September 12, 2018

Dear Fellow Property Owner,

As property and homeowners at The Landings, we vote every three years on our Property Owner Dues (referred to in our Covenants as the Annual General Purpose Assessment). These dollars, collected annually, fund both Operating and Reserves expenditures for The Landings Association (TLA). Your Association works hard to use your money wisely by reducing expenses where possible and at the same time maintaining high levels of service. One recent example is the renegotiated landscape contract that will allow for increased maintenance at the gatehouses, Dog Park, Landings Harbor, Athletic Fields, and more at no additional cost. We also look ahead and maintain a balance between what is needed for operations and what needs to be set aside for reserves to repair and replace our assets.

Voting for the next three-year Assessment period begins now. Ballots are due back by 4 p.m. on Friday, October 26, 2018. As in years past, voting methods include the traditional ability to mail your ballot or you may drop it off at the Association office. In addition, an online voting option (see enclosed instructions) is available.

This year, the Assessment amount paid was $1,850. The proposed Assessments for the next three years are as follows:

- $1,910 (2019)
- $1,970 (2020)
- $2,030 (2021)

This equals a $60/year increase ($5/month), which is an increase of just over 3%/year, and is the same as the 2016-2018 Assessment increase. Current inflation is 2.9 percent, which is in line with the percentage increases outlined in this packet. This conservative amount allows us to maintain the same service levels our community expects and deserves.

In addition to funding our current Operating and Reserves expenditures, this proposal also will help fund several new projects designed to meet your expressed desire for service level increases as outlined in the 2017 Community Survey. These projects include new Association playground equipment; conversion of the majority of community paths to concrete with greatly lowered future expenditures; solar lights on major street signs for better nighttime visibility; and perimeter security enhancements. The following pages contain details about some of these projects.

I encourage you to join me and the rest of the Board of Directors and vote in favor of the new three-year Assessment proposal. Your Board supports this plan and believes it will help us achieve our goal of remaining the most desirable residential community in the Coastal Southeast while continuing to provide superior services and common property amenities to all owners.

Sincerely,

Rick Cunningham
President, The Landings Association

2018 Board Directors
Hank Policinski - Vice President           Joyce Marble - Treasurer
LeeAnn Williams - Secretary              Blake Caldwell - Director
T.J. Hollis - Director                   Jim Rich - Director
Diane Thompson - Director               Jim Van Epps - Director
The Landings Association’s
Annual Property Owner Dues

<table>
<thead>
<tr>
<th>2018 Actual Assessment</th>
<th>Operations</th>
<th>Reserves</th>
<th>Total (per lot)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$1,390</td>
<td>$460</td>
<td>$1,850</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2019-2021 Proposed Assessment</th>
<th>Operations</th>
<th>Reserves</th>
<th>Total (per lot)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$1,505</td>
<td>$405</td>
<td>$1,910</td>
</tr>
<tr>
<td>2020</td>
<td>$1,555</td>
<td>$415</td>
<td>$1,970</td>
</tr>
<tr>
<td>2021</td>
<td>$1,610</td>
<td>$420</td>
<td>$2,030</td>
</tr>
</tbody>
</table>

**Operations** - For existing day-to-day services such as security, common property landscaping and maintenance, communications, Covenants inspections, and architectural review.

**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.*

*Your vote counts; please cast your ballot today!*
What Your Landings Association Does

PUBLIC WORKS
Landscaping
Street Sweeping
Lagoons
Storm Drains
Roads/Paths
Bridges
Tree Maintenance
Fleet Maintenance
Facility & Gate Maintenance
Signs-Mailboxes
Recreational Areas
Contract Management
Natural Disaster Preplanning & Response

COMMUNITY DEVELOPMENT
New Construction Plan Review
Home Renovation Plan Review
Lot Record Maintenance
Property/Construction Inspections
Private Property Maintenance Standards (PPMS)

ADMINISTRATION
Executive Management
Financial Management
Human Resources
Risk Management
Legal Support
Information Technology
Information Services Center
Amenities Reservations
DeCal Processing
Resident Services

COMMUNICATIONS & COMMUNITY OUTREACH
Print Media
Electronic Media
Website
Community Programs
Governmental Affairs

MARINAS/WATERFRONT AMENITIES
Landings Harbor Marina
Delegal Creek Marina
Observation Tower
Marina Store
Ship Store
Snack Shack
Tiki Bar
Marina Services
Fishing Piers
Wet Slips & Dry-Stack Storage
Sailing Program
Carefree Boat Club
Kayak Storage/Rentals

