



## SUPER ESTATE UPDATE – 21 FEB 2024

Dear fellow Pearl Valley and Val De Vie homeowners

There has been a lot of communication recently about the state of the Super Estate negotiations between the Pearl Valley and Val De Vie HOAs. As the Pearl Valley HOA trustees, we were surprised by the contents of the latest communications from the Val De Vie trustees, which did not accurately represent our views. We therefore want to ensure that members of both HOAs understand our position and hear it directly from us, in full transparency, without misrepresentation by any other party.

- To be absolutely clear, we stand in favour of the Super Estate and have not changed our position or deviated from any agreed principles.
- We have also not abandoned the negotiations or cancelled any meetings. We merely proposed a postponement of one meeting in order to allow the Val De Vie representatives the opportunity to respond to a proposal we submitted to them in writing.
- We have fully engaged in the negotiation process with our Val De Vie colleagues, even despite the recent re-entry of the Val De Vie developer into the process, whereas it was clearly agreed between the HOAs previously that only homeowner representatives would be involved. Our written objections in this regard have simply been ignored by the VDV homeowner representatives.
- The Val De Vie representatives have declared that the negotiations have failed, and the question must be asked “Why?” What has changed in the negotiations for this drastic conclusion to be reached? The answer is clear and simple – the Pearl Valley trustees have asked that an independent financial due diligence be conducted before we can finalize the multi-million Rand merger of our respective HOAs. We believe this is a completely fair and reasonable proposal, which will be to the benefit of members on both sides. We are not asking for an audit of historical financial details. Rather, we have proposed a forward-looking assessment of the financial sustainability of the Super Estate, which will identify any potential long-term financial risks for both sides and guide us in developing appropriate responses. Unfortunately, this proposal has been rejected out of hand by the Val De Vie representatives, who have accused us of deviating from “agreed principles”.
- It’s very important to note that what the Val De Vie representatives refer to as “the agreed principles” are in reality simply VDV’s demands. We have been told from the beginning of the negotiations that there is only one option acceptable to Val De Vie – a full merger of the estates under one HOA, failing which there will be complete separation and erection of a fence between us. Furthermore, it has been clearly conveyed to us that this is the mandate given by Val De Vie homeowners to their representatives.
- We question whether this is really the members’ mandate, as all our dealings with many VDV friends and family members suggest that the principle of the Super Estate itself is more

important to members than whether we have one HOA or two.

- Whilst we have never rejected the One HOA model, we have suggested that if an agreement on the terms and conditions for One HOA cannot be reached, the next step should not automatically be complete separation and a fence going up. There are certainly other reasonable alternatives that should be explored.
- Naturally, under these circumstances, we would only present a proposal for One HOA to our members if it made good sense and the terms and conditions of the One HOA were fair and equitable to all.
- Our proposal for independent financial due diligence protects all homeowners. It would surely be irresponsible for us not to do this in terms of our fiduciary responsibilities as trustees.
- As the Pearl Valley homeowner representatives we remain open to continuing negotiations in good faith with the VDV homeowner representatives and hope to receive a positive response from them shortly.

At this stage, we see four possible outcomes:

1. One HOA, constituted on agreed terms and conditions after an independent due diligence is done and the results show that merging HOAs is mutually beneficial to both sides, now and into the future.
2. Two HOAs with certain shared costs (like Security) and formal agreements in place to protect both sides (i.e. a formalised version of the current status quo which has been working pretty well for the last couple of years). Traversing rights and access to facilities remain as is now.
3. Two HOAs with certain shared costs (like Security) and formal agreements in place to protect both sides (i.e. a formalised version of the current status quo which has been working pretty well for the last couple of years), but with the booms between the estates closed (but no fence between the estates). Traversing rights and access to facilities only afforded to members who choose to opt-in for an additional fee.
4. Two HOAs with formal separation, fences going up and re-branding of Val De Vie and Pearl Valley. This would be our last resort, and only after conducting official polls to verify that the mandate for both groups of Trustees is fully supported by a members' vote.

Finally, I am aware that some Val De Vie homeowners have expressed a wish to hear from Pearl Valley's trustees directly. If this is something that Val De Vie members would want, I would be happy to attend the Val De Vie townhall meeting next week, provided of course that the Val De Vie trustees are comfortable with this.

Kind regards,  
Justin Willard  
On behalf of the PVHOA trustees

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