

4<sup>th</sup> October 2007

## Prince's Grant AGM 2007 – Resolutions & Discussion - Feedback

Dear Home and Property Owners,

What a wonderful long weekend, with PG “well populated” with home and property owners. Thank you to all of you who traveled so far and especially to those who participated in both meetings. For me personally, the highlight of the weekend was the friendly and cordial manner in which the two meetings took place. This communication serves to give a summarized feedback from the proceedings. All power- point presentations from the meetings are on the website under news.

### 1) Feedback from the AGM

There were a number of routine decisions made but I would prefer to concentrate on the resolutions and the decisions surrounding these resolutions. Shown below is a tabulated summary.

Resolution Reference	Brief Description of Resolution	Implications/ Results	Income/ Costs
Resolution 1 (Noting only)	<ul style="list-style-type: none"><li>This resolution tracks the progression of developments of sites at Prince's Grant over the last 12 years.</li></ul>	<ul style="list-style-type: none"><li>The map represents the latest and most relevant situation at Prince's Grant.</li><li>All “sites” are identified on the map and there should be few “surprises” going forward.</li></ul>	
Resolution 2	<ul style="list-style-type: none"><li><b>Security upgrade</b></li><li><b>New Beach Facility</b></li><li><b>Staff Housing</b></li><li><b>Members Bar / Clubhouse</b></li></ul>	<p><u>Results of the resolution</u></p> <ul style="list-style-type: none"><li>98,6% considered this a high priority whilst 1,4% felt otherwise.</li><li>84% considered this a high priority whilst 16% felt otherwise.</li><li>70% considered this a high priority whilst 30% felt otherwise.</li><li>53.5% considered this a high priority whilst 46.5% felt otherwise.</li></ul>	

PRINCE'S GRANT. THE WAY LIFE SHOULD BE LIVED.



COASTAL GOLF ESTATE



PRINCE'S  
GRANT

	<ul style="list-style-type: none"> <li>• <b>Municipal potable water/ Municipal Sewerage reticulation</b></li> </ul>	<ul style="list-style-type: none"> <li>• 72.6% considered this a high priority whilst 27.4% felt otherwise.</li> </ul>	
Special Resolution 1	<p><u>Background</u></p> <ul style="list-style-type: none"> <li>• Lot 49 is a commercially zoned stand on the left hand side of the main gate.</li> <li>• “Security begins at the gate” and our current entrance facility does not allow for effective control and access management.</li> <li>• Swop Lot 49 for a residential site on PG.</li> </ul>	<ul style="list-style-type: none"> <li>• The swop will increase the number of residential stands by one and decrease the commercial sites by one.</li> <li>• Transfer costs split 50/ 50 with the developer.</li> <li>• This stand will be used for the construction of a new gate and a computerised control centre.</li> </ul> <p><u>Special Resolution Decision</u></p> <ul style="list-style-type: none"> <li>• This resolution was accepted. Results were 99,4% in favour and 0,6% against.</li> </ul>	
Special Resolution 2	<p><u>Background</u></p> <ul style="list-style-type: none"> <li>• The PG town planning scheme was amended in 1995 to allow for the transfer of two stands to the Biocchi Family. This opportunity was not taken up.</li> <li>• The properties have full residential rights and services are already in place.</li> </ul>	<ul style="list-style-type: none"> <li>• These two stands are already shown on the new map and would form part of the developers’ rights to develop stands.</li> </ul> <p><u>Special Resolution Decision</u></p> <ul style="list-style-type: none"> <li>• The resolution was passed, unanimously, increasing the number of stands by two additional stands.</li> </ul> <p><u>Result/ Benefit of the Resolution</u></p> <ul style="list-style-type: none"> <li>• Upon sale and on transfer of the two stands, the HOA will recover 50% of the proceeds.</li> <li>• This will generate approximately R700 000 income to the HOA which will be used to upgrade amenities.</li> </ul>	Potential Income R700,000

PRINCE’S GRANT. THE WAY LIFE SHOULD BE LIVED.



