ROCKING K SOUTH

BOARD OF DIRECTORS MEETING – OPEN SESSION
THURSDAY, OCTOBER 29, 2026, AT 4:00PM VIA ZOOM

Agenda

1. Call to Order / Verification of Board Quorum
2. Homeowner Forum
3. New Business
4. Set next regular meeting date
5. Adjournment

1. Call to Order / Verification of Board Quorum

Introductions:

- **Robert Tucker, President**
- **Mark Weinberg, Vice President**
- **Priscilla Storm, Secretary / Treasurer**

2. Homeowner Forum

- Limited to two (2) minutes per speaker
- No more than fifteen (15) minutes total
- Speakers must identify themselves
- Board cannot discuss items not on the agenda

3. New Business

a) Review of September 2027 monthly financial report (available on RockingKHOA website)

b) Discussion of draft 2027 operating budget and approval of 2027 monthly assessment amount

c) Motion to disband Architectural & Landscaping Review Committee (ALRC) and establish Reviewing Authority committee for architectural submittals

d) Motion to ratify prior approval via action-in-lieu of updated Design Guidelines for homeowner architectural submittals

e) Confirm 2027 Annual Meeting Date tentatively scheduled for Thursday, March 4, 2027

ROCKING K SOUTH

Operating Budget Summary

As of September 30th, 2026

Category	YTD Actual	YTD Budgeted	Variance
Income			
Assessment revenue from Homeowners	$910,702	$915,727	-$5,025
Assessment revenue from Builders	$1,176,108	$1,144,448	$31,660
Other Income	$239,867	$218,122	$21,745
Transfer to Reserve Account	-$218,700	-$218,700	$0
Transfer to Cap. Improvement Account	-$74,009	-$77,571	$3,562
Total Income	**$2,033,968**	**$1,982,026**	**$51,942**
Expenses			
Contracted Expenses	$815,959	$849,080	$33,121
General & Administrative	$702,614	$729,056	$26,442
HOA Office	$23,140	$22,435	-$705
Landscape (other than contract)	$55,410	$55,900	$490
Lifestyle	$166,845	$160,800	-$6,045
Non-Operating Expense (depreciation)	$14,317	$11,961	-$2,356
Repairs & Maintenance	$36,697	$54,875	$18,178
Total Expenses	**$1,923,219**	**$1,964,582**	**$41,363**

ROCKING K SOUTH

2027 Operating Budget Overview

Budget at a Glance

The budget plans $3,284,604 of operating revenue against $3,115,164 of operating expenses, an operating income of $169,440. With the 2.5% assessment increase, that covers the $169,440 transfer to the reserve fund in full, so no developer subsidy is needed and net income is zero.

Total revenue	Operating expenses	Transfer to reserves	Developer subsidy
$3,284,604	$3,115,164	$169,440	$0
Calendar 2027	Calendar 2027	From assessments	

Bottom Line

	2027 budget
Total operating revenue	$3,284,604
Total operating expenses	($3,115,164)
Operating income	**$169,440**
Transfer to reserve fund	($169,440)
Net income before subsidy	$0
Developer subsidy	$0
Net income after subsidy	**$0**

Reserve-fund and working-capital fees collected at closings and resales ($265,200) are transferred in full to reserves and capital improvement, so they are excluded from revenue above.

