



SILWERSTRAND

RESORT HOTEL AND SPA



INVESTMENT PROPOSAL

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ON BEHALF OF VIRTIGO PROPERTIES 23 (PTY) LTD

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INTRODUCTION

Perfectly situated on the northern bank of the beautiful Breede River is the new Silwerstrand Resort Hotel and Spa, incorporating a Conference facility. This will form the final piece of the magnificent puzzle that is SILWERSTRAND. Phase 1 of the hotel consists of 56 2-bedroom 2 bathroom suites, a restaurant and bar, a fully equipped day spa that will supply most of the therapies that are currently very popular, and a 250 seat conference facility.

There is an overwhelming need for good conference facilities in the "platteland" and our aim is to service that need. At this point in time there is no conference venue that can accommodate a 250 strong contingent, between Worcester and Swellendam. Given the fact that this will be situated a mere 30 meters from the river, peaceful, tranquil surroundings are a given. This facility will have 4 breakaway rooms as well as a state of the art audio-visual setup. The conference centre will also cater for weddings and functions. There is currently no facility in the region that can accommodate a function for 300 people, and certainly not in a setting such as this.

The hotel suites are specifically designed to accommodate a family of 4, a golfing 4-ball or 4 conference delegates. There is just so much for the family to do in the Robertson Valley and weekend packages will be the order of the day. The weekdays will be filled with golf tours and conference-goers alike.

Construction is due to start in October 2008 and the facility will be open for use in December 2009.





INVESTMENT OFFER

The investment offer is very attractive indeed and comprises the following:

- The purchase price is R1 250 000 nett of VAT and commission.
- Virtigo Properties 23 (Pty) Ltd will make all the arrangements for your bond. The only proviso is a 10% deposit paid into the conveyancer's trust account, and eligibility to bond the remainder.
- Virtigo Properties 23 (Pty) Ltd (Registration number 2005/040256/07) will register each suite in a separate CC. This CC will be used solely for this transaction. Virtigo Properties 23 (Pty) Ltd will administer these CC's on your behalf.
- Cash buyers will receive VAT on R1 500 000 in a lump sum, less commission.
- Bond payments from date of transfer, being October 2009, until June 2010 will be paid for by the VAT component of the transaction. Bond payments from July 2010 to December 2010 will be paid by Virtigo Properties 23 (Pty) Ltd.
- 30% share of collective rental income, nett of cost, from October 2009 until January 2011. The conservative estimate is based on 50% occupancy of rooms that are priced at R350 per person per night, and this equates to R6 300 per month. Obviously this will increase or decrease, depending on the occupancy percentage.
- 50% share of collective rental income, nett of cost, from January 2011. This estimate is based on 50% occupancy of rooms that are priced at R375 (ave) per person per night, and this equates to R11 250 per month.
- Optional Guaranteed Buy Back after 3 years, with a 10% per annum escalation built in. This means that the unit that cost R1 250 000 (nett of VAT) in 2008 will be bought back from you at R1 664 800 (nett of VAT) 3 years after transfer, should you wish to do so. The Buy Back offer applies only to first buyers and cannot be passed on to a third party.
- 30 Days per annum personal use of your Hotel suite. There will be a reasonable levy payable for this period (this has yet to be calculated).

The occupancy figures quoted are most conservative and are based on only 2 conference days per week. We believe that these figures will definitely increase with the inclusion of golf tour groups and family weekend excursions.



GENERAL BUILDING SPECIFICATIONS

October 2008

1. GENERAL AREAS

Hard Surface

- Roadways : Grey interlocking pavers to all areas, as shown, with concrete cobble detail as per architect's layout. Other areas to be 30mm premix.
- Parking : Grey interlocking pavers to all parking areas, or premix as shown.
- Demarcation : Painted and numbered bays.

Landscape Areas

- General : Allow for areas of paving and wooden decking as per architect's details.
- : Planting and landscaping by specialist consultant.

2. THE HOTEL

Main Reception Building

- Structure : Standard concrete and masonry structure as per engineer's details.
- Walls : To be finished in a combination of both smooth and scratch plaster – all as per architect's details. Accent panels of 'Ship-lap' to be installed also as per architect's details. All areas to receive paint finish with colours to architect's approval.
- Floors : Floor slabs to engineer's details. Floor finish to be a combination of slate and porcelain floor tiles laid as per architect's specification. Allow for skirting's all round.
- Roofing : Allow for dark dolphin 'Kliplock' profile 'colormet' roof sheeting or chromadek laid according to manufacturer's specifications on timber purlins on timber roof trusses – all to engineer's details.



- Ceilings : Allow for dropped bulkheads and ceilings over all counters and around perimeter walls. Allow for raked 'Iso-board' ceilings to areas as indicated on architect's drawings. Include shadow line cornices throughout.
- Windows : Powder coated aluminium framed casement windows throughout. Colour to architect's specification. All glass as per SABS 0400 regulations.
- Doors : Powder coated aluminium framed doors throughout. Colour to architect's specification. All glass as per SABS 0400 regulations.
- Air-Conditioning : All to specialist detail design by Mechanical Engineers.