COASTAL GOLF ESTATE



PRINCE'S GRANT

Special Resolution 3	<p><u>Background</u></p> <ul style="list-style-type: none"> <li>• The 4<sup>th</sup> and 5<sup>th</sup> holes were not included in the original town planning scheme.</li> <li>• When this was added (<math>\pm</math> 7 hectares) the developer had the right to add sites to the current 462 sites in line with the density requirements currently in force at PG.</li> <li>• If accepted the HOA would have to approve the site layout.</li> <li>• The articles of association dictate that all proceeds of the sales after infrastructure costs will be split equally between the developer and the HOA.</li> </ul>	<p><u>Implications:</u></p> <ul style="list-style-type: none"> <li>• The developer proposed two different layouts comprising 12 and 15 stands.</li> <li>• The developments proposed effectively surrounded the 4<sup>th</sup> green.</li> <li>• Homes would be small, and limited to a footprint of 200m<sup>2</sup>.</li> <li>• Should the resolution be passed, this would generate approximately R4.5 mil revenue to the HOA.</li> </ul> <p><u>Result of the Special Resolution</u></p> <ul style="list-style-type: none"> <li>• The result of the resolution was 62,5% in favour and 37,5% against.</li> <li>• This resolution was not passed as the articles require a 70% majority vote.</li> </ul>	
Special Resolution 4	<p><u>Background</u></p> <ul style="list-style-type: none"> <li>• Hyde Park Developments have purchased land abutting the 4<sup>th</sup> and 5<sup>th</sup> fairways extending from the road down to the lagoon as well as from our gate down to the beach.</li> <li>• We are attempting to negotiate a deal with Hyde Park which will see land abutting the 4<sup>th</sup> and 5<sup>th</sup> incorporated into PG.</li> <li>• The development will be approximately 80 units in extent.</li> </ul>	<p><u>Implications:</u></p> <ul style="list-style-type: none"> <li>• The design and architecture of PG will not be compromised as stands and architecture will be changed to PG standards.</li> <li>• Risk to property values- will be reduced.</li> <li>• Revenue to PGHOA will be in the region of R10 million.</li> <li>• Golf Course debentures will also be paid (an additional) R2 million revenue.</li> </ul>	

PRINCE'S GRANT. THE WAY LIFE SHOULD BE LIVED.



COASTAL GOLF ESTATE



PRINCE'S GRANT

		<p><u>Result of the Special Resolution</u></p> <ul style="list-style-type: none"> <li>• The resolution was passed with a result of 91,4% for and 8,6% against. This resolution passed the 70% hurdle.</li> <li>• The resolution mandates the board to negotiate a deal with a number of minimum requirements. <ul style="list-style-type: none"> <li>○ 20% of sale value to HOA.</li> <li>○ R25000 debenture/stand to HOA.</li> <li>○ Density in accordance with PG density.</li> <li>○ Architecture aligned to PG design.</li> </ul> </li> </ul>	
Special Resolution 5	<p><u>Resolution 5</u></p> <ul style="list-style-type: none"> <li>• Amend the articles to allow reasonable access to homeowners neighbour's property for maintenance.</li> </ul>	<ul style="list-style-type: none"> <li>• The current building codes compels owners to build across the entire width of the property.</li> <li>• This makes the maintenance of abutting walls virtually impossible.</li> </ul> <p><u>Result of the Special Resolution</u></p> <ul style="list-style-type: none"> <li>• The resolution was passed which will ensure reasonable and controlled access to all maintenance.</li> <li>• Access to neighbour's properties will be controlled by the homeowners association.</li> </ul>	
Special Resolution 6	<ul style="list-style-type: none"> <li>• The architectural building code is a "maintainer" of property value at Prince's Grant, and special efforts are required to ensure compliance.</li> </ul>	<ul style="list-style-type: none"> <li>• "The "non approved" architects create some tension and cost the HOA dearly in terms of time and money.</li> <li>• Sensible costs can also be maintained if a specialized panel of architects is engaged in designs at Prince's Grant.</li> </ul>	

PRINCE'S GRANT. THE WAY LIFE SHOULD BE LIVED.



