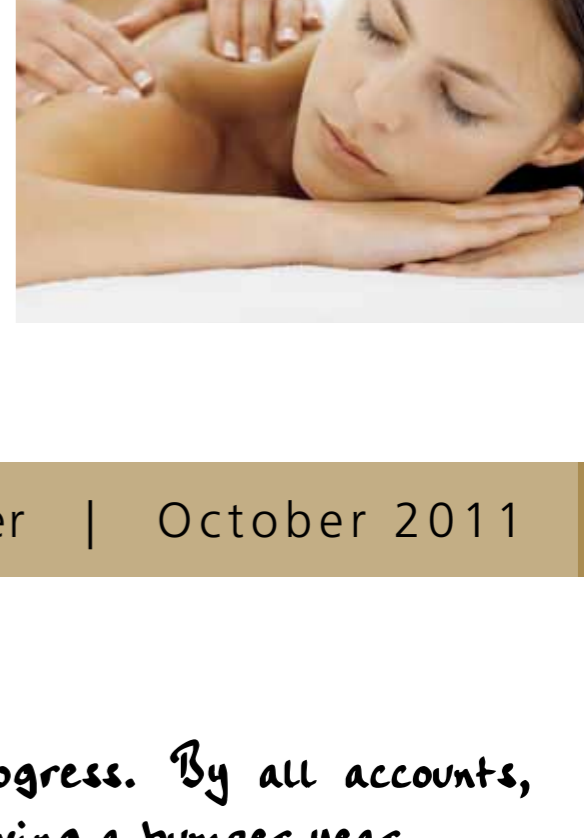
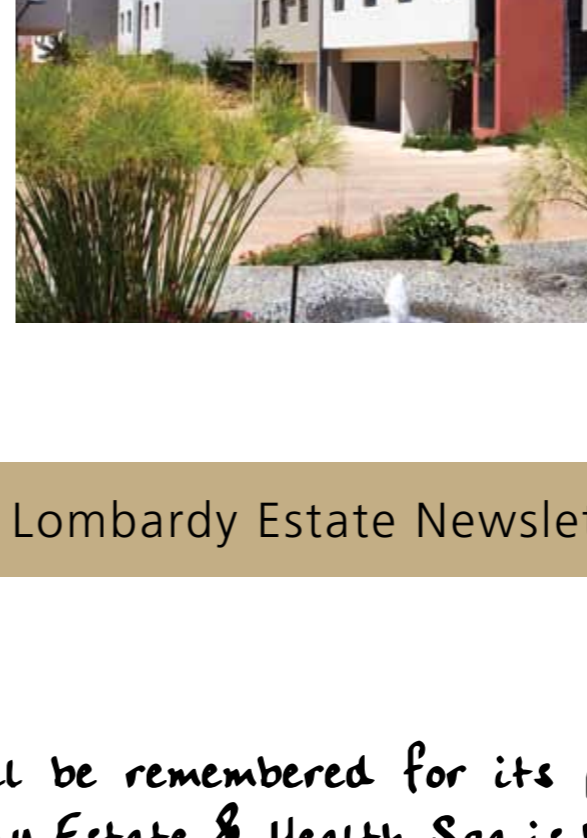
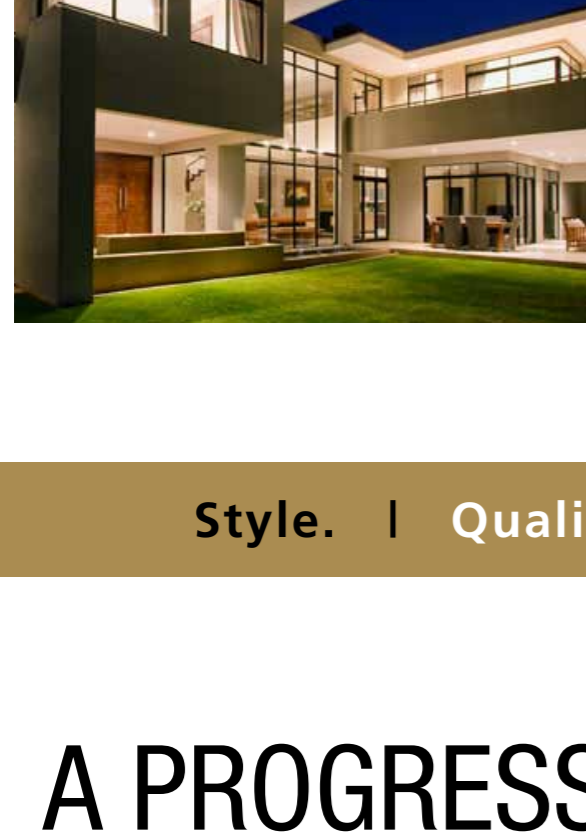




LOMBARDY

ESTATE & HEALTH SPA



Style. | Quality. | Space.

