The Landings Association
Annual Report
2017

Photo Courtesy Of Russ Wigh
Message From The President

Dear Fellow Residents,

Welcome to The Landings Association’s (TLA) 2017 Annual Report. It provides a wealth of information regarding TLA’s activities that I believe you will find interesting. I encourage you to read it thoroughly and contact TLA if you have any questions about the report.

We believe 2017 was another successful year for TLA, and later in the report we review some of our accomplishments during the year. Besides focusing on our Strategic Plan, what else helped contribute to a successful year?

We’re very fortunate to have a strong and experienced professional staff led by our General Manager/COO Shari Haldeman. Shari and her staff are fully committed to our community and work tirelessly to meet your expectations. We owe all of them a big thank you.

We also thank the significant number of TLA community volunteers that comprise your Board of Directors, committee chairs, committee members, and many other volunteer positions. I can’t emphasize enough the importance of this group to The Landings. Our volunteers are a valuable and dedicated resource, and we appreciate their service to the community.

Finally, a thanks to you, our property owners, who have supported TLA during three-year Assessment votes and necessary Covenants updates. We value your input in our bi-annual surveys and normal day-to-day communications with TLA.

I recognize 2017 Board members Nancy Pavey and Terry Breyman for their valuable and significant contributions the last three years and Rex Templeton, Jr. in his role as Ex-Officio. We’ve all benefitted from their experience and knowledge of our community.

A seamless transition from the 2017 to 2018 Board has occurred, with Rick Cunningham taking over as President. The 2018 Board has six veterans returning, and the three new Board members attended meetings during the last three months of 2017 to make sure they were up to speed. In 2018, the community is in good hands with this Board.

I’ll close by reviewing several Strategic Plan initiatives accomplished in 2017 by The Landings Association.

- **Governance and Decision Making** - Five Incorporation Study Committees were created, and they completed their work, showing that incorporation of Skidaway Island would be financially feasible. The draft City Charter was revised based on feedback, and after the bill is approved by the State Legislature and signed into law, the registered voters of Skidaway Island will vote in November 2018 on whether to incorporate Skidaway Island as a city. In addition, the Association's Board represented the community on such issues as the Indigo Hall Assisted Living Facility and the County collection of yard debris following Hurricane Irma, as well as lobbied for repair/resurfacing of McWhorter Drive and installation of rumble strips along 204.

- **Environmental Sustainability/Stewardship** - The Landings received Audubon’s Sustainable Planning Award in recognition of the completion of a Long-Term Sustainably Plan. The Association also contracted to complete select logging in the south sprayfield to improve sprayfield operation efficiency by eliminating ponding water created by the tree canopy.

- **Development/Housing** - CitizenServe was launched, allowing for architectural document uploads while accepting payments. More stringent enforcement of the Private Property Maintenance Standards was implemented, and fines for short-term rentals (a violation of the Association’s Covenants) were increased.
Message From The President

- **Technology** - The Association completed the replacement of our outdated barcode entry system with RFID technology. Several new GIS mapping layers were created and placed on our website for use by our residents. Two live webcams were installed, one at each marina.

- **Amenities, Activities, Programs, Services** - Seasonal cookouts continued. The educational Sunset Sips events were well attended. The Association hosted movie nights, an Eclipse Party, a Star Party, and more. There are many more exciting programs in store for 2018, so check out the Community Programs Calendar on The Landings Association's Website ([www.landings.org/2018-community-programs](http://www.landings.org/2018-community-programs)).

You can read more details with specifics on the above in the General Manager's section. I’ve enjoyed serving as your 2017 President and believe 2018 will be even better for this wonderful community we call home.

Sincerely,

Jim Rich
2017 Board President
The Landings Association
The Landings Association, established in August 1972, is a nonprofit corporation formed to promote the health, safety, and welfare of the residents of The Landings on Skidaway Island. Every person or entity who is an owner of record in any lot or living unit which is subject to covenants of record is a member of the corporation (Association). The Landings Association owns, operates, and maintains the common properties and facilities and provide security services within the community.
General Manager’s Report

Dear Residents,

The Landings Association continues restoration work from an unusual and unprecedented run of major storms that impacted normal operations over the past year and a half. First, Tropical Storm Hermine hit in the early morning hours of September 2, 2016, spawning a tornado that damaged 65 homes and downed numerous trees. Just over a month later, Hurricane Matthew hit on October 7-8, 2016, leading to extensive damage throughout the community, both on common and private properties.

A $400/lot Special Assessment was overwhelmingly approved by our community in December of 2016 for a two-year plan to address the necessary debris removal and cleanup in 2017, followed by restorative landscaping and planting in 2018. Significant progress was made in 2017 as we move into year two for restoration.

A third storm, Hurricane Irma, reached The Landings on September 11, 2017, causing the only tidal flooding in The Landings’ history and leaving debris, especially marsh wrack, in her wake. In addition to the storm debris cleanup cost, numerous trees died from saltwater inundation and required removal. The full cost of these three storms will be felt by The Landings Association through the end of 2018.

Despite the storms, the employee team of this Association remains committed to the long-term view, our core mission, and highest priorities, while seeking opportunities for strategic change in the way business is conducted that will pay off now and into the future. Adaptability and flexibility, innovation, and continuous improvement are core organizational values that drive our actions to increase efficiency and effectiveness in meeting our core mission of service delivery. We believe these values were instrumental in our overall success in preparing for and responding to the three storms.

These same values have been instrumental in the updating and executing of the Association’s Strategic Plan. In early 2015, the Board of Directors approved the new Strategic Plan, which was presented to the community during that year’s Annual Meeting. Much work continued into and through 2017, which includes 40+ strategies to accomplish five key objectives over the next 2-3 years. Following are some highlights of accomplishments and milestones achieved in collaboration with our numerous volunteers and community partners during 2017:

Environmental Sustainability/Stewardship

- Continued partnership and support of the Sustainable Skidaway Committee, which received Audubon International’s Sustainable Planning Award during 2017 and continued work toward certification as a Sustainable Community by Audubon International
- Completed a geotechnical study of TLA’s sprayfield (used by Utilities, Inc. as the land application site for effluent disposal) soils
- Contracted M.W. Collins for prescribed logging of the south sprayfield, owned by TLA, to reduce ponding and improve drainage for efficiency of this Utilities, Inc. effluent disposal site
- Finalizing sprayfield forestry management program post clearing
- Coordinated Caretta Turtle Project presentation
- Organized spring Marsh Walk with John Crawford
- Held Orienteering (Amazing Race) of natural and historic areas
- Assisted with annual CCA Kids Fishing Derby
- Held Star Party at the Athletic Field (Mars, Saturn, Jupiter, three of its moons, and more)
- Restored Sunset Park with support from a Landlovers grant
- Installed Terrapin Turtle interpretive sign at Sunset Park
General Manager’s Report

- Presented a series of environmental education programs at Sunset Sips
- Held a fishing/crabbing tournament
- Organized a Solar Eclipse Party
- Provided regular Sunset Cruises from Landings Harbor Marina

Technology
- Created a technology map of all TLA software, hardware, and partners
- Launched Marina live cameras on TLA’s website
- Created new mapping layers for our web-based application (geothinQ) of GIS location-based information and made public, including creating training videos
- Completed barcode replacement program with RFID (radio frequency identification)
- Installed Fleet Maintenance Pro to manage maintenance and repair of work vehicles
- Launched CitizenServe software for online permit applications and integrated property maintenance violation data
- Installed MyStaffingPro to allow online employment applications
- Installed Viewpost electronic payments/online invoicing with rebates for vendor participation
- Upgraded PN3 Purchase Order System

Housing
- Completed inventory of the outstanding sprayfield certificates that provide future access rights for effluent disposal to certificate holders outside of The Landings
- Revised Appeals Policy & Procedures for Covenants violations
- Revised short-term rental Rules and Regulations
- Increased fines for habitual Covenants and Rules violators and short-term rentals to $250
- Consolidated all property permitting and housing inspections functions into one team under Community Development
- Conducted two inspection cycles of all private property for compliance with Private Property Maintenance Standards
- Rolled out pre-approved Sherwin Williams Exterior Color Collection program
- Continued PRIDE Program
- Partnered with Landlovers on the Home Renovation Showcase

Amenities, Activities, Programs, and Services
- Continued outdoor movie nights
- Conducted kayak and paddleboard classes at both marinas
- Continued seasonal waterfront cookouts, including HarborFest and LandingsFest
- Assisted Skidaway Island Boat Club with the Hook Sailboat Race
- Held Wine & Canvas events
- Held Dog Park Community Field Day
- Continued Mac and Cheese Fest
- Began Marina Tuesday Night Socials at Landings Harbor Tiki Bar
- Partnered with The Landings Club to organize and host Lighted Golf Cart Parade
- Conducted 2017 Community Survey to assess satisfaction levels and identify needs
General Manager’s Report

- Conducted structural analysis of old Smith Brothers building
- Replaced Sunset Pavilion doors
- Created Landings Harbor Snack Shack, which includes Leopold's ice cream
- Assisted with such community events as MS Challenger Walk, Skidaway Island Marathon, and Triathlon
- Continued Landings Night at the Ballpark
- Began Girls on the Run Landings chapter
- Organized Sidewalk Chalk Festival
- Hosted Tech Day with Xfinity

Governance and Decision Making

- Held quarterly meetings of Public Works staff and TLC staff on Lagoon Maintenance Agreement as well as asset ownership inventory to develop memorandum of understanding
- Partnering with TLC & PGA for the upcoming Web.com Tour’s Savannah Golf Championship at Deer Creek Club in March 2018
- Participated in CEMA Hurricane Matthew debriefing conference
- Trained on CEMA Emergency Operations Center and participated in CEMA Command Policy Group meetings during Hurricane Irma
- Lobbied Chatham County for repair/resurfacing of McWhorter Drive, resulting in 2017 base failure repairs and scheduled 2018 resurfacing
- Lobbied Georgia Department of Transportation for safety improvements to Diamond Causeway, resulting in installation of rumble strips on roadway
- Supported Incorporation Study Committees, hosted Incorporation Town Hall Meetings, and created Incorporation website

The Landings continues to be an extraordinary and special community, resulting from high levels of meaningful resident engagement in community matters, coupled with the support and guidance of our numerous volunteers who serve on the Association’s Board and committees. We greatly value and appreciate your continuing involvement and dedication to our community.

With sincere thanks,

Shari Haldeman
General Manager/COO
2017 Landings Association
Board Directors

Jim Rich
President

Hank Policinski
Vice President

Joyce Marble
Treasurer

Terry Breyman
Secretary

Blake Caldwell
Director

Rick Cunningham
Director

T.J. Hollis
Director

Nancy Pavey
Director

Sam Hatcher
Director

Rex Templeton, Jr.
Ex-Officio
Landings Association Directors

Shari Haldeman
General Manager/
Chief Operating Officer

Karl Stephens
Chief Administrative Officer/
Finance Director

Paul Kurilla
Public Works/Community
Development Director

Tim Cook
Security Director

Rory Jose
Marinas Director
2017 Board Committees

EXECUTIVE
Jim Rich, President
Hank Policinski, Vice President
Joyce Marble, Treasurer
Terry Breyman, Secretary

FINANCE & AUDIT
Joyce Marble, Chair
Jerry Beets
Terry Breyman
Sam Hatcher
Gary Herman
T.J. Hollis
John Kane
Wim Salien
Patty Morgan, TLC Liaison
Geof Silbert, TLCo Liaison
Karl Stephens, Dept. Contact
Shari Haldeman, Dept. Contact

GOVERNANCE
Hank Policinski, Chair
Blake Caldwell
Rick Cunningham
Sam Hatcher
Nancy Pavey
Shari Haldeman, Dept. Contact

STRATEGIC PLANNING
Nancy Pavey, Chair
Blake Caldwell
Rick Cunningham
Sam Hatcher
Joyce Marble
Shari Haldeman, Dept. Contact

WATER RATE
Joyce Marble, Chair
Terry Breyman
Gary Herman
Shari Haldeman, Dept. Contact
Karl Stephens, Dept. Contact
Dianne Talcott, Dept. Contact

DEVELOPMENT
Hank Policinski, Chair
Gary Bross
Cliff Frohn
Sam Hatcher
T.J. Hollis
Jim McInerney
Jim Morgan
Jim Overton
Steven Freund, TLC Liaison
Raoul Rushin, TLCo Liaison

STRATEGIC WATER COMMITTEE
Terry Breyman, Chair
Rick Cunningham
Brenda Day
Bill Foster, Sr.
Bob Hainly
Charles Heino
Gary Herman
George Sedberry
Ron Medders, Utilities, Inc.
Steven Freund, TLC Liaison
Shari Haldeman, Dept. Contact
Paul Kurilla, Dept. Contact

REGULATORY COMMITTEES
ARCHITECTURAL REVIEW
Noel Ruppert, Chair
Charles Arraiz
Gerry Blattner
Gerry Cowart
John Fishburne
Bob Fisher
Donald Lieb
Laurie Milano
Cara O’Rourke
Rick Cunningham, Board Contact
Paul Kurilla, Dept. Contact
Chelsey Byrnes, Dept. Contact
Preston Parfitt, Dept. Contact

APPEALS
Richard Liberto, Chair
Mike Auen
Gene Fochtman
Jeffrey Irving
Laurie Milano
Tim Cook, Dept. Contact

STANDING COMMITTEES
COMMUNICATIONS
Joyce Glenn, Chair
Mike Auen
Anita Clos
Maryce Cunningham
Brenda Day
John Kosiewicz
Chris Savage
Don Schoenwald

Blake Caldwell, Board Contact
Karl Stephens, Dept. Contact
Lynn Lewis, Dept. Contact
Kristin Peney, Dept. Contact

PUBLIC WORKS
Bob Egan, Chair
Richard Dahl
David Grosse
Bill Foster, Sr.
Mark Kovacs
Kathy Siler
Ronald Weber
Tom Souls, TLC Contact
Stuart Fletcher, Dept. Contact

SECURITY
Robert Turner, Chair
Joe Grispo
Russell Liedtke
Lars Ljungdahl
Robert Longeira
Roger Lundin
Don Schoenwald
Bonnie White
Louis Wiener

NEIGHBORS
Sandy Caruso
Lynn Gensamer
John Martin
Don McCulloch
John Palermo
Caryl Warner

DOG PARK
Stuart Parker, Chair
Tim Andrews
Joyce Eddy
Robin Rackoff
Beth Roth
Mary Ellen Sullivan
Ingrid Poppell, Dept. Contact

TALLOW TREE SUBCOMMITTEE
Phil Boyer
Brian Burtnik
Whitey Carpenter
Ed Conant
Bart Davis
Alehda Dunlavy
Anne Fenstermacher
Sandra Haeger
Martin Halper
Don McCulloch
Steven Rice
Steve Schwarz
Cary Shapoff
Kristina Svenson
John Taylor
Jerry Thompson
Robert Trenkamp
Rudi Wunsch

INSURANCE
Jerry Beets
Jack Coderre
Donald Lieb
Pryor Robertson
Kent Urness

NEIGHBORS HELPING NEIGHBORS
Sandy Caruso
Lynn Gensamer
John Martin
Don McCulloch
John Palermo
Caryl Warner

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Communications & Community Outreach

Communications and Community Outreach Mission Statement
The mission of the Communications and Community Outreach (CCO) Department is to provide timely and effective communications, well-attended community programs, and internal human resources, while also providing and servicing the information technology infrastructure for The Landings Association. The Department consists of the Communications Program, Community Programs, Human Resources/Organizational Effectiveness, and the Information Technology Program. The Community Relations Representative function moved to the Executive Management Department as of 2017, and Human Resources relocated to this department at that same time. Therefore, this department has been retitled Communications and Community Outreach.

