

Architectural Review Committee (ARC) Frequently Asked Questions

Based on an inquiry from a homeowner, the Communications Committee has spent the past few months compiling a FAQ on the Architectural Review Committee (ARC). The ARC is used by RECOA homeowners for new construction and minor or major exterior modifications. The answers to the following FAQ questions are exactly as we received them from one of two sources – 1) Chairman of the ARC Committee (annotated as “ARC:” and 2) Chairman of the RECOA Finance Committee (annotated as “FC:”). You can find more information about ARC on the RECOA website [RECOA Information - ARC](#). If you have additional questions regarding ARC, please email cc@ridgeowners.org, and we will try to get the answer added to the FAQ.

1. What business entity owns the ARC process? What is the rationale or history of this ownership?

ARC: The Architectural Review Committee is defined in Article 8 of the Declaration of Protective Covenants, Conditions, Restrictions and Easements for the Ridge at Eagle Crest which grants the Declarant authority to appoint the members of the Committee.

Eagle Crest Acquisition Group, successor to Eagle Crest Inc, successor to Eagle Ridge Partners, Ltd is the Declarant. Unlike many residential subdivisions where a builder relinquishes Declarant status after the project is complete, Eagle Crest Acquisition Group maintains a strong financial investment in property within the Ridge at Eagle Crest.

FC: Many years ago, the RECOA Board requested that CWP be allowed to review and opine on landscape plans. The Board & CWP were concerned that fire-wise designs and plantings were not emphasized enough. ARC agreed and a CWP member became an advisor to ARC. This began a successful partnership. Over time, and with some dialogue between RECOA & ECM, ARC allowed two RECOA owners to become full members.

2. Who are the committee members and whom do they represent (list of names and affiliation)?

ARC: The Committee consists of three employees of Eagle Crest Management (“ECM”) and two homeowner members.

ECM Representatives: Arron Curtis, Ryan Williams, Debbie Hahn

RECOA Homeowners: Don Sheets, Leslie Brown

Sandie McRae is the ARC Administrator, not a member of the Committee.

3. What roles do committee members play?

ARC: Arron Curtis serves as the committee chair. All members, including the Chair, have equal vote on decision making.

4. What are the qualifications or expertise of the committee members?

ARC: Qualifications/expertise vary and are considered by the Declarant as they make any appointments. The committee currently includes members with decades of experience as General Contractors, homebuilders, and Landscape professionals.

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5. How are committee members chosen and by whom?

ARC: They are appointed by the Declarant. Per Section 8.5 of the Declaration, *“The Architectural Review Committee shall consist of as many persons, but not less than three, as the Declarant may from time to time appoint. The Declarant may remove any member of the Committee from office at its discretion at any time and may appoint new or additional members at any time.”*

6. How does ARC set the fees paid by owners?

ARC: Section 8.1 of the Declaration states *“The Committee may charge a reasonable fee to cover the cost of processing the application.”* Fees are set at an amount to cover the cost of an ARC Administrator (*not a member of the committee*) for processing all the applications, fees/deposits/refunds, corresponding regarding all ARC subjects, and to cover the cost of all inspections or other expenses that may be incurred.

7. Where do the fees paid by owners go?

ARC: Fees are paid to Eagle Crest Management to cover the cost of the ARC Administrator (*not a member of the committee*) for processing all the applications, processing fees/deposits/refunds, answering questions, preparing necessary correspondence, etc. Fees also cover expenses related to inspecting properties throughout the timeline of the project. Deposits are refundable if the work was fully completed as approved by the Committee. The pavement assessment and any fines are paid to RECOA.

FC: ARC receives the check(s) and deposits into RECOA Master bank account. For fees due ARC, they are paid immediately. For fees due RECOA, they are paid immediately. The remaining deposit is held by RECOA as “Restricted Funds” for the owner in the RECOA Master Operating funds account.

8. If RECOA holds the money, which account is it held in?

FC: RECOA Master Operating Funds

9. What entity holds the funds while the owner’s project is in progress?

FC: RECOA

10. What events trigger movement of money from one entity to another, including the owner?

FC: Upon notification by owner (or owner’s contractor) to ARC that project is complete, ARC performs final inspection. If inspection passes (i.e., project is completed per ARC specifications), ARC notifies ECM Accounting to provide deposit refund to owner. If inspection fails, owner is notified by ARC of failure and expected remedies. After owner completes remedies and passes ARC inspection, ARC notifies ECM Accounting to provide deposit refund to owner. ARC waits three years from initial application date for owner to complete project and

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any remedies. If, after three years, remedies are not performed, as confirmed by ARC, owner deposit is forfeited to RECOA. ARC & ECM Accounting, quarterly, perform an aging of owner deposits. Annually, for owner deposits older than three years, with no notification from owner of remediation, the deposits are “earned” by RECOA Master. In 2022, \$12,600 in deposits were forfeited to RECOA. This forfeiture is akin to a fine for CC&R (ARC) violation.

11. Are ARC committee members paid? If so, how do they get paid and who pays them?

ARC: All committee members are uncompensated volunteers

12. What is the equation used to calculate the “reasonable fee?”

ARC: There is no known equation. The fee structure was determined at the inception of the Association and was essentially a carbon copy of the EHOA [Estate Homesite Owners Association] process.

FC: Fees are set by the Declarant, as per the governing documents. RECOA has no authority. I’m not aware if RECOA had input on the amount of the pavement assessment on new construction (\$750).

13. How often is the “reasonable fee” reviewed?

ARC: The committee discusses language revision and fee structure every few years. Our goal is voluntary compliance and as such we take every precaution available to maintain reasonable fees to encourage submittals. For perspective, over the last 23 years, the ARC application fee for new construction has risen from \$1,700 to \$2,050. The same application fee at Brasada Ranch is \$4,500. In 2008 (my last benchmark) a Pronghorn application was \$7,000.

FC: Unknown to RECOA.

14. How is “overhead” determined? If three committee members are employed by ECM, then how can they be uncompensated volunteers? Wouldn’t part of their salaries be included in the “overhead” equation?

ARC: Overhead is determined by 1 FTE [full time equivalent] with burden, office space and consumables. The volunteer staff are not directly compensated for their involvement on the committee. While it could be argued staff are compensated during business hours, primary duties must be accounted for and the work of the ARC requires many volunteer hours outside of the normal workday.

15. Is there any benchmarking done to compare our fee and deposit amounts to other HOA’s?

ARC: This exercise has been conducted numerous times and RECOA continually proves to be one of the most cost-friendly review committees in managed resorts. (see #13 above)

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16. Can you please provide an annual breakdown by project type (New construction, major remodel and minor remodel)? How many projects, how much money is collected and how much is refunded?

ARC: This would take some time to prepare. The ARC is not a cost center and therefore we do not maintain detailed financial records based on project type.

17. What enforcement procedures are taken when a project is not completed as planned? Understandably, the applicant would not get their refundable deposit portion back but what other actions are taken?

ARC: Correct. All non-compliance violations within the purview of the ARC are given a reasonable time period to cure the defect prior to reinspection. If the defect has not been cured the matter is handed to the RECOA BOD for enforcement and all deposit monies are forfeited to RECOA.