



"MY SHOT" (Prince's Grant Newsletter)

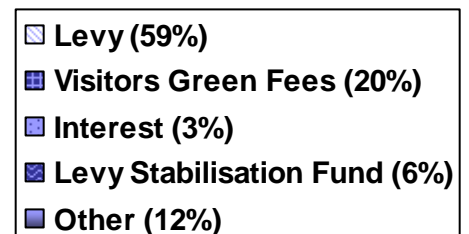
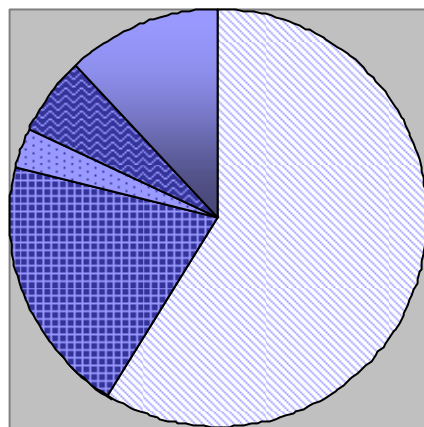
February 2008

Dear Homeowners

February is fast becoming our planning and budget month wherein the year's work is taken under review and the focus turns to the year ahead. Over the past two years we have, under the leadership of Dave Miller, developed a budget process based on the following guiding principles:

- Incremental development and consistent maintenance congruent with a world class golf estate.
- Where possible "the user pays" approach is adopted.
- Limiting risks and unforeseen expenditure while building up an adequate reserve fund, which we anticipate will be in the region of R5mil.
- Where possible avoid interest and finance charges by funding our capital program "in house".

The Estate's income is derived from the following sources.



. THE WAY LIFE SHOULD BE LIVED.

A brief insight of the budget process is as follows:

1. Each department put together their proposed capital projects. These projects are informed by requests from homeowners as well as operational requirements.
2. The Board considered these projects during a full day budget workshop where input is given on priorities and expected service levels.
3. The finance committee then, during a two and half day session, scrutinise every line item in the operating budget. Budgets are done on a zero base system, where everything from an individual telephone account, to diesel usage, electricity consumption, etc. are checked and re- checked.
4. This process results in an expected expenditure budget for the coming year. By deducting the income from sources other than levies, and adding our anticipated growth in reserves, the levy requirement for the year is established.

Some of the issues that made this budget more challenging than perhaps the previous year are:

1. The increase in completed houses demands an increase in expenditure, for example, the physical increase in houses serviced for refuse removal is 15% (32 new houses). The increase in expenditure is however not matched by an increase in levy contributions as everyone (developed or undeveloped) is already paying.
2. The extraordinary increases in fuel costs which was close to 30% over the last year.
3. Uncertainty in respect of electricity charges and alternative electricity sources to keep essential equipment such as our boreholes, water pumps and sewerage pumps operational at all times.

Looking forward, it appears that 2008/ 2009 will be a difficult year for Prince's Grant. Property sales have slowed down dramatically since December 2007 and so has the building activity on the estate. We believe, however, that the R186-00 per month increase in levies takes into account our long term goals as well as ensures adequate maintenance of all facilities.

Special General Meeting

The development of Lot 215, the area between the 18th fairway and the squash court/ swimming pool complex, is a significant occurrence. This area which is set aside as the "village centre" in the original town planning scheme, is designed to provide the amenities for the estate when it reaches its capacity. To ensure this facility is, however, sustainable and does provide amenities such as shops and an additional restaurant, it is necessary to amend the original scheme to some extent. The proposed layout alters the size and amount of units to allow for a number of small 2 storey 1 bedroom, 2 bedroom and 3 bedroom flats rather than larger 3 storey conventional Prince's Grant homes.

It is our view that this amendment is essential for the harmonious functioning of the estate in future years.

. THE WAY LIFE SHOULD BE LIVED.

VILLAGE CENTRE

LOT 215



Recycling

Since its inception, Prince's Grant has prided itself on its environmental awareness and rehabilitation. It was therefore no surprise that the estate won various prizes for rehabilitating the old sugarcane fields and is currently considered an area of conservation excellence.

In our quest to ensure Prince's Grant will continue in this proud tradition and become true to our slogan "*the way life should be lived*" we are increasing our efforts to recycle. Not only do we want to expand on our refuse recycling programs to include paper, cardboard, plastic and vegetable refuse, but we are also seeking ways to recycle our grey water, which is currently running into soakaways, for irrigation purposes. We have recently visited Fish River Sun and St. Francis Links where very successful projects of this kind are being used. We are also investigating power supply sources such as solar and wind energy. Should any homeowner have a particular interest in these matters and can let us have information, please don't hesitate to contact our offices.

Conclusion

As can be seen from the, rather verbose, report above, February has been our planning and budget month. We hope to see as many homeowners as possible at the Special General Meeting on 22 March 2008 where a more in-depth discussion on our budget process will be undertaken. Those who can not make it, please participate in the decision making by letting us have your proxy. Although the proxy form is not a postal ballot, homeowners can contact me with their views on the matters to be decided upon, and indicate how they wish to record their vote. As a first for Prince's Grant we are trying to link the Special General Meeting via the internet to our website to allow those who cannot attend the meeting, to, at least, follow the proceedings. Whether the technology will allow this, remains to be seen, but we will try.

All the best
Chris

. THE WAY LIFE SHOULD BE LIVED.