Lombardy Estate Newsletter | October 2011

A PROGRESSIVE YEAR BY ALL ACCOUNTS

2011 will be remembered for its progress. By all accounts, Lombardy Estate & Health Spa is having a bumper year.

Since September 2010 six new families completed their homes on the stands, ten new families have moved into Lombardy Lakes, and a further 11 members are now in residence in Lombardy Fountains. Which brings the overall Lombardy community to 39 families currently living on the estate.

A further 9 families will be making Lombardy their home before the end of the year, concluding various sales transactions.

The big news however, is that the Spas of Distinction Collection will be adding to their other luxury spas such as the Life Day Spa, the Renaissance Spa and the Octavia's Sensorium Spa, with the new Soulstice Spa at Lombardy Estate, before December 2011.

And as promised, homeowners at Lombardy Estate & Health Spa will all receive special VIP cards to bathe and enjoy in the luxury of discounted treatments.

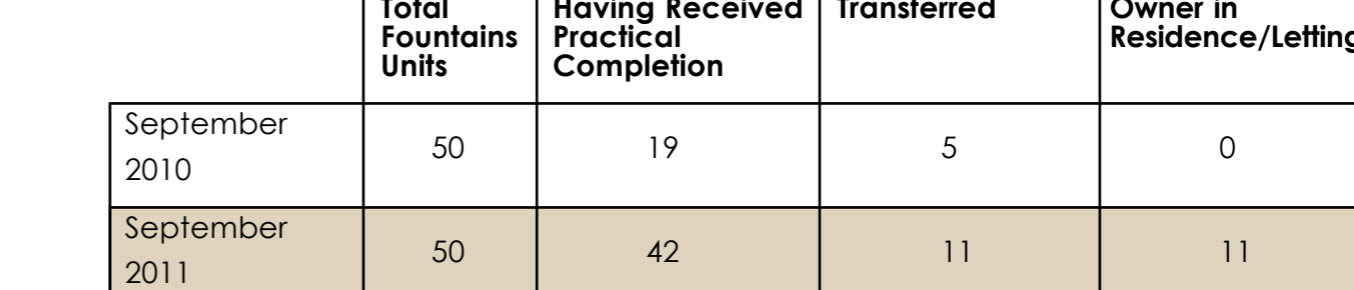
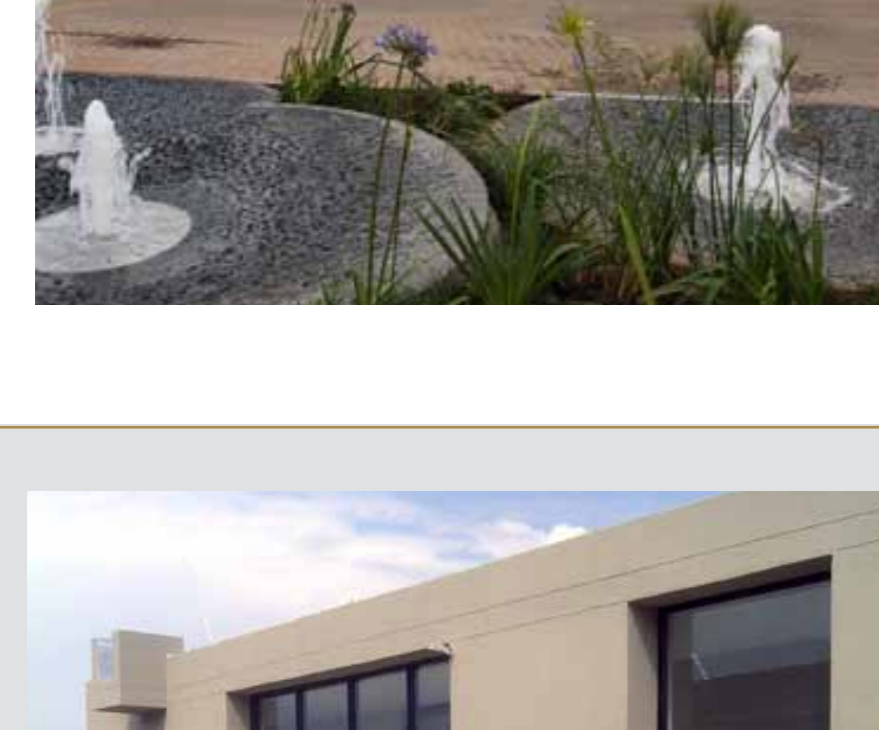
As the year draws to a close, there will be much to look forward to in 2012, including more families making Lombardy their residence of choice, the booming business of our new Soulstice Spa and the health and prosperity of all our homeowners, partners, stakeholders and investors.

