Property Owner Assessment Proposal
2016-2018

The Landings Association
The Property Owners Association for
The Landings on Skidaway Island
600 Landings Way South
Savannah, GA 31411

Phone: 912.598.2520   Fax: 912.598.2516   Web Address: www.landings.org   Email: assessment@landings.org
October 2, 2015

Dear Fellow Property Owner,

As property owners at The Landings, we vote every three years to approve our annual Assessment (homeowners' dues). These dollars fund both operating and capital expenses for The Landings Association (TLA). Voting for the upcoming Assessment period of 2016-2018 begins now, and TLA's staff and Board of Directors have carefully prepared for your review a financial plan for the next three years.

Your Association works hard to use your money wisely by reducing expenses where possible, while maintaining high levels of service. Our forward planning includes working to maintain a balance between what is needed for operations and what should be set aside for Reserves needed to repair and replace our assets.

This year, the Assessment amount you paid was $1,670. The proposed Assessments for the next three years reflect a $60 per year ($5 per month), or about a 3.5% per year, increase:

- $1,730 (2016)
- $1,790 (2017)
- $1,850 (2018)

In addition to funding our current operating and capital expenses, Assessment funds will also be used for new community projects described in this Property Owner Assessment Proposal. These improvements include offering more community activities for residents, expanding Wi-Fi access around the island, and additional walking paths, all planned for completion over the next three years.

For more details about TLA’s past activities using Assessment funds and a complete report on projected spending, you are encouraged to review the Property Owner Assessment Proposal.

Please join me and the rest of the Board of Directors and vote “Yes” for the new three-year Assessment proposal. Your ballot, also enclosed in this mailing, is due back by 4 p.m. on Friday, November 13, 2015. As in years past, ballots can be mailed or dropped off at the Association office. In addition, an online voting option is available.

Your Board endorses this plan and believes it will help us achieve our goal of remaining the most desirable residential community in the Southeast and of providing superior services and amenities to all owners.

Sincerely, Randy Stolt

President, The Landings Association

2015 Board Directors

Rex Templeton, Jr. - Vice President
Jim Rich - Treasurer
Nancy Pavey - Secretary
Neil Bader - Director

Jerry Beets - Director
Terry Breymo - Director
Brenda Day - Director
Hank Policinski - Director
John Fitzgibbon - Ex-Officio
What Your Landings Association Does:

PUBLIC WORKS
- Landscaping
- Street Sweeping
- Lagoons
- Storm Drains
- Streets/Trails/Bridges
- Tree Maintenance
- Fleet Maintenance
- Facility & Gate Maintenance
- Signs/Mailboxes
- Recreational Areas

SECURITY
- Access Control
- Emergency Assistance
- Property Checks
- Patrol
- Covenants Compliance & Inspections
- Emergency Planning/Coordination

COMMUNITY DEVELOPMENT
- New Construction Plan Review
- Home Renovation Plan Review
- Lot Record Maintenance
- Property/Construction Inspections

COMMUNITY RELATIONS
- Print Media
- Electronic Media
- Special Community Events
- Monthly Cookouts
- Information Services Center
- Amenities Reservations
- Decal Processing
- Resident Services
- Governmental Affairs
- Information Technology

ADMINISTRATION
- Executive Management
- Financial Management
- Human Resources
- Risk Management
- Legal Support

MARINAS/WATERFRONT AMENITIES
- Landings Harbor Marina
- Delegal Creek Marina
- Observation Tower
- Marina Store
- Marina Services
- Fishing Piers
- Wet Slips & Dry-Stack Storage
- Sailing Program Rentals
- Community Boat Club

Landings Residential Amenities:
The Landings is home to approximately 8,500 residents.

Amenities on 4,755 Acres Include:

- 715 Acres of Common Property (574 in turf, 4 in athletic fields, 22 at gatehouse, and 115 acres in forested areas)
- 313 Center Islands/Medians
- 151 Lagoons (totaling 269 acres)
- 91 Miles of Road and 30 Miles (22 paved) of Community Paths and Trails on Common Property
- 11 Bridges
- 7 Gated Entrances (logging more than 10,000 vehicle entrances each day)
- 3 Storage Facilities
- 2 Deep Water Marinas with 350 Boat Slips
- 2 Athletic Fields
- Delegal’s Sunset Pavilion
- Playground
- Dog Park
- Nature Trail
- Recycling Facility (aluminum, paper, cardboard, and plastic)