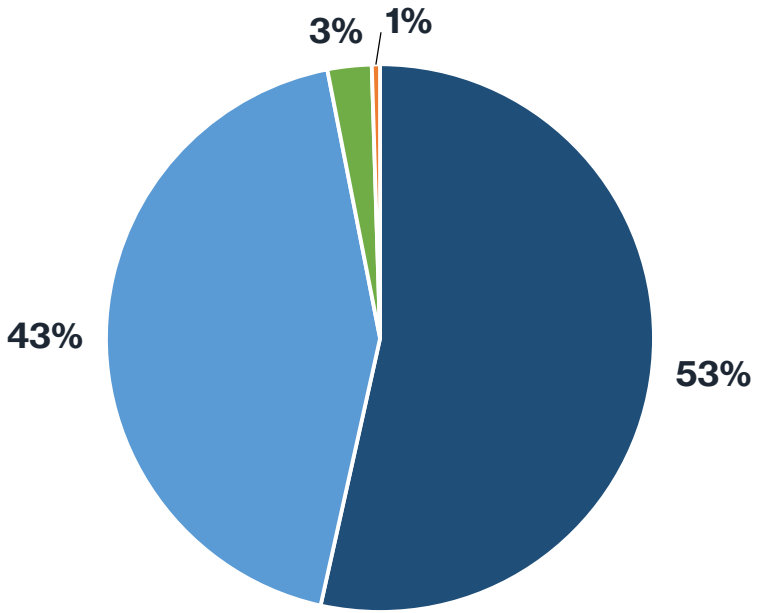
Key Assumptions

	2027
Quarterly assessment per lot (2.5% increase from $253.50)	**$260.00**
Closed lots on 12/31/2026	1,475
Forecast home closings in 2027	462
Closed lots on 12/31/2027	1,937
Lots at build-out	4,715
Built out at 12/31/2027	**41.1%**

Reserve and working-capital fees are each 25% of the annual assessment ($260.00) per closing.

Revenue by Major Category

Assessments make up 97% of revenue: homeowners pay 53% and builders and parcel owners 43%. Revenue rises 17% over the 2026 budget as more homes close and the assessment rises 2.5%.

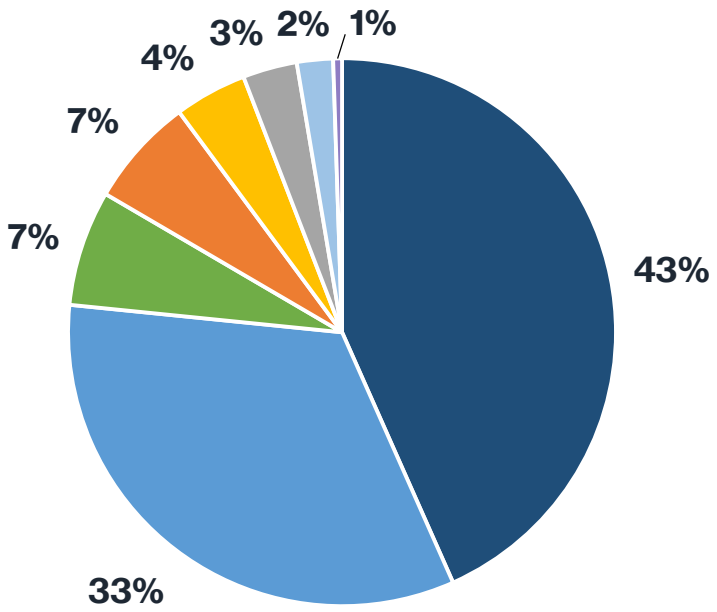


Category	2027 budget	Share	2026 budget	Change
Homeowner assessments*	$1,756,473	53.5%	$1,271,556	$484,917
Builder & parcel assessments	$1,427,190	43.5%	$1,453,590	($26,400)
Fees, fines & reimbursements	$85,040	2.6%	$66,640	$18,400
Amenity & community income	$15,900	0.5%	$16,300	($400)
Total revenue	**$3,284,604**	**100.0%**	**$2,808,086**	**$476,518**

* Homeowner assessments are based on an estimated number of home closings in 2027; actual results may differ.

Operating Expenses by Major Category

Contracted services and general & administrative costs are 77% of operating expenses.

