

CHAIRMAN'S NEWS LETTER - 4TH QUARTER 2007

Hello all home and property owners,

As is customary, I would like to keep you up to date on discussions and some decisions going forward after the board meeting in November. Much of the meeting was focused on achieving the five year plan as many of the day to day operations are moving well.

1) Financial Matters

Dave Miller was away, so thank you to Ivan for standing in for Dave. I need to say that the finances are being very well handled and recorded so it was a pleasure moving through the detail. Key financial issues are:

- Revenue for estate related matters YTD is on track at R2.64 mio (R92 above target).
- Expenditure is also in line YTD at R1.58 mio (R55k below target).
- Unfortunately the situation is not a similar one on the golf income and expenditure. Golf income is R81k below the target of R3.3 mio and expenditure is R25k above budget at R3.2 mio. This is mainly as a result of a R56 knock taken in October due to excessive rain. I also need to say that we are also below our rounds target for visitors. I am told that this is a North coast issue but I am concerned that Cotswold Downs and Simbithi are taking market share from us and that our pricing strategy did not take this into account. There is work to be donein no uncertain terms.
- As is customary debtors are well under control.
- Overall, our finances are, however, exceptionally healthy with a year-to-date surplus of R1,6m, approximately R900k better than at the same time last year and just more than R700k better than budget.

Our capex expenditure is being well managed with most projects being on track, but we can improve with our implementation planning. Much of our capex is done by external contractors and these should be planned, ordered and executed on time. It is a lesson that we must learn from and improve on next year. We have also re-routed some capex into areas that are more important at present. These projects are.

- a) Change rooms, toilets and a car park for the new pool on Blink Bonnie.
- b) Road and verge repairs on Ginger beer.

2) Hyde Park

As requested at the AGM and in line with the resolution passed we have approached the neighbouring Hyde Park developers with our offer. They are

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silent on the issue. They have, however, been active and have submitted their town planning documentation with the other new development on the left hand side of the D508. It is our intention to ensure that they proceed responsibly with any development.

3) Beach Management

Paul Conningsby is responsible for the amenities. Our Johannesburg team of Brian Kelley and Paul has been reviewing our strategy going forward. We have decided to set standards for the beach in line with "blue flag" beach standards and to ensure the beach remains in pristine condition. We will be employing a beach ranger whose responsibility will be to maintain the beaches permanently. This will include cleanliness, maintenance, upgrades etc.

4) Lot 215 Development

The developer has submitted exciting sketch plans for the development of lot 215. The development is focused on creating a village centre for PG as directed by the current Town Planning scheme. The proposal has seen stands reduced from 25 to 16 but includes additional flatlets built as part of a commercial centre consisting of shops, offices and other amenities in the square or piazza. It should be remembered that the lodge was built to support the golf club and that these future facilities will create a wonderful communal area in which to congregate, relax and have fun.....this will make a substantial improvement to living at PG.

Basic sketch plans have been produced and we anticipate calling for completion and sign off of the final plan in April 2008 at a special general meeting. Please remember that the other option is to go back to the original layout of 25 residential stands with houses built within the constraints of the PG building code, denying the Estate some much needed amenities. I have learnt that change is not an easy task at PG so please keep an open mind in the process.

5) Participation in leadership conference at St Andrews

Our CEO Chris has recently returned from a one week leadership program at St. Andrews. Chris has presented his findings and learning's from the program to the Board. He is still preparing a plan of action that will continue improving PG. I am a little relieved (to be honest) as many of the issues that I have been driving have been endorsed by other international clubs as good practice and now Chris will take up the role of change agent and continue.

Chris will put his presentation on the web and deal with this in more detail in his newsletter.

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6) Web Site Additions

Please all take a look at the new additions on the web site .We have added a new navigation bar called CONFIDENTIAL on the left hand side. This section will only be accessible to PG owners through a password protected firewall. As has been customary we intend to increase our transparency and place all financials and other confidential documentation on this part of the site. You will also find all your own contact details on the site and it will be your responsibility to maintain the integrity of the data. This will ensure that everything is sent to the correct address and we can make contact with you relatively easily.

To access this part of the site - USERNAME will be your surname followed by initials (no spaces - all in lower case) and PASSWORD will be your surname followed by your account number (no spaces – all in lower case). You can change your password on the site. Please speak to Natasha at Homeowners if you need assistance or email her at reception@pghoa.co.za. Thank you to Natasha for getting this going. Many weekend hours have been allocated to this task.

7) Points of general interest

Shown below are some points of general interest:

- a) The new pool on Blink Bonnie is nearing completion. We will begin with the Parking lot and amenities early in the New Year.
- b) The pro shop has been re done and is befitting of a top 20 course. (See web site under news for photos).
- c) The small pool at the end of Blink Bonnie is getting surrounded by houses and is probably as much of a discomfort to the surrounding properties as it is to people swimming there. The board has decided to enter into negotiations with the surrounding properties to see if we can sell the pool to them and use the funds to build another pool somewhere better suited to a community pool.
- d) Chris will provide you with more details but a team is planning a super holiday season for the kids.
- e) Brendon will be sending you details of how the golf times will be run over the festive period. The one change that we have agreed to, is that members who book and do not show will be charged visitors fees.
- f) We have requested Chris to progress with sale of the two additional developers stands as soon as possible so that we can access funds to start the new gate project (as approved at the AGM)

8) Some Sad News

Regrettably, all good things come to an end. I have been offered a senior position in the US with my company based in Washington DC and after much thought we have decided to relocate for a few years. It is a significant company (R15 billion

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pa 7000 employees) in need of major surgery - to difficult to resist. This will be a real challenge taking up this role when the US is moving into a severe recession ... My wife Rose, daughter Kimberley and I will move and my son Kyle who has just celebrated his 21st birthday and completed his degree this year, has decided to stay. If you see him at PG from time to time please offer him a square meal. He will need all the home comforts he can get. We will return yearly to be with family and friends at PG.

I am pleased to hand over the reigns to our "minister of finance "Dave Miller who was unanimously elected as chairman. This appointment will guarantee continuation and consistency in the execution of the current plans. I am sure that you will support Dave in his new role.

I would like to thank my fellow board members and my past associates for your support and camaraderie. It has been great and a lot of fun. I have learnt from all of you. I would also like to thank the staff at PG for allowing me into their team. We should not forget that some of our success was initiated by the previous board and I thank Jim Cockburn for his insight in recognizing the need to bring a professional management team to handle our affairs.

Finally to everyone who has shown my family and I so much friendship I will miss you all immensely but look forward to rekindling the friendship when we return.

Warmest wishes

Don Schoeman

PS. We are looking for a new resident Santa Clause... (Chairman in training!)

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