Maintained and Supported by The Landings Association:

- 73 Employees along with supporting staff of hundreds of resident volunteers
- 19 Fleet Vehicles, plus 9 units of heavy equipment and 2 watercraft
- 11 Facilities
## The Landings Association’s Annual Assessment

<table>
<thead>
<tr>
<th></th>
<th>2015 Actual Assessment</th>
<th>2016-2018 Proposed Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Operations</td>
<td>Reserves</td>
</tr>
<tr>
<td>2015</td>
<td>$1,302</td>
<td>$368</td>
</tr>
<tr>
<td>2016</td>
<td>$1,320</td>
<td>$410</td>
</tr>
<tr>
<td>2017</td>
<td>$1,410</td>
<td>$380</td>
</tr>
<tr>
<td>2018</td>
<td>$1,410</td>
<td>$440</td>
</tr>
</tbody>
</table>

**Operations** - For existing day-to-day services, such as security, common area landscaping and maintenance, communications, covenant inspections, and architectural reviews.

**Reserves** - Restricted for use in repair and replacement of our assets, including Structures/Equipment, Roads/Community Paths, and Storm Drains/Lagoon Structures.

*The actual level of the Assessment allocated between Operations and Reserves will be determined as part of the annual budgeting process, to ensure the most tax-efficient use of the Association’s finances, as well as to meet budgetary needs.*
## 2016-2018 Operating Financial Plan

<table>
<thead>
<tr>
<th></th>
<th>Year-End Estimate</th>
<th>Projected Financial Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
<td>2016</td>
</tr>
<tr>
<td><strong>OPERATING REVENUES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assessment Revenue (Operations Allocation)</td>
<td>$5,754,840</td>
<td>$5,834,400</td>
</tr>
<tr>
<td>Non-Assessment Revenues:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marina Revenues/Fees</td>
<td>$1,442,131</td>
<td>$1,374,327</td>
</tr>
<tr>
<td>Vehicle Registration Fees</td>
<td>$816,724</td>
<td>$824,000</td>
</tr>
<tr>
<td>Other Fees</td>
<td>$885,562</td>
<td>$776,885</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td>$8,899,257</td>
<td>$8,809,612</td>
</tr>
<tr>
<td><strong>OPERATING EXPENSES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Works &amp; Community Development</td>
<td>$3,493,206</td>
<td>$3,734,737</td>
</tr>
<tr>
<td>Security</td>
<td>$1,293,673</td>
<td>$1,409,305</td>
</tr>
<tr>
<td>Executive Management/Legal/Insurance/HR</td>
<td>$1,374,753</td>
<td>$1,352,283</td>
</tr>
<tr>
<td>Finance/Community Relations</td>
<td>$1,089,272</td>
<td>$1,254,790</td>
</tr>
<tr>
<td>Marina Operations</td>
<td>$1,367,941</td>
<td>$1,459,447</td>
</tr>
<tr>
<td>Operating Capital</td>
<td>$710,339</td>
<td>$30,069</td>
</tr>
<tr>
<td>Depreciation</td>
<td>$551,543</td>
<td>$591,176</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>$9,880,727</td>
<td>$9,831,807</td>
</tr>
<tr>
<td><strong>Estimated Operating Ending Cash and Investments</strong></td>
<td>$2,226,000</td>
<td>$1,795,000</td>
</tr>
</tbody>
</table>

2015 Other Fees include a one-time utility easement access payment as well as Event Income, Rental Income, and Directory and Journal Advertising. 2016 - 2017 Marina Revenues reflect anticipated disruptions due to construction.

The Landings Association had several, long-term staffing vacancies in Public Works and Security in 2015. The 2016 - 2018 Projected Financial Plan assumes full staffing, as well as the addition of a Community Programs Manager. 2016 also includes funding for Technology Upgrades, Community-Wide Programs, Development Studies, and Installation of New Community Paths, as noted on page 10 of this packet.

Operating Capital includes additions to the Capital Asset Management Plan, such as new callboxes, renovations of buildings, a new, larger forklift for Landings Harbor Marina, and new walking paths and trails. No further additions are projected for 2018 in the Capital Asset Management Plan.