2017 HIGHLIGHTS

Landings Association Website (www.landings.org) and Social Media Sites
In 2017, a main focus was on promoting the social media sites as well as the SeeClickFix technology and upcoming CitizenServe software. The Landings Association’s website (www.landings.org) was recognized by WebAwards 2017 with a Standard of Excellence award for scoring above the industry average. The WebAwards Competition is open to all organizations and individuals involved in the process of developing websites for organizations, companies, and the government. There are 96 industry categories, and each website goes head-to-head with other sites in those categories. Work to improve these social media platforms will continue in 2018.

The Landings Journal
The Landings Journal is the publication-of-record for The Landings Association, providing a monthly update on Landings Association Board issues, department progress, community announcements, and future events. Advertising revenue more than offsets the printing and distribution costs.

Community Communications
Community Communications include production and/or publication of voting packets, the Annual Report, and the Residential Directory. These media inform residents in a timely manner and fulfill the legal requirements of the Association. In addition, advertisements in the Residential Directory will continue to provide a significant revenue stream for the Association.

The department coordinates governmental outreach, such as an Annual Landings Roundtable, as well as other meetings and encounters with elected and appointed officials, and includes such activities as Chamber of Commerce functions. This outreach helps The Landings when support from elected or appointed officials is required, and also promotes the community in the regional public eye for community goodwill and marketing. In addition, the department was instrumental in supporting the Skidaway Island Incorporation Feasibility Study in 2017 and will play a key role in promoting the island-wide Incorporation vote in 2018, should the project be approved by the State Legislature.

In 2013, the department partnered with The Landings Club and The Landings Company to restart the New Owner Receptions. These have been well attended and received very positive response. Various senior Association staff take turns presenting at these functions, providing a good opportunity for a variety of interactions with our new residents. Three such events were held in 2017, with three more scheduled in 2018.

In 2018, extensive communications support will be required for the next three-year Assessment vote, as well as the potential vote to incorporate Skidaway Island as a city.
Community Programs

In 2016, The Landings Association hired its first-ever Community Programs Manager, as part of the Strategic Plan Strategy to “Develop and deliver an expanded array of amenities and services that complement those offered by the Club and promote an active lifestyle, create a strong sense of community, and are valued by our current and future residents”.

Special events organized or assisted by the department include the annual LandingsFest, Landings Night with the Savannah Bananas, monthly Delegal Marina and Landings Harbor Cookouts during the season, Landings Harbor Fishing Tournament, and Town Hall Meetings, including the Association’s Annual Meeting and a Hurricane Town Hall Meeting. New in 2016 was the Mac and Cheese Fest, as well as the educational seminars Sunset Sips and Science on Tap at Delegal, along with Sunrise Yoga, Star Party, and The Amazing Race Orienteering Event. These programs continued in 2017, and several new ones were added, including Wine and Canvas, Cookies and Canvas, Sidewalk Chalk Festival, and a Native Plant Walk. Such events foster community camaraderie and fellowship while establishing an atmosphere where residents can familiarize themselves with The Landings Association and its amenities and services. Sponsorships help defray the production costs of some of these events, and efforts will be made to gain additional sponsors in 2018.

In 2017, feedback was solicited from program attendees to improve the offerings in 2018.

Information Technology

The purpose of the Information Technology (IT) Program is to provide ever-improving levels of customer service to residents, contractors, other external customers, and employees by implementing, administering, and supporting The Landings Association's technology systems, which include computer hardware and software, phones, security cameras, and other IT systems. Most of this support has been outsourced.

In 2016, usage of the Geographic Information System (GIS) software was increased, to help graphically view data and respond in a more effective manner. This software has been tied in to the Association's database software, allowing for automated reporting. As part of this GIS update, a system was created in 2017 that is open to the residents.

In addition, in 2016 the public Wi-Fi network was expanded to the Association's athletic fields, Dog Park, and Landings Harbor Marina, to join the already existing network in the Administration Building and at Delegal Creek Marina. The onsite phone system was moved to a cloud-based phone system, that is not subject to disruptions from local disasters.

In 2017, live webcams were installed at the two marinas. The purchase order software was upgraded, and a new cloud-based reserves software system was implemented. The time and attendance software was transitioned to a new vendor to provide better, cloud-based access for Landings Association employees.

In 2018, the department will analyze a move of the SQL server (which supports financial software) to the cloud, as the Association moves further away from having to support local hardware.

Human Resources/Organizational Effectiveness

The purpose of the Human Resources/Organizational Effectiveness Program is to ensure organizational compliance with employment laws and best practices; maintain accurate workforce data and generate needed reports; oversee employee benefit programs and worker’s compensation administration; and lead an effective and efficient hiring process to meet the needs of various departments.
The Human Resources/Organizational Effectiveness Manager supports organizational development efforts through regular communication of strategic updates, scheduling periodic inter-departmental meetings, and gathering feedback regarding professional development needs and is a knowledgeable asset to employees as they navigate available HR programs, tools, and benefits.

Training and Development for 2017 was largely outsourced using Suzanne Kirk with Employment Development Strategies. The focus of the trainings was communication, which included team member to team member, cross-department, and top-down communication. All staff members participated in the Myers-Briggs Type Indicator (MBTI) Assessment. Each team member received an individual profile which, based off their responses, indicated their personal communication preferences. Additionally, each department was also given a profile based on the majority of the team members’ types. The MBTI is an excellent tool for understanding the differences in individuals and creating opportunities for open conversations about those differences. Suzanne incorporated individual’s and team’s communication preferences into each of the training sessions.

One of the action items that came from these training sessions was the need to improve the flow of information between each of the departments and from upper level management to middle management. To facilitate this, middle-level management (the supervisors) began meeting monthly as a team. This has created a forum in which information is being directly reported to the supervisors. It has also improved cross-department communication, as each supervisor gives an updated report on what is happening within their division or shift.

In 2018, the department plans to continue to outsource the organization-wide trainings. The HR/Organizational Effectiveness Manager will also work with each department to assist with any department-specific trainings that may be needed.

In 2017, The Landings Association began using an applicant tracking software, MyStaffingPro. This software allows applicants to apply through a portal on the Association’s website with a customized application. Applications are put in to an online database in which the HR/Organizational Effectiveness Manager can then screen the applicants for their qualifications and can set their “status” accordingly. The status feature can send automatic emails to candidates to keep them informed of where they are in the hiring process. Additionally, the system allows for an electronic onboarding process. Once a candidate has been offered a position, all the necessary employment paperwork can be completed from home before their first day. Implementing the applicant tracking system has made for a more efficient and less time-consuming recruiting process.

Employee teams continued in 2017. The Wellness Team facilitated the Association’s Wellness program, which allows employees to earn points for participating in seminars and classes the team sponsors throughout the year. If the employee earns 150 points by the end of the year, they will receive a $150 bonus. The Safety Team ensured employees completed the required OSHA trainings and reviewed the accidents report monthly to spot trends and make recommendations to enhance safety procedures for the organization. The Employee Events Team put on several employee events, including a bingo night, an afternoon kickball game, Thanksgiving banquet, and the holiday party.

A new employee recognition program was implemented in 2017 called “Shout Out Awards”. This program allows employees to write a “Shout Out” card to a fellow employee who went above and beyond their normal duties and demonstrated the characteristics of an outstanding employee. The Shout Out cards are then entered into two raffles…one for the nominee and one for the nominator. The winners are drawn at an appreciation gathering which features a different theme each month, snacks, and games.

In 2018, employee teams will continue and will be encouraged to bring new ideas to enhance employee engagement.
Communications & Community Outreach

STATISTICS 2017 2016
Association E-Mail Bulletins Distributed 320  417
Facebook Posts 469  478
Instagram Posts 170  168
Tweets 80  98
Percent Board Election Turnout 42%  41%
Website Users 61,364  41,406

The Landings’ Girls on the Run Team was a big hit with resident girls and their friends.

Despite the clouds, The Landings Association’s Total Eclipse 2017 Party was a hit with residents.

Pictured left to right, The Landings Journal and The Landings Association’s website (www.landings.org).

Incorporation Process Continues

The five Incorporation Town Hall Meetings drew a total of more than 1,000 residents, with almost all expressing the desire to vote on incorporation next November 2018. Based on questions received at the meetings, around a dozen FAQs have been added to the two incorporation websites (www.landings.org/incorporation and www.skidawaycitystudy.org/faqs), and other answers have been updated for clarity.

On December 7, Landings Association representatives met with those of South Harbor, Modena, The Marshes, and Green Island Road to review the feedback received and then discuss next steps. All agreed the island should move forward with the vote next November.

On December 8, Incorporation Steering Committee Chair Kathy Siler, Modena President Darryl Brown, and Landings Association Chief Administrative Officer/Finance Director Karl Stephens met with the complete Chatham County Delegation to review what has occurred over the past 12 months. Siler provided highlights of the work of the five Study Committees and the overwhelmingly positive reception at each of the five Town Halls to pursuing a vote.

Continuing to move this process forward, The Landings Association’s Board passed the following resolution at its Board Meeting December 19:

"RESOLUTION OF THE LANDINGS ASSOCIATION, INC. REQUESTING LEGISLATIVE ADOPTION OF A BILL ON MUNICIPAL INCORPORATION OF SKIDAWAY ISLAND WHEREAS, The Landings Association, Inc. commissioned a 2016 Feasibility Study on the Proposed Incorporation of Skidaway Island prepared by the Georgia State University, Andrew Young School Center for State and Local Finance and duly noted the potential benefits to all residents of Skidaway Island from municipal incorporation of the City of Skidaway Island; and

"NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of The Landings Association, Inc. hereby requests the Chatham County Commission to pass a bill to incorporate the City of Skidaway Island into the State of Georgia in accordance with the procedures provided in the state code."

The Landings Journal and The Landings Association’s website (www.landings.org).
Community Development

Community Development Mission Statement
The mission of the Community Development Department is to strengthen the long-term competitive position of The Landings by maintaining, protecting, and improving the quality of the community housing stock. Programs within the department include Architectural Review, Home Improvement, and Community Standards. Each program area fulfills a specific role to support the strategic objectives of The Landings Association to ensure adherence and consistency with the architectural standards of The Landings, as well as compliance with the General Declaration of Covenants and Restrictions of The Landings Association, including Private Property Maintenance Standards.

2017 HIGHLIGHTS

Architectural Review
The Architectural Review Committee maintained its schedule of two meetings per month. Pre-review meetings with residents, consultants, and contractors were promoted and encouraged to identify alternatives to potential problem areas and increased chances of first-pass success. In 2017, staff continued utilizing the Association's Environmental Resources Manager for landscape reviews to improve turnaround time and customer service, with decreased expense. The department maintained 2 FTEs from Community Development and transferred 2 FTEs from the Security Department, which brings the total to 4 FTEs for the department.

Private Property Maintenance Standards
In 2017, the duties of enforcing Private Property Maintenance Standards were transferred from the Security Department to the Community Development Department. Two Security Covenants Enforcement positions, which also enforce the Private Property Maintenance Standards (PPMS), were transferred to the Community Development Department and now handle Architectural plan review and inspections for new construction, additions, and alterations. These new team members are titled Plans and Standards Administrators. This new structure will improve coordination and management of all private property construction, permitting, and maintenance by consolidating these related functions into the Community Development division of the Public Works Department. This program focuses heavily on proactive inspections, while simultaneously educating residents to recognize violations they may not be aware of, and encourage voluntary compliance. The CitizenServe app enables the Plans and Standards Administrators to thoroughly document violations as they are discovered in the field, monitor compliance progress, and streamline the communication process with property owners who are not in compliance.

Community Development
The construction of 16 homes was completed in 2017. Another 24 homesites remain under construction and are expected to be completed in 2018. The 577 permits issued in 2017 required 1,170 inspections to ensure compliance with approved plans and Architectural Guidelines.

CDD staff takes a look at the geothinQ maps on the Association’s website (www.landings.org).

CDD assisted with the 2017 Landlovers Renovated Home Tour. Shown are resident volunteers looking over some blueprints.
2018 EXPECTATIONS

Architectural Review
The Architectural Review Committee will maintain its schedule of two meetings per month, which creates a more efficient and effective turnaround time from permit application to formal approvals and Chatham County Permits. Pre-review meetings with residents, consultants, and contractors will continue to be promoted and encouraged to identify alternatives to potential problem areas and increased chances of first-pass success.

