

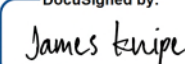
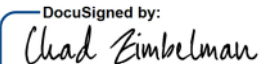
**UNANIMOUS CONSENT TO ACTION BY THE BOARD OF DIRECTORS OF
SANTA RITA RANCH III HOMEOWNERS ASSOCIATION**

c/o AAM, LLC
1600 W. Broadway Rd., Ste. 200
Tempe, AZ 85282-1112
(602) 957-9191

The undersigned, constituting all the members of the Board of Directors of Santa Rita Ranch III Homeowners Association, an Arizona nonprofit corporation, hereby take the following actions in writing and without a meeting pursuant to Section 10-3821, Arizona Revised Statutes, which actions shall have the same force and effect as if taken by the Board at a duly called meeting of the Board.

RESOLVED, that the Board of Directors of Santa Rita Ranch III Homeowners Association hereby approve the attached 2026 Cash Flow Budget with an annual assessment of \$736.00 per lot (collected quarterly at \$184.00). Fee is due and payable on the 1st day of January, April, July, and October. This budget is approved through December 31, 2026.

IN WITNESS WHEREOF, the undersigned have executed this consent as of the date of this signing.

DocuSigned by:  599E9F88C92F4A8... James Knipe President and Director, Board of Directors	10/14/2025 _____ Date
DocuSigned by:  A18A23046D74423... Chad Zimbelman Vice President and Director, Board of Directors	10/14/2025 _____ Date
Signed by:  10D200EE14E24C7... Jill Jones Secretary/Treasurer and Director, Board of Directors	10/14/2025 _____ Date

323 of 330 lots on 12/31/2026
Assessment at \$184.00 per lot quarterly

Santa Rita Ranch III AAM Budget by Category 2026 Cash Flow - Accrual Basis

Date: 1/1/2026 - 12/31/2026

Operating

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
INCOME													
<u>Assessment Revenue</u>													
40005 Assessments	17,664	17,848	18,032	18,155	18,277	18,461	18,707	18,891	19,075	19,320	19,504	19,688	223,621
Total Assessment Revenue	17,664	17,848	18,032	18,155	18,277	18,461	18,707	18,891	19,075	19,320	19,504	19,688	223,621
<u>Other Operating Income</u>													
41025 Reserve Fund Fees	2,208	2,208	1,472	1,472	2,208	2,944	2,208	2,208	2,944	2,208	2,208	1,472	25,760
49001 Transfers to Reserve Fund	(261)	(261)	(997)	(997)	(261)	0	(261)	(261)	0	(261)	(261)	(997)	(4,818)
49002 Transfer of Reserve Fund Fees	(2,208)	(2,208)	(1,472)	(1,472)	(2,208)	(2,944)	(2,208)	(2,208)	(2,944)	(2,208)	(2,208)	(1,472)	(25,760)
Total Other Operating Income	(261)	(261)	(997)	(997)	(261)	0	(261)	(261)	0	(261)	(261)	(997)	(4,818)
TOTAL INCOME	17,403	17,587	17,035	17,158	18,016	18,461	18,446	18,630	19,075	19,059	19,243	18,691	218,803
EXPENSE													
<u>Contracted Services</u>													
55025 Landscape Contract	6,209	6,209	6,209	6,209	6,209	6,209	6,209	6,209	6,209	6,209	6,209	6,209	74,508
55026 Tot Lot Maintenance Contract	0	0	229	0	0	229	0	0	229	0	0	229	916
55035 Management Contract	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
55045 Security	200	200	200	200	200	200	200	200	200	200	200	200	2,400
55115 Exterminating Contract	225	225	225	225	225	225	225	225	225	225	225	225	2,700
Total Contracted Services	8,134	8,134	8,363	8,134	8,134	8,363	8,134	8,134	8,363	8,134	8,134	8,363	98,524
<u>General & Administrative</u>													
51035 Postage & Copies	445	495	495	495	495	495	495	495	850	1,000	450	450	6,660
51065 Insurance	494	494	494	494	494	494	494	494	494	494	494	494	5,928
51125 Meeting & Community	125	0	0	125	0	0	125	0	0	375	0	125	875
51155 Legal Fees - General	50	50	50	50	50	50	50	50	50	50	50	50	600
51156 Legal Fees - Collections	700	700	700	700	700	700	700	700	700	700	700	700	8,400
51165 Taxes, Licenses & Fees	0	0	10	300	0	100	0	0	0	0	0	0	410