The net loss is due mainly to depreciation, a non-cash expense.
# 2016-2018 Reserves Financial Plan

<table>
<thead>
<tr>
<th></th>
<th>Year-End Estimate</th>
<th>Projected Financial Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
<td>2016</td>
</tr>
<tr>
<td><strong>RESERVES REVENUE:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assessment Revenue (Reserves Allocation)</td>
<td>$1,626,560</td>
<td>$1,812,200</td>
</tr>
<tr>
<td><strong>Total Reserves Revenue</strong></td>
<td>$1,626,560</td>
<td>$1,812,200</td>
</tr>
<tr>
<td><strong>REPAIR AND REPLACEMENTS:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Structures/Equipment</td>
<td>$749,954</td>
<td>$2,335,532</td>
</tr>
<tr>
<td>Roads/Community Paths</td>
<td>$1,167,884</td>
<td>$56,350</td>
</tr>
<tr>
<td>Storm Drains/Lagoon Structures</td>
<td>$38,018</td>
<td>$321,400</td>
</tr>
<tr>
<td><strong>Total Reserves Expenditures</strong></td>
<td>$1,955,856</td>
<td>$2,713,282</td>
</tr>
<tr>
<td><strong>Estimated Reserves Ending Cash and Investments</strong></td>
<td>$6,019,000</td>
<td>$5,118,000</td>
</tr>
</tbody>
</table>

The use of the Reserves Fund varies from year-to-year in order to build existing Reserves and then to use those accumulated funds as required for the purpose of capital Reserves expenditures. Ending Cash and Investments for the Reserves Fund for the Assessment period of 2016 - 2018 is projected to remain above the $3.5 million Board-approved minimum as shown.
Reserves and Use of Funds

The Landings Association is responsible for acquiring, building, managing, and maintaining all common property assets. Property Owners share ownership in $76 million of depreciable assets plus the common lands owned by the Association. These assets include roads, community paths, structures, equipment, and storm drains.

To plan for expenditures for assets noted above, the Association maintains a restricted Capital Reserve Fund, separate from the General Operating Fund. Through reserve funding, many assets are replaced and repaired over time as required, enabling us to maintain a sound infrastructure system.

A properly funded repair and replacement capital Reserves Fund enables the Association to avoid special assessments and smooths out the funding of annual capital requirements. This means that our Assessment amounts vary only slightly from year-to-year, even though capital expenditures may vary dramatically.

With approval of this Assessment proposal, the 25-year forward view indicates that, except for inflation, maintaining the annual funding level achieved in 2015 for Capital Reserves should be adequate to meet our repair/replacement expenses and reserve requirements into the future, barring something truly unexpected.
The vast majority of projects were already scheduled in the Capital Asset Management Plan (CAMP) and funded through the capital Reserves Fund over the next three years, as noted below:

Roads/Community Paths
- 2016-2018 Total Planned Expenditures = $1,207,926
  (Total value of all Roads/Community Paths is $17,269,391)
- This includes repair/replacement of specific roads and community paths throughout the Landings community.

Storm Drains/Lagoon Structures
- 2016-2018 Total Planned Expenditures = $827,400
  (Total value of all Storm Drains/Lagoon Structures is $40,551,948)
- This includes repair/replacement of specific storm drains and lagoons/dikes/structures throughout the Landings community.

Structures/Equipment
- 2016-2018 Total Planned Expenditures = $5,241,699
  (Total value of all Structures/Equipment is $18,442,060)
- This includes replacements of such items as computers and a server, the Association’s phone system, emergency generators, Security and Public Works’ vehicles, small equipment, automatic gates, athletic field playground equipment, Landings Harbor floating docks (begun in 2015), and Landings Harbor dry stacks.

Based on community input, competitive benchmarking, and our new Strategic Plan, The Landings Association has included funding in our updated Long Range Financial Plan for these specific service level increases. For more information, see The Landings Association’s new Strategic Plan (www.landings.org > Library > Governing Documents).

Technology Upgrades
The Association’s website will be completely redesigned, including a mobile-first focus and a better user layout. In addition, Wi-Fi hotspots will be installed at the Association’s Athletic Fields, the Dog Park, and Landings Harbor.

Community-Wide Programs
A Community Programs Manager will research, develop, and coordinate events that appeal to a diverse audience and strengthen the overall sense of community. Emphasis will be on events such as concerts, educational opportunities, arts and crafts, off-island excursions, community picnics, etc., for all residents to enjoy life at The Landings.