DEVELOPMENT NEWS



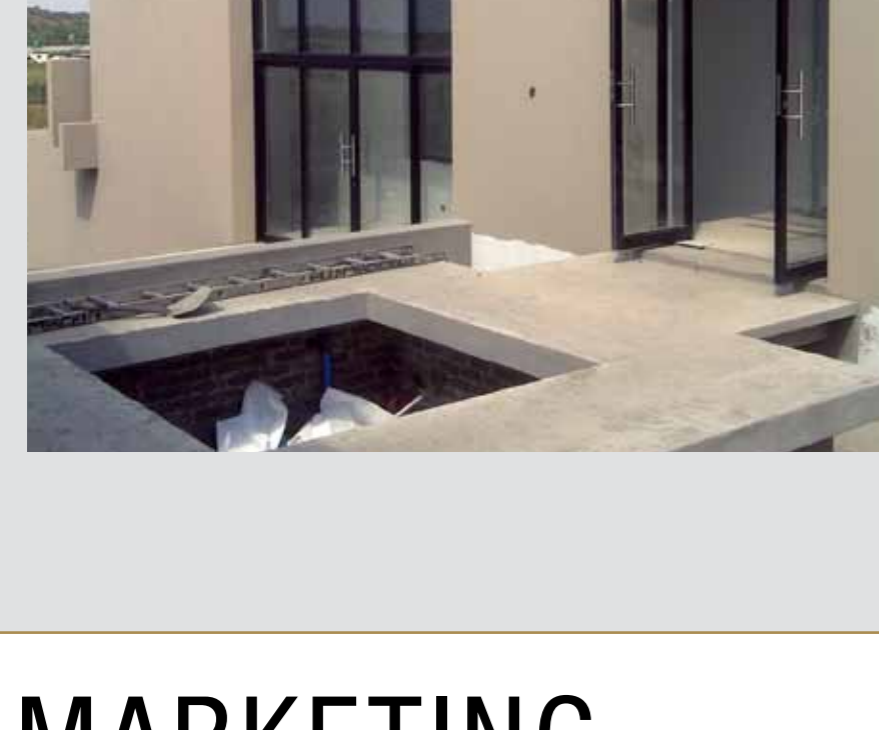
Lombardy Lakes Progress over last 12 months

	Total Lakes Units	Having Received Practical Completion	Transferred	Owner in Residence/Letting
September 2010	57	25	20	10
September 2011	57	34	27	20



Lombardy Fountains Progress over last 12 months

	Total Fountains Units	Having Received Practical Completion	Transferred	Owner in Residence/Letting
September 2010	50	19	5	0
September 2011	50	42	11	11

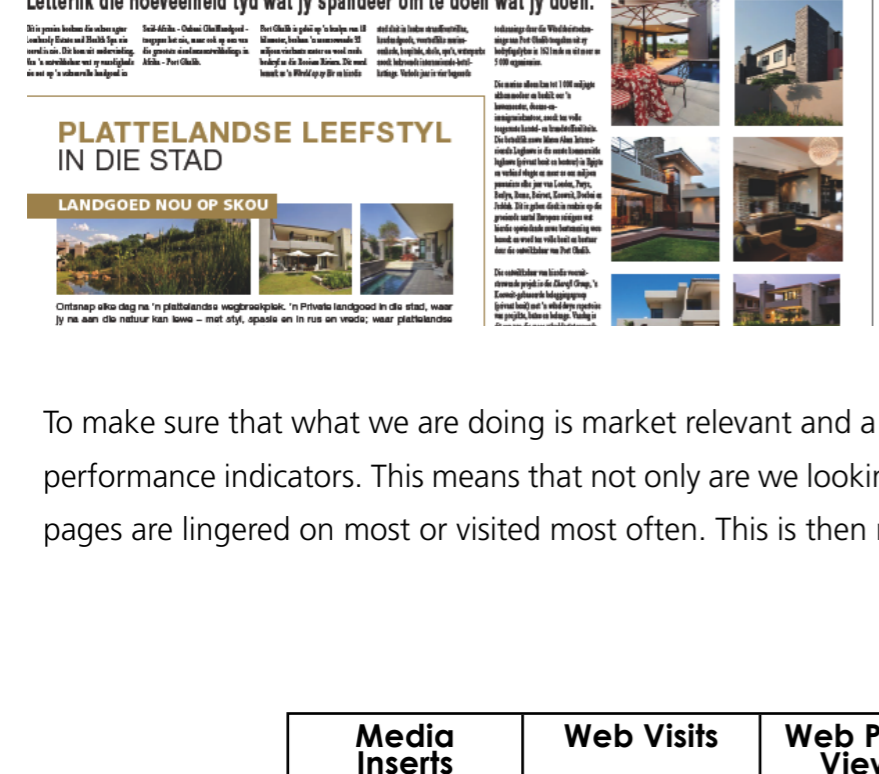
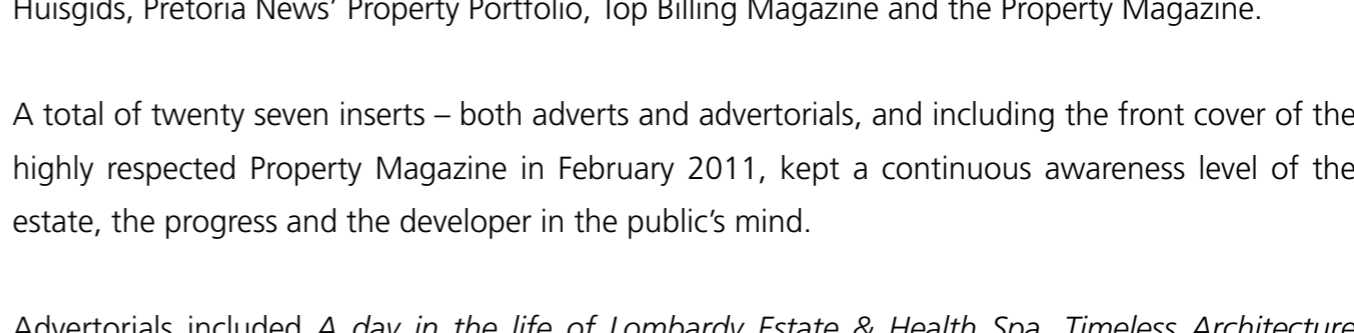