Santa Rita Ranch III

AAM Budget by Category

2026 Cash Flow - Accrual Basis

Date: 1/1/2026 - 12/31/2026

Operating

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
51166 Property Taxes	0	0	0	0	0	0	0	0	0	327	0	0	327
51167 Income Taxes - State	0	0	50	0	0	0	0	0	0	0	0	0	50
51195 CPA Services	0	0	0	2,600	0	0	0	0	0	0	0	0	2,600
51205 Reserve Study	1,350	0	0	1,350	0	0	0	0	0	0	0	0	2,700
Total General & Administrative	3,164	1,739	1,799	6,114	1,739	1,839	1,864	1,739	2,094	2,946	1,694	1,819	28,550

Repairs & Maintenance

53005 Common Area Maintenance	0	0	750	0	0	750	0	0	750	0	0	750	3,000
53017 Drainage System Maintenance	69	69	69	2,569	69	69	69	2,569	69	69	69	1,069	6,828
53305 Landscape - Other	0	0	0	1,250	0	0	0	0	1,250	0	0	0	2,500
53306 Landscape Enhancement	0	0	0	2,500	0	0	0	0	2,500	0	0	0	5,000
53316 Irrigation Repair	300	300	350	500	500	500	500	500	500	450	300	300	5,000
53325 Plant & Tree Replacement	0	0	0	2,500	0	0	0	0	2,500	0	0	0	5,000
53335 Winter Overseeding	0	0	0	0	0	0	0	0	0	6,000	0	0	6,000
53345 Tree Pruning	0	0	0	4,000	0	0	0	0	0	0	0	0	4,000
53365 Storm Damage	0	0	0	2,000	0	0	0	0	3,000	0	0	0	5,000
53515 Backflow Inspection	0	0	0	0	650	0	0	0	0	0	0	0	650
Total Repairs & Maintenance	369	369	1,169	15,319	1,219	1,319	569	3,069	10,569	6,519	369	2,119	42,978

Utilities

52005 Electricity	70	70	70	70	70	70	70	70	70	70	70	70	840
52025 Water & Sewer	2,246	2,600	2,825	2,900	4,600	5,487	5,600	4,600	3,300	2,853	2,600	2,250	41,861
Total Utilities	2,316	2,670	2,895	2,970	4,670	5,557	5,670	4,670	3,370	2,923	2,670	2,320	42,701
TOTAL EXPENSE	13,983	12,912	14,226	32,537	15,762	17,078	16,237	17,612	24,396	20,522	12,867	14,621	212,753

Santa Rita Ranch III
AAM Budget by Category
2026 Cash Flow - Accrual Basis

Date: 1/1/2026 - 12/31/2026

Operating

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
NET SURPLUS/(DEFICIT)	3,420.00	4,675.00	2,809.00	(15,379.33)	2,254.33	1,383.33	2,208.67	1,017.67	(5,321.33)	(1,463.00)	6,376.00	4,070.00	6,050.34

Budget Summary

Income:	218,803
Expense:	212,753
Total:	6,050



Santa Rita Ranch III

AAM Budget by Category

2026 Cash Flow - Accrual Basis

Date: 1/1/2026 - 12/31/2026

Reserve

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
INCOME													
<u>Reserve Income</u>													
85001 Reserve Interest	121	122	123	124	125	120	119	120	122	112	113	114	1,435
89001 Transfers from Operating Fund	261	261	997	997	261	0	261	261	0	261	261	997	4,818
89002 Transfers of Reserve Fund Fees	2,208	2,208	1,472	1,472	2,208	2,944	2,208	2,208	2,944	2,208	2,208	1,472	25,760
Total Reserve Income	2,590	2,591	2,592	2,593	2,594	3,064	2,588	2,589	3,066	2,581	2,582	2,583	32,013
TOTAL INCOME	2,590	2,591	2,592	2,593	2,594	3,064	2,588	2,589	3,066	2,581	2,582	2,583	32,013

EXPENSE

Reserve Expense

91009 Asphalt Seal & Repair	0	0	0	0	0	2,532	0	0	0	0	0	0	2,532
91028 Paint - Wrought Iron	0	0	0	0	0	0	0	0	25,504	0	0	0	25,504
91039 Wall & Fence Repair/Maintenance	0	0	0	0	3,478	0	0	0	0	0	0	0	3,478
91053 Erosion Control	0	0	0	0	11,255	0	0	0	0	0	0	0	11,255
91091 Concrete Repairs	0	0	0	0	0	2,319	0	0	0	0	0	0	2,319
Total Reserve Expense	0	0	0	0	14,733	4,851	0	0	25,504	0	0	0	45,088
TOTAL EXPENSE	0	0	0	0	14,733	4,851	0	0	25,504	0	0	0	45,088
NET SURPLUS/(DEFICIT)	2,589.69	2,590.77	2,591.85	2,592.93	(12,138.99)	(1,786.85)	2,588.21	2,589.29	(22,438.43)	2,581.02	2,582.09	2,583.17	(13,075.25)