Development Studies
Urban Land Institute’s Land Use Study makes several recommendations that will require further research. One recommendation is to review the community’s signage, including street signs, to appeal to the current and next generation of buyers. Another recommendation includes “activating” one of The Landings’ most underutilized amenities, the Landings Harbor picnic area, so that residents can enjoy this scenic setting.

Installation of New Community Paths
Data from recent research stressed the importance of walking paths to current residents and future buyers. We plan to evaluate and implement, as appropriate, a low-impact walking trail and additional lighting for the Association’s Athletic Fields, and a new community path from Bartram Road to the Sparrow Field.
THREE-YEAR PROPERTY OWNER ASSESSMENT QUESTIONS AND ANSWERS

Question: What does the Property Owner Assessment pay for?
Answer: The Assessment, along with non-Assessment revenue, funds the Association’s Operations and Reserves. The Public Works Department maintains and improves common property, including 91 miles of roads, 30 miles of trails (22 paved), 151 lagoons, trees, and Landings Association vehicles. The Security Department oversees security and covenants compliance for our 8,500 residents and the approximately 10,000 vehicles that enter The Landings each day. Security Officers perform checks of private property and common property, and provide emergency assistance to residents. The Assessment also funds General Administration; the Community Development Department (architectural reviews and development activities); the Community Relations Department (website, Landings Journal, Annual Report, Residential Directory, voting packets, etc.); and staff that you deal with in person and via phone or email at the Association’s office.

A portion of the Assessment revenue also goes to the repair and replacement Reserves Fund. These Reserves are restricted for repairs and replacements of our capital assets, such as structures/equipment, roads/community paths, and storm drains/lagoons structures. Many of our $76 million in capital assets are beginning to reach the ends of their useful lives, and the Reserves enable the Association to fund repair and replacement in an orderly manner.

Question: What is the proposed amount of the three-year property owner Assessment?
Answer: The proposed amounts for the next three years beginning January 1, 2016 are $1,730, $1,790, and $1,850. (For reference, the Assessment amount per lot for 2015 is $1,670.)

Question: Why is an Assessment increase needed?
Answer: In keeping with the new Strategic Plan, the Assessment allows for the implementation of increased service levels and programs as described in this packet, maintains the community to the levels expected by current and future owners, and avoids the need for special assessments.

Question: Why is the Assessment amount not a flat rate for each of the three years?
Answer: Because the Association’s costs do not stay constant in increments of three years, a three-year proposal of the same amount each year would collect more in the first year than required by the Association, in order to ensure sufficient funds during the third year. Based on community feedback, the Board determined that having smaller increases each year, versus a larger jump in the first year, helps our owners plan better for their budgets and creates less financial hardship. Variable Assessments have been in effect since the 2002 vote, and also were in Assessments in the 1980s.

Question: When is the voting deadline, and will we be able to vote online?
Answer: Ballots are due back by November 13 at 4 p.m. As in the past, the Association has a secure, online voting option in addition to the enclosed paper ballot. Please see the separate sheet for instructions.

Question: Where can I get more information?
Answer: Information concerning the Assessment, including the September 21 Town Hall Meeting PowerPoint presentation, is posted on the Association’s website (www.landings.org) under Library > 2016-2018 Assessment Proposal.

Question: How many votes does it take for the Assessment to pass?
Answer: The Landings Association’s Covenants have very strict requirements for passage of an Assessment. In order to reach a quorum, at least 60% of the property owners must vote. In order for the Assessment to pass, at least two-thirds of those voting must vote in favor of the Assessment.

Question: How do I ask other questions about this process?
Answer: Please e-mail assessment@landings.org, or call the Association’s Voter Hotline (912-598-5528).
Need More Information?

The Landings Association has distributed detailed information concerning this proposal in The Landings Journal, in Email Bulletins to our owners, and on the Association’s website (www.landings.org) under Library > 2016-2018 Assessment Proposal.

For additional information, contact the Association’s Assessment Education Team via email (assessment@landings.org).

Please complete the ballot and return in the enclosed envelope, or vote online using your Username and Password from the separate letter included with this voting packet. Your vote must be received no later than 4 p.m. on November 13.

YOUR VOTE COUNTS!

60% of Owners Must Vote

66% “YES” VOTES NEEDED

BALLOT DEADLINE: NOVEMBER 13, 2015 AT 4 P.M.