Lombardy Soulstice Spa

As mentioned earlier, the operator of the much-anticipated spa at Lombardy is projecting a completion date before the end of the year, with over 80% of all internal work and shop-fitting already completed.

The roadwork is progressing well and within two weeks, the landscaping will begin in all earnest, creating an experience that will look and feel as tranquil as any of the treatments offered inside.

MARKETING CAMPAIGN



The sales, inquiries and estate visits the past year are directly correlated to the marketing drive, selling Lombardy Estate & Health Spa to various target markets and in publications as varied as Beeld Huisgids, Pretoria News' Property Portfolio, Top Billing Magazine and the Property Magazine.

A total of twenty seven inserts – both adverts and advertorials, and including the front cover of the highly respected Property Magazine in February 2011, kept a continuous awareness level of the estate, the progress and the developer in the public's mind.

Advertorials included A day in the life of Lombardy Estate & Health Spa, Timeless Architecture Designed for Living, The Benefits of Lombardy Estate & Health Spa, International Success Leads to Local Property Leader, The Diversity of Estate Living and 10 Reasons why Estate Living is Great Living.

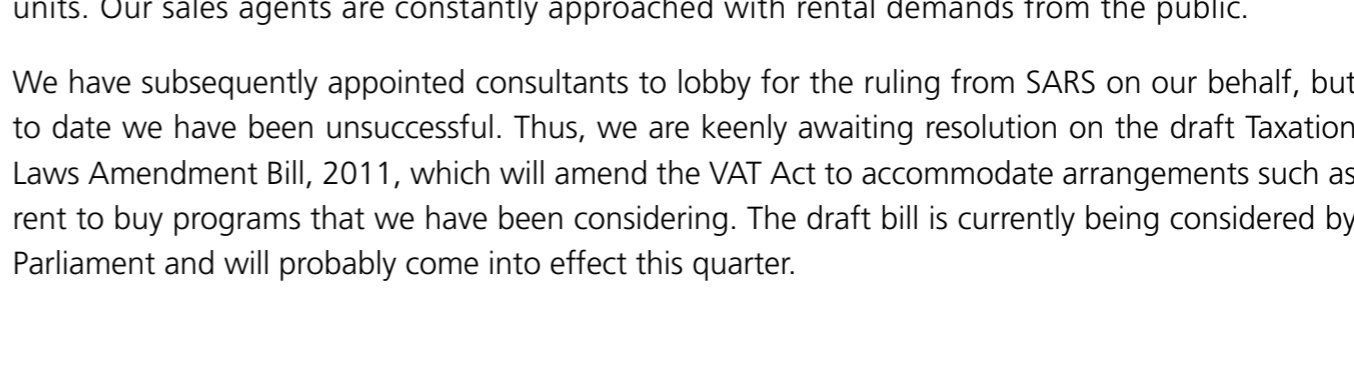
Apart from being featured in Top Billing Magazine, we also appeared in one of the Top Billing television programs in February, in a feature that focused on two of our home owners – Pieter and Annelisa Grobler.

To make sure that what we are doing is market relevant and a good return of our investments, we monitor our media initiatives using web traffic and quality of web visits as key performance indicators. This means that not only are we looking at the amount of visitors to our website, but also the amount of time spent per visiting the site and which pages are lingered on most or visited most often. This is then measured against the conversion to sale numbers.

Our final burst of media this year will commence in November 2011. We will be focusing on the same media as above, as the returns on investment were outstanding. And this time, we have something new to shout about: the Soulstice Day Spa opening soon. Most of the inserts will be placed during November as well as during the first week of December, before the big trek to the coast begins for the holidays.

