. Neighbor notification should be in advance of the story poles with a project overview.

11. Residential Use; Prohibition of Commercial Use

All lots and improvements subject to the Declaration are intended and required to be used exclusively for **single-family residential purposes**, as that term was commonly understood at the time the Declaration was recorded and as consistently applied by the Association.

No structure or improvement shall be designed, constructed, or used in a manner intended for, or resulting in, the operation of a commercial business, trade, or enterprise from the residence. For purposes of implementing the Declaration, commercial use includes, without limitation, on-site employees or customers, public-facing business operations, signage, or activities that materially increase traffic, parking, deliveries, noise, or other impacts inconsistent with single-family residential use.

Incidental activities customarily associated with residential living that do not alter the residential character of the property or require structural modification are not deemed commercial use.

The Declaration originally designated forty-eight (48) lots for the construction of two residential units, which lots are now zoned by the City of Newport Beach as R-2. The reference in the Declaration to “residential income purposes” with respect to these lots is interpreted by the Board to mean income derived solely from the rental of one or two residential dwelling units constructed on such lots, and not income derived from the operation of a general commercial business or enterprise.

Any failure to comply with this section constitutes a failure to comply with the Declaration as administered through these Guidelines, as determined by the Board.

12. Views and Landscaping

The ARC does not possess authority to preserve or restore views obstructed by structures that comply with the Declaration. Landscaping plantings shall, at maturity, not exceed sixteen (16) feet in height and shall be maintained in accordance with the Declaration. Members can enforce removal or compliance at owner's expense if the landscape exceeds 16 feet.

ARTICLE IV

REVIEW AND APPROVAL PROCESS

13. Application Requirements

Applicants shall submit two (2) hard copies of plans, elevations, surveys, and supporting documentation sufficient to demonstrate compliance with the Declaration. The Board, acting through the ARC, may require story poles, neighbor notification, surveys, professional review, traffic or parking mitigation measures, street cleaning, or other reasonable conditions necessary to implement and administer the Declaration.

14. Fees and Professional Review

To implement the architectural provisions of the Declaration, the Board may require payment of administrative and professional review fees reasonably **related to the cost of evaluation.**

Administrative Fee Schedule and Conditional Reduction

Architectural Review Fees
To implement and administer the architectural provisions of the Declaration, the Board may require payment of administrative and professional review fees reasonably related to the anticipated cost and burden of review, monitoring, and enforcement.

Standard Fee.
Applications involving new construction, the demolition or scraping of an existing residence, substantial redevelopment, or any project that implicates height, grade, or story limitations—**including the demolition or removal of an existing residence regardless of ownership**—shall be subject to a standard architectural review and administration fee of **Ten Thousand Dollars ($10,000).**

Conditional Fee Reduction for Owner-Occupants.
An Owner who applies in their individual capacity and certifies, in writing, an intent to occupy the residence as their primary residence upon completion of construction may request a reduced architectural review fee of **Five Thousand Dollars ($5,000)**, subject to the conditions below.

The reduced fee reflects the Board's determination that owner-occupied projects generally present reduced long-term administrative, compliance, and enforcement burdens.

Conditions of Reduction.
As a condition of receiving the reduced fee, the Owner shall certify that they intend to occupy the residence as their primary residence for a minimum period of **two (2) years** following issuance of a certificate of occupancy.

Reimbursement Obligation.
If the Owner voluntarily transfers ownership of the property or does not occupy the residence as certified within the two-year period, the Owner shall reimburse the Association the difference between the reduced fee and the standard fee, which reimbursement represents recovery of administrative costs and is not a penalty.

No Use Restriction Created.
Nothing in this Section shall be construed to regulate occupancy, restrict transfer of title, or create a covenant running with the land. This provision applies solely to administrative fee eligibility at the time of application.

Other construction projects deemed minor (carports, pergolas, decks et al) will be subject to an initial $500-$750 assessment based on the review time expended by our independent architect.

15. Construction Site Conditions and Maintenance

As a condition of architectural approval, the Board, acting through the Architectural Review Committee, may require reasonable site management measures necessary to implement and administer the Declaration and to protect neighboring properties and the community during construction.

Such conditions may include, without limitation:

- Installation and maintenance of portable restroom facilities ("porta-potties") for construction personnel for the duration of on-site work;
- Daily site clean-up to remove construction debris, trash, and materials from the subject property and adjacent streets;
- Street sweeping, debris control, and dust mitigation as reasonably necessary; and
- Compliance with any additional site-management measures imposed by the Board in good faith.

Failure to comply with any imposed construction-site condition shall constitute a **failure to comply with the Declaration as administered through these Guidelines**, as determined by the Board.

16. Changes and Expiration
Any material change to approved plans requires resubmission for review. Architectural approvals expire three (3) years from issuance unless construction is completed within that period.

ARTICLE V

FINAL PROVISIONS

16. Permits

Association approval does not relieve an Applicant of the obligation to obtain all required governmental permits, nor does issuance of such permits substitute for Association approval.

17. Good-Faith Administration

The Board and ARC shall administer these Guidelines in good faith, consistent with the intent of the Declaration and with respect for the unique character of the Corona Highlands community.

Article VI

Existing Non-Conforming Structures

A legal non-conforming structure may continue to exist; however, it shall not be:

- Expanded,
- Enlarged,
- Intensified,
- Reconstructed in a manner that increases the non-conformity, or
- Modified in a way that further deviates from the current CC&Rs.

18. Permitted Modifications

The Board may approve modifications to a property containing a non-conforming structure only if:

1. The proposed improvement independently complies with all current CC&R requirements, including but not limited to the sixteen (16) foot height limitation;
2. The proposed improvement does not increase the height, mass, footprint, or visual impact of the non-conforming element;
3. The proposed improvement does not expand the non-conforming portion of the structure; and
4. The modification does not materially increase view impairment or adversely impact neighboring properties beyond the existing condition.

19. No Expansion of Non-Conformity

Under no circumstances shall the Board approve:

- Expansion of an existing second story where second stories are prohibited;
- Any increase in structural height beyond sixteen (16) feet;
- Structural alterations that extend the footprint of a non-conforming second-story element.

20. Reconstruction After Damage

If a non-conforming structure is substantially destroyed, demolished, or rebuilt, reconstruction must comply with the governing documents in effect at the time of rebuilding, unless otherwise required by law.

21. No Precedent

Approval of any application involving a property that contains a non-conforming structure:

- Shall not constitute validation or legalization of the non-conforming condition;
- Shall not waive the Association's enforcement rights;
- Shall not establish precedent for any future application.

Each application shall be reviewed based upon its specific facts and the governing documents in effect at the time of review.

22. Reservation of Enforcement Rights

The Association expressly reserves all rights to enforce the CC&Rs with respect to any non-conforming structure.

Adopted by Resolution of the Board of Directors of the Corona Highlands Property Owners Association on February 24, 2026.