

ANNUAL CHAIRMAN'S REPORT
PEARL VALLEY HOA AGM
14 APRIL 2015

Dear Home Owner

Another year has passed and I am pleased to present my Chairman's Report for the financial year ending 31 December 2014.

1. TRUSTEES

As per the PV HOA Constitution, there were ten (10) PV HOA trustees (including the chairperson) for the reporting period.

2014 Trustees

Trustee	Appointment
Andre Pepler	Chairperson, PVGE Trustee
Basil de Sousa	PVGE Trustee
Carole Day	Home Owner appointed Trustee
Mike Latham	Home Owner appointed Trustee
Hein Koegelenberg	Home Owner appointed Trustee
Colin Laity	Home Owner appointed Trustee
Evert Nel	Golf Committee appointed Trustee
Rory Roriston	PVGE Trustee
Gawie Marx	PVGE Trustee
Pieter Schoeman	PVGE Trustee

The HOA Board of Trustees held 7 meetings throughout the year; feedback was communicated to home owners on several occasions. Home owners requested minutes of meetings throughout the year, which was actioned accordingly.

A Special General Meeting was held on 11 June 2014 to consider and vote on Special Resolution No 22, regarding the application of penalty levies at Pearl Valley. The vote was carried unanimously.

PEARL VALLEY HOME OWNERS ASSOCIATION

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Trustees: Andre Pepler, Basil de Sousa, Carole Day, Hein Koegelenberg, Colin Laity,
Mike Latham, Evert Nel, Alexander Roriston, Gawie Marx, Pieter Schoeman



Ordinary Resolution No 3 was also proposed at the SGM. The purpose of this proposal was to offer relief to those owners who actually did commence with construction of their homes during the moratorium period. The provision was that it had to be bona fide construction and that all HOA and Club accounts had to be up to date. A 12 month relief period was proposed, effective from the 1 June 2014. The resolution was put to the vote and the vote was carried unanimously.

2. MANAGEMENT

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

Name	Designation
Rory Roriston	Managing Director
Gawie Marx	General Manager
Pieter Schoeman	Financial Manager

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. At the time of this Chairman's Report, there are 66 lodges completed and 24 sectional title units awaiting completion.

4. SECURITY

- Safety and security remains one of the major reasons why people choose to live at Pearl Valley.
- 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 staff, the guards and the dog patrol at the Boma, are contract staff (outsourced). Anwar Sambaba is the Security Manager, appointed in December 2014.
- The security control room has been upgraded and have applied for membership with SAIDSA (South African Intruder Detection Services Association), to become compliant in alarm monitoring on the Estate.
- For the report year, we allowed 17 897 golfers, 62 947 visitors and 42 346 vehicles through Pearl Valley's main gate. December saw the most visitors on the Estate, reaching well over 7 000.

- Lost and found items peaked during December and January, as a result of the increase in visitors during the festive season. A total of 258 items were reported as lost and found for the year 2014.
- House alarms for the report year that were triggered, stood on 258. Factors contributing to this were mainly due to false alarms and errors.
- Staff and their vehicles are searched throughout the year. An average of 206 vehicles and 3 574 employees are searched per month.
- No burglaries were reported for 2014.
- We pride ourselves on doing vehicle escorts on demand and escorted an average of 43 vehicles per month.
- Site patrols take place daily – 179 vehicle patrols per month, with an additional 36 Boma patrols per month.
- The breakdown in vehicle entrance for 2014 is as follows:
 - Contractor vehicles – 2 039 average per month.
 - Contractor vehicles searched – 2 039 average per month.
 - Delivery vehicles – 713 average per month
 - Delivery vehicles searched – 704 average per month
 - Contractors (Persons) – 9 384 average per month
 - Contractors (Searched) – 9 384 average per month

5. ARCHITECTURE AND CONSTRUCTION

The Estate architecture and construction breakdown at the end of 2014 was:

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|----------------------------|-----|
| • Total houses completed | 307 |
| • Lodges completed | 66 |
| • Developer houses | 5 |
| • Private plots | 72 |
| • Homes under construction | 12 |

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.