SECURITY
Access Control
Emergency Assistance
Premise Checks
Patrol
Emergency Planning/Coordination
Covenants Enforcement

The Landings is home to approximately 8,500 residents on 4,755 Acres. The following are Landings Residential Amenities:

- 715 acres of common property (574 in turf, 4 in athletic fields, 22 at gatehouses, and 115 acres in forested areas)
- 313 Center Islands/Medians
- 151 Lagoons (totaling 269 acres), including the Kids’ Fishing Lagoon
- 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 365 Boat Slips
- 2 Athletic Fields
- Playground
- Sunset and Sunrise Parks
- Dog Park
- Nature Trail
- Native Plant Trail
- Recycling Facility

Supported and Maintained by The Landings Association:

- 75 Employees
- Hundreds of resident volunteers
- 19 Fleet Vehicles, plus 9 units of heavy equipment and 2 watercraft
- 11 Buildings (including the Administration Building, Public Works Facility, Marinas, Gatehouses, and the Marsh Tower)
Other Revenues include Event Income, Rental Income, Architectural Fees, and Directory and *Journal* Advertising.

The Landings Association had several, long-term staffing vacancies in 2018. The 2019 - 2021 Projected Financial Plan assumes full staffing and includes funding for Technology Upgrades and Community-Wide Programs.

Operating Capital includes additions to the Capital Asset Management Plan, such as new equipment and new radios for Security Officers.

Ending Cash and Investments for the Operating Fund for the Assessment period of 2019 - 2021 is projected to remain above the $1.5 million (two months operating expenses) Board-approved minimum as shown.
Your vote counts; please cast your ballot today!
2019-2021 Reserves Financial Plan

The vast majority of projects are scheduled in the Capital Asset Management Plan (CAMP) and funded through the Reserves Fund over the next three years, as noted below:

**Bridges/Structures/Equipment**

2019-2021 Total Planned Expenditures = $2,814,046

This includes replacement of such items as automatic gate systems (The useful life of automated gates is 5-10 years. The Landings has seven automatic gates, and each is on a different replacement cycle.), heavy equipment, Security and Public Works vehicles, and the Athletic Field Project discussed in more detail on page 10.

These planned expenditures also support the restoration of the Dry Stack Storage at Landings Harbor in 2021 - 2022, including the replacement of all roofs and purlins, painting the entire structure, adding 21 additional dry slips, adding netting for boat protection, and miscellaneous concrete and landscaping work around the structure. This will extend the estimated life of the Dry Stacks an additional 20 years. The decision to restore the Dry Stack Storage, rather than a full replacement, was reached after much consideration and financial due diligence. Staff and Board agreed this process was the most fiscally responsible decision.

**Roads/Paths**

2019 - 2021 Total Planned Expenditures = $3,237,492

This includes repair/replacement of specific roads and community paths throughout the Landings community. During the years 2019 through 2021, staff intends to convert all remaining community paths (aside from five sections of paths which will be completed in 2022) from asphalt to concrete. By the end of 2022, all community paths will be converted, thus dramatically decreasing future expenditures.

**Storm Drains/Lagoon Structures**

2019 - 2021 Total Planned Expenditures = $693,000

This includes repair/replacement of specific storm drains and lagoons/dikes/structures throughout the Landings community.

Ending Cash and Investments for the Reserves Fund for the Assessment period of 2019 - 2021 is projected to remain above the $5 million Board-approved minimum as shown.

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<table>
<thead>
<tr>
<th>Year-End Estimate 2018</th>
<th>Projected Financial Plan 2019</th>
<th>2020</th>
<th>2021</th>
</tr>
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<tbody>
<tr>
<td><strong>RESERVES REVENUE:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assessment Revenue (Reserves Allocation)</td>
<td>$2,687,360</td>
<td>$1,790,100</td>
<td>$1,834,300</td>
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<tr>
<td>Total Reserves Revenue</td>
<td>$2,687,360</td>
<td>$1,790,100</td>
<td>$1,834,300</td>
</tr>
<tr>
<td><strong>REPAIR AND REPLACEMENTS:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bridges/Structures/Equipment</td>
<td>$431,200</td>
<td>$755,700</td>
<td>$1,219,700</td>
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<td>Roads/Paths</td>
<td>$397,820</td>
<td>$1,423,609</td>
<td>$839,941</td>
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<tr>
<td>Storm Drains/Lagoon Structures</td>
<td>$127,000</td>
<td>$210,000</td>
<td>$175,000</td>
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<td><strong>Total Reserves Expenditures</strong></td>
<td>$956,020</td>
<td>$2,389,309</td>
<td>$2,234,641</td>
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<td><strong>Estimated Reserves Ending Cash and Investments</strong></td>
<td>$7,498,123</td>
<td>$6,942,536</td>
<td>$6,488,103</td>
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</table>
Reserves and Use of Funds

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

The Landings Association is responsible for acquiring, building, managing, and maintaining all common property assets. Property Owners share ownership in $76 million of assets, plus the common property 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 Reserves 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.