Budget Summary

Income: 32,013

Expense: 45,088

Total: (13,075)

330 of 330 lots on 20/26/2026
Assessment at \$184.00 per lot quarterly

Santa Rita Ranch III AAM Budget by Category 2026 Built Out - Accrual Basis

Date: 1/1/2026 - 12/31/2026

Operating

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
INCOME													
<u>Assessment Revenue</u>													
40005 Assessments	20,240	20,240	20,240	20,240	20,240	20,240	20,240	20,240	20,240	20,240	20,240	20,240	242,880
Total Assessment Revenue	20,240	20,240	20,240	20,240	20,240	20,240	20,240	20,240	20,240	20,240	20,240	20,240	242,880
<u>Other Operating Income</u>													
49001 Transfers to Reserve Fund	(2,469)	(2,469)	(2,469)	(2,469)	(2,469)	(2,469)	(2,469)	(2,469)	(2,469)	(2,469)	(2,469)	(2,469)	(29,628)
Total Other Operating Income	(2,469)	(2,469)	(2,469)	(2,469)	(2,469)	(2,469)	(2,469)	(2,469)	(2,469)	(2,469)	(2,469)	(2,469)	(29,628)
TOTAL INCOME	17,771	17,771	17,771	17,771	17,771	17,771	17,771	17,771	17,771	17,771	17,771	17,771	213,252
EXPENSE													
<u>Contracted Services</u>													
55025 Landscape Contract	6,209	6,209	6,209	6,209	6,209	6,209	6,209	6,209	6,209	6,209	6,209	6,209	74,508
55026 Tot Lot Maintenance Contract	0	0	229	0	0	229	0	0	229	0	0	229	916
55035 Management Contract	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	19,200
55045 Security	200	200	200	200	200	200	200	200	200	200	200	200	2,400
55115 Exterminating Contract	225	225	225	225	225	225	225	225	225	225	225	225	2,700
Total Contracted Services	8,234	8,234	8,463	8,234	8,234	8,463	8,234	8,234	8,463	8,234	8,234	8,463	99,724
<u>General & Administrative</u>													
51035 Postage & Copies	445	495	495	495	495	495	495	495	850	1,000	450	450	6,660
51065 Insurance	560	560	560	560	560	560	560	560	560	560	560	560	6,720
51125 Meeting & Community	125	0	0	125	0	0	125	0	0	375	0	125	875
51155 Legal Fees - General	50	50	50	50	50	50	50	50	50	50	50	50	600
51156 Legal Fees - Collections	800	800	800	800	800	800	800	800	800	800	800	800	9,600
51165 Taxes, Licenses & Fees	0	0	10	300	0	100	0	0	0	0	0	0	410
51166 Property Taxes	0	0	0	0	0	0	0	0	0	327	0	0	327
51167 Income Taxes - State	0	0	0	50	0	0	0	0	0	0	0	0	50



Santa Rita Ranch III

AAM Budget by Category

2026 Built Out - Accrual Basis

Date: 1/1/2026 - 12/31/2026

Operating

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
51195 CPA Services	0	0	0	2,600	0	0	0	0	0	0	0	0	2,600
Total General & Administrative	1,980	1,905	1,915	4,980	1,905	2,005	2,030	1,905	2,260	3,112	1,860	1,985	27,842

Repairs & Maintenance

53005 Common Area Maintenance	0	0	750	0	0	750	0	0	750	0	0	750	3,000
53017 Drainage System Maintenance	69	69	69	2,569	69	69	69	2,569	69	69	69	1,069	6,828
53305 Landscape - Other	0	0	0	1,250	0	0	0	0	1,250	0	0	0	2,500
53306 Landscape Enhancement	0	0	0	2,500	0	0	0	0	2,500	0	0	0	5,000
53316 Irrigation Repair	300	300	350	500	500	500	500	500	500	450	300	300	5,000
53325 Plant & Tree Replacement	0	0	0	2,500	0	0	0	0	2,500	0	0	0	5,000
53335 Winter Overseeding	0	0	0	0	0	0	0	0	0	6,000	0	0	6,000
53345 Tree Pruning	0	0	0	4,000	0	0	0	0	0	0	0	0	4,000
53365 Storm Damage	0	0	2,000	0	0	0	0	0	3,000	0	0	0	5,000
53515 Backflow Inspection	0	0	0	0	650	0	0	0	0	0	0	0	650
Total Repairs & Maintenance	369	369	3,169	13,319	1,219	1,319	569	3,069	10,569	6,519	369	2,119	42,978