Technology and Communication Upgrades
In the first quarter of 2018, CitizenServe's customer-facing permitting side will go live. This will allow residents and contractors to apply for permits online, pay review fees and construction deposits, track the review process of their projects, and request inspections and construction deposit refunds. This service will be compatible with mobile devices.

In the second quarter of 2018, CitizenServe will be linked to GeoThinq. A Private Property Maintenance Standards layer will be developed, allowing residents to review non-compliant properties throughout the island. A permit layer will be developed, allowing residents to review properties operating under various Landings Association permits.

Staffing Levels
Based on technology and communication improvements, staffing will maintain four FTEs to ensure satisfactory customer service with an excess of 600 permits, and to perform more than 26,520 Private Property Maintenance Standards inspections and work with property owners toward bringing their properties into compliance.

Community Development
It is estimated that 20 new homes will be completed within the community in 2018, and 180 new construction inspections will be required to verify compliance with the approved plans and Architectural Guidelines.

Training, Education, and Outreach
With continued improvements in technology resources, the department will expand efforts and initiatives to enhance education, training, and outreach. Community outreach will be accomplished throughout the year with home improvement events, such as the Earth Smart Living series, quarterly PRIDE awards, educational newsletter articles, and personal consultations.

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<tr>
<th>STATISTICS</th>
<th>2017</th>
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<tr>
<td>Total Lots</td>
<td>4,420</td>
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<td>Total Homes Completed</td>
<td>4,175</td>
<td>4,159</td>
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<tr>
<td>Number of Reviews/Permits Issued:</td>
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<tr>
<td>• New Home Construction</td>
<td>16</td>
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<tr>
<td>• Additions/Alteration to Existing Homes</td>
<td>379</td>
<td>441</td>
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<td>• Dumpsters/PODs/Land Clearing</td>
<td>154</td>
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<td>• Other (Stop Work Orders, FSBO)</td>
<td>10</td>
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Finance

Finance Mission Statement

The mission of the Finance Department is to manage prudently The Landings Association’s financial resources, safeguarding assets; to assure compliance with applicable laws and policies governing financial transactions; to research and provide sound investment strategies; to build strong financial relationships; to provide superior customer service; and to provide timely and accurate information about The Landings Association’s financial position, including technical support. The major programs provided are Accounting and Assessments Collection, Financial Management and Reporting, and Insurance and Risk Management.

2017 HIGHLIGHTS

Accounting and Assessments Collection

The department continues to work toward emailing statements for owners who have email addresses on file. In addition, the department processes more than 600 electronic ACH bank payments each quarter for those owners who chose the quarterly payment plan. Residents taking advantage of the quarterly payment plan have increased an average of 20%/year over the past five years.

On a monthly basis, the department generates the following invoices: Marina monthly storage and sales statements, Service Agreement statements to The Landings Club, Landings Journal advertiser statements, resident mailbox/gate repair statements, and miscellaneous vendor repair invoices.

Working with a collections attorney, the department is responsible for the collection of late Assessment payments and for helping other departments in the collection of overdue invoices. The goal of the department is to maintain a 99% collection rate on Assessments, 95% marina collections, and 95% of all other collections. Another goal is to offer electronic Assessment statements as well as online payment options for monthly Marina statements and other like charges.

The department is responsible for auditing and depositing daily cash receipts from the reception desk, Security gates, and Marinas activities. These include vehicle and Dog Park registrations, which average $2,000/day; daily pass fees, which average $1,000/day from the North Gate; and retail operations at the Marinas, which average $500/day, including gas sales.

Invoices that receive the proper authorizations through our purchase order program are paid within 14 days. Checks, direct debit, and credit card payments equating to $175,000 are issued bi-weekly.

The department performs payroll administration and paid time off auditing for all Association employees. Approximately 80 paychecks, equating to a payroll cost of $99,000, are issued bi-weekly.

The department maintains and depreciates a ledger containing more than 700 personal assets, worth a net book value of more than $5,400,000. Personal assets are items over $1,000 that can be depreciated and resold by the Association.

Financial Management and Reporting

The purpose of the Financial Management Program is to provide information to the staff, committees, and Board on financial policy, financial management, reporting, and other matters affecting the short- and long-term financial condition of the Association. The department provides support to the General Manager in the development of the Long Range Financial Plan, Assessments, and annual operational and capital budgets, and makes recommendations to the Finance Committee and Board of Directors when appropriate.

Investments of available funds are made in accordance with Board policy. In 2014, the Association moved the balance of the reserve and operating funds to our primary bank accounts to offset the bank fees usually incurred throughout the year. This change will be reevaluated when interest rates on money markets increase enough.
The department also compiles historical research used to produce benchmark data valuable in analyzing the financial condition of the Association. Internal audits are conducted to ensure accuracy and compliance with applicable laws, regulations, and policy.

Financial Reporting provides timely and accurate information about the financial condition and performance of the Association to the staff, committees, Board of Directors, and Members. This is accomplished by issuing draft financial reports within seven working days of the closing of the month and 30 working days of the closing of the year. On a monthly basis, subsidiary ledgers are reconciled to reported balances to ensure the accuracy of the financial information being distributed. The accuracy of the reported balances is tested during an annual external audit conducted by an independent CPA firm. The annual audit should result in an unqualified opinion, no reportable conditions, and no significant recommendations.

In 2017, the Finance Department purchased software that is specifically designed to track reserves. The new software is called PRA System (Property Reserve Analysis System). The software was created in 1989 and is updated regularly by the company’s engineers with the most up-to-date features. All the existing information in the Capital Asset Management Plan (CAMP) has been uploaded into the new PRA System.

### Insurance and Risk Management
The purpose of the Insurance and Risk Management program is to acquire insurance for those areas of operation and assets in which the Association risk control techniques do not adequately cover losses the Board is not willing to assume. Risk control techniques include exposure avoidance, loss prevention, loss reduction, segregation of exposures, and contractual transfer. This is accomplished by understanding the value of the Association’s assets by conducting periodic appraisals, understanding the areas of potential exposure, having general knowledge of the insurance market, and monitoring losses.

### 2017 OUTCOMES and 2018 EXPECTATIONS
In 2017, the Finance Department researched potential bank options, and recommended moving all accounts to Ameris Bank. This move, approved by the Board of Directors and completed in 2017, will save money on bank fees while also providing a higher level of support and technology.

In 2017, the Finance Department continued the upgrade of the financial software that was begun in 2014, including upgrading the seven-year-old purchase order system (PN3) and adding ViewPost to the Accounts Payable software. The Finance Department researched, selected, and installed a replacement for the 10-year-old timekeeping software. The department also researched potential online payment portal options for our residents.

In 2018, we plan to finalize and install the new online payment portal. It will also be time to upgrade the main financial software platform (Microsoft Dynamics Great Plains) from the 2013 version to 2018.

<table>
<thead>
<tr>
<th>STATISTICS</th>
<th>2017</th>
<th>2016</th>
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<tbody>
<tr>
<td>Payable Checks Produced</td>
<td>2,509</td>
<td>3,402</td>
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<tr>
<td>Payment Checks/ACH/Cash Deposits Processed</td>
<td>12,892</td>
<td>12,414</td>
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<tr>
<td>Property Transfers Processed</td>
<td>349</td>
<td>361</td>
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<tr>
<td>Percent of Assessment Accounts Delinquent</td>
<td>0.3%</td>
<td>.17%</td>
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</tbody>
</table>
Marinas

Marinas Mission Statement

The mission of the Marinas Department is to provide and promote boating and waterfront activities within The Landings by operating and maintaining two marinas -- Landings Harbor and Delegal Creek. The department provides permanent and transient storage options through wet slips and dry racks, including for Jet Skis and kayaks. In addition, the Marinas have a Sailing Program, retail store operation, transient boat services, boat washing and bottom painting service, and marine repair services provided through Dolan Yacht Services. User fees and sales of goods and services provide the revenue to fund the Marina operations.

2017 HIGHLIGHTS

Facility Upgrades

On October 7-8, 2016, Hurricane Matthew hit the Savannah area. The hurricane caused significant damage to many marinas in the Southeast, including Delegal Creek Marina. In the spring of 2017, The Landings Association Board of Directors approved a staff report recommending the full replacement of Delegal Creek Marina. The project was completed at the end of 2017.

The new dock design is similar to the existing layout but with modifications that address longstanding silting issues and improved materials quality. The dock structure includes concrete walkways and T heads, wood floats with Azek composite decking for the fingers and connector dock, and new aluminum ramps. The fuel dock has two new replacement buildings, including a harbormaster office and small ship store.

The connector dock has been moved out roughly the length of one slip. Although this extension reduces the total slip count to 58 (from 63), this plan resolves the longstanding problem with the listing connector dock. This extends the new connector dock out into much deeper water, and it will not sit in the mud at low tide. In addition, concrete piles have been used instead of timber, increasing the strength and stability of the system. Concrete piles were added to the main walkways on two of the docks, creating additional strength in the entire system.

The snack shack was also a big improvement at Landings Harbor Marina. The old bait room was renovated in the spring of 2017, making way for the snack shack. The snack shack offers Leopold’s ice cream, cold drinks, and various other snacks.

Marinas Events and Programs

Coordinated events and activities at the Marinas, such as sunset cruises at the Harbor, HarborFest, Tuesday Night Socials, and the Landings Harbor Annual Spanish Mackerel Tournament, were successful in 2017. Boaters and non-boaters alike were encouraged to enjoy the benefits of these premier locations. Exciting new vendors participated in HarborFest. Regular cookouts on the front porch at Landings Harbor and on the pier at Delegal were a huge success and will continue in 2018.

The Sunset Cruises continue to be a hit throughout the community. Residents and their guests who are non-boaters are now able to more fully appreciate their island home through this experience.

Skidaway Island Boat Club’s 2nd annual Low Country Hook Regatta took place on July 29, 2017 and was a big success. The race was a point-to-point ocean race, which started outside Harbor Town, Hilton Head and finished right outside Landings Harbor.

Marketing

In 2017, the Marinas participated in the Charleston, Savannah, Wilmington, and Annapolis boat shows. The Marinas also continued advertising in the Dozier’s Waterway Guide to attract seasonal guests. These efforts will continue in 2018.
The Marinas’ work boat, Starfish, made its third appearance in the Savannah River Boat Parade in 2017, along with approximately 40 other participants. Thousands of spectators lined River Street watching the decorated boats. Presents and gift cards that were donated were given to Greenbriar Children’s Home just in time for Christmas.

**Marine Repair Service**

The outsourced Marine Services Center continues to be operated by Phil Dolan Yacht Services. The Marinas will continue to work in conjunction with Dolan Yacht Services to attract non-resident boaters to The Landings and retain them as permanent customers of the Marinas.

**Sailing Program**

The primary goal of this program is to allow residents to learn to sail in a supportive environment and to sail without having to own a sailboat. The Marinas own nine Rhodes 19 sailboats for this purpose and charge participants a monthly fee. The sailing program made a big purchase in 2017 with the addition of two J24s. The J24s diversify the club and will help attract new members. Members race weekends to promote camaraderie among participants and offer sailing options to residents interested in sailing. Membership in the sailing program varies seasonally and consistently has generated revenue in excess of program expenses, allowing for periodic repair and replacements of the vessels. The program is fully managed by its members, who also handle much of the required maintenance.

**2018 Overall Expectations**

The priority for 2018 will be replacing the eight-year-old marina forklift at Landings Harbor Marina. Landings Harbor is also scheduled to have some much-needed concrete repairs in the dry stack area. In addition, seawall repairs that were delayed due to tide constraints will be completed in 2018. The bay doors on the outboard mechanic shop are also scheduled to be replaced in 2018.

The focus at Delegal will be building up the occupancy from the aftermath of Hurricane Matthew. Staff will also install two gates at the entrances to A and C docks. The gates will be locked when the marina is closed. This creates one access point and will help significantly with security.

General maintenance to the buildings and property, such as painting, will be kept to a high standard.

**2018 Marketing Expectations**

The Marinas plan to achieve revenue targets in occupancy levels for 2018 through retention of existing customers and attracting new customers. 2018 actions to retain existing boaters include the following:

- Customer service plays an essential role in retention. A customer service class will be required for all staff in 2018. We will continue in 2018 to make sure all staff members understand the importance of and what it means to provide great customer service.
- Owners generally need to use their boat to make it worthwhile, or they ultimately will sell their vessel if they haven’t enjoyed it enough to justify the cost. To provide increased opportunities, additional activities will be offered so that boaters will be enticed to use their boats. Fishing seminars will be offered, paddle board and kayak classes will be held, and a fishing tournament will be held in the fall. Cookouts will continue to be implemented in 2018 at both Landings Harbor and Delegal Creek Marina. The website, resident e-blasts, and Facebook posts help facilitate and promote these activities throughout the year.
- A referral program will be continued and re-advertised on a regular basis, and a variety of incentives will be presented to entice current marina members to bring new people to the Marinas.
- In 2018, the Marinas plan to attend the Savannah Boat Show, the Charleston Boat Show, the Annapolis Boat Show, and possibly the Newport Boat Show. Both marinas will be highlighted at each show.
- Marketing in 2018 will also include advertising through Dozier’s Waterway Guide to attract seasonal marina guests.
With the renovations the past few years, The Sunset Pavilion remains a top choice for parties and other celebrations.

Approaching its fifth year at Delegal Creek Marina, Carefree at The Landings makes it possible to enjoy boating without owning a boat. Carefree now is located at Landings Harbor and Delegal Creek Marinas.

Whether you are looking to rent (photo at left) or store a kayak (photo at right), Delegal Creek Marina staff can help.

Landings Harbor Marina remains a favorite spot for boaters and those who love the water.

Open Saturdays and Sundays (including holidays) from 10 a.m. to 3 p.m.

Landings Harbor's Snack Shack is a hot spot for residents and guests with hotdogs, chips, Leopold's Ice Cream, and more!