6. GARDENS MAINTENANCE & LANDSCAPING

Garden Maintenance

Residential gardens compliment currently totals 308. Labour issues experienced in previous years seem to have disappeared as such. The restructured Department under its new manager, Ruan du Plessis, is going from strength to strength, ensuring a high standard of service. During 2014, the garden maintenance department underwent a

major restructuring. Open areas was subcontracted to Golf Data and the landscaping division of the department was closed down. This allowed for a more streamline approach to maintaining the residential gardens. Keeping in line with the previous strategies of focussing on supervision, another Head Supervisor was appointed.

CATHSSETA (Culture Art Tourism Hospitality and Sports Sector Education and Training Authority) approved a discretionary grant for ten garden team leaders for a 12 month programme in 2015, which will award them with a general education training certificate in Horticulture Level 1

Residential Landscaping

The number of new gardens installed in 2014 amounts to 11. The Estate's landscaping manual is updated frequently in partnership with the review landscape architect, The Planning Partners. This is to ensure that it is user friendly and that all factors concerning landscaping on the Estate, with its unique micro-climate, is taken into consideration. Frequent site inspections are conducted with emphasis on monitoring the quality of the installation as well as adherence to the landscaping guidelines.

Open Areas

Golf Data has been tending to the routine maintenance of the open areas since April 2014 following restructuring within the horticultural department. Previously the roads were swept manually; a sweeping machine was acquired which now covers the whole of the Estate within two days. A vast improvement of the overall appearance and quality of the Estate's open areas is evident. Various areas such as road verges and lakes have remained focus areas in 2014.

Berg River Rehabilitation Project

Following the devastating winter flood of 2013, 1.2ha (600m strip) along the Berg River was rehabilitated with endemic flora in partnership with the Western Cape Government's Berg River Improvement Plan, endorsed by the Department of Environmental & Development Planning and the Department of Water Affairs, designated as one of the *World Design Capital 2014* projects. The aim of this rehabilitation process along the riparian zone of the Berg River was to combat the erosion caused by flooding and simultaneously eradicate all alien species and replacing it with no less than 5,000 endemic plants to ultimately, when mature and established, create a biodiversity of indigenous fauna and flora. This is a 3 year project and the ultimate goal is to rehabilitate the entire 1.2km/ 2.4ha river frontage of the Estate.

7. COLLECTION OF LEVIES

An amount of R1.6 million on long outstanding overdue levies (bad debt) were collected in 2014.

Levies totalling roughly R608,421 were not collected and remain in arrears at year-end. This translates to roughly 5% 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 control over the HOA, and will hand over all delinquent owners to our attorneys for collection.

Penalty levies invoiced:	1 June to 31 December 2014
Amount invoiced:	R1, 179,320.12
Penalty payments received:	R991, 007.84
Penalties outstanding:	R188, 312.28

8. DEVELOPMENT

Projects

An amount of **R10.85 million** was fully funded by the Developer for various projects:

8.1 New Boma – R1 million

Due to the floods that occurred along the Berg River in 2013, the original Boma was damaged. The remains of the old Boma had to be demolished.

A new Boma was designed south from the site of the previous Boma. The structure is aesthetically framed between 2 existing oak trees which includes a grassed area which is approximately 100m from the river. This makes the building safe from the river and is well above the 50 year flood line.

The building is designed with a fully equipped kitchen and ablution facilities which is used as a venue by home owners for functions and events as well as family relaxation.

8.2 Roads and Cart Paths – R700k

Several roads and cart paths were upgraded from dirt tracks to concrete surface.

8.3 Post Office and other Open Areas – R550k

Open areas around the Estate and in particular, the enhancement of the post boxes and entrance circle. This is an ongoing project.

8.4 Golf Course Machinery and Equipment – R4 million

Recapitalisation of the golf course machinery and equipment was an absolute necessity.

8.5 Golf Course Enhancement Projects – R1.6 million

Reviewed and accelerated the full ambit of course projects with the Golf Committee.

8.6 Workshop – R3 million

A total upgrade of the workshop and electricity supply to support the Estate and golf course.

- **Equestrian Centre**

Plans has been drawn up for the new Equestrian Centre with 22 additional stables being added in the new design. Construction is planned to start as soon as all the approvals are in place.

- **Hotel and Conference Venue**

Pearl Valley entered an agreement with Mantis Collection of Hotels, Eco-Escapes & Lifestyle Resorts to develop, build, market and manage an 80 bedroomed 5 star hotel and a banqueting and conference centre. The hotel rooms are being sold off on a sectional title basis to individuals and some private equity funds.