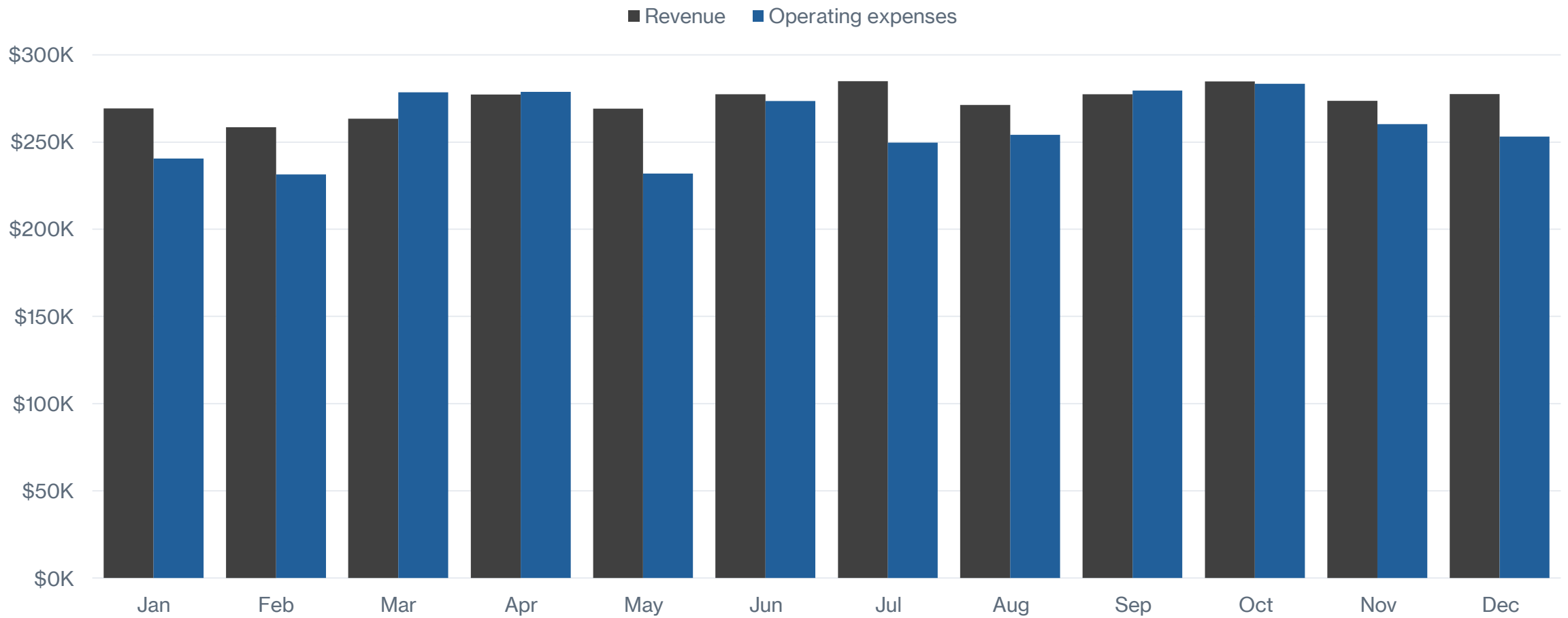


Category	2027 budget	Share	2026 budget	Change
Contracted services	**$1,350,432**	**43.4%**	**$1,159,482**	**$190,950**
Landscape maintenance contract	$949,828	30.5%		
Patrol service	$208,800	6.7%		
Landscape mow & edge	$75,804	2.4%		
AAM management contract	$46,200	1.5%		
RKS app contract	$26,400	0.8%		
Other contracts	$43,400	1.4%		
General & administrative	**$1,035,676**	**33.2%**	**$990,787**	**$44,889**
Staff salaries, mileage & training	$777,186	24.9%		
Other G&A	$258,490	8.3%		
Landscape (non-contract)	**$212,800**	**6.8%**	**$76,300**	**$136,500**
Lifestyle & events	**$200,512**	**6.4%**	**$221,150**	**($20,638)**
Utilities	**$133,300**	**4.3%**	**$102,300**	**$31,000**
Repairs & maintenance	**$99,975**	**3.2%**	**$91,900**	**$8,075**
HOA office (*office lease reclassed from G&A above)	**$66,520**	**2.1%**	**$29,580**	**$36,940**
Non-operating (depreciation)	**$15,948**	**0.5%**	**$15,948**	**–**
Total operating expenses	**$3,115,164**	**100.0%**	**$2,687,447**	**$427,717**

Indented lines break out the largest pieces of contracted services and general & administrative; "other contracts" are janitorial, exterminating, playground, pool & spa, gate and camera.
*HOA office rises from $29,580 to $66,520 because the $33,840 office lease ($2,820 a month) moves from G&A in 2026 into HOA office in 2027; it is counted once. The other HOA office costs total $32,680, up $3,100.