With the renovations the past few years, The Sunset Pavilion remains a top choice for parties and other celebrations.
Before & After Photos at Delegal Creek Marina

The photo on the left shows damage to the walkway after Hurricane Matthew in 2016. On the right is damage to the fuel dock from Hurricane Matthew.

The photo on the left shows the fingers on middle dock after Hurricane Matthew. The photo on the right shows the New A dock (formerly C dock).

The photo on the left shows the walkway on A dock. The photo on the right shows the new harbormaster’s office and ship store.
Public Works Mission Statement

The mission of the Public Works Department is to ensure that The Landings is a well-maintained community which operates at a good value for its property owners by maintaining, repairing, and improving all infrastructure, equipment, and grounds owned and operated by The Landings Association. The department consists of the following five program areas: Contract Administration, Buildings and Grounds, Construction, Environmental, and Fleet. Each program area fulfills a specific role to support the strategic objectives of the department to ensure the Association’s services and facilities provide an aesthetically pleasing, secure lifestyle for residents.

The Association uses a Capital Asset Management Plan (CAMP), which captures all assets over $1,000 owned by the Association, to organize and manage the short- and long-term capital replacement and repair reserve funds. CAMP is evaluated and updated annually for the useful life, remaining life, and current year cost of the assets. Once evaluated to ensure that the asset replacement or repair is absolutely necessary, these items are included and funded within the Capital Reserve account.

2017 HIGHLIGHTS

Street Resurfacing and Repair Program

The purpose of the Annual Street Resurfacing and Repair Project is to resurface and/or repair identified roads based on their longevity and condition, with final selection determined by physical inspection, including core samples. The 2017 project included the repairs and replacements of Benedictine Retreat, Dame Kathryn Road (partial), Old South Lane, Upland Lane, Shaftsbury Lane, Westcross Road, White Horse Lane, Clamshell Lane, Captain Jim Lane, Oakridge Gate, Deer Creek Automatic Gate (LWN/Shellwind), Landings Main Gate Circle, and TLA Administration Parking Lot. The project also included the repair and sealing of Franklin Court, Bishopwood Court, Creek Marsh Lane and Shadow Brook Lane.

Community Path/Trail Resurfacing

The goal of the resurfacing/repair program is to eliminate damaged, raised, and/or buckled sections, which is largely a result of root intrusions. Through annual inspections and evaluations, the Public Works Committee and staff select paths based on severity of damage, frequency of use, and potential safety concerns, thereby meeting the Association’s standards for replacement.

The 2017 project included the replacements of the following paths: Hickory to Rookery, Tidewater to Brandenberry, Prescott to Windwalk, Cottonwood South along LWS (partial), Coventry Close to Middle Marsh (220LF), Cricket Court, Priory to Breckenridge, Path to Marsh Tower, Chatuachee Crossing, 38 Village Green Circle to Marshwood, Shaftsbury to Tuckwell, and Islander’s Retreat to Deer Creek Cart Bridge.

Bartram Community Path Addition

The 2013 survey results and feedback from annual meetings brought forth a need and desire for a community path along Bartram Road. In 2017, the path was installed along Lagoon 2 (on Bartram Road), stretched past the Sparrow Field, and connected into the path at the 6th hole of Magnolia. Staff will complete the path nearest the Sparrow Field once all storm debris has been removed by The Landings Club.

Sign Painting Program

The Association continued to refurbish and repaint 1/3 (approximately 1,500 units) of the signs, mailbox posts, and yard plaques throughout the community. In 2017, contracted crews completed Landings Way South and all side streets from Delegal Road up to and including Seawatch Drive and all streets located in Oakridge and Deer Creek. This work was completed through a combination of in-house staff and contracted means.
Storm Drain Survey
Staff continued to monitor and clean any problem storm drains following the heavy rainfall and hurricane we experienced in 2017. Specifically, staff resolved issues relating to marsh outfalls and debris buildup in a number of storm drains along the marsh edge. Staff will continue to work on reestablishing positive flow in the marsh outfalls throughout the following year.

Sunset Pavilion Upgrades
Over the last 10 years, staff have conducted several renovations to the Delegal Sunset Room, including a new bar, hardwood flooring, tables, chairs, the installation of a chair lift and prep kitchen, renovations to the restrooms, and the installation of televisions, a projector with Wi-Fi capabilities, and a screen. Staff replaced the exterior doors in 2017, which provided enhanced access and improvement to the overall appearance of the Sunset Pavilion.

Automatic Gates
Each of the Gatehouses/Access Control Facilities (Deer Creek - 2, Main Gate, Marshview, Marshwood, Moon River, and Oakridge) have automatic gates for residential and guest entry into the community. The automatic gates have a useful life between 10-15 years depending on the frequency the gate is utilized, the number of maintenance issues/requests, and the condition of the equipment. In 2017, staff replaced the automatic gates located at the Main Gate and Oakridge Gate.

Hurricane Matthew/Tropical Storm Hermine Restoration
In 2017, staff began to address the first year of the restoration process of the center islands, courtyards, parks, gatehouses, and buffer common areas throughout the community that were damaged by Hurricane Matthew and/or Tropical Storm Hermine. The restoration included tree removal, tree replacement/planting, pine straw, bed delineation, sod replacement, and seeding. The restoration also included the installation of an irrigation system, final grading (to smooth the field out), pre-emerging, and sprigging to the Dog Park Practice Field. During the 2016 storms, the practice soccer field housed more than 56,000 cubic yards of debris, which significantly deteriorated the field. Staff also restored an area of sod at Landings Harbor Park which was inundated with a large amount of saltwater from the storm surge that Hurricane Irma brought with her.

Emergency Generators
The Landings Association currently maintains nine emergency generators, which have useful lives between 13-20 years, depending on the service history (maintenance issues/problems) and the physical condition (outside shell/casing). The emergency generator at the Oakridge Access Control Facility reached its useful life of 20 years and was replaced in 2017.

Lagoon Structure Replacement
The Landings Association and The Landings Club own 54 water-control structures. The lifespan of each structure is 30 years. These structures are important features of the community, as they control water levels and storm water overflow. In conjunction with our engineers, staff evaluate these structures annually to determine the condition and costs associated with those structures that need replacement. In 2017, repairs were completed on TLC-owned Lagoon #107 (located on the 6th hole of Magnolia) and #32 (located on the 4th hole of Oakridge). After both lagoons were dewatered, the contractor made concrete mortar point repairs to the damaged areas and pipe connections. The repairs were funded by The Landings Club.
Public Works

2018 EXPECTATIONS

Hurricane Matthew/Tropical Storm Hermine/Hurricane Irma Restoration

As part of the two-year Special Assessment, staff will continue to monitor and remove any weakened trees from the high winds and storm surge we experienced from Hurricane Matthew, Tropical Storm Hermine, and Hurricane Irma. In addition, staff will grind all stumps associated with tree removal. Staff will also continue to reestablish center islands and buffer areas with plantings and turf restoration, including any necessary grading, seeding, bed delineation, and pine straw application.

Pine Straw Program

Over the last year, staff have seen a significant increase in the price per bale for high quality, long-leaf pine straw. Due to this increase, our landscape contractor, BrightView Landscaping, has discontinued its bulk purchasing from Georgia Pine Straw (which previously provided the community with bulk pricing). In lieu of the program, staff will reach out to local contractors to obtain special pricing for the community. Residents will be provided a contact name and number and subsequent pricing information wherein they can call whichever contractor they feel best meets their needs.

Sign Painting Program

The Association will continue to refurbish and repaint approximately 1/3 of the community’s mailbox posts, yard plaques, and signs (approximately 1,500 units) through a combination of in-house and contracted means. The 2018 project will focus on the painting of all street signs, mailbox posts, and yard plaques in the following areas of the community: Priest Landing Drive and its side streets, Bartram Road and its side streets, Landings Way North (from Bartram Road North to Wiley Bottom Road South) and its side streets, Deer Run and its side streets, and Tidewater Way and its side streets up to Brandenberry Road (excluding Cotesworth Place, Bellemade Court, Anderson Court, Callavance Court, and Prescott Lane, which will be included in 2019’s project).

Contract Renewals

In 2018, staff will renew the following contracts as described below:

- **Landscape Service Agreement (2019-2021):** The contract includes the maintenance of Landings Association common properties, including lagoon banks, entrance gates, buffer areas, and rights-of-way. The contract also includes common property improvements, downfall pickup, season color maintenance, assistance in residential requests/concerns regarding maintenance, and unforeseen issues relating to storm cleanup and drought.

- **Chipping Facility Service Agreement (2019-2021):** The contract requires the contractor to chip and dispose of all cellulose debris generated within The Landings. Annual fee schedules are determined and agreed upon by both parties wherein the Association pays the contractor 90% of the face value of all tickets received and retains 10% of the proceeds to pay for ticket printing and any TLA-required staffing.

- **TLA/TLC Lagoon and Security Services (2019-2021):** The contract includes the maintenance of the water quality, aesthetics, and rainfall runoff for TLC-owned lagoons. The contract also includes 24-hour/7 days a week Security services, which include access management for various gates, key control, decal issuing, daily locking of designated facilities, and response to requests for assistance from TLC employees, members, and guests. Additionally, Security personnel respond to alarms generated by TLC facilities.

- **Wildlife Services (2018):** The contract includes a long-term deer management program and the management of other offending species such as feral hogs, squirrels, vultures, and numerous species of migratory birds. The contract also includes an employee’s time acting as a TLA resident expert who responds to residential complaints/questions associated with wildlife concerns/issues.
Annual Street Resurfacing and Repair Project

The purpose of the Annual Street Resurfacing and Repair Project is to resurface and/or repair identified roads based on their longevity and condition, with final selection determined by physical inspection, including core samples. The 2018 project will focus on the repair of potholes, root intrusions, and curbing throughout the community. The contract will be spaced through the calendar year.

Annual Community Path Resurfacing Project

The purpose of the Annual Path Repair/Replacement Project is to improve the community paths that are significantly deteriorated and/or present potential safety hazards. Upon completion of the 2017 repairs, 60% of all community paths are constructed of concrete. The projected unit cost for replacement with concrete is $34 per linear foot vs. $23 for asphalt. The paths currently made up of asphalt will continue to be converted to concrete, as concrete has a life expectancy that is more than double that of asphalt. The areas in consideration for replacement in 2018 include the following paths: Marshwood driving range to Landings Way North and Landings Way North (Dog Park) to Tidewater Way.

Storm Drain Repair and Replacement

In 2018, staff will continue to evaluate several areas of storm drains to understand better system failures and any areas that were damaged due to Tropical Storm Hermine, Hurricane Matthew, and Hurricane Irma. Staff will dredge the storm drain pipes to assess further repair needs to determine whether they require replacement. Staff will also continue to work on reestablishing positive flow in the marsh outfalls throughout the year. Should any storm drains require a replacement, they will be funded through the Reserves Fund.

HVAC Unit Replacement

The Landings Association maintains 16 HVAC units at TLA-owned facilities. Each unit has an approximate useful life of 12 years, and a cost-benefit analysis is completed annually for all units scheduled for replacement based on purchase price and efficiency. In 2018, the unit located at the Public Works Office is scheduled for replacement.

Center Island Renovation

In 2004, The Landings Association began a program to beautify and refurbish our common property. This program focused primarily on the 313 center islands within the community. The program provided a higher level of maintenance for major center islands and increased maintenance for islands on cul-de-sacs and lesser-used roads. Response to this program has been positive. However, staff have continually received requests to expand this program. In 2018, staff will continue the increased maintenance on secondary islands, including improved tree maintenance, bed delineation twice a year, and one annual pine straw application in the spring. In addition, staff will focus on the reestablishment and replacement of plantings, which suffered due to the damage caused by Hurricane Matthew, Hurricane Irma, and Tropical Storm Hermine over the last two years.
Public Works

STATISTICS       2017*       2016
Association Buildings Maintained       14          14
Vehicles Maintained                    22          22
Mailboxes and Signs Painted            1,541        1,143
Mailboxes and Signs Repaired           669          627
Miles of Community Paths/Trails Repaved 1.4       .02
Square Feet of Road Repaired           1,381        999
Acres of Common Property Maintained    690          690
Storm Drains Repaired                  56           39
Streetlights Repaired                  28           37
Cubic Yards of Debris Removed From Roads 3,820      4,553
Number of Private Trees Approved for Removal 1,777     1,264
Number of Common Area Trees Removed    823          2,424
Miles of Road Shoulder Pruned for Visibility 22.46    28
Number of Deer Removed                134          160
Number of Hogs Removed                 23           29

*In 2016, during the months of September through December, maintenance cycles varied greatly as a result of Tropical Storm Hermine and Hurricane Matthew. Likewise, the months of January through March in 2017 were dedicated to storm cleanup, and the maintenance cycle figures reflected lower than normal.

Pre-Hurricane Irma
Landings Association equipment was pre-positioned on high ground adjacent to the Skidaway Narrows fixed bridge for easy access.

Hurricane Irma left behind some water damage in The Landings.
Security Mission Statement

The mission of the Security Department is to promote a secure lifestyle through community service in three major operational areas: Access Control, Emergency Service Assistance, and Patrol Operations. This has changed slightly from previous years, as a majority of the Covenants Compliance operation was realigned with our Community Development Department. The Security Department’s goals are to ensure the safety and security of residents, guests, and employees, maintain the privacy of the community, and deter illegal activity. The Security Director is responsible for emergency planning, law enforcement, fire and EMS liaison, and general Security operations. Landings Security is organized similar to a police department, with three shift supervisors and three assistants (one for each shift).

2017 HIGHLIGHTS

Security Committee

Southside Fire Department went through several changes in 2017, including a name change to Chatham Emergency Services (CES). Volunteer Chief Wendell Pendleton passed the baton to Chief Dennis Hudgins. The Security Committee continues to be an integral part of our overall operation. Once again, Committee members rolled up their sleeves and were an instrumental part in replacing more than 19,000 barcodes with RFID tags.