- **Remaining Developer Erven**

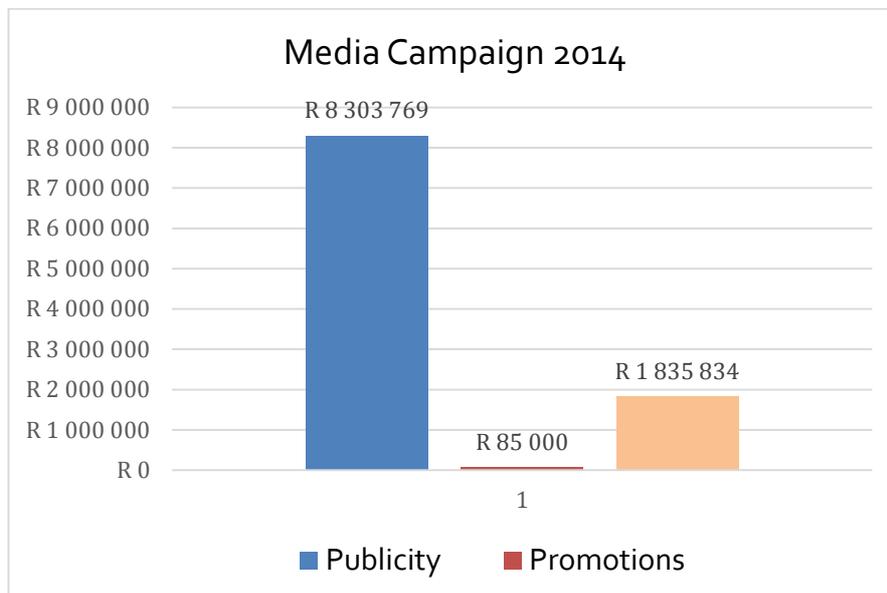
In December 2014, the developer appointed Lew Geffen Sotheby's International Realty Winelands, to be solely responsible for selling developer stock. Lew Geffen Sotheby's International Realty holds an expansive national and global reach with very successful marketing tools and platforms. A dedicated sales office with staff is situated at the Club House.

9. MARKETING

The marketing of Pearl Valley increased significantly during 2014 on various fronts. The year started off with the finalization of re-branding on the Estate, following the introduction of the new brand identity in 2013. Elements such as signage, uniforms, vehicles etc. were updated with the new logo. An attractive new website was introduced and a photoshoot (including aerial photography) to establish a new visual library, was completed. Several STO's (Standard Tour Operator) were hosted at Pearl Valley to showcase our facilities. A highlight was the announcement of Lee-Anne Pace as Pearl Valley's official golf ambassador.

Publicity

During 2014, Pearl Valley syndicated 12 media releases via its appointed agency Dummett & Co. Total PR Value for the year = R8, 303,769 (33% increase vs 2013).



Sponsorship



Lee-Anne Pace, SA's leading female golfer, became the official Pearl Valley ambassador in 2014. She continues to excel both locally and on the international circuit, providing Pearl Valley with excellent international brand awareness.

Photo: Lee-Anne with the SA Women's Open 2014 trophy

Website

An attractive new website, in keeping with the new Pearl Valley brand identity, went live at the beginning of April. The site features the entire Estate offering in an informative and visually attractive manner. The website continues to grow month-on-month and exponential growth was evident in November/December as a direct result of the national advertising campaign. Traffic to the site has grown from just over 10,000 hits in April 2014 to 40,000 in December 2014.

Social Media

Pearl Valley continued to effectively leverage its presence on Facebook and Twitter. Both social media channels showed strong month-on-month growth during the year.

- Facebook Likes at 31 Dec 2014 3,833
- Twitter Followers at 31 Dec 2014 1,201

IN CLOSING

We continue to position Pearl Valley as one of Southern Africa's leading Golf & Country Estate with its state-of-the-art security, privacy and exclusivity. An Estate like ours is dependent on various stakeholders unifying and working together. We especially wish to thank the Board of Trustees and Management for their hard work and dedication over the past year. Last but not least, our heartfelt gratitude is extended to our home owners for the important role they play in this partnership.

Kind regards

Andre Pepler
Chairman PV HOA