COASTAL GOLF ESTATE



PRINCE'S GRANT

		<u>Result of the Special Resolution</u> <ul style="list-style-type: none"> <li>The resolution was passed ensuring that an approved panel of architects will operate at Prince's Grant. They will also ensure their availability, or advise the HOA of non availability.</li> </ul>	
--	--	--	--

**New Developments/ Projects going forward**

Homeowners were requested to vote for the projects in order to establish their preference. This is important so that resources, both human and finances can be allocated. The results of the priority survey were as follows:

Project Reference	Project Name
First	Security upgrade
Second	New Beach Facility
Third	Staff Housing
Fourth	Members Bar / Clubhouse
Fifth	Municipal potable water/ Municipal Sewerage reticulation

**Revenue to fund the Projects**

Unfortunately the stands surrounding the 4<sup>th</sup> did not meet the 70% approval level. I say unfortunately as this project was really simple to initiate and revenue towards new projects would have been generated very quickly. Although the Hyde Park Resolution passed, this is a “mandate to negotiate” and we may or may not be successful with this negotiation. As with all new developments such as Hyde Park, timing is never certain so it is difficult to project a revenue stream from this exercise.

Based on the resolutions passed, my personal estimate is that we will generate approximately R1 million within the next year towards projects.

**Appointment of Prince's Grant Board Members**

Dave Starkey and Sharmin Pillay resigned from the board, and we need to thank them sincerely for their efforts. Two new board members were appointed. They were Hubert Mimm and Brian Kelley. As the concept of portfolio management has stood us good stead, this concept will be continued. Shown below is the new board.

PRINCE'S GRANT. THE WAY LIFE SHOULD BE LIVED.



Board Member	Portfolio
Don Schoeman	<ul style="list-style-type: none"> <li>Chairman</li> <li>Marketing</li> </ul>
Dave Miller	<ul style="list-style-type: none"> <li>Finance</li> </ul>
Ivan Swaffield	<ul style="list-style-type: none"> <li>Golf</li> <li>Finance</li> </ul>
Hubert Mimm	<ul style="list-style-type: none"> <li>Building Committee</li> </ul>
Paul Coningsby	<ul style="list-style-type: none"> <li>Amenities/ Future Developments</li> </ul>
Brian Kelley	<ul style="list-style-type: none"> <li>Amenities/ Future Developments</li> </ul>
Chris van der Merwe	<ul style="list-style-type: none"> <li>CEO</li> </ul>

\* The board may co-opt other members as required.

Rest assured we will meet shortly to “kick start” all the resolutions passed of the AGM.

## General

I would like to draw your attention to two issues

- o The website and;
- o The homeowners credo

The website is really an up to date communication tool which we manage inhouse, it is always up to date with the latest news. We are also creating a new confidential section, which will allow each homeowner to maintain their own details as well as view financials and other confidential information. We will advise when this is operational.

PRINCE'S GRANT. THE WAY LIFE SHOULD BE LIVED.




COASTAL GOLF ESTATE




The Homeowners' credo was developed by the management team that would provide them with a guideline in which to operate. This is what they live by and what we should measure them by. Please challenge the team against these standards.

PRINCE'S GRANT HOME OWNERS ASSOCIATION CREDO

 ***Our vision - what we strive for***

PGHOA will provide a world class lifestyle and golfing experience to all home owners, guests and golfers.


The services that we provide will ensure a safe and harmonious estate characterised by distinctive architecture, providing a strong sense of community where quality of life is incomparable.

 ***Our mission - how we will do it***


We will be a learning association, well equipped and well informed of the latest developments in our environment - both internal and external.

We are committed to:

- Financial discipline
- Service excellence
- Attention to detail
- Fulfilling our obligations

 ***Our values - In performing our duties we will be:***

- Professional: If it is worth doing, it is worth doing well
- Reliable: We will do what we say we will do
- Determined: We will be successful in all we do
- Enthusiastic: We enjoy what we do

 ***What we expect***

All we expect from our Property owners and guests are:

- Treat us with dignity and respect
- Respect and obey the rules

Finally, thank you all for your support and good wishes. It is really a pleasure for the Board to serve you. I sincerely thank you all for entrusting us with your assets. It is our intention to make a very real difference to PG over the next two years. As it has been the custom in the past we will continue to be transparent and available. Please don't forget that our contact details are available on the website.

Regards,  
Don Schoeman  
Chairman  
PGHOA

PRINCE'S GRANT. THE WAY LIFE SHOULD BE LIVED.