Private Property Maintenance Standards and Covenants Compliance

Private Property Maintenance Standards duties shifted to the Community Development Department. This realignment will capitalize on shared staffing duties and synergy between the Architectural Department and Plans and Standards Administrator, formerly Covenants Compliance.

Appeals Committee

Five Appeals Committee members were appointed by the Board of Directors in 2017 and heard six cases. A total of $31,775 in fines was issued, and the Association has successfully collected $5,130. Two Appeals Committee member’s terms were completed, and they were replaced by two new members. Upon being issued a non-compliance letter, citation, or fine, residents have 14 days to complete and file an Appeals Request Form.

Access Management

A variety of automated and manual systems are used to process vehicle entries using any of our seven gates. The Main Access Control Facility (ACF) is the 24/7 hub of our automated systems, including our video camera system. It also serves as our dispatch center for calls and is augmented by dedicated resident volunteers who assist in entering preauthorized arrivals into our access management software. The Marshwood (North) Access Control Facility is staffed 12 hours daily, Monday through Saturday, and is open primarily for sales guests on Sundays from 10 a.m. until 5 p.m. The Deer Creek, Marshview Landing, McWhorter, Moon River, and Oakridge gates are automated. In 2017, a total of 161,990 expected arrivals were processed in the access management system. The Point of Sales (POS) system installed at the North ACF has worked well and has provided another option for vendors to purchase daily, weekly, or monthly passes. The only change to our vendor policy tentatively slated for 2018 is eliminating the exception for vendors that live outside Chatham County or more than 75 miles from Skidaway Island. The funds generated through this program are captured in our operating budget and are linked directly to reducing annual Assessments. Residents are encouraged to select vendors that choose to purchase annual RFID tags or have enough clients in The Landings and that consider the vendor access fee a cost of doing business within our gates.
Video Monitoring
While attending ASIS’s (the leading organization for security professionals) national conference, staff members toured surveillance camera software provider Avigilon’s factory in Dallas, Texas and continued to be impressed by its product, quality control, and support. As mentioned in 2017, we look forward to making the transition in our camera software from Milestone to Avigilon in 2018 and partnering with a new, local camera expert. Five additional cameras will be added to our network and installed at the Marinas in 2018.

Emergency Service Assistance
Security patrols respond to all medical calls, fire/burglar alarms, and emergency incidents in the community. Patrols provide escort for police, fire, and emergency medical units during emergency situations. In 2017, officers assigned to patrol duties responded to 11 reported fires, 669 medical calls, and 143 fire/burglar alarms. Security team members obtained or maintained their American Heart Association’s CPR/AED/First Aid certification, and one staff member is in the process of being recertified as an American Heart Association Basic Life Support Instructor.

The Landings Association has developed professional relationships with private and government entities, and our combined efforts resulted in the following:

- Skidaway Island First Responders assisted with special events, such as the Multiple Sclerosis Walk, The Landings Club’s Sprint Triathlon and full and half Marathons, HarborFest, Kiwanis Chili Cookoff and Concert on the Green, and Landlovers Flea Market.
- Security Department team members worked closely with Savannah-Chatham Metropolitan Police Department (SCMPD). The number of thefts reported to SCMPD and/or TLA Security decreased by 5%, and vandalism incidents decreased by 55%. We also saw a decrease in the number of burglaries from five to three during 2017. Dedicated hard work by SCMPD’s officers and detectives, in addition to assistance from the District Attorney’s office, resulted in the successful conviction of two burglars. The Juvenile Court system continues to work on a case regarding burglary and theft of Southside Fire Department equipment in 2016. SCMPD continues its pursuit of unresolved cases pending further investigatory leads.

Patrol and Property Checks
Patrol Officers are tasked with routine, preventive patrols; facility and property checks for The Landings Association, The Landings Club, and The Landings Company; residential property checks; various calls for service; and responding to and assisting fire, medical, and law enforcement agencies. The Security Department’s residential property check program continues to be a well-utilized service, with 3,091 premise checks in 2017. ABDi’s OfficerPulse software continued to document our patrol activities, and more than 133,000 miles were patrolled throughout the community. The Association continued to contract off-duty police officers to patrol the streets 36 hours per week and for special events. SCMPD patrolled a total of 8,041 miles in 2017.

Team Development
New Security Officers completed initial orientation and training and continued their on-the-job training throughout the year. The Security Officer II and III levels continued to be utilized, and new officers are required to complete the level II exam within their first 90 days, and the level III exam within the first six months. The Security Office Manager and Team Leaders attended ASIS International’s 63rd Annual Seminar and Exhibits in Dallas, Texas. The Security Director obtained ASIS’s Board Certification as a Professional Investigator (PCI) in 2017.
Turnover in the Security Department was 26% in 2017. Training and education continued in the following:

- ASIS International’s Physical Security Professional (PSP) and Professional Certified Investigator (PCI) Board Certifications
- Team members will complete or continue to be certified in the American Heart Association’s CPR/AED course.
- Quality assurance exercises continued during 2017 and will be expanded in 2018.
- Each shift's Corporal is responsible for frequently identifying training opportunities and testing team members.
- The Security Officer II and III computerized tests were utilized to identify training strengths and opportunities. Corporals were tasked with expanding the test question databank in 2017.
- Team members were provided weekly safety training.

**Technology and Industry Trends and Standards**

GateAccess.Net has continued to gain popularity, averaging 11,955 logins each month to preauthorize guests and vendors as well as to update residents’ personal information.

As a reminder, a resident now must preauthorize vendors, and vendors must remain in compliance with our Commercial Rules and Regulations. Commercial vendors have options to purchase daily ($20), weekly ($60), or monthly passes ($100), or they can purchase annual RFID tags, which start at $175 for a four-wheel vehicle. These funds are part of the Security Department’s operating budget and typically account for revenues close to $800,000 annually. These funds directly affect TLA’s ability to keep residents’ Assessments at a reasonable cost.

Staff and volunteers installed more than 19,000 RFID tags in 2017, replacing the outdated barcode system.

<table>
<thead>
<tr>
<th>STATISTICS</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guest Pass Requests Processed</td>
<td>161,990</td>
<td>151,069</td>
</tr>
<tr>
<td>Active RFIDs (formerly barcodes)</td>
<td>19,043</td>
<td>23,152</td>
</tr>
<tr>
<td>Reports Filed</td>
<td>3,294</td>
<td>4,607</td>
</tr>
<tr>
<td>Assistance Requests</td>
<td>291</td>
<td>400</td>
</tr>
<tr>
<td>EMS Support Runs</td>
<td>669</td>
<td>638</td>
</tr>
<tr>
<td>Unsecured Property Reports</td>
<td>271</td>
<td>569</td>
</tr>
<tr>
<td>Alarm Responses (Fire/Burglar)</td>
<td>143</td>
<td>183</td>
</tr>
</tbody>
</table>
The Landings Main Gate is the central hub for Landings Security personnel and volunteers.

Resident volunteers help with the 40-plus RFID events.

Security participated in the 2017 Tech Day sponsored by Comcast Xfinity. Officers showed residents how to use gateaccess.net.

Pictured left to right is a screenshot from Security’s new camera system and recently purchased security vehicle with updated logos.
MISSION OF THE LANDINGS ASSOCIATION
The Mission of The Landings Association is to maintain common property, provide services, and administer covenants in a publicly responsible and efficient manner.

VISION FOR THE LANDINGS ASSOCIATION
Our VISION is to be the most vibrant private residential community in the Southeast. We are stewards of the naturally beautiful coastal environment in which we live, work and play, and actively pursue economic, environmental, and social sustainability. We create and foster an active lifestyle, along with experiences and services that enhance our sense of community, security, and quality of life.

OBJECTIVE 1 - ENVIRONMENTAL SUSTAINABILITY
Create and promote an environmentally sustainable community that encourages responsible enjoyment of our natural resources.

OBJECTIVE 2 - HOUSING
Facilitate a fresh, diverse selection of housing for people at every stage of life who desire the “Landings Lifestyle”.

OBJECTIVE 3 - TECHNOLOGY
Research and leverage cutting edge technologies to enhance the safety, security, and quality of life for our residents.

OBJECTIVE 4 - AMENITIES, ACTIVITIES, PROGRAMS, AND SERVICES:
Develop and deliver an expanded array of amenities and services to complement those offered by the Club and promote an active lifestyle, create a strong sense of community, and are valued by our current and future residents.

OBJECTIVE 5 - GOVERNANCE AND DECISION MAKING
Build and implement partnerships and leadership strategies with major stakeholders that will ensure the future success of The Landings.
The Landings Company

The Landings Company is the marketing and real estate arm of The Landings Association. Its mission is to maximize property values at The Landings. To this end, the Company invests in national, regional, and local marketing programs on behalf of the entire community.

The Company also manages proprietary real estate brokerage and property rental operations which:

1. Facilitate an efficient and professional process to encourage prospects, responding to marketing programs or referred to us, to purchase property.
2. Generate the net cash flows that are the sole source of funding for community marketing.
3. Maintain a Welcome Center for prospective purchasers.

Background

The Landings Company is the successor organization to the marketing and sales operations of the developer of The Landings (Branigar) and has been in operation since 1998. It is a taxable corporation, wholly owned by The Landings Association and managed by a separate Board of Directors. The company generates 100% of the funds necessary for its marketing programs and day-to-day operations, which are conducted by a small staff and a number of independent, licensed Realtors. The Company cooperates with both the Association and the independent Landings Club to create awareness and ensure that prospective purchasers appreciate the community’s properties, amenities, programs, and lifestyle.

Extensive marketing of The Landings is essential, considering its private location and the destination (meaning non-resort) character of our community. The Landings consists of 4,420 privately-owned properties with a combined value of more than $2 billion.

About half of purchasers typically come from outside our local area and are attracted to our community by a variety of marketing initiatives. With more recently developed destination communities and other new communities coming online, competition is increasingly intense for the pool of prospective buyers.

Marketing Expenditures

From 2004 to 2007, the Company averaged more than $1.4 million spent annually to market the Landings community. The downturn of the market in 2008 resulted in less cash being generated from real estate operations and, therefore, a decline in the amount spent for marketing. In 2015, 2016, and 2017, approximately $1.1 million to $1.3 million was spent, with plans to spend another $1.2 million in 2018 should sales continue at their current pace.

2017 HIGHLIGHTS

Community Marketing Programs

Even after the impact of Hurricane Matthew and then Irma, both of which effectively removed one month of visitors in each of the last two years, 652 couples/families participated in Discovery Visits to the island during 2017. The pre-Irma pace indicated we would have hosted 730 couples/families, which is our expectation for 2018.

The number of visitors was driven by leads brought to us by our enhanced website, added digital advertising, representation at 10 Ideal Living (formerly Live South) Shows, ClubCorp marketing relationship, and other media placements with cumulative impressions of more than eight million. The website and digital advertising were especially cost-effective tools to produce most of our new buyers. Also critical are your referrals of friends and family.
While these sales and visits by prospective buyers are encouraging, we have much more to do. Our most significant opportunity for increased sales comes from outside the Savannah area and requires national marketing. All of the earnings of the Company after modest general and administrative expenses are committed each year to marketing The Landings.

Note in the Marketing Expenditures graph below that spending returned to seven figures for each of the last five years due to the success of our real estate operations. However, marketing spending continues to be below our pre-recession peak and well below the spending of communities still owned and promoted by developers. Therefore, it is critical that these funds work at their highest level of efficiency and effectiveness, requiring our dedication towards continuous improvement.
The Landings Company

Keeping in mind the interruption by Hurricane Irma and latent effects of Hurricane Matthew, home sales overall were just behind 2016’s 268 homes sold, with 252 sold in 2017. Once again, the Company was the dominant real estate firm in successfully selling our community’s listings.

Collaboration with The Landings Club

The Landings Club is a private club and is a totally separate entity from the Association and the Company. The amenities and lifestyle the Club offers are key draws for many prospective buyers, and thus are critical for all Landings property values, whether the current owners are Club members or not. The Company and the Club continued to expand our synergistic efforts in 2017. Among 2017’s buyers who worked with a real estate firm, 71% who joined as golf members did so while working with The Landings Company. The same is true for 50% who joined as athletic members.

Real Estate Brokerage Operations

In its real estate operations, the Company’s market share was robust, with the Company representing the seller, the buyer, or both in 75% of all homes closed during the year.
2018 EXPECTATIONS

Real Estate Market Conditions

Market conditions in 2018 are expected to improve marginally over 2017. Increasing interest rates may encourage those who have been “on the fence” to move forward and, based on direct feedback from real estate show participants, new tax law changes are motivating those paying high property taxes in the Northeast to consider leaving sooner. In addition, the mix of inventory listed, whether it is up-to-date or “new”, and the number of homes listed within key price ranges will also be critical to improving sales.

Today’s buyer often is looking for smaller, open floor plan, low maintenance options, of which we have little or no supply. The lead time necessary to identify development opportunities, qualify developers, have them put infrastructure in place, and then build homes is substantial. To be competitive in this changing market and with evolving consumer tastes, it is critical to our community’s long-term success that we make substantive progress in 2018 towards the creation of development options for new and diverse housing options to attract those who cannot find suitable housing among the choices that currently exist on the island.

Notwithstanding these preferences, TLCo is still having the most success in sales of homes over $500,000, as we handled the listing of two-thirds of those sold in 2017 and 100% of those sold in January 2018.

Marketing Expenditures

The Company is planning national, regional, and local real estate marketing expenditures of approximately $1,200,000 in 2018, provided sales growth continues. As in past years, the Company may adjust its expenditures up or down based on results during the year as well as other factors.

Community Marketing Programs

Marketing efforts will build on successes of the last few years along with other new marketing initiatives. Our website (www.thelandings.com), search engine optimization efforts, social media, and other digital tools are crucial to mounting results and future success.

We will continue participation in Ideal Living Shows, our ClubCorp marketing relationship, increased targeted email marketing, and a fresh program to take advantage of the nearly 14 million visitors to Savannah each year by distributing our Portfolio of Homes in hotels, bed and breakfasts, and other key locations throughout the historic district. Persistent and sustained efforts to reach those who are likely to consider a lifestyle move as well as value the amenities of The Landings will be key to a successful 2018 and beyond.

