

**PEARL VALLEY HOA AGM 16 April 2014
ANNUAL CHAIRPERSON'S REPORT**

Dear Homeowners,

I believe that last year was an extremely significant year for Pearl Valley. 2013 symbolised the dawning of a new era and a very positive phase of Pearl Valley's life cycle. Not only did we welcome a new shareholder of Pearl Valley Golf Estates (Pty) Ltd. and the lifting of Business Rescue, but we also underwent a brand repositioning, which resulted in a slight name change and a new corporate identity. In addition to this, the shareholder appointed a managing Director to the Pearl Valley to drive the development Master Plan.

In this report you will find information on the various departments and areas within Pearl Valley, thus providing you with an overall review of the year as a whole.

1. TRUSTEES

As per the PV HOA Constitution there were nine PV HOA trustees (including the chairperson) for the reporting period.

2013 Trustees

Trustee	Appointment
Andre Pepler	Chairperson, PVGE representative
Basil de Sousa	PVGE representative
David Chaffe	Resident Trustee
Mike Latham	Resident Trustee
Patrick McGurk	Resident Trustee
Janet Welham	Resident Trustee
Louis Meyer	PVGE Representative
Gawie Marx	PVGE
Pieter Schoeman	PVGE

2. MANAGEMENT

Rory Roriston, Gawie Marx and Pieter Schoeman represent the shareholder, Pearl Valley Golf Estates (Pty) Ltd.

Name	Designation
Rory Roriston	Managing Director (From 1 November 2013)
Gawie Marx	General Manager
Pieter Schoeman	Financial Manager

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3. SECTIONAL TITLE BODY CORPORATE

Pearl Valley Resort Lodges Sectional Title Body Corporate appointed Trustees and a managing agent in terms of the Sectional Title Act. The individual sectional title owners and the Body Corporate are members of the PV Home Owners Association. Currently there are 66 lodges completed and 24 sectional title units awaiting completion.

4. PROPERTY SALES & RENTALS

4.1. Rentals:

- Currently 47 long term tenants (six months or more)
- Approximately 400 short term seasonal leases during 2013
- 48 Registered private or external agency rentals on the Estate

4.2. Sales:

- 31 Properties transferred (value R110m) in 2013
 - Houses 12
 - Lodges 8
 - Vacant Stands 11

5. PEARL VALLEY II

A Record of Decision (ROD) with various conditions was signed by the Minister of Environmental Affairs and Planning in July 2008. An extension to the amended ROD issued in August 2009 was approved expiring March 2015.

6. MARKETING

It was a significant year for Pearl Valley with regard to marketing as November 2013 saw the launch of the new logo, name and overall brand positioning.

- Total editorial achieved: R6, 244, 445.37 (2013) compared to R4,323,864.81 (2012)
- 15 press releases syndicated in 2013
- Awarded Compleat Golfer's Five Star Experience Award for 2012
- Successful Golf Digest panel visit in November 2013
- Facebook likes: 3475 (end Dec 2013) compared to 653 (end December 2012)
- Twitter followers: 878 (end Dec 2013 compared to 615 (end Dec 2012)

7. SECURITY

- Safety and Security is a major reason why people choose to live at Pearl Valley.

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- Pearl Valley Golf Estates (Pty) Ltd. employs the security manager, the staff in the Control Room, maintenance technician as well as the shift managers. The gate house and the remainder of the guards are contract staff (outsourced).
- For the report year, we allowed 16 602 golfers, 67 150 visitors and 38 547 vehicles through Pearl Valley's main gate.
- Monthly lost and found items are random, but peaking in the months of November and December, most probably due to the amount of visitors during our busy season.
- House alarms also peak during our high summer season.
- Staff and their vehicles are searched throughout the year. An average of 180 vehicles and 2 980 employees are searched per month.
- There were a total of nine burglaries reported in October and November. These related to petty theft and were from within the Estate, mostly from staff. Each case was fully investigated and the perpetrators have been dismissed. Once again we see a rise in incidents over the so called 'silly' season. There were no reported incidents between January and August 2013.
- We pride ourselves on doing vehicle escorts on demand. We escorted an average of 35 vehicles per month.
- Site patrols take place daily – 281 vehicle patrols per month, with an additional 93 Boma patrols per month.
- Lastly the breakdown in vehicle entrance for 2013 is as follows:
 - Contractor vehicles – 1 364 average per month.
 - Contractor vehicles searched – 1 364 average per month.
 - Delivery vehicles – 660 average per month
 - Delivery vehicles searched – 646 average per month
 - Contractors (Persons) – 4 926 average per month
 - Contractors (Searched) – 4 926 average per month

8. ARCHITECTURE AND CONSTRUCTION

The estate architecture and construction breakdown at the end of 2013 was:

- Vacant Plots - 72
- Residential houses completed -303
- Residential houses under construction -13
- Development Plots - 115

The Estate's Building Manuals are continuously updated in order to ensure that they are user friendly and implementing the latest technology within the building industry.