Passage Ways

- Floors : Floor slabs to engineer's details. Floor finish to be a combination of slate and porcelain floor tiles laid as per architect's specification. Allow for skirting's all round.
- Walls : To be finished in a combination of both smooth and scratch plaster – all as per architect's details. Accent panels of 'Ship-lap' to be installed also as per architect's details. All areas to receive paint finish with colours to architect's approval.
- Ceilings : Skimmed gypsum suspended ceilings to architect's details.
- Balustrades : Combination brick wall and galvanised mild steel balustrade to 1000 height for enamel paint finish. Handrail to architect's specification.
- Lighting : Wall mounted light fittings in passage ways as per architect's specification.

Stairwells

- Floors : Off shutter concrete treads and risers with tiled finish to architect's specification.
- Walls : Combination of smooth plaster and / or bagged and painted walls. Colours to architect's specification.
- Balustrades : Allow for galvanised mild steel balustrade to 1000 height for enamel paint finish. Handrail to architect's specification.



3. THE SUITES

Hotel Suites

- Structure : Standard concrete and masonry structure as per engineer's details.
- Walls : To be finished in a combination of both smooth and scratch plaster – all as per architect's details. Accent panels of 'Ship-lap' to be installed also as per architect's details. All areas to receive paint finish with colours to architect's approval.
- Floors : Concrete floor slabs to engineer's details.
- Roofing : Allow for dark dolphin 'Kliplock' profile 'colormet' roof sheeting or chromadek laid according to manufacturer's specifications on timber purlins on timber roof trusses – all to engineer's details.
- Windows : Powder coated aluminium framed casement windows throughout. Colour to architect's specifications.
- : All glazing strictly in accordance with SABS 0400 specifications.
- : Obscure glazing to all bathroom windows.
- Floors Finish : Porcelain floor tiles to living area, kitchen and bathrooms to selection to architect's specifications. Tiled skirting all round.
- : Carpeting to all bedrooms with timber skirting for enamel paint finish.
- Internal Walls : One coat plaster with steel trowel finish. Primed with a further 2 coats paint finish. Colour to architect's specification.
- Wall Tiles : Wall tiles in kitchens to architect's specification. Tiling to be between counter tops and high level cupboards.
- : Porcelain tiles to bathrooms to be full height in showers with splash back to bath and tiled skirting to other walls as applicable. Selection as per architect's choice.



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- Ceilings** : One coat skimmed cretestone ceilings to the underside of all concrete soffits.
- : Flush plastered gypsum plasterboard to all suspended ceilings with 'Shadow line' cornices all round.
- Doors** : Allow for 2 hr rated fire door for all entrance doors to suites.
- : Allow for timber semi solid door for all internal doors with timber frames throughout. Door per architect's selection.
- : Enamel paint finish to all doors and frames to architect's specification.
- Balcony Doors** : Powder coated aluminium framed doors throughout. Colour to architect's specification. All glass as per SABS 0400 regulations.
- Ironmongery** : Electronic locks to all entrance doors and standard 2 lever locks to all internal doors.
- : Standard 3 lever locks to all balcony doors.
- : Allow for brushed stainless steel handles to all doors per architect's selection.
- Cupboards** : Timber veneer finish doors on standard chipboard carcasses to all bic's. Handles as per architect's selection.
- Kitchenette** : Timber veneer finish doors on standard chipboard carcasses to all cupboards. Handles as per architect's selection.
- : Local granite tops to all surfaces.
- : Allow for standard 1200 stainless steel single bowl sink with single side drainer.
- Electrical** : All electrical fittings and points to be located as per architect's drawings.
- : Allow 2 double plug points per bedroom; 3 double plug points per living area; 2 single below counter and 2 double above counter points per kitchen.



- : 1 TV and telephone point per living area and at each bedroom.
- : Satellite connection to each TV point to be allowed for.
- : Allow 1 externally mounted light fitting over each balcony.
- : 1 centrally located light fitting per room and passage ways.
- : All fittings to be from 'Clipsal 2000' or equal range.
- Air-Conditioning : All to specialist detail design by Mechanical Engineer.
- Sanitary Ware : Allow for 1 x 'Libra San-Michelle' acrylic bath (or similar) and / or 1 x waterproofed and tiled shower cubicle as per plans.
- : Allow for standard white WC and WHB as per architect's details.
- : Single lever mixers to all WHB's, baths, showers and kitchen sinks.
- : Allow for standard white epoxy coated framed shower doors.
- : Standard 150l 'Kwikot' or equal geyser per unit. Position to be determined by architect.
- : Chrome bathroom accessories as per architect's selection and location throughout.
- : Standard 6mm 1000x900 mirror located as per architect's details.
- : The Architects reserve the right to substitute fittings with similar and / or equal products where applicable at their discretion.
- Balcony / Patio : Concrete slab with porcelain tile finish to all balconies and patios to architect's specification.
- : Handrails and balustrades to match passage ways.