We encourage the many property owner referrals of friends and family who visit and are pre-disposed to fall in love with The Landings.
The Landings Company

Early Indicators are Positive

We are off to a strong start, with a 103% increase (486 vs. 239) in sales leads from the first three 2018 Ideal Living winter shows and an overall increase in January leads of 39% (530 vs. 381).

While only 14 homes were closed in January 2018, this was expected, as closings in January are a result of sales made in the fourth quarter, and those were lower in 4Q 2017 due to Hurricane Irma. Of the 14, the Company represented 12 of the sellers, or 86%, and all five of those that were over $500,000.

With strong Discovery Visit bookings and the hopeful prospects of no hurricane this year, the good news lies in the likelihood that an uninterrupted 2018 will be an even better year for property sales in The Landings.
The Landings Company

2017 Board of Directors
Nick Sorvillo, Chair
Geof Silbert, Treasurer
Anne Schafer, Secretary
Nancy Pavey, Director
Jim Overton, Director
Martin Walsh, Director
Doug Marchand, Ex Officio

2018 Board of Directors
Martin Walsh, Chair
Geof Silbert, Treasurer
Anne Schafer, Secretary
Jim Overton, Director
Rex Templeton, Jr., Director
LeeAnn Williams, Director
Nick Sorvillo, Ex Officio

President
Raoul Rushin

Vice President of Sales
Mitch Jacobs

Director of Operations
Melba Dasher

Broker-in-Charge
Barbara Foster
Audited Financial Statements
& Other Information:
December 31, 2017 and 2016
The audited consolidated financial statements of The Landings Association, Inc. and its wholly-owned subsidiary, The Landings Company, together with the unqualified opinion of Holland, Bromley, Barnhill & Brett, LLP, Certified Public Accountants, are presented on the following pages.

The consolidated financial condition of the Association and its subsidiary, the Company, continues to be financially sound. The Association experienced an increase in 2017 Assessments of $1,768,000 due to the Special Assessment voted on in 2016 by the residents related to Tropical Storm Hermine and Hurricane Matthew. Chipping revenue increased by $107,525 to $205,750 in 2017 related to tree removal following the storms. Insurance proceeds received in 2017 for the repair and replacement of docks at Delegal Creek in the amount of $866,937 is included in other revenues.

Operating revenues of the Association and Marinas exceeded 2016 actual and 2017 budget. This increase, coupled with a decrease in operating expenses, generated net excess revenues before depreciation of $342,451. The Association and Marinas continue to be debt free.

During 2017, the Company’s expenses exceeded revenues by $180,028. Net revenue from the sale of property declined 4%, related primarily to Hurricanes Matthew and Irma. The Company invested $1,264,058 to market The Landings in 2017.

Consolidated revenues (Association and Company) of $20,108,037 exceeded consolidated expenses of $17,888,898, including depreciation, resulting in a net increase in members’ equity of $2,219,139. At December 31, 2017, members’ equity totaled $17,933,967.

I have enjoyed serving as your Treasurer for the past two years, and I thank each member of the Finance and Audit Committee for his or her contributions. On behalf of the Committee, I also extend our appreciation to the staff of the Association for their efforts during 2017.

Joyce Marble
2017 Treasurer
INDEPENDENT AUDITOR'S REPORT

To The Board of Directors and Members
The Landings Association, Inc.
600 Landings Way South
Savannah, Georgia 31411

We have audited the accompanying financial statements of The Landings Association, Inc. and its subsidiary, The Landings Company, which comprise the consolidating balance sheets as of December 31, 2017, and the related consolidating statements of revenues and expenses and changes in members’ equity, and of cash flows for the year then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Landings Association, Inc. and subsidiary as of December 31, 2017, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements
We have previously audited The Landings Association, Inc. and subsidiary’s 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 8, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Disclaimer of Opinion on Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the supplementary information of future major repairs and replacements on pages 55-56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Holland, Bromley, Barnhill & Brett, LLP
Savannah, Georgia
February 6, 2018
Consolidating Balance Sheets

December 31, 2016

<table>
<thead>
<tr>
<th></th>
<th>Operating Reserve Funds</th>
<th>Total</th>
<th>The Landings Company</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash &amp; cash equivalents</td>
<td>$1,980,231</td>
<td>$4,479,287</td>
<td>$6,459,518</td>
<td>$718,095</td>
<td>-</td>
</tr>
<tr>
<td>Cash held in escrow</td>
<td>391,027</td>
<td>391,027</td>
<td>244,814</td>
<td>-</td>
<td>635,841</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>2,371,258</td>
<td>4,479,287</td>
<td>6,850,545</td>
<td>962,909</td>
<td>-</td>
</tr>
<tr>
<td>Certificates of deposit</td>
<td>1,504,775</td>
<td>1,504,775</td>
<td>1,504,775</td>
<td>-</td>
<td>3,009,325</td>
</tr>
<tr>
<td>Other accounts receivable, net</td>
<td>415,933</td>
<td>415,933</td>
<td>2,981</td>
<td>-</td>
<td>418,914</td>
</tr>
<tr>
<td>Inventories</td>
<td>29,708</td>
<td>29,708</td>
<td>29,708</td>
<td>32,640</td>
<td>-</td>
</tr>
<tr>
<td>Prepaid insurance &amp; other</td>
<td>164,946</td>
<td>164,946</td>
<td>164,946</td>
<td>150,271</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>2,981,845</td>
<td>5,984,062</td>
<td>8,965,907</td>
<td>2,981</td>
<td>-</td>
</tr>
<tr>
<td><strong>Property, Plant &amp; Equipment, net</strong></td>
<td>6,651,313</td>
<td>1,805,752</td>
<td>8,457,065</td>
<td>486,943</td>
<td>-</td>
</tr>
<tr>
<td><strong>Other Assets</strong></td>
<td>1,084,414</td>
<td>80,700</td>
<td>1,084,414</td>
<td>11,300</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$10,717,572</td>
<td>$7,789,814</td>
<td>$18,507,386</td>
<td>$1,533,533</td>
<td>-</td>
</tr>
</tbody>
</table>

**LIABILITIES AND EQUITY**

<table>
<thead>
<tr>
<th></th>
<th>Operating Reserve Funds</th>
<th>Total</th>
<th>The Landings Company</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable &amp; accrued expenses</td>
<td>$104,676</td>
<td>-</td>
<td>$104,676</td>
<td>$958</td>
<td>-</td>
</tr>
<tr>
<td>Accrued payroll &amp; taxes withheld</td>
<td>74,666</td>
<td>74,666</td>
<td>200,047</td>
<td>-</td>
<td>274,713</td>
</tr>
<tr>
<td>Escrow balances &amp; deposits</td>
<td>391,027</td>
<td>391,027</td>
<td>244,814</td>
<td>-</td>
<td>635,841</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>3,050</td>
<td>3,050</td>
<td>3,050</td>
<td>-</td>
<td>3,050</td>
</tr>
<tr>
<td>Income tax payable</td>
<td>-</td>
<td>-</td>
<td>4,500</td>
<td>-</td>
<td>4,500</td>
</tr>
<tr>
<td>Deferred tax liability</td>
<td>-</td>
<td>3,300</td>
<td>3,300</td>
<td>-</td>
<td>3,300</td>
</tr>
<tr>
<td>Total Current Liabilities</td>
<td>573,419</td>
<td>573,419</td>
<td>449,119</td>
<td>-</td>
<td>1,022,538</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common stock</td>
<td>-</td>
<td>100</td>
<td>(100)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>-</td>
<td>1,084,314</td>
<td>1,084,314</td>
<td>-</td>
<td>1,084,314</td>
</tr>
<tr>
<td>Members’ equity</td>
<td>10,144,153</td>
<td>7,789,814</td>
<td>17,933,967</td>
<td>-</td>
<td>16,849,653</td>
</tr>
<tr>
<td>Total Equity</td>
<td>10,144,153</td>
<td>7,789,814</td>
<td>17,933,967</td>
<td>1,084,414</td>
<td>17,933,967</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$10,717,572</td>
<td>$7,789,814</td>
<td>$18,507,386</td>
<td>$1,533,533</td>
<td>-</td>
</tr>
</tbody>
</table>

NOTE - The accompanying Notes to Financial Statements are an integral part of these financial statements.

1. Allowance for doubtful accounts was approximately $8,600 and $19,000 as of December 31, 2017 and 2016, respectively.
2. Common Stock $1 par, 10,000 shares authorized, 100 shares issued and outstanding.
### The Landings Association, Inc.

#### Year ended December 31, 2017

<table>
<thead>
<tr>
<th>Revenues</th>
<th>The Landings Company</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Reserve Funds</strong></td>
<td>$6,781,560</td>
<td>$2,893,860</td>
<td>$9,675,420</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$9,675,420</td>
<td></td>
<td>$9,675,420</td>
</tr>
<tr>
<td><strong>Assessments</strong></td>
<td>1,418,557</td>
<td>1,418,557</td>
<td>1,418,557</td>
</tr>
<tr>
<td><strong>Marina</strong></td>
<td></td>
<td></td>
<td>7,646,600</td>
</tr>
<tr>
<td><strong>Commissions</strong></td>
<td>- $4,481,712</td>
<td></td>
<td>4,481,712</td>
</tr>
<tr>
<td><strong>Vehicle services</strong></td>
<td>779,523</td>
<td>779,523</td>
<td>813,563</td>
</tr>
<tr>
<td><strong>Service agreements</strong></td>
<td>241,610</td>
<td>241,610</td>
<td>222,602</td>
</tr>
<tr>
<td><strong>Architectural review fees</strong></td>
<td>64,260</td>
<td>64,260</td>
<td>95,256</td>
</tr>
<tr>
<td><strong>Interest earned</strong></td>
<td>3,914</td>
<td>22,507</td>
<td>14,956</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>10,011,025</td>
<td>13,790,415</td>
<td>17,295,474</td>
</tr>
</tbody>
</table>

#### Expenditures

<table>
<thead>
<tr>
<th>Expenses</th>
<th>The Landings Company</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Community services</strong></td>
<td>1,704,718</td>
<td>1,704,718</td>
<td>1,599,204</td>
</tr>
<tr>
<td><strong>Public works</strong></td>
<td>4,182,412</td>
<td>5,233,583</td>
<td>4,308,047</td>
</tr>
<tr>
<td><strong>Marina</strong></td>
<td>1,353,732</td>
<td>1,353,732</td>
<td>1,088,248</td>
</tr>
<tr>
<td><strong>General &amp; administrative</strong></td>
<td>2,424,212</td>
<td>828,255</td>
<td>2,949,271</td>
</tr>
<tr>
<td><strong>Commissions</strong></td>
<td>- 2,682,822</td>
<td>2,682,822</td>
<td>2,814,947</td>
</tr>
<tr>
<td><strong>Costs related to rentals</strong></td>
<td>- 1,776,990</td>
<td>1,776,990</td>
<td>1,774,800</td>
</tr>
<tr>
<td><strong>Sales &amp; marketing</strong></td>
<td>- 1,264,058</td>
<td>1,264,058</td>
<td>1,100,915</td>
</tr>
<tr>
<td><strong>Hurricane recovery</strong></td>
<td>-</td>
<td>-</td>
<td>1,547,650</td>
</tr>
<tr>
<td><strong>Income tax expense (benefit)</strong></td>
<td>3,500</td>
<td>(68,520)</td>
<td>24,275</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>9,668,574</td>
<td>10,719,745</td>
<td>16,907,357</td>
</tr>
</tbody>
</table>

#### Excess Revenues (Expenses)

| Net revenues (expenses)   | 342,451              | 2,728,219    | 2,399,167  |
| **Depreciation**          | 671,503              | 38,424       | 709,927    |
| **Total**                 | 10,111,025           | 13,790,415   | 20,108,037 |

#### Equity, January 1

| Equity, January 1         | 9,642,099            | 15,714,828   | 15,988,764 |
| **Transfers**             | 1,011,134            | (1,011,134)  | -          |
| **Equity, December 31**   | $10,144,153          | $7,789,814   | $17,933,967 |

#### NOTE

The accompanying Notes to Financial Statements are an integral part of these financial statements.
### Consolidating Statements of Cash Flows