Utilities

52005 Electricity	51	51	51	51	51	51	51	51	51	51	51	51	612
52025 Water & Sewer	2,246	2,600	2,860	2,900	4,700	5,487	5,700	4,600	3,300	2,853	2,600	2,250	42,096
Total Utilities	2,297	2,651	2,911	2,951	4,751	5,538	5,751	4,651	3,351	2,904	2,651	2,301	42,708

TOTAL EXPENSE

NET SURPLUS/(DEFICIT)	4,891.00	4,612.00	1,313.00	(11,713.00)	1,662.00	446.00	1,187.00	(88.00)	(6,872.00)	(2,998.00)	4,657.00	2,903.00	0.00
------------------------------	-----------------	-----------------	-----------------	--------------------	-----------------	---------------	-----------------	----------------	-------------------	-------------------	-----------------	-----------------	-------------

Budget Summary

Income: 213,252

Expense: 213,252

Total: 0



Santa Rita Ranch III AAM Budget by Category 2026 Built Out - Accrual Basis

Date: 1/1/2026 - 12/31/2026

Reserve

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
INCOME													
<u>Reserve Income</u>													
85001 Reserve Interest	121	122	123	124	125	126	127	128	129	130	132	133	1,520
89001 Transfers from Operating Fund	2,469	2,469	2,469	2,469	2,469	2,469	2,469	2,469	2,469	2,469	2,469	2,469	29,628
Total Reserve Income	2,590	2,591	2,592	2,593	2,594	2,595	2,596	2,597	2,598	2,599	2,601	2,602	31,148
TOTAL INCOME	2,590	2,591	2,592	2,593	2,594	2,595	2,596	2,597	2,598	2,599	2,601	2,602	31,148
NET SURPLUS/(DEFICIT)	2,589.69	2,590.77	2,591.85	2,592.93	2,594.01	2,595.09	2,596.18	2,597.26	2,598.34	2,599.42	2,600.51	2,601.59	31,147.64

Budget Summary

Income: 31,148
Expense: 0
Total: 31,148

Santa Rita Ranch III Homeowners Association

c/o AAM, LLC.

1600 West Broadway Road, Suite 200

Tempe, Arizona 85282

Phone 602.957.9191/Fax 602.870.8231

October 10, 2025

Attached are preliminary Operating and Reserve Fund budgets for 2026. Below is a brief explanation of the line items included in each budget.

Operating Budget

Income

40005- Assessments: The annual assessment income is based on 330 units and assumes all units are owned by homeowners and not a developer.

Assessments for the cash flow budget are based on estimated closings provided by Lennar Homes.

41015- Working Capital Fees: *(Cash Flow) Per Article 8.17 of the CC&Rs, an amount equal to 1/6 worth of the then current annual assessment is collected at each initial retail closing.*

41025- Reserve Fund Fees: *(Cash Flow) Per Article 8.18 of the CC&Rs, an amount equal to 1/6 of the annual assessment is collected at each initial retail closing to be transferred into a reserve account. Reserve fund fees collected each month will offset the "Transfer to Reserve Fund".*

49001- Transfers to Reserve Fund: The reserve calculation in the Built-Out Budget is based upon Reserve Study dated November 3, 2020, and as directed by Declarant.

*(Cash Flow Budget) Transfer to Reserve Fund is based upon Reserve Study dated November 3, 2020, and as directed by Declarant. The total transfer to the reserve account will equal \$2,469.00 per month or \$29,628.00 annually, and covers all items anticipated for repair/replacement therein. Reserve fund fees collected each month under GL 41025 will offset the "Transfer to Reserve Fund" so the total transfer to the reserve account each month will equal \$2,469.00 **or** an annual total of \$29,628.00.*

49002- Transfer of Reserve Fund Fees: *(Cash Flow) This line item represents the transfer of fees to the reserve fund. These fees are collected and reported by the income account 41025 Reserve Fund Fees. These fees offset transfer amounts budgeted under GL 49001 Transfers to Reserve Fund.*

.

Contract Services

55025- Landscape Contract: This line includes the monthly cost to provide maintenance of the landscaping in all the common areas.

55026 – Tot Lot Maintenance Contract: This line item anticipates expense to inspect and perform quarterly inspections and maintenance on common area play equipment. Replacement parts and additional labor will be invoiced separately.