Your vote counts; please cast your ballot today!
Based on community input, competitive benchmarking, and our Strategic Plan, The Landings Association has included funding in our updated Long Range Financial Plan for items such as the following:

**Athletic Field & Playground Project** - The Landings Association will reconfigure the Athletic Field/Playground (this photo is of the current playground setup). This includes the replacement of the playground equipment (which originally was purchased in 2000), the installation of lighting around the athletic field and playground, replacement of the irrigation system, and the replacement of the parcours track along the perimeter with a low-impact track. This will tie into the community path located in front of The Landings Association’s Administration Building (600 Landings Way South).

**Technology Upgrades** - Technology will remain a key focus for The Landings Association in 2019 - 2021. Staff will continue to transition software to a cloud-based platform, allowing business continuity, as connection is available from virtually any internet-connected device. Community Development plans to launch CitizenServe (online architectural permitting portal) in 2019. This online portal will contain all pertinent architectural documents and resources, allow for document uploads, and accept online payments for fees and payments. Programs such as Swift911 (opt-in, emergency notification system), SeeClickFix (mobile platform that allows residents to report maintenance issues in the community), and geothinQ (GIS mapping system available on TLA’s website) will continue to be offered.

**Community Programs** - Community programs and events will continue in 2019 - 2021. Offerings will include Sunset Sips, annual cookouts, movie nights, Girls on the Run, and more. Partnerships to provide environmental educational programming, as outlined in The Landings Association’s Strategic Plan, will continue with island organizations, such as UGA Marex, Skidaway Institute of Oceanography, Skidaway Island State Park, and CCA, to name just a few.

**Solar Lights on Major Street Signs** - Results of the 2017 Community Survey revealed the desire for more lighting on major street signs for better visibility at night. In 2018, The Landings Association installed solar lights in some areas as tests to determine the best product to deploy in 2019.
Three-Year Property Owner Dues (Assessment)
Questions And Answers

Question: What does the Property Owner Assessment pay for?
Answer: The Assessment, along with non-Assessment revenue, helps fund the Public Works Department, which maintains and improves common property, including 91 miles of roads, 30 miles of trails (22 paved), 151 lagoons, trees on 715 acres of Common Property, and Landings Association vehicles. The Security Department oversees security for our 8,500 residents and the approximately 10,000 vehicles that enter The Landings each day. Security Officers perform premise checks of private and common property and provide emergency assistance to residents.

The Assessment also funds General Administration; Community Development (architectural reviews and development activities, which now are an extension of the Association’s Public Works Department, and includes Private Property Maintenance Standards inspections); Communications and Community Outreach (website, Landings Journal, Annual Report, The Landings Residential Directory, voting packets, and community events); 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 Reserves Fund that is restricted for repairs and replacements of our capital assets, such as bridges/structures/equipment, roads/community paths, and storm drains/lagoon structures. There are $76 million in capital assets, and the reserves are an orderly system to fund their repair or replacement.

Question: What are the proposed amounts of the three-year property owner Assessment?
Answer: The proposed amounts for the next three years beginning January 1, 2019 are $1,910, $1,970, and $2,030. (For reference, the Assessment amount per lot for 2018 is $1,850.)

Question: Why is the Assessment amount not a flat amount for each of the three years?
Answer: Our costs do not stay fixed 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 has 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.

Question: When is the voting deadline, and will we be able to vote online?
Answer: Ballots are due back by October 26 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 is posted on the Association’s website (www.landings.org/Resources > Assessment Voting Packet). If you would like to review audited financial statements, please access the 2017 Annual Report (www.landings.org/Resources > Annual Reports >2017 Annual Report).

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 email assessment@landings.org.
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/Resources > Assessment Voting Packet](www.landings.org/Resources > Assessment Voting Packet)).

For additional information, contact the Association’s Assessment Education Team via email ([assessment@landings.org](mailto: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 October 26.

Your Vote Counts!

60% of Owners Must Vote

66.7% “YES” VOTES NEEDED

**BALLOT DEADLINE: OCTOBER 26 AT 4 P.M.**