**The Landings Company**

#### Year ended December 31, 2016

<table>
<thead>
<tr>
<th>CASH FLOWS FROM OPERATING ACTIVITIES</th>
<th>Operating</th>
<th>Reserve</th>
<th>Total</th>
<th>The Landings Company</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net revenues (expenses)</strong></td>
<td>$ (509,080)</td>
<td>$ 2,728,219</td>
<td>$ 2,219,139</td>
<td>$ (190,028)</td>
<td>$ 180,028</td>
<td>$ 2,219,139</td>
</tr>
<tr>
<td><strong>Adjustments to reconcile net revenues (expenses)</strong> to net cash provided by (used for) operating activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity in income of subsidiary</td>
<td>180,028</td>
<td>180,028</td>
<td>(180,028)</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>671,503</td>
<td>671,503</td>
<td>38,424</td>
<td>709,927</td>
<td>662,053</td>
<td></td>
</tr>
<tr>
<td>(Gain) loss on disposal of assets</td>
<td>(8,500)</td>
<td>(8,500)</td>
<td>430</td>
<td>(8,070)</td>
<td>43,366</td>
<td></td>
</tr>
<tr>
<td>Bad debt expense (recovery)</td>
<td>61,900</td>
<td>61,900</td>
<td>61,900</td>
<td>(10,628)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Interest earned on certificates of deposit</td>
<td>(9,038)</td>
<td>(9,038)</td>
<td>(9,038)</td>
<td>(9,038)</td>
<td>(1,968)</td>
<td></td>
</tr>
<tr>
<td>(Increase) decrease in cash held in escrow</td>
<td>168,462</td>
<td>168,462</td>
<td>22,326</td>
<td>(146,136)</td>
<td>305,883</td>
<td></td>
</tr>
<tr>
<td>Increase in other receivables</td>
<td>(314,917)</td>
<td>(314,917)</td>
<td>(2,981)</td>
<td>(317,898)</td>
<td>(101,184)</td>
<td></td>
</tr>
<tr>
<td>Decrease in inventories</td>
<td>2,932</td>
<td>2,932</td>
<td>2,932</td>
<td>2,764</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in deferred tax items</td>
<td>-</td>
<td>(72,100)</td>
<td>(72,100)</td>
<td>(16,700)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in prepaid expenses</td>
<td>(14,675)</td>
<td>(14,675)</td>
<td>(14,675)</td>
<td>(16,066)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase (decrease) in accounts payable &amp; accrued expenses</td>
<td>77,754</td>
<td>77,754</td>
<td>(3,543)</td>
<td>74,211</td>
<td>(264,856)</td>
<td></td>
</tr>
<tr>
<td>Increase (decrease) in escrow balances &amp; deposits</td>
<td>168,462</td>
<td>168,462</td>
<td>22,326</td>
<td>146,136</td>
<td>(305,883)</td>
<td></td>
</tr>
<tr>
<td>(Decrease) increase in accrued payroll &amp; taxes withheld</td>
<td>47,705</td>
<td>47,705</td>
<td>87,526</td>
<td>52,821</td>
<td>12,835</td>
<td></td>
</tr>
<tr>
<td>(Decrease) increase in deferred revenues</td>
<td>(8,39)</td>
<td>(8,39)</td>
<td>(8,39)</td>
<td>3,889</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Decrease) increase in income tax payable</td>
<td>-</td>
<td>(4,500)</td>
<td>(4,500)</td>
<td>4,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers from (to) other funds</td>
<td>1,011,134</td>
<td>(1,011,134)</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net cash provided by (used for) operating activities</strong></td>
<td>1,122,535</td>
<td>1,708,047</td>
<td>2,830,582</td>
<td>(136,772)</td>
<td>2,693,810</td>
<td>77,029</td>
</tr>
</tbody>
</table>

#### CASH FLOWS FROM INVESTING ACTIVITIES

<table>
<thead>
<tr>
<th><strong>CASH FLOWS FROM INVESTING ACTIVITIES</strong></th>
<th>Operating</th>
<th>Reserve</th>
<th>Total</th>
<th>The Landings Company</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital expenditures</td>
<td>(57,719)</td>
<td>(2,223,167)</td>
<td>(2,280,886)</td>
<td>(32,340)</td>
<td>(2,313,226)</td>
<td>(1,534,453)</td>
</tr>
<tr>
<td>Proceeds from capital asset disposals</td>
<td>8,500</td>
<td>8,500</td>
<td>8,500</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital asset transfers</td>
<td>(635,782)</td>
<td>(635,782)</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sale of certificates of deposit</td>
<td>1,498,388</td>
<td>1,498,388</td>
<td>1,498,388</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of certificates of deposit</td>
<td>(1,245,000)</td>
<td>(1,245,000)</td>
<td>(1,245,000)</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net cash used for investing activities</strong></td>
<td>(685,001)</td>
<td>(1,333,997)</td>
<td>(2,018,998)</td>
<td>(32,340)</td>
<td>-</td>
<td>(2,051,338)</td>
</tr>
</tbody>
</table>

#### Increase (decrease) in cash and cash equivalents

| Increase (decrease) in cash and cash equivalents | 437,534 | 374,050 | 811,584 | (169,112) | 642,472 | (1,457,424) |

#### Cash and cash equivalents, January 1

| Cash and cash equivalents, January 1 | 1,542,697 | 4,105,237 | 5,647,934 | 887,207 | 6,535,141 | 7,992,565 |

#### Cash and cash equivalents, December 31

| Cash and cash equivalents, December 31 | $ 1,980,231 | $ 4,479,287 | $ 6,459,518 | $ 718,095 | - | $ 7,177,613 | $ 6,535,141 |

### SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

No cash was paid during either year for interest expense or income taxes.

**NOTE** - The accompanying Notes to Financial Statements are an integral part of these financial statements.
Notes to Financial Statements

Note 1 - Organization
The Landings Association, Inc. (“the Association”) is a property owners’ association, organized as a not-for-profit corporation in the State of Georgia. Its members are property owners of The Landings on Skidaway Island, a private residential community comprised of 4,621 acres and 4,420 lots, located in Chatham County, Georgia. The Association owns, operates, and maintains the common properties, facilities, and the marinas, and it provides security services in the form of access control within the community.

The Association is the sole shareholder of The Landings Company (“the Company”). The Company is responsible for the marketing and real estate operations previously provided by the property developer, The Branigar Organization. In accordance with the bylaws of the Company, the transfer of Company stock is restricted solely to the Association, which is to remain the sole shareholder. The majority of the Company’s activities relate to promoting The Landings’ real estate properties on a national basis, sales of homes and lots, and rentals of owners’ homes.

Note 2 - Significant Accounting Policies
Method of Consolidation - The accompanying consolidating financial statements include the accounts of the Association and the Company. Intercompany transactions and balances have been eliminated in consolidation. The Association provides certain security and advertising services to the Company, which represent the only intercompany transactions.

Accounting Method - Both the Association’s and the Company’s financial statements have been prepared in accordance with generally accepted accounting principles in the United States (“U.S. GAAP”). Accordingly, revenues are recognized when earned, rather than when received, and expenses are recognized when incurred, rather than when paid.

The Association’s governing documents provide certain guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose:

Operating Fund - This fund is used to account for financial resources available for the general operations of the Association.

Capital Reserve Fund - This fund is used to accumulate financial resources designated for future major repairs and replacements.

Cash & Cash Equivalents - Cash equivalents represent highly-liquid investments with maturities of three months or less at the date of purchase.

Segregated Cash Within the Operating Fund - The Association holds monies in escrow for owners and builders during the construction phase of new houses and major renovations.

Segregated Cash Within The Landings Company - The Company maintains escrow accounts for monies received as down payments on sales contracts and security deposits of members’ houses rented through the Company.
**Notes to Financial Statements**

**Assessments** - Members’ assessments for the Association for operating purposes are required to be approved by a successful vote of the members no more frequently than every three years. The assessment rate for each lot in 2017 and in 2016 was $1,790 and $1,730, respectively, which includes general purpose and reserve assessments. Disbursements from the Operating Fund generally are at the discretion of the General Manager within the Board-approved budget and policy. Disbursements from the Reserve Fund may be made only for designated purposes. In 2016, owners approved a one-time Community Recovery Special Assessment in the amount of $400 per lot (totaling $1,768,000, which was billed in 2017 and payable over 2017 and 2018), relating to Tropical Storm Hermine and Hurricane Matthew recovery efforts and replenishment of the Capital Reserve Fund.

**Marina Revenue** - The primary revenue sources supporting Marina operations are the following: boat rack storage; wet slip rental; merchandise sales; capital fees; and gasoline and diesel sales. Rack and slip rentals are billed prior to the actual provision of the services, and are recognized as income when earned.

**Inventories** - Merchandise and beverage inventories are recorded at the lower of cost or market value. Gasoline and diesel fuel inventories are recorded based on a moving, weighted-average cost per gallon for the sales period. Inventories for the Association’s operations include:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Merchandise and other</td>
<td>$9,783</td>
<td>$12,952</td>
</tr>
<tr>
<td>Gasoline and diesel fuel</td>
<td>19,925</td>
<td>19,688</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$29,708</strong></td>
<td><strong>$32,640</strong></td>
</tr>
</tbody>
</table>

**Recognition of Assets and Depreciation Policy** - The Association owns and/or maintains significant amounts of real property and improvements as follows:

- Common property, in acres: 715
- Center islands/medians: 313
- Lagoons: 151
- Roadways, in miles: 91
- Trails, in miles paved: 22
- Bridges: 11
- Gated Entrances: 7

These properties were periodically conveyed to the Association under agreements with developers. The common properties are real property directly associated with the individual ownership of member properties and are dedicated for the use of the entire community. They cannot be sold separately and, thus, have no fair market value other than that related to their intended use. The value of such assets is not recognized in the financial statements of the Association. *The Articles of Incorporation and General Declaration of Covenants and Restrictions* permit the Association to participate in mergers and consolidations with other nonprofit corporations organized for the same purposes; mortgage the properties; and dedicate or transfer all or any part of the common properties to any public agency, authority, or utility. Upon dissolution of the Association, the assets, both real and personal, would be dedicated to an appropriate public agency or activity. All such actions require approval of two-thirds of the membership.
The Association capitalizes assets acquired with Association funds. Assets donated by members are recorded at fair market value. Property, plant, and equipment is stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method at rates that are sufficient to amortize the costs of the assets over their estimated useful lives. For the years ended December 31, 2017 and 2016, the amounts expensed by the Association for depreciation were $671,503 and $624,015, respectively. For the years ended December 31, 2017 and 2016, amounts expensed by the Company for depreciation were $38,424 and $38,038, respectively.

Property, Plant, and Equipment consists of the following at December 31, 2017 and 2016:

<table>
<thead>
<tr>
<th></th>
<th>2017 Association</th>
<th>2017 Company</th>
<th>2016 Association</th>
<th>2016 Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land improvements</td>
<td>$ 2,398,689</td>
<td>$ -</td>
<td>$ 2,243,271</td>
<td>$ -</td>
</tr>
<tr>
<td>Buildings &amp; docks</td>
<td>6,472,459</td>
<td>754,138</td>
<td>6,456,172</td>
<td>754,138</td>
</tr>
<tr>
<td>Equipment</td>
<td>4,607,720</td>
<td>154,823</td>
<td>4,207,838</td>
<td>167,238</td>
</tr>
<tr>
<td>Furniture &amp; computers</td>
<td>677,349</td>
<td>288,784</td>
<td>649,624</td>
<td>290,980</td>
</tr>
<tr>
<td>Vehicles</td>
<td>977,580</td>
<td>-</td>
<td>900,027</td>
<td>-</td>
</tr>
<tr>
<td>Work-in-progress</td>
<td>1,821,766</td>
<td>18,713</td>
<td>221,921</td>
<td>10,500</td>
</tr>
<tr>
<td></td>
<td><strong>16,955,563</strong></td>
<td><strong>1,216,458</strong></td>
<td><strong>14,678,853</strong></td>
<td><strong>1,222,856</strong></td>
</tr>
<tr>
<td>Less accumulated</td>
<td>(8,498,498)</td>
<td>(804,515)</td>
<td>(7,831,171)</td>
<td>(804,399)</td>
</tr>
<tr>
<td>depreciation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>-</td>
<td>75,000</td>
<td>-</td>
<td>75,000</td>
</tr>
<tr>
<td></td>
<td><strong>$ 8,457,065</strong></td>
<td><strong>$ 486,943</strong></td>
<td><strong>$ 6,847,682</strong></td>
<td><strong>$ 493,457</strong></td>
</tr>
</tbody>
</table>

Use of Estimates - The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Advertising Costs - The Company expenses the majority of advertising and other marketing costs as they are incurred.

Reclassifications - Certain prior year amounts have been reclassified to conform to current year presentation.

Subsequent Events - The Association and the Company have evaluated subsequent events through February 6, 2018, the date the financial statements were available to be issued.

Note 3 - Concentration of Credit Risk
The Association and the Company maintain their cash balances at regional banks. At December 31, 2017, the Association's cash balances exceeded federally-insured limits by $6,464,000. At December 31, 2017, the Company's cash balances exceeded federally-insured limits by $298,000. This uninsured amount represents demand deposit and money market fund accounts. The Association and the Company have not experienced any losses of such funds, and management believes the Association and the Company are not exposed to any significant risks.
**Notes to Financial Statements**

**Note 4 - Association Investments**
Investment securities are those investments that the Association acquires with the intent and the ability to hold to maturity. Securities chosen for investment are selected to preserve capital and protect investment principal, to maintain sufficient liquidity to meet anticipated needs, and to attain a market rate of return consistent with the preservation of capital.

The short-term investments are certificates of deposit held at a predetermined interest rate based on the terms of the purchase.

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are described below:

<table>
<thead>
<tr>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

The following table sets forth by level, within the fair value hierarchy, the investment assets at fair value as of December 31, 2017 and 2016.

<table>
<thead>
<tr>
<th></th>
<th>2017 Level 1</th>
<th>2017 Level 2</th>
<th>2017 Level 3</th>
<th>2016 Level 1</th>
<th>2016 Level 2</th>
<th>2016 Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificates of deposit</td>
<td>$ 1,504,775</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,749,125</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Total investment assets at fair value</td>
<td>$ 1,504,775</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,749,125</td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>

**Note 5 - Assessments Receivable**
The Association's policy is to place liens on owners whose assessments are two months in arrears. Past due assessments of $28,349 and $9,790 were written off at the end of 2017 and 2016, respectively, per approval by the Association's Board of Directors. All of the past due owners, for 2008-2017, have been suspended and reported to the Association's attorney to proceed with legal action.
Note 6 - Reserve Fund

Future Major Repairs and Replacements - The Association’s governing documents authorize the levying of annual assessments, which provide for the repair and maintenance of drainage facilities, selected assets, and road and community path/trail resurfacing.

It is the practice of the Association to include normal, recurring repair and maintenance of common properties in annual operating budgets. The Association also sets aside in a separate repair and replacement Capital Reserve Fund those amounts estimated to be required to meet future major repair and replacement costs of certain components of common properties. Actual expenditures may vary from the estimated future expenditures, and variations may be material. If additional funds are needed, the Association has the authority to delay major repairs and replacements until funds are available, or, subject to membership approval, to increase regular assessments or pass special assessments.

Capital Reserve Fund -

Storm Drain and Flood Water Control and Selected Assets Components - In 2011, several engineering firms were contracted to conduct evaluations of the Association’s storm drains, bridges and structures, and marina facilities. These studies determined the conditions as well as the estimated future costs of major repairs and replacements for these items. The studies estimated that future repairs will extend the useful lives of the storm drains by 80 years; community path/trail bridges by 30 years; road bridges by 50-80 years; and the administration and marina facilities by 7-50 years. Further reviews were conducted on the storm drains in 2015 to determine changes, if any, to the schedule for repairs and replacements. Following Tropical Storm Hermine and Hurricane Matthew in 2016, money was budgeted for 2017 for updated reviews, which affected the schedule for repairs and replacements.