	Media Inserts	Web Visits	Web Page Views
Sep 2010 – Current	27	4,999	20,584

SALES FEEDBACK



Our marketing campaign has translated into the following sales from Sep 2010 to current:

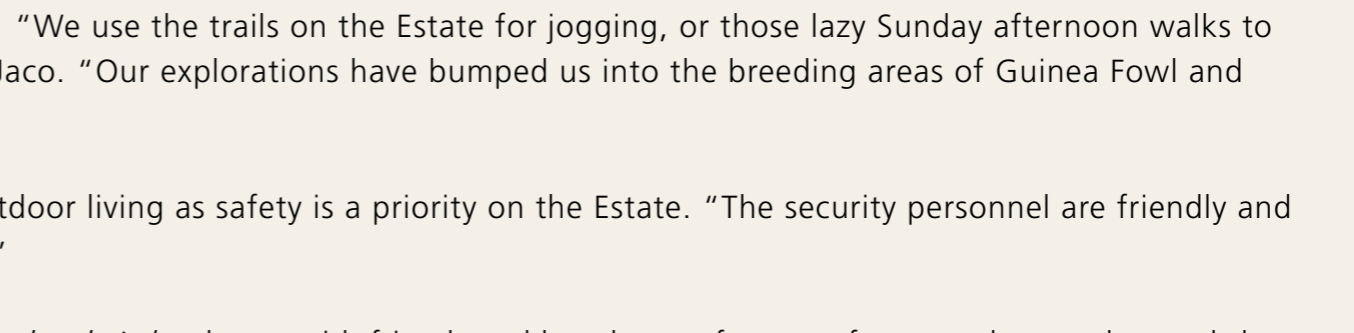
- 23 Offers to Purchase
- 13 homes registered and transferred to new home owners (7 Lombardy Lakes and 6 Lombardy Fountains)
- 6 matters currently with conveyancers for transfer before year-end (3 Lombardy Lakes and 3 Lombardy Fountains)

To generate further activity on the Estate, we have for more than six months been trying to get a VAT ruling from SARS to start letting some of the unsold and completed Fountains and Lakes units. Our sales agents are constantly consulted with rental demands from the public.

We have subsequently appointed specialists to lobby for the ruling from SARS on its behalf, but to date we have been unsuccessful. Thus, we are keenly awaiting resolution on the draft Taxation Laws Amendment Bill, 2011, which will amend the VAT Act to accommodate arrangements such as rent to buy programs that we have been considering. The draft bill is currently being considered by Parliament and will probably come into effect this quarter.

NEW LOMBARDY LAKES RESIDENT

Jaco & Sulette van Graan

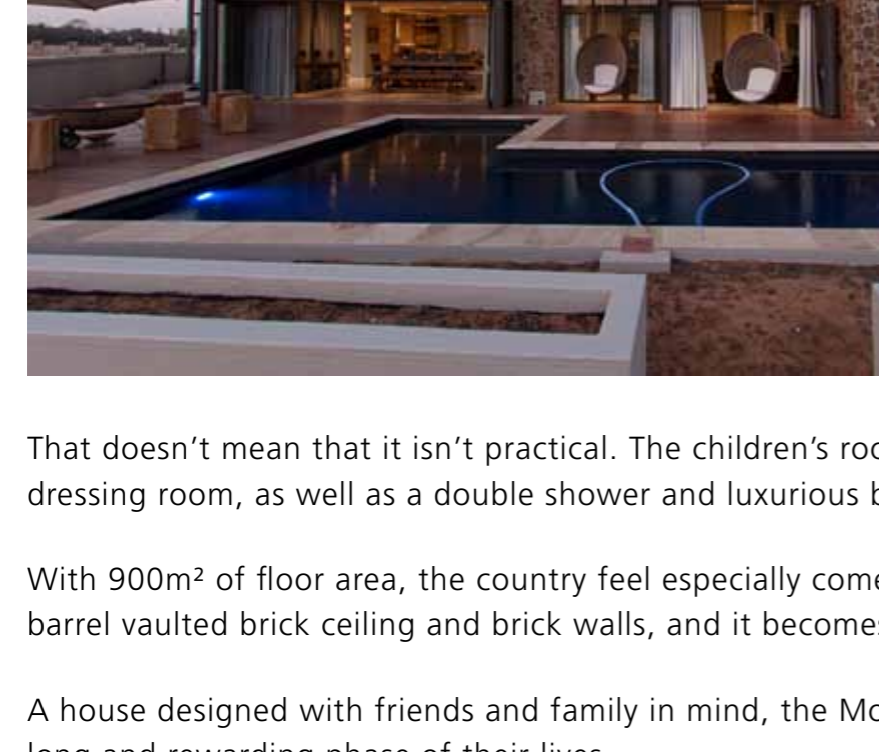


When young married couple Jaco and Sulette van Graan were looking for a home, they happened upon Lombardy Estate & Health Spa on Valentine's Day.

"We were looking around for a new home for a number of months and it was rather fortuitous when we visited the Estate," recalls Jaco. "Both of us agreed that it was definitely a day for falling in love. Once the front door opened and we experienced the feeling of openness and space, we knew that we have found our new home."

