

07 February 2007

Dear Property and Homeowners,

I trust you all had a wonderful break, traveled home safely and have tackled 2007 with enthusiasm. My family and I spent three weeks at PG and what a wonderful time it was. The one thing that always amazes me is that despite being away for long periods at a time, PG always feels "like home".

Let's deal with the serious issue first – THE NORTH IS BACK! – After being severely hammered by the South in December 2005 (both from a golfing and banter perspective), the North was fired up and ready to go. As the Captain of North, Brian Kelly, said ... "WE CAME – WE PLAYED – WE CONQUERED. We will enjoy having the upper hand until December. What a great day it was – thanks to everyone who played, participated and organized. (Brendan indicated that he had South caps going cheap – if you use a black permanent marker they could look like a Sharks cap)!

Property Issues

A special general meeting was held on the 23rd of December to consider two resolutions. The resolutions were developed as an output from instructions given by the Homeowners after the AGM in September.

Just as a refresher, the context of the two resolutions were as follows:

Resolution 1

Include the portion of the Hyde Park development that abuts the 4th and 5th fairway into PG. The development would comprise approximately 138 units and PG would realize 10% of the sales value and a R25 000 golf debenture. Funds realized to the Homeowners Association would be between R7 million and R10 million.

Resolution 2

At the same time, request the current developer to develop approximately 20 stands on the 4th and 5th fairways. The proceeds of the property sales would essentially be split 50/50 after development costs. Revenue realized would be approximately R5 million.

It was a constructive discussion, most of it in the spirit of progress and I thank all for the feedback. There were a number of learning's for the board and in a nutshell, the following concepts were approved for further consideration:

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- a) We should re-engage Hyde Park with the following provisions:
 - a. Incorporate properties from the Ridge down to the fairway.
 - b. The 10% was not “fair value” and although we did not finalize “fair value” we took away sufficient feedback for us to construct a new proposal.
- b) Review the developments on the 4th and 5th fairways with regard to layout etc. Should this development proceed at a later stage, we were cautioned to manage the cost structure carefully. My takeaway here is that this development was conceptually well received and could proceed in the future.
- c) There was little resistance to special levies over a period of time to provide for infrastructural improvements. Although some exorbitant special levies were proposed, a lot of discussion afterwards and feedback from these were present during the break indicated that exorbitant levies would not be well received.

The Board was thanked for their efforts and although we were a little despondent, we were encouraged to progress both issues. You can count on it – we will report back after the board meeting in February.

December Occurrences

Despite the December period being a time to relax and throw caution to the wind, there were a number of occurrences during December that will need to be considered.

- a) **Golf Cart Rules**
PG has a great set of guidelines in place in terms of age limits and rules of usage, however, we have found these impossible to implement and control so we will have to seek alternatives.
- b) **Property Rentals**
Property rentals are traditionally high in December, but this year, more than ever. We will have to review the situation, as there were many unpleasant and uncomfortable instances. We will be setting up a forum for rental agents early this year so that we can work together to develop a positive solution.

December Highlights

There were a number of highlights in December, thanks mainly to the staff who had done a lot of pre-planning for the break.

- a) Security was excellent – not just at access points, but also at the beach and pool.
- b) Lifeguards at the main beach were a blessing.
- c) “Kiddies club” at the pool was a real bonus for parents who need a “breather”.
- d) The golf course was in great shape and despite taking a pounding from one or two downpours withstood the heavy traffic very well.
- e) The Pro Shop was at its best – well stocked and well manned.

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- f) The course staff managed the extra volumes well and there were very few reports of slow play.
- g) Ivan will report on the December revenue, but judging from the happy faces, I am sure financial targets were reached.
- h) The conference centre had an excellent art exhibition – provided by two of our residents. What a pleasant surprise. I wonder what other hidden talents we have on the estate?

A special thank you to all the staff for your efforts – it was much appreciated. If you have any feedback on how the team can improve their delivery in December, please do so.

There are a number of pending issues that will be discussed at the board meeting in February, so the next letter I am sure will contain some interesting issues, including some feedback on the budget – don't miss it!

Regards,

Don Schoeman
Chairman - PGHOA

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