Equipment Components - Major capital equipment is defined as those items costing $40,000 or more. Major capital equipment includes a telecommunications system, video monitoring system, vacuum jetter truck, backhoe, front-end loader, street sweepers, automatic gates at entrances, and forklifts. The studies estimated major equipment components had useful lives that ranged from 6-15 years.

Road and Trail Resurfacing Components - In 2001, the Association conducted a study to determine the physical and operating conditions of, and estimated future costs of major repairs and replacements for, the road and trail systems. The study estimated that the roads had useful lives of 15-25 years, and the trails from 10-20 years, depending on the type of root barrier used and whether the trail is concrete or asphalt. Again, in 2011, engineering firms were contracted to evaluate the estimated repairs and useful remaining lives of these assets, and these firms have been contracted periodically since then to conduct updated inspections.

Note 7 - Retirement Plan

The Association and the Company each maintain 401(k) retirement plans for eligible employees who are age 18 or older. Employees may contribute annually up to the lesser of 20% of their salaries or $18,000 for each of the years ended December 31, 2017 and 2016. Both plans provide an employer match of 100% of the first 4% of the salary deferred by an employee, as well as a discretionary contribution.

For the years ended December 31, 2017 and 2016, the Association’s contributions amounted to $286,466 and $269,731, respectively, into the 401(k) plan. Expenses for the Company amounted to $28,290 and $30,442 for the years ended December 31, 2017 and 2016, respectively.
Note 8 - Income Taxes

A tax position is recognized as a benefit only if it is “more likely than not” that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. Once the threshold is met, the amount recognized in the financial statements is the largest amount of tax benefit likely realized on examination. For tax positions not meeting the “more likely than not” test, no tax benefit is recorded.

The Association and the Company are subject to U.S. federal income tax as well as income tax of the state of Georgia. The Association and the Company no longer are subject to examination by taxing authorities for years before 2014. The Association and the Company do not expect the total amount of unrecognized tax benefits to change significantly in the next 12 months. If incurred, the Association and the Company would recognize interest and penalties related to unrecognizable tax benefits in interest expense. The Association and the Company did not record interest or penalties related to income taxes for the years ended December 31, 2017 and 2016.

Association - The Association is classified as a nonexempt membership organization for both federal and state income tax purposes for the years ended December 31, 2017 and 2016. It does not qualify as an exempt organization. The Association is subject to specific rulings and regulations applicable to nonexempt membership organizations. In general, the Association is required to separate its taxable income and deductions into membership, non-membership, and capital transactions. For federal tax purposes, the Association is taxed on all net income from non-membership activities, reduced only by losses from non-membership activities. Non-membership income may not be offset by membership losses, and any excess membership deductions may be carried forward only to offset membership income of future tax periods. Any net membership income not applied to the subsequent tax year is subject to taxation. The Association files Form 1120, which has graduated rates of 15% to 39% that are applied to net taxable income for the years ended December 31, 2017 and 2016. Under the December 2017 Tax Cut and Jobs Act, for tax years beginning after December 31, 2017, the corporate tax rate is a flat 21%.

For federal income tax purposes, a net operating loss (NOL) of approximately $611,000 will be carried forward to offset taxable income of the Association in future years and will begin to expire in 2029. This NOL includes $77,000 and $534,000 related to 2017 and prior years, respectively. For state income tax purposes, an NOL of approximately $926,000 will be carried forward to offset taxable income in future years. This NOL includes $77,000 related to 2017, and $849,000 related to prior years. This NOL will begin to expire in 2028. A corresponding deferred tax asset of $184,000 has been recorded for the potential NOL carryforward benefit, and a valuation allowance has been established for the full amount, as shown below:

<table>
<thead>
<tr>
<th>Long-term deferred tax asset:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal NOL deferred asset</td>
<td>$ 128,000</td>
</tr>
<tr>
<td>State NOL deferred asset</td>
<td>56,000</td>
</tr>
<tr>
<td></td>
<td>184,000</td>
</tr>
</tbody>
</table>

Less valuation allowance for NOL assets  (184,000)

$ -
**Notes to Financial Statements**

**Company** - The Company elected a C-Corporation status for income tax purposes. The provision for income taxes includes current federal and state income taxes and deferred taxes arising from temporary differences between income for financial reporting and income tax purposes. Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting and the amounts for income tax purposes. At December 31, 2017, the Company had a long-term net deferred tax asset and a current deferred tax liability. Significant components of the Company’s deferred tax balances as of December 31, 2017 are as follows:

**Long-term deferred tax asset:**
- Federal NOL deferred asset $50,000
- State NOL deferred asset 39,000
- Depreciation difference (8,300)

**Current deferred tax liability:**
- Depreciation difference $3,300

The Company’s income tax benefit shown on the statement of revenues and expenses consists of the following components:

<table>
<thead>
<tr>
<th>Component</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current tax benefit</td>
<td>$</td>
</tr>
<tr>
<td>Deferred tax benefit</td>
<td>72,020</td>
</tr>
</tbody>
</table>

For federal income tax purposes, a net operating loss (NOL) of approximately $247,000 related entirely to 2017 will be carried forward to offset taxable income in future years and will begin to expire in 2037. For state income tax purposes, a net operating loss (NOL) of approximately $657,000 will be carried forward to offset taxable income in future years. This NOL includes $233,000 related to 2017 and $424,000 related to prior years. This NOL will begin to expire in 2029. A deferred tax asset of $89,000 has been recorded related to federal and state NOLs, and an allowance was not deemed necessary by management as of December 31, 2017.

**Note 9 - Legal Matters**

During the normal course of business, the Association and the Company occasionally will be involved in lawsuits related to the collection of assessments from homeowners and other matters. As of December 31, 2017, the Association does not believe there are significant legal contingencies related to these proceedings, and no provision for these matters has been made in the accompanying financial statements.

**Note 10 - Lines of Credit**

In April 2015, the Association entered into a secured $5,000,000 line of credit agreement with Wells Fargo Bank, bearing interest at 2.8% percent over the one-month LIBOR rate (3.57% and 3.22% at December 31, 2016 and 2015, respectively). This agreement was renewed in April 2016, and it matured on April 5, 2017. At that time, the Association entered into a two-year secured $5,000,000 line of credit agreement with Ameris Bank at a rate of 2.62%. At December 31, 2017, no balance was outstanding under this agreement, which matures on May 31, 2019. Interest expense was $0 for each of the years ended December 31, 2017 and 2016.
Notes to Financial Statements

The Company maintained a $330,000 line-of-credit agreement with SunTrust Bank bearing interest at 1.5% over the Bank's prime rate. At December 31, 2017 and 2016, no balance was outstanding under this credit line, and the agreement was not renewed.

The Association maintains a $180,000 credit limit with Elan Financial Services bearing interest at 0.0%. At December 31, 2017 and 2016, $19,605 and $0, respectively, was outstanding on the credit card.

The Company maintains a $41,000 credit limit with SunTrust Bankcard, N.A. bearing interest at 8.24%. At December 31, 2017 and 2016, $890 and $902, respectively, was outstanding on the credit card.

Note 11 - Related Party Transactions

The Association entered into a three-year contract with The Landings Club (“Club”), a separate membership entity that owns and operates the golf, tennis, swimming, and physical fitness facilities. Under terms of the agreement, the Association provides lagoon maintenance and security services. The services amounted to $221,889 and $220,280 in 2017 and 2016, respectively.

The Company paid $21,459 and $18,284 to the Club toward joint marketing efforts and lawn care during the years ended December 31, 2017 and 2016, respectively. As of December 31, 2017 and 2016, $0 and $3,600, respectively, was payable to the Club for these services. The Club paid $71,023 and $71,782, respectively, to the Company for marketing consulting services during the years ended December 31, 2017 and 2016. As of December 31, 2017 and 2016, $2,981 and $0, respectively, was receivable from the Club for these services.

Note 12 - Commitments

The Company leases office equipment under non-cancelable operating leases expiring in various years through 2021. The Company incurred rental expense relating to operating leases of $8,905 and $7,070 for the years ended December 31, 2017 and 2016, respectively.

Minimum annual lease payments are as follows:

<table>
<thead>
<tr>
<th>For the year ending December 31,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$ 6,657</td>
</tr>
<tr>
<td>2019</td>
<td>5,292</td>
</tr>
<tr>
<td>2020</td>
<td>5,292</td>
</tr>
<tr>
<td>2021</td>
<td>882</td>
</tr>
<tr>
<td>Thereafter</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 18,123</strong></td>
</tr>
</tbody>
</table>

The Association has engaged BrightView (formerly ValleyCrest Landscape Maintenance) to provide landscaping and mowing services to the Association. The contract was renewed in 2014, for the years 2015-2018. The annual payment due under this agreement for the year ending December 31, 2018 is $1,064,429.
Note 13 - Hurricane Recovery

In 2016, due to Tropical Storm Hermine and Hurricane Matthew, the Association incurred $1,780,392 of cost related to the cleanup efforts of the Association’s common property. In addition, the Association experienced the involuntary conversion of property, plant, and equipment with a net book value of $17,258. These expenses are offset by the receipt of insurance proceeds of $250,000, for an incurred net expense of $1,547,650.

As discussed in Note 2, in 2016, owners approved a one-time Community Recovery Special Assessment in the amount of $400 per lot (totaling $1,768,000, which was billed in 2017 and payable over 2017 and 2018), relating to Tropical Storm Hermine and Hurricane Matthew recovery efforts and replenishment of the Capital Reserve Fund.
Supplementary Information

Supplementary Information on Major Repairs & Replacements

The Association's Board of Directors authorized a study in 2001 to estimate the remaining useful lives and the replacement costs of the storm drain, flood water control, road, trail, and bridge components of common property, as well as the marina facilities. In 2011 and in subsequent years, engineering firms conducted studies to update the valuations and estimated useful lives of these components, as described in Note 6.

Other common property and major equipment components are reviewed annually by the Public Works Committee and staff. In 2011, the Association engaged a Reserves Specialist to provide review of the Reserve balance methodology and valuations. The Reserves Specialist confirmed the methodology, and this information was reviewed with the Association’s Reserves Subcommittee.

The following information is based on the 2011 and more recent reviews and a 2011 insurance appraisal review, as well as staff reviews and knowledge, and presents significant information about the components of common property. Amounts are adjusted annually and are rounded to the nearest hundred dollars.
## Supplementary Information

<table>
<thead>
<tr>
<th>Components</th>
<th>Estimated Remaining Useful Life (Years)</th>
<th>Estimated Current Replacement/Repair Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Admin, Public Works, and Marina Facilities</td>
<td>3 to 19</td>
<td>$1,507,800</td>
</tr>
<tr>
<td>Association Signage</td>
<td>2 to 16</td>
<td>232,700</td>
</tr>
<tr>
<td>Automatic Gates and Gate Facilities</td>
<td>4 to 34</td>
<td>815,100</td>
</tr>
<tr>
<td>Backhoe</td>
<td>8</td>
<td>90,000</td>
</tr>
<tr>
<td>Community Paths/Trails</td>
<td>7 to 14</td>
<td>3,999,300</td>
</tr>
<tr>
<td>Delegal Structure</td>
<td>26 to 27</td>
<td>926,600</td>
</tr>
<tr>
<td>Dock Boxes</td>
<td>13</td>
<td>42,100</td>
</tr>
<tr>
<td>Field/Park Rehabilitation</td>
<td>2</td>
<td>313,000</td>
</tr>
<tr>
<td>Floating Docks</td>
<td>38</td>
<td>2,600,000</td>
</tr>
<tr>
<td>Forklifts</td>
<td>1 to 7</td>
<td>477,000</td>
</tr>
<tr>
<td>Front-end Loader</td>
<td>1</td>
<td>60,000</td>
</tr>
<tr>
<td>Fuel Tanks</td>
<td>2 to 49</td>
<td>107,000</td>
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<tr>
<td>Gangways</td>
<td>34</td>
<td>23,000</td>
</tr>
<tr>
<td>Gate Irrigation and Drainage Systems</td>
<td>2 to 18</td>
<td>248,600</td>
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<tr>
<td>Harbor Dry Stack Storage</td>
<td>3</td>
<td>2,500,000</td>
</tr>
<tr>
<td>Harbor Electrical Transformer</td>
<td>17</td>
<td>40,000</td>
</tr>
<tr>
<td>Harbor Seawall</td>
<td>17</td>
<td>1,300,000</td>
</tr>
<tr>
<td>IT Equipment</td>
<td>1 to 3</td>
<td>195,000</td>
</tr>
<tr>
<td>Lagoon Dikes and Structures</td>
<td>1 to 42</td>
<td>2,499,200</td>
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<tr>
<td>Other Infrastructure Components</td>
<td>1 to 30</td>
<td>1,915,500</td>
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<tr>
<td>Road Bridges</td>
<td>1 to 48</td>
<td>5,406,000</td>
</tr>
<tr>
<td>Roads</td>
<td>1 to 19</td>
<td>13,270,100</td>
</tr>
<tr>
<td>Storm Drain Pipes</td>
<td>13 to 63</td>
<td>38,049,700</td>
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<td>Street Sweepers</td>
<td>2 to 3</td>
<td>320,000</td>
</tr>
<tr>
<td>Vacuum Jetter Truck</td>
<td>4</td>
<td>200,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$77,137,700</strong></td>
</tr>
</tbody>
</table>
2018 Landings Association
Board Directors

Rick Cunningham
President

Hank Policinski
Vice President

Joyce Marble
Treasurer

LeeAnn Williams
Secretary

Blake Caldwell
Director

Sam Hatcher
Director

T.J. Hollis
Director

Diane Thompson
Director

JimVan Epps
Director

Jim Rich
Ex-Officio