55035- Management Contract: This line item includes the monthly cost to provide management services to your community, including violation management, financial management, meeting attendance, and all other aspects covered in the Contract.

55045 – Security Contract: This line item anticipates expense to provide weekly parking patrol service.

55115 – Exterminating Contract: This line item anticipates monthly pest control services at community common areas.

General & Administrative Expenses

51035- Postage & Copies: This line item anticipates the monthly postage and copies expense for regular communication with owners such as compliance letters, architectural applications and assessment invoices plus additional costs in the designated months for the annual meeting notice process.

51065- Insurance: This line item includes Liability insurance for the common areas as well as Directors and Officers insurance.

51125- Meeting & Community: The line item represents the annual expense to cover meeting space for quarterly board meetings and one Annual Meeting, recording of minutes, election costs (mailings, online voting and ballot verification).

51155- Legal Fees/General: This line item covers fees for legal advice, written opinions and other time spent with the board and is based upon the 50.00 per month retainer program.

51156- Legal Fees/Collection: This line item covers fees paid to recover delinquent assessments. It includes demand and lien fees along with attorney and collection agency fees. This expense is partially offset by legal fee reimbursement (GL 42003) income as applicable.

51165- Taxes, Licenses & Fees: This line item anticipates the payment of \$100 for the annual Arizona Corporation Commission filing fee, \$150 for the AAM Statutory Agent recording and \$150 for the Community Information Statement as required by State Statute.

51166- Property Tax: This line item anticipates payment to the Pima County Treasurer for property taxes due for the common area tracts.

51167- Income Tax State: This line item anticipates the payment to the Arizona State Treasurer for State taxes.

51195- CPA Services: This line item anticipates expense for tax preparation services and year-end financial compilation as required by the governing documents and State Statute.

Repairs & Maintenance

53015 –General Repairs & Maintenance: This line item addresses material and labor for general maintenance throughout the common areas including potential vandalism, graffiti removal, minor repairs to walls, and maintenance, etc.

53017 – Drainage System Maintenance: This line item anticipates expense for monthly inspections and required maintenance on Drainage Improvements as per August 20, 2025 Resolution and Attachment A. (Ridgerunner & Ironwood Bend) .

53305 – Landscape-Other: This line item anticipates any landscape expense not covered by the landscape maintenance contract.

53306 – Landscape Enhancement: This line item anticipates expense for landscape improvements (plants, trees, shrubs, etc.).

53316 - Irrigation Repair: This line item provides funds for the maintenance/repair of the irrigation system, including valves, timers, and emitters for all common areas.

53325 – Plant and Tree Replacement: This line item anticipates expense to replace plants and trees lost due to extreme heat or cold, disease, etc.

53335 – Winter Overseeding: This line item anticipates expense to overseed turf areas at common areas.

53345 – Tree Pruning: This line item anticipates expense to trim miscellaneous trees that exceed the height limit covered by the Landscape Maintenance contract.

53365- Storm Damage: This line item anticipates the cost for storm damage repair in common areas.

53515- Backflow Inspection: This line item accounts for the annual backflow inspection as required by the Water Authority.

Utility Expenses

52005- Electricity: This line item anticipates the electric usage for the common areas.

Cash Flow Budget is based upon 2025 actual usage and anticipated increase

52025- Water/ Sewer: This line item anticipates the water usage for the common areas.

Cash Flow Budget is based upon 2025 actual usage and anticipated increase.

Reserve Budget

Income

89001- Transfers from Operating Account: This line item is based upon current Reserve Study.

Cash Flow Transfers from Operating; This line item indicates the transfer of the reserve fund fees captured under the income account. Transfers to Reserve Fund. (Cash Flow Budget) is based upon Reserve Study dated November 3, 2020, and as directed by Declarant. Reserve fund fees collected each month will be in addition to the "Transfer to Reserve Fund".

85001- Reserve Interest Income: This line item is an estimate for the interest earned from all reserve account funds.

89002- Transfer of Reserve Fund Fees: This line item indicates the transfer of the reserve fund fees captured under the income account Reserve Fund Fees.

Thank you for taking the time to review your budget and to discuss any changes. We propose to email and post on the community website the adopted 2026 Operating and Reserve budgets once they have been adopted by the Board. If you have any questions or require clarification on any of the budgeted line items please let me know. Thank you for allowing AAM, LLC, to service the needs of your association.

Sincerely,

Ken Inskeep,
Community Manager

Enclosures:

- Preliminary Operating Budget
- Preliminary Reserve Budget
- Resolution Adopting Budget