STM | STRATA TITLE MANAGEMENT

your strata care company

NOTICE OF ANNUAL GENERAL MEETING

The Owners of Strata Plan 50785

Cote d 'Azur

1-3 McDonald Street, Cronulla

Meeting to be held on Tuesday, 29 April 2014

To be held in the BBQ Area

1-3 McDonald Street, Cronulla NSW 2230

Commencing at 6.30pm

STM Sydney South
ABN: 13 093 036 429

PO Box 2727
TAREN POINT NSW 2229
t. (02) 9540 4199
f. (02) 9540 3943
e. sydney@stratatitle.com.au

www. stratatitle.com.au

LETTER FROM THE STRATA MANAGING AGENT

Dear Owner(s)

We are pleased to invite you to attend the 2014 Annual General Meeting (AGM) of The Owners-Strata Plan 50785, 1-3 McDonald Street, Cronulla.

The items of business to be discussed and voted upon at this year's Annual General Meeting are outlined in the following paperwork. Also, included are some details on voting procedure and explanatory notes on each of the motions.

A proxy form is enclosed. If you are unable to attend the AGM in person, you may appoint a proxy to act on your behalf.

Some further information relating to voting at the Annual General Meeting or by proxy follows.

As your complex is classified as a Large Scheme, being 101 Lots or more (excluding utility lots), the completed proxy must be received at our office via email: *nhowell@stratatitle.com.au* *or* via fax (9540 3943) at least 24-hours prior to the meeting. Proxies will not be accepted at the meeting.

- Please ensure that all sections of the proxy form are completed in full. Proxies not completed correctly maybe deemed invalid.
- **If your lot is in the name of multiple owners, where it states owners' signature of the proxy form, all owners must sign this section, otherwise your proxy is invalid.**
- Should your lot be in the name of a company, please ensure a company nominee form is completed and returned to our office. The company nominee's name must be recorded on the strata roll for nominee to be able to vote at the meeting.
- Only **FINANCIAL** owners are entitled to vote at a general meeting, unless a unanimous resolutions is required, then all owners whether financial or not are permitted to vote on such motions.
- Please contact our office at least 24 hours prior to the meeting in relation to account and budget enquiries.

If you have any questions about the items of business, please contact the undersigned on 9540 4199 prior to the meeting.

I look forward to seeing you at the meeting.

Yours sincerely,

STRATA TITLE MANAGEMENT

Nina Ashfield-Howell
SENIOR STRATA MANAGER
nhowell@stratatitle.com.au
15 April 2014

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IMPORTANT INFORMATION ABOUT VOTING AT THE ANNUAL GENERAL MEETING

In these notes:

(a) A Priority vote means a vote by:
- *An enrolled mortgagee having priority over any other mortgagee or enrolled covenant chargee; or*
- *An enrolled covenant chargee having priority over any enrolled mortgagee; or*
- *An enrolled covenant where there is no enrolled mortgagee.*

(b) A proxy means a person appointed as a proxy by an instrument in the prescribed form.

(c) A person entitled to vote means (unless otherwise specified) a person entitled to vote on a motion requiring a unanimous resolution.

1. *A vote at the meeting by the owner of a lot does not count if a priority vote in respect of the lot is cast in relation to the same matter.*

2. *An owner of a lot, or a person with a priority vote in respect of a lot, may not vote at the meeting on a motion (other than a motion requiring a unanimous resolution) unless payment has been made before the meeting of all contributions levied on the owner, and any other amounts recoverable from the owner, in relation to the lot that are owing at the date of this notice.*

3. *If you, as the addressee of this notice:*
   (a) are not a corporation, then voting and other rights conferred by Schedule 2 of the Strata Schemes Management Act 1996 may be exercised by you in person or by proxy; or
   (b) are a corporation, then voting and other rights conferred by that Schedule may be exercised only by your company nominee in person, or by proxy appointed by the corporation.

4. *Your right to vote as an owner, company nominee or person with a priority vote also depends upon your name being recorded on the strata roll.*

IMPORTANT INFORMATION ABOUT A QUORUM FOR THE ANNUAL GENERAL MEETING

1. *A motion submitted at the Annual General Meeting must not be considered, and an election must not be held, unless there is a quorum present to consider and vote on the motion or on the election.*

2. *There is a quorum for considering and voting on such a motion or at such an* election only if:

   (a) at least one-quarter of the number of persons entitled to vote on the motion or at the election is present, either personally or by duly appointed proxy; or
   (b) at least one-quarter of the aggregate unit entitlement of the strata scheme is represented by the persons who are present and entitled to vote on the motion or at the election, either personally or by duly appointed proxy.