Regular onsite building inspections, regarding the quality of construction as well as adherence to the guidelines are carried out on the homes under construction. A new review architect has been appointed and all plans are reviewed by the Pearl Valley Home Owners Association.

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9. DEVELOPMENT

Workshop Upgrade

The workshop maintenance facility is currently being upgraded and is due for completion in May 2014. This will result in approximately 300sqm of additional work space for the maintenance of the golf course, Estate vehicles and equipment. The upgrade will also ensure that all health and safety requirements are met.

Along with the workshop, additional stores and garages were constructed as well as new ablutions, an eating area and locker rooms for the workers. This is a huge improvement to the working conditions of our staff and has been fully funded by the Developer.

Electricity Upgrade

An electricity upgrade will commence towards the end of April 2014. The upgrade will ensure electricity supply to the Estate as per Drakenstein requirements and safety standards. The new upgrade will supply the workshop, equestrian centre, Boma area and pump station at the river and will replace old and unsafe equipment and reticulation. This expenditure is also being funded by the Developer

Completion of the Development

Pearl Valley Phase 1

PVGE utilised 2013 as an opportunity to review the existing development plan and take stock of the various residential products planned. This included a hotel, conferencing facility, spa and other sectional title opportunities. These are now being consolidated into a master plan together with feasibility studies. Further announcements in this regard are expected towards October of 2014 with the final master plan targeted to be launched in March 2015.

Pearl Valley Phase 2

PVGE is still in the process of considering the future of this development and further announcements will be made later this year.

10. GARDENS MAINTENANCE & LANDSCAPING

Estate Landscaping Division

A complete upgrade of the entrance road was executed after the devastating fire of January 2013. An upgrade of Bear Creek Boulevard was completed and additional fynbos species will be added in winter 2014. Numerous smaller jobs were also carried out. This includes new trees and upgrading of flowerbeds in the swimming pool area as well as the upgrading of a number of flowerbeds at the lodges.

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Open Areas

Both the fire and floods of 2013 resulted in additional work for this section of the Horticultural Department. A 20 hectare area that the fire swept through was cleared of regrowth material. Additional clearing work was also done around our perimeter fence and alien plant material along the sandbank at the Boma is presently being cleared. Trees removed from the entrance road were transplanted in a number of open areas. Twelve of the thirteen Estate lakes were cleared of reeds. The last lake will be completed in April 2014.

Garden Maintenance

Pearl Valley service close to 300 gardens on a weekly basis. 2013 had various challenges mostly relating to labour issues. A new system was implemented in February 2014 with emphasis on more direct supervision and, on the whole, this is working well.

11. Pearl Valley Pétanque Association

Towards the end of 2013 the Pearl Valley HOA constructed two pétanque courts. They are located next to the swimming pool and provide the perfect opportunity to spend some time outside with friends and family. Monthly member competitions are well supported and enjoyed by many. Thank you to Clive Bonnett for being instrumental in the creation and development of pétanque at Pearl Valley.

12. Estate Rules

We thank all residents who comply with the Estate rules, but unfortunately there are still a number of home owners not adhering to the rules of the Estate.

The most common offences relate to:

- Dogs (Unattended or excessive barking)
- Speeding
- Children on golf carts
- Joggers and children on the golf cart paths outside of allowed hours
- Tenants not abiding by the Estate rules

13. COLLECTION OF LEVIES

Levies totalling R10 754 0631, and penalty levies of R945 360 were charged during the year under review. Current levels of penalty levies being billed are significantly lower than in previous years, because of the relief granted to owners on penalty levies via the passing of Ordinary Resolution number 2, passed during the AGM of April 2012.

Levies totalling R691 514 were not collected and remain in arrears at year-end. This translates to roughly 6% of the total levy base that is currently not settling their monthly levies. Steps have been taken to collect these arrears. We will continue to enforce tight fiscal

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control over the HOA, and will hand over all delinquent owners to our attorneys for collection.

14. GENERAL

Pearl Valley HOA has continued its membership with ARC (Association of Residential Communities) ARC acts in the interest of residential communities nationwide.

As you can see from the above, 2013 was a busy and productive year at Pearl Valley. I believe that the accomplishments and successes of 2013, laid a strong foundation for 2014. I would like to take this opportunity to thank the board of trustees and the management team of Pearl Valley for their dedication and hard work throughout the course of the year and, most importantly, I would like to thank you, our homeowners, for your support and assistance throughout 2013. I look forward to embracing what lies ahead, and I have no doubt that Pearl Valley is truly transforming into the perfect place to live, play and relax.

With kind regards,

Andre Pepler
Chairman PV HOA

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