Month by Month Cash Flow

Expenses run ahead of revenue in Mar, Apr, Jun, Sep, Oct and Nov after the reserve transfer, mostly from seasonal landscape work (water conservation, tree pruning, plant replacement) and large events. With the 2.5% increase, surpluses in the other months cover them and no subsidy is drawn.



Reserve Funds and Silver Ridge

Both reserve funds grow through 2027 with no reserve expenses budgeted. The Rocking K South reserve rises from $966,667 to $1,291,511.

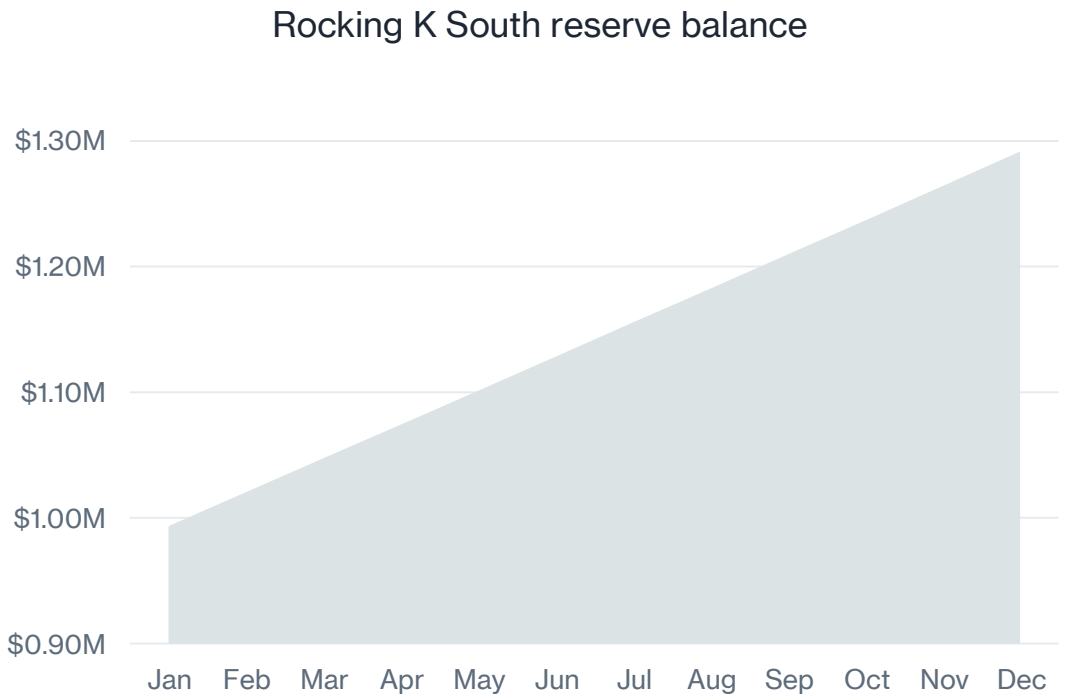
Reserve Funds, 2027

	Rocking K South	Silver Ridge
Beginning balance (Jan 1)	$966,667	$100,333
Transfers from operating	$169,440	$26,400
Reserve fees from closings & resales	$132,600	$0
Interest (2%)	$22,804	$287
Reserve expenses	$0	$0
Ending balance (Dec 31)	**$1,291,511**	**$127,019**

Silver Ridge Operating Budget

298 lots, fully built out, at $54.00 per quarter.

	2027 budget
Assessment revenue	$64,368
Contract services	($19,500)
Insurance	($1,200)
Repairs & maintenance	($10,050)
Utilities	($7,218)
Operating income	**$26,400**
Transfer to reserve fund	($26,400)
Net income	**$0**



Ending balance $1,291,511, up from $966,667. Reserve fees are $260 per closing and resale; interest is budgeted at 2% of the balance.

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