Initially the two accountants – Sulette for a consulting company and Jaco for an international specialised IT service provider – were blown away by the more tangible features of the home, like the quality of the finishes and features. Later they have grown into appreciating the smaller things more. The silence of the estate for instance, brought only by the roar of the lions at Farm Inn, or the birds chirping cheekily to ask for their afternoon food.

"We use the trails on the Estate for jogging, or those lazy Sunday afternoon walks to notices or any other relevant information that this have to be communicated between the HOA and homeowners. Please look out for this new system to help with problems like for instance water breakages or electricity outages.



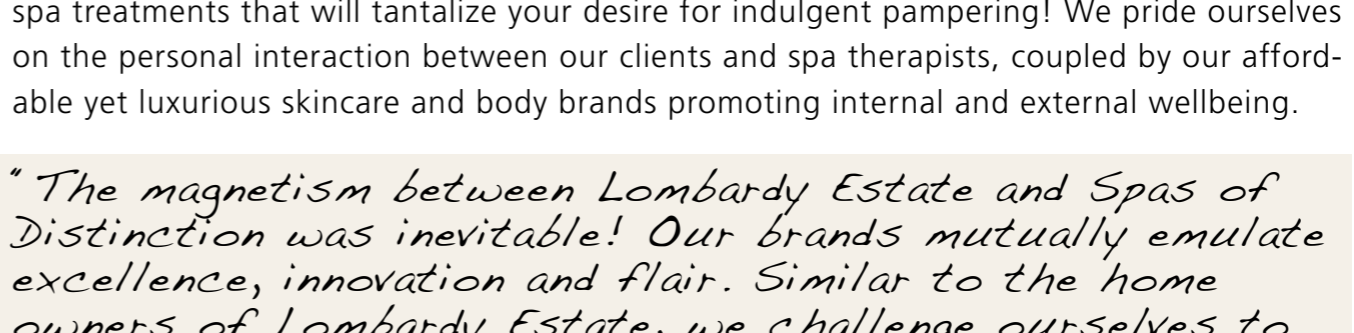
"We use the trails on the Estate for jogging, or those lazy Sunday afternoon walks to Banded Coots, a rabbit colony, a mongoose and even a dassie."

They believe that Lombardy Lakes was primarily built to encourage outdoor living as safety is a priority on the Estate. "The security personnel are friendly and professional, and made us feel secure and at home from the first day."

Because they both travel extensively, they love spending time at their Lombardy Lakes home with friends and loved ones, far away from numbers and spread sheets. We would like to welcome Sulette and Jaco into the Lombardy community and wish them all the best and peace within their new home and life.

HOME OWNER PROFILE

ALBERT MOFFAT'S FRENCH/SA COUNTRY HOUSE

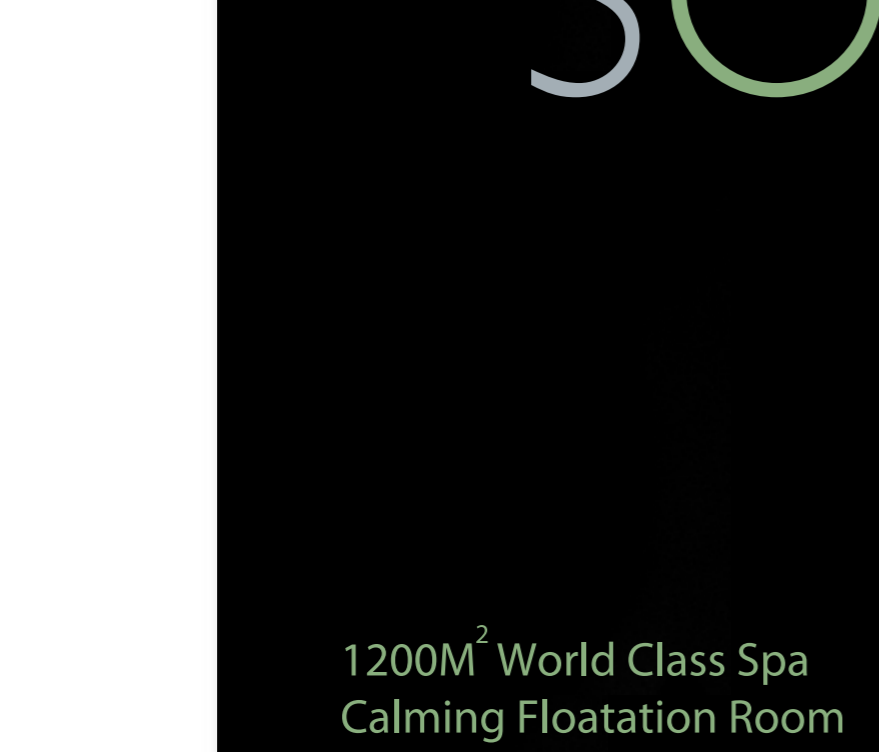


Albert Moffat and his wife Michelle had very specific ideas when it came to designing their home. Albert is after all a respected commercial interior designer and shop fitter himself. They wanted something on the outside that would adhere to the Frank Lloyd Wright way of thinking, but inside they wanted a more traditional approach – one that they both grew up with – a definite French/SA country feel.