3. *However, if there is more than one owner in the strata scheme and the quorum calculated in accordance with clause 2 above is less than 2 persons, then the quorum is 2 persons entitled to vote on the motion or on the election.*

4. *If a quorum is not present within the next half-hour after the relevant motion or business arises for consideration at the meeting, then meeting stands adjourned for at least 7 days. A further notice will be given about the adjourned meeting.*

5. *If a quorum is not present within the next half-hour after the time fixed for the adjourned meeting, the persons present personally or by duly appointed proxy and entitled to vote constitute a quorum for considering that motion or business.*

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NOTICE OF ANNUAL GENERAL MEETING OF THE OWNERS CORPORATION – SP50785

NOTICE OF BUSINESS to be dealt with at the Annual General Meeting of the Owners-Strata Plan No 50785
To be held in the **BBQ Area**
at **1-3 McDonald Street, Cronulla** NSW 2230
On **Tuesday, 29 April 2014** commencing at **6.30pm**

AGENDA

- QUORUM
- APOLOGIES
- PROXIES & POWERS OF PERSONS PRESENT
- CONSIDER MOTIONS

THE MOTIONS TO BE CONSIDERED ARE AS FOLLOWS:

CONFIRMATION OF RECORDS

MOTION 1	***Minutes***	***Ordinary Resolution***

THAT the minutes of the previous Annual General Meeting held 26 March 2013 be confirmed as a true and accurate account of the proceedings at that meeting.

Explanatory Note: This motion refers to accepting the minutes of the last meeting as recorded in your minute book and included in the meeting notice.

FINANCIAL MATTERS

MOTION 2	***Financial Statements***	***Ordinary Resolution***

THAT the audited financial statements of accounts for the period **01/03/2013 to 28/02/2014** be adopted.

Explanatory Note: The financial statements are attached for your review. This motion refers to accepting the financial statements for the financial year just ended in order to fulfil the requirements of Section 106 of the Strata Schemes Management Act 1996. The audit report completed by Michael Faulkner & Associates has been completed in accordance with the applicable Australian Accounting Standards.

MOTION 3	***Auditor***	***Ordinary Resolution***

THAT a recommended auditor be appointed for the financial year **01/03/2014 to 28/02/2015.**

Explanation Note: An audit is a systematic investigation of the statement of income and expenditure for the administrative and sinking fund and of the underlying accounting records for the schemes financial year, to determine whether those financial statements give a fair and true representation of the financial condition of the strata scheme, and whether the accounting standards have been applied with. Being classified as a large scheme, which is 101 Lots or more, as per the Strata Schemes Management Act 1996 Owners Corporation must have an audit carried out on its books and records each year.

MOTION 4	***Annual Budget and Contributions***	***Ordinary Resolution***

a) **THAT** the owners corporation review and adopt the Sinking Fund Forecast as completed by Leary & Partners Pty Ltd dated 28 March 2012 for the anticipated major capital expenditure of the strata scheme over a 10 year period in accordance with Section 75a of the Strata Schemes Management Act 1996 (NSW).

b) **THAT** the proposed Administration Fund Budget (attached to this notice of meeting) for the financial period **01/03/2014 to 28/02/2015** to raise $657,255.00 **($722,980.50 Including GST)** be approved and the Administration Fund Levies including the interim levy for the period commencing 1 March 2015 be determined as set out below.

Levy Period	Due Date	Total
01.03.14 – 31.05.2014	Previously Issued	$182,416.97
01.06.14 – 31.08.2014	01.06.14	$180,187.84
01.09.14 – 30.11.2014	01.09.14	$180,187.84
01.12.14 – 28.02.2015	01.12.14	$180,187.85
	TOTAL	**$ 722,980.50**
01.03.15 – 31.05.2015	01.03.15	$180,187.85

c) **THAT** the proposed Sinking Fund Budget (attached to this notice of meeting) for the financial period **01/03/2014 to 28/02/2015** to raise $346,340.00 **($380,974.00 Including GST)** be approved and the Sinking Fund Levies, including the interim levy for the period commencing 1 March 2015 be determined as set out below.

