



Pearl Valley HOA - Notice of Special Resolution

Proposed by the Board of Trustees of the Pearl Valley Home Owners Association ("PVHOA") for consideration and voting on at the Annual General Meeting ("AGM") to be held on 31 August 2023.

1. PROPOSED NEW PVHOA CONSTITUTION

Homeowner and Developer representatives have been engaged in a process of drafting a new Constitution for the PVHOA, with the following agreed objectives:

- ending the Development Period at Pearl Valley;
- removing the Developer's 5000 majority votes;
- removing the Developer's control of the HOA board of trustees through the appointment of nominated Developer trustees;
- protecting the Developer's rights in respect of its commercial assets on the Estate; protecting the rights of the Hotel owner and the Golf Course owner in respect of their assets on the Estate; and
- formalising the voting rights of the various sectional title schemes on the Estate.

On 25 July 2023, homeowners were notified that two versions of the document had been uploaded onto the HOA's website www.pvhoa.co.za under the "Estate Documents" tab, for their review: a marked-up version showing all the changes made to the current Constitution, and a clean version with all changes accepted in the document. A third document, containing a summary of the changes, was also uploaded. Minor amendments have since been made to this version and a copy of the most recent version is attached to this Notice [here](#).

On 3 August 2023, the Notice of AGM and the Agenda for the meeting were issued to Members and uploaded onto the website. Item 7 on the Agenda provides for "Consideration of any other matters raised at the meeting, including any resolutions proposed for adoption by such meeting (including the adoption of the proposed new PVHOA Constitution) and the voting upon any such resolutions."

Provided that the homeowners agree that the HOA furnish the undertaking referred to below following Pearl Valley not becoming part of the Super Estate (the "Undertaking"), the Developer has undertaken, subject to certain conditions conveyed to the Homeowner Trustees, to vote in favour of the new Constitution being approved.

Accordingly, the following Special Resolution is proposed, which deals with the adoption of the new Constitution for consideration and voting on by Members at the AGM on 31 August 2023.

2. REASONS FOR AND EFFECT OF PROPOSED SPECIAL RESOLUTION

The effect of this Special Resolution will be to adopt a new Constitution for PVHOA, and the reasons are to end the Development Period, remove the Developer's 5000 majority votes, remove the Developer's control of the HOA board of trustees, protect the Developer's rights in respect of its commercial assets on the Estate and the Hotel owner and Golf Course owners' rights in respect of their assets on the Estate, and to formalise the voting rights of the various sectional title schemes on the Estate.

The further effects are that –

1. The Developer will no longer have a majority vote that can be utilised to vote in favour of matters such as the incorporation of the Estate into the Val de Vie Estate and in this regard the Members' attention is drawn to the attached notice received from the Val de Vie HOAs in July 2023 demanding incorporation steps to be finalised by 30 November 2023, failing which, steps will be taken by the Val de Vie HOAs to separate the Estates and terminate the current reciprocal use of facilities, road access and biometric access, as well as the reply to this letter by Justin Willard on behalf of the Pearl Valley homeowner trustees (also attached);
2. the PVHOA as a legal entity, will not be able enforce any rights on behalf of the homeowners against the Developer, the current trustees of PVHOA as at the date of the AGM, Val De Vie Winelands Lifestyle Estate HOA and Val De Vie II HOA (or its successor body) as a result of the cancellation of any road access and/or use of facilities, cancellation of shared security infrastructure and/or biometric access following a separation of the Pearl Valley Golf and Country Estate on the one hand and the Val de Vie Winelands Lifestyle Estate and Val de Vie II Estate on the other hand. For the avoidance of doubt, the undertaking will not in any way restrict the rights of individual members of the PV HOA in pursuing a claim against the entities in favour of which this undertaking is given in their personal capacities should they wish to do so.

The aforesaid undertaking will only apply in favour of the Val de Vie HOAs if they give a similar undertaking in favour of the PVHOA.

3. NOW WHEREFORE AT THE ANNUAL GENERAL MEETING, IN TERMS OF CLAUSE 15.1 OF THE CONSTITUTION, THE FOLLOWING SPECIAL RESOLUTION IS PROPOSED FOR CONSIDERATION AND VOTING ON BY MEMBERS:

Special Resolution:

RESOLVED THAT

the existing Pearl Vally Golf and Country Estate HOA ("PVHOA") Constitution be repealed in its entirety and that the draft new PVHOA Constitution enclosed herewith, be adopted as the new Constitution of the PVHOA, replacing the existing PVHOA Constitution, and that the PVHOA hereby agrees and undertakes that, subject to the approval of the new PVHOA Constitution by the PVHOA and the Drakenstein Municipality (insofar as it may be necessary), that it will not, as the representative body for and on behalf of its members,

institute any claims against Pearl Valley Investments (Pty) Ltd and/or the Val de Vie Winelands Lifestyle Estate HOA and/or the Val de Vie II HOA (or its successor body) (“**the VDV HOAs**”) and/or the individual PVHOA trustees as at the time of passing of this resolution as a result of the cancellation of any road access and/or shared security infrastructure/facilities, use of facilities and/or biometric access following a separation of the Pearl Valley Golf and Country Estate on the one hand and the Val de Vie Winelands Lifestyle Estate and Val de Vie II Estate on the other hand.

Ordinary Resolution to be voted on if Special Resolution is passed:

RESOLVED THAT

the chairperson of the PVHOA's board of trustees be authorized and empowered to do all such things and sign all such documents on behalf of the PVHOA as may be necessary or requisite to give effect to the aforesaid Special Resolution, and that all acts taken for this purpose be and are hereby approved and ratified.

Kind regards,
PVHOA Trustees
10 August 2023

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