

SPECIAL GENERAL MEETING - 20 SEPTEMBER 2016

UPGRADING OF SECURITY – BRANDWACHT AAN RIVIER ESTATE

Background

At the Annual General Meeting of the Brandwacht aan Rivier HOA held on 14 June 2016, the Trustee Committee indicated that it had an obligation to attend to the security requirements and infrastructure of the Estate, and that the existing system was no longer sufficient. Members then unanimously indicated that for them security was a necessity and not a luxury and instructed the Committee to prepare a plan for a proper security upgrade at the Estate and to convene a Special General Meeting to inform them of the detail and cost of, and the proposed financing model for, the project.

Thereafter we engaged an independent security specialist to prepare a plan and specifications for an upgrade. Tender documents were distributed, and interviews were conducted with the respective respondents.

In the process various options were considered and certain services and equipment were omitted from the submissions to make the system more cost-effective and affordable. A preferred service provider was then identified which we should like to engage for the project.

Although the Committee has the power to impose a special levy to provide for reasonable expenditure in connection with projects for which it is responsible, we feel that, in light of the extent of the foreseen financial impact of the envisaged upgrade it is advisable that members be given the opportunity to express themselves on the project and the financing thereof.

Detail of Envisaged Security Upgrade

Following extensive investigation by independent security specialists, the best available estate security system appears to comprise a layered approach, and we proceeded to plan on that basis.

The first barrier of security is the existing electrified perimeter fence. Certain necessary maintenance and repair work to the fence has been sanctioned, the cost of which is not included in the capital expenditure for the next phases of the upgrade. A contractor has been appointed and the work will be completed by end October. This work is in line and compatible with the proposed security systems.

The next layer is installing a GSM communication system which will accurately determine the zone of breach and then communicate same by sms to the front gate guard house and an off-site monitoring centre as well as "alert" the closest thermal cameras.

This technology also provides a function that allows various selected HOA members to be informed when a breach is detected. Members will in due course be consulted on whether this function should be implemented.

The next barrier, specifically along Rivierlaan, will be strategically placed beams which will alert the multi-layered system, because as a result of the topography and flora in that area cameras cannot be mounted on the perimeter fence line.

The next layer will be infrared/thermal video analytic cameras which will enable monitoring of a breach and movement of the intruder. There will also be lighting and speakers linked to the cameras to enable both an off-site centre and the guard house to monitor, track and speak to the intruder.

The cameras will be placed along the perimeter fence line, other than on the northern border.

The final layer will be 24/7 off-site monitoring by independent specialists who will be bound by a professional service level agreement (SLA). Their role will be to activate armed response in the form of trained guards as well as the SAP to be on site within 5 minutes of a confirmed intrusion (SAP might take longer...). They will also monitor any faults in the system and ensure correction within 6 hours.

The entrance gate will also be subject to 24/7 camera monitoring.

Further, it is envisaged that gate access control will remain as is for residents, and that a vehicle/driver's license scanning device will be utilised for visitors/contractors. A final decision is yet to be taken on whether the value that this will add to the security system will justify the expected cost thereof.

Financial Impact of Envisaged Security Upgrade

The project will have a dual financial impact:

- **Capital expenditure which includes:**
 - Purchase of equipment at a cost of R2,77m.
 - This amount will be financed by a special levy of R23 000 per erf.
 - The special levy will be payable once-off before 1 November 2016 or in 4 equal instalments of R5 900 on 1 Nov, 1 Dec, 1 Jan and 1 Feb, respectively.
 - Each member must indicate whether he/she will make the required contribution once-off or in instalments, whereafter the amount concerned will be collected together with his/her monthly levy.
 - The small over-recovery will be used towards any contingencies.
- **Monthly operating costs which include:**
 - Additional electricity consumption
 - Additional cost of equipment insurance
 - Maintenance costs
 - Monthly maintenance contract
 - Cost of off-site monitoring for security breaches

This results in a monthly levy increase of R250 effective from 1 January 2017.

Resolution

In light of this the Trustee Committee recommends that the Estate security be upgraded, and that the project be financed, as set out above, and that members be given the opportunity to express themselves in favour of or against the proposal.

- If the majority is in favour of the proposal, approval is given that –
 - the proposed project for upgrading the security system of the Estate at a cost of R2,77m be proceeded with;
 - the project may be financed by a special levy of R23 000 per erf – paid once-off or in instalments according to the choice of each member; and
 - the monthly levy may be increased by R250 per erf to cover the operating costs of the upgraded security system.
- If the majority is against the proposal, the *status quo* will be maintained and –
 - no upgrading of the Estate security system will be carried out; and
 - there will be no increased costs for members in connection with Estate security.

Attached is a *Proxy Form* which you should please complete so that someone will be mandated to represent you should you be unable to attend this very important meeting.

Should you require further information about the envisaged security upgrade you are welcome to contact Holden Marshall at holden@agmac.co.za or 082 335 0898. But bear in mind that technical detail cannot be made available freely as this may potentially compromise Estate security.

For Trustee Committee

Brandwacht aan Rivier Home Owners' Association

5 September 2016