To help them achieve this, the Moffatts appointed Suzette Hammer from SBE Architects as the flame carrier for the outside and Liezel Malan, founder of 'Larger than Design' as their interior designer of choice.

Liezel chose to marry the modern with the more traditional, fitting the home with soft linen fabrics and lime washed wood furniture, combining the cool neutral colours with curtains and drapes designed to portray traditional floral and stripe motifs.

From the outset, the idea was to give the home an already lived in look. Understated, but tangible through the pale-brown speckled travertine floor tiles and pale green-grey wall treatment. It is a quiet look – simple yet stylish.



That doesn't mean that it isn't practical. The children's rooms for instance are fitted with the open-endedness of the architecture. Add to that an 89m² wine cellar with barrel vaulted brick ceiling and brick walls, and it becomes much more than just a house with a country feel. It becomes ripe for entertaining guests.

A house designed with friends and family in mind, the Moffatts have built a home rich in heritage and comfort, with enough space to grow into over the next long and rewarding phase of their lives.

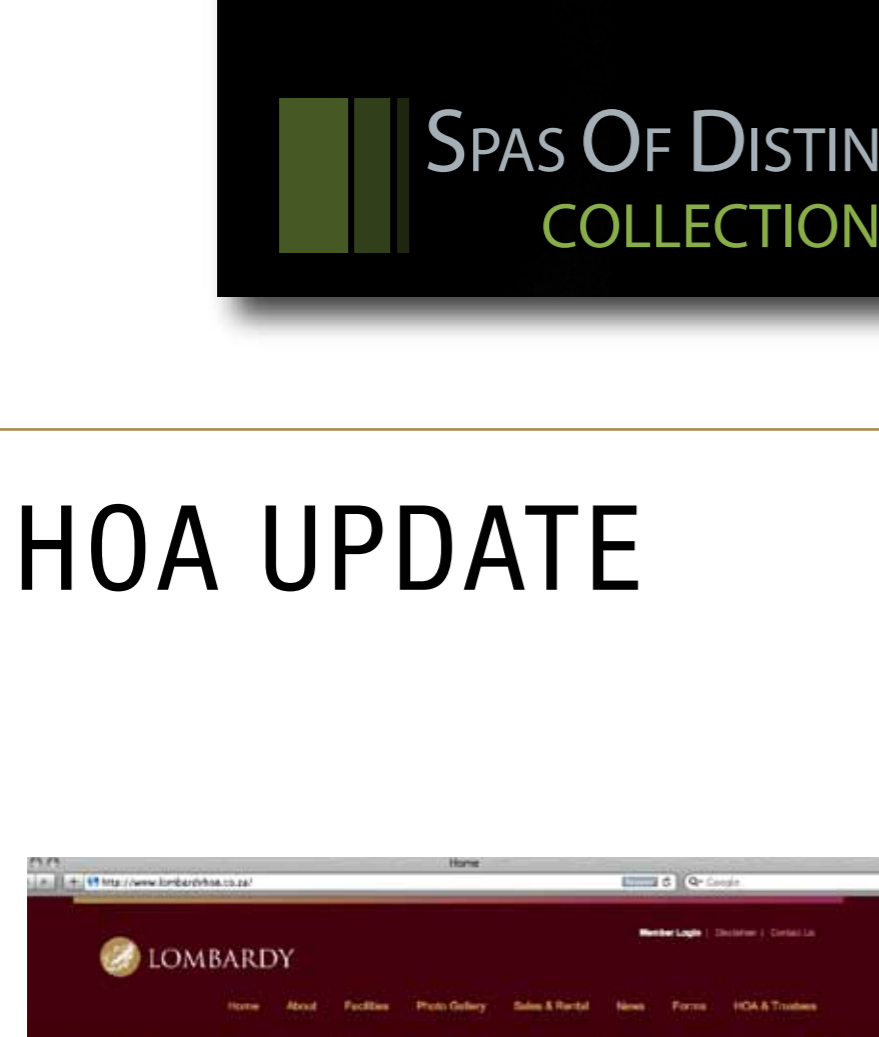
LIFESTYLE



The much anticipated addition to the Spas of Distinction Collection, Soulstice Day Spa Pretoria, is set to open in the esteemed of the City of Jacarandas, Soulstice Day Spa Pretoria, was created to provide a sanctuary from the hustle and bustle of modern day city life.

In keeping with our appetite to position ourselves as a cut above the rest, we offer unique spa treatments that tantalize your desire for indulgent pampering! We pride ourselves on the personal interaction between our clients and spa therapists, coupled by our affordable yet luxurious skincare and body brands promoting internal and external wellbeing.