Levy Period	Due Date	Total
01.03.14 – 31.05.2014	Previously Issued	$108,405.10
01.06.14 – 31.08.2014	01.06.14	$90,856.30
01.09.14 – 30.11.2014	01.09.14	$90,856.30
01.12.14 – 28.02.2015	01.12.14	$90,856.30
	TOTAL	**$ 380,974.00**
01.03.15 – 31.05.2015	01.03.15	$90,856.30

- ***Note: Any questions relating to the budget or financial statements should be directed to our office PRIOR to the meeting.***
- ***Note: Your sinking fund budget as proposed has been calculated with consideration to the sinking fund forecast.***

Explanatory Note: You will note a surplus in the Administration Fund of $68,233.62 for the past financial year. Combined with the opening balance at the start of the year, there is now an accumulated surplus bringing your closing balance to $79,489.19.

In consultation with the Executive Committee, a budget has been prepared for the coming year which represents an overall increase of around 1.9% to the annual budget.

MOTION 5	***Levy Discount***	***Special Resolution***

THAT the owners corporation decide by Special Resolution, pursuant to Section 79(4) of the *Strata Schemes Management Act 1996 (NSW)* to provide a 10 percent discount to an owner if their standard quarterly levy is received **BEFORE** the date on which it becomes due and payable.

Explanatory Note: In accordance with Section 79 (4) the owners corporation must decide by Special Resolution if they wish to provide lot owners with a 10% discount on their quarterly levy contributions should the payment be received prior to the due date. (Owners should allow up to 4 days for the payments to be received into the trust account for SP50785).

MOTION 6	***Removing Limitation***	***Ordinary Resolution***

THAT in accordance with Section 80A of the Strata Schemes Management Act 1996 as amended the owners corporation resolves to remove the limitation relating to expenditure in excess of 10% above the budget on any one item or matter.

Explanatory Note: In accordance with Section 80A of the Strata Schemes Management Act 1996, for a large scheme, the owners corporation must not in the period until the next Annual General Meeting, spend on any item or matter an amount greater than that determined amount (budget line items) for expenditure on the item or the matter plus 10%. This motion removes such limitation on the owners corporation, as at any stage the owners corporation could potentially be above 10% on any budgeted line item, which then requires the owners corporation to call a general meeting. The calling of general meeting can be expensive and burdensome on the owners corporation, and this motion gives the owners corporation the ability to remove this requirement.

EXECUTIVE COMMITTEE

MOTION 7	***Executive Committee Election***	***Election***

THAT in accordance with Regulation 17 of the Strata Schemes Management Regulation 2010, the election of the Executive Committee takes place and that:

(a) the Chairperson announce the names of the candidates already nominated in writing for election to the executive committee, and;

(b) the Chairperson call for any oral nominations of candidates eligible for election to the executive committee;

(c) the Chairperson close nominations;

(d) the number of members be set.

Explanatory Note: The election of the Executive Committee process is clearly set out in Regulation 17 of the Strata Schemes Management Regulation 2010. If the number of candidates:

(a) is the same as, or fewer than, the number of members of the executive committee decided on, those candidates are to be declared by the chairperson to be, and are taken to have been, elected as the executive committee, or

(b) is greater than the number so decided on, a ballot is to be held.

The Strata Schemes Management Act 1996 states that the Owners Corporation must have an Executive Committee and your Executive Committee must be comprised of between 1 and 9 members.

MOTION 8	***Restricted Matters***	***Ordinary Resolution***

THAT the Owners Corporation decide whether or not to place any restrictions on the decision making powers of the Executive Committee until the next Annual General Meeting.

Explanatory Note: This motion is a statutory motion. An owners corporation must consider at each Annual General Meeting whether the Executive Committee should be restricted from making particular decisions other than those already restricted by law (such as determining levies and passing by-laws). If a restriction is imposed then the particular decisions must be made by the owners corporation at a general meeting.

INSURANCE & COMPLIANCE

MOTION 9	***Insurance***	***Ordinary Resolution***

a) **THAT** the insurance policies currently in place be confirmed.

b) **THAT** the Managing Agent be instructed to renew next year's insurance policy with Whitbread's Insurance Brokers, subject to quotations being presented to the Executive Committee for review.

c) **THAT** an updated valuation for insurance purposes be undertaken and the Managing Agent be instructed to adjust the level of insurance accordingly (last valuation completed 05/03/2012).

d) **THAT** an insurance policy be executed for office bearer's liability and/or misappropriation of money or property of the Owners Corporation.

