



26 January 2024

Dear Fellow Pearl Valley Homeowners

UPDATE - SUPER ESTATE NEGOTIATIONS

Following our Town Hall meeting held on 28 November and the subsequent opinion poll, we have continued our engagement with the Val De Vie HOA trustees. In doing so, we have been guided by the following key considerations:

1. The results of the opinion poll gave us a solid mandate to continue negotiations with VDV (64% in favour).
2. This mandate was however not “unconditional” as many members raised pertinent questions and concerns regarding the details of the proposed terms for joining the Super Estate. We acknowledged those concerns and gave our commitment to address them with VDV in order to seek a fair deal on behalf of Pearl Valley homeowners.
3. As PVHOA trustees we will not present a proposed agreement to homeowners unless we are satisfied that the terms are fair and reasonable and provide the framework for a sustainable Super Estate in the long term.

One of the biggest areas of concern raised by Pearl Valley members relates to the proposed adjustments in levy rates and the overall financial structure of the Super Estate. There is a need for clarity on the rationale behind increasing PV levies by R525 per month while decreasing Val de Vie levies by R370 per month. A prevalent view is that this could lead to PV effectively subsidising VDV, especially considering the increasing number of VDV residents paying only 20% of the levy. Moreover, there are suggestions that VDV's long-term financial health might rely on this additional revenue from PV, particularly due to the reduced contributions from the 20% levy payers.

We have explained to the VDV trustees that these are material issues which need to be resolved in order for us to be able to conclude a proposed agreement for homeowners to vote on.

To address these concerns effectively, we have proposed to VDV that an independent audit or assessment of both HOAs' financial models be conducted. This would facilitate a comprehensive report on the long-term financial sustainability of both HOAs, both as separate entities and as a combined entity. We further proposed that both HOAs collaboratively select a suitable audit firm, share the costs equally, and aim to complete this report within 45 days of approved sign-off. Considering we are navigating a multi-million Rand merger and acquisition scenario, it is imperative and a matter of due diligence to undertake this process thoroughly and independently.

Should the Val De Vie HOA be disinclined to accept this proposal, we would not support holding a Special General Meeting (SGM) for the purpose of voting on joining the Super Estate. Under such circumstances, it would be incumbent upon us to inform our members, highlighting that all attempts at reaching a feasible agreement have been unsuccessful.

Lastly, the VDV trustees have indicated that their members' preference is for a unified 'One HOA Super Estate', failing which they would seek a physical demarcation of the estates, including erecting a fence. While we endorse the concept of a Super Estate, we believe that an impasse in agreeing on a 'One HOA' model should not automatically necessitate physical separation. Instead, we advocate exploring practical arrangements concerning reciprocal and traversing rights, as well as fostering mutual goodwill and cooperation between the HOAs.

The above points were formally communicated to the VDV trustees in a letter earlier today (copy [attached here](#)) and we look forward to receiving their early response.

Kind regards,

Justin Willard On Behalf of the Pearl Valley HOA Trustees

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

[Unsubscribe](#) [Manage preferences](#)