"The magnetism between Lombardy Estate and Spas of Distinction was inevitable! Our brands mutually emulate excellence, innovation and flair. Similar to the home owners of Lombardy Estate, we challenge ourselves to be at the forefront of our industry." - Mark Barkett



OPENING NOVEMBER

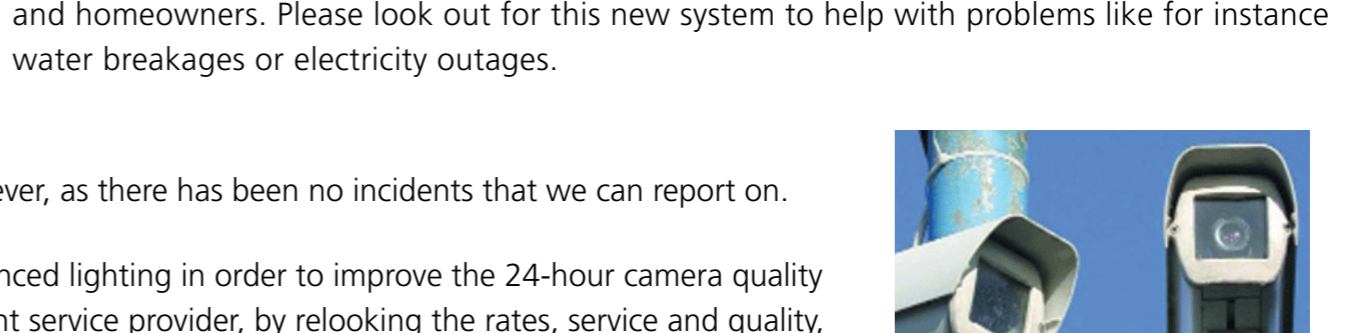
www.soulsticedayspapa.co.za

SPAS OF DISTINCTION COLLECTION

ON PRESENTATION OF THIS PAGE YOU WILL RECEIVE A 10% DISCOUNT ON YOUR 1st TREATMENT

- 1200M² World Class Spa
- Calming Floatation Room
- Amethyst Rasul Chamber
- Indulgent Couple Suites
- Chic Manicure/Pedicure Lounge
- Relaxation Stations
- Purifying Steam Room
- Sauna Room
- Heated Spa Pool
- Spa Restaurant
- ...and More

HOA UPDATE



AGM The Annual General Meeting held recently was also successful, with enough people in attendance to have a quorum. Even though the increases in services like electricity and contracts is inevitable, we still managed to keep the increase of levies less than 4% overall.

New Online Member User Interface The new HOA website is now up and running. To get connected, please visit www.lombardylestate.co.za

We will also have the additional levy account functionality working within the website in a short while. All we are waiting for to make it happen is the merchant number from the bank for activation.

In the meantime we are implementing a SMS and e-mail solution to facilitate regular updates, notices or any other relevant information that this have to be communicated between the HOA and homeowners. Please look out for this new system to help with problems like for instance water breakages or electricity outages.

Security As expected, our quest for improved security has led us to no news whatsoever, as there has been no incidents that we can report on.

We are however in the process of upgrading the fence perimeter with enhanced lighting in order to improve the 24-hour camera quality and output. At the same instance we are also busy benchmarking the current service provider, by replacing the rates, service and quality, as a matter of providing the standard of service provided.

As safety is one of our highest priorities on the Estate, we are constantly evaluating new and improved methods of keeping our community safe. In our latest investigation, we will be looking at possibly adding an electrified fence on top of the existing perimeter fence.

Maintenance As someone you might have noticed, we have been experiencing a minor problem with returning algae, specifically in the dams surrounding the Lakes units. Knowing when to accept defeat, our diligent maintenance team has called in the experts to assist in providing a lasting solution.

The team will also be assessing the impact of winter on the gardens and plants in the Estate. As this winter has not been a particularly forgiving one, a lot of plants and trees will have to be replaced. Luckily, the Estate's Nursery is geared for just such situations, and over time the new plants and trees will take root – not costing homeowners anything. This green initiative is stretched even further through the team's progressive compost system, making the need for bought and chemical fertilisers obsolete. Adding to this is the proposed recycling project, with input and solutions expected shortly by various experts in this field.

The team has also reported on the state of the birdlife in the Estate. We are glad to report that the number as well as the amount of bird species has increased, possibly as a result of less construction work.

On the electrical side of things, two of the electricity units connected to streetlights, had a cable breakage recently. One has already been fixed, and the second unit will be up and running shortly, together providing light to 50 streetlights.

We are also in the process of getting quotations to improve the road signs and the entrance building to reflect the professionalism of the rest of the Estate. Lastly, the developer has seen the need to install a generator, whose main purpose will be to ensure 'up-time' for the security cameras, lights on the fence, boom, control room and sensor cable.

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