



Dear Fellow Homeowners

Following our last update, dated 21 June (a copy of which can be found [here](#)), we have received further questions and comments from members. We encourage members to read the last update again as it directly addresses many of the key issues being raised.

In order to help members make an informed decision at the SGM on 4 July, we would like to emphasize the following points:

Firstly, it's very important to note that, as the board of trustees, we are not advocating for either a YES or a NO vote. The choice is up to each member, based on your personal circumstances, preferences and opinions. We believe that our obligation is to present the proposed agreement to you and to explain what we see as the potential pros and cons as objectively as possible.

Second, we have not agreed to anything other than to present the document to members for a vote in terms of our Constitution. This is fully in keeping with our commitment to revert to members at an SGM for approval of any proposed agreement with VDV in the Super Estate negotiation process.

To address certain specific new queries and comments received:

- The voluntary "pay-per-use" or "opt in / opt out" model was consistently rejected by VDV over the past few years. Whilst the PV trustees felt that this model held much promise, VDV did not agree and were not willing to pursue it.
- We reiterate that, as trustees, we did not *choose* to present the proposed agreement to members in the form of an ordinary resolution instead of a special resolution. Rather, we sought legal opinion, which was clear that the trustees have no discretion in this regard as the Constitution dictates the type of vote that must be held.
- The sports and recreational facilities at Pearl Valley are owned, operated and maintained by PVI, not by PVHOA. There is no commitment from, or direct contractual obligation for, PVI to upgrade the current facilities at PV, although we continue to put pressure on them to do so. It is also not clear whether any new or upgraded facilities that may be developed by PVI would be covered by our current subscriptions or if PVI would require additional payments. In our view, it's unwise to make any claims in either direction on this topic at the moment.
- Similarly, the possible outcome of any proposal for the HOA to buy or rent land from

either PVI or the Lodges Body Corporate is simply unknown at this stage.

- Regarding the Lodges Body Corporate specifically, it's critical to note that in terms of the Sectional Title Schemes Management Act, the body corporate may only sell or let any portion of its common property subject to a unanimous resolution of the owners (i.e. a 100% vote in favour by the owners of the 64 individual lodges).
- Under the terms of the proposed agreement, VDV and PV homeowners would commit to a three-month notice period for either party to terminate reciprocal access for any reason, e.g. if PV members decide in future that it is no longer worthwhile to continue access relative to the fees charged. Alternatively homeowners can vote NO at the SGM if they do not support the proposal, noting that if the NO vote prevails, VDV have made clear that termination of reciprocal access will be implemented.
- It's therefore up to members to determine at the SGM if reciprocal access on the proposed terms is worth it collectively or not. That is the simple choice to make. A YES vote is binding for a maximum period of 3 months at any given time. A NO vote results in VDV going ahead with the termination of reciprocal access.
- In light of the above, approving the proposed agreement will not constitute a long-term commitment and extrapolating potential costs or investment values over 10 or 20 years is, in our view, fundamentally flawed.

We want to stress that, as a trustee group, we are firmly of the view that the negotiation process with VDV has reached the end of the road, based on the comments and feedback received from the VDV trustees. We believe there is no realistic path to go back to VDV now with new proposals (or reviving old ones already firmly rejected), particularly given their recent and significant concession in respect of the two-HOA model. As such, we must all accept that if the proposed agreement is not approved, this will in all probability result in the end of reciprocal access.

We hope that the above information helps place members in a position to make an informed vote at the SGM.

#### **Questions regarding the SGM procedures:**

- The SGM is strictly a procedural meeting for the purposes of voting on the proposed Resolutions. There will be no speeches or presentations and any questions from Members will be limited to procedural matters only.
- The meeting will start promptly at 18:00 and will conclude once the voting is completed.
- Proxy forms may be submitted either with or without voting instructions. If no voting instructions are given, it is incumbent on the member to understand how the person you give the proxy to will vote, as you are giving them full discretion on your vote.
- Where a property is owned jointly by a husband and wife, or partner and partner, it is not necessary for a Consent Form to be submitted, provided that only one vote may be cast per property.

Kind regards,  
**PVHOA Trustees**  
**28 June 2024**

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Pearl Valley Golf & Country Estate, R301, Wemmershoek Road, Paarl, Cape Town, South Africa 7646,  
South Africa, 0218678000

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