Explanatory Note: In accordance with Part 4 of the Strata Schemes Management Act 1996, the Owners Corporation is required to take out insurances as outlined in Divisions 1 -3 of this Part. At present, you are insured for all the required insurance policies. The Owners Corporation must confirm the insurance policies currently in place at every annual general meeting as well whether to vary or extend office bearers liability insurance or misappropriation of Owners Corporation Funds.

In accordance with Section 85 of the SSMA, the Owners Corporation must revalue the property for replacement and restitution purposes at least every five years. Many of our properties arrange a revaluation more frequently than the legal requirement.

MOTION 10	***Work, Health and Safety Report***	***Ordinary Resolution***

THAT the Owners Corporation engage *Solutions in Engineering* to carry out an Annual Compliance Report of the common property in accordance with the *Work Health and Safety Act 2011.*

Explanatory Note: The Work Health and Safety Act 2011 has dramatically affected the manner in which an Owners Corporation or an owner must consider their duties under the law, especially in regard to the health and safety of any workers engaged on their common property. The Act places duties upon a 'person conducting a business or undertaking' (PCBU) which are owed to a 'worker'. Per the definition of a PCBU in the Act, a PCBU could be an Owners Corporation; the occupier of the lot; a caretaking service contractor or letting agent or a Strata Manager.

Likewise, a 'worker' under the Act could be an employee; a contractor or subcontractor; an employee of the contractor or subcontractor or any person who receives direction from a PCBU while on the property (for example, a volunteer or work experience student).

As persons conducting a business or undertaking, you have obligations to ensure the risk of injury or illness is minimised for persons coming into or leaving the property, visitors and workers alike.
Due to the broad implications of the Work Health and Safety Act 2011, it is vital that a Owners Corporation or an owner undertakes measures to ensure their property or properties comply with the new requirements. Failure to comply with your obligations could mean a fine of up to $600,000 and/or 5 years imprisonment for individuals or a fine up to $3,000,000 for an Owners Corporation.

A Code of Practice entitled "How to Manage Work Health and Safety Risks" has been designed by Solutions In Engineering to address potential hazards in work environments, the Code recognises that assessing the health and safety risks in a workplace or property is an ongoing responsibility, and risk management plans may need to be reviewed weekly or monthly.

Due to the nature of the risks that may be encountered by workers engaged on the common property in a strata environment, it is reasonable that the regularity in which risk management plans should be reviewed may be stretched up to a year in order that an Owners Corporation is shown to meet its obligations.

RE-APPOINTMENT OF STRATA MANAGER

MOTION 11	***Appointment of Strata Manager***	***Ordinary Resolution***

THAT in accordance with Section 27(1) of the Strata Schemes Management Act 1996 ("**Act**"):

(a) Vesture Management Pty Ltd trading as Strata Title Management ("**Agent**") be appointed as strata managing agent of Strata Scheme No 50785;

(b) The Owners Corporation delegate to the Agent all of its functions (other than those listed in section 28(3) of the Act) and all of the functions of its Chairperson, Secretary, Treasurer and Executive Committee;

(c) The Owners Corporation execute the written agreement, ("**Agreement**") circulated with this agenda, to give effect to this appointment and delegation and that the Secretary and one other Executive Committee be authorised to sign the agreement on behalf of the Owners Corporation under common seal in accordance with Section 238 of the Strata Schemes Management Act 1996;

(d) The delegation is to the subject to the conditions and limitations set out in the Agreement; and;

(e) That upon execution on the Agreement, the Owners Corporation and the Agent mutually agrees that this Agreement supersedes and cancels all previous delegations and Agency Agreements between the Owners Corporation and the Agent.

Explanatory Note: The Strata Management Agency Agreement with Strata Title Management expired 24 August 2013. Strata Title Management is delighted to have the opportunity to re-offer its services to manage Strata Plan SP 50785. This motion is to renew the existing contract for a further 3 year term on a revised fee structure. Should there be any questions in relation to our proposed re-appointment, please do not hesitate to contact our office on 02 9540 4199.

EXCLUSIVE USE BOUNDARIES FOR COMMERICAL LOTS

MOTION 12	***Exclusive Use Areas of Commercial Lots***	***Special Resolution***

THAT the owners corporation would consider receiving future applications from individual commercial Lot owners requesting expansion of their existing exclusive use areas.

Explanatory Note: This motion gives owners the opportunity to discuss and decide if extension of existing commercial exclusive use areas might be considered in the future, with the possibility of the commercial operators willing to pay rental for common property use at a figure to be decided. If this initial Special Resolution is passed, all existing commercial exclusive use areas remain unchanged until an application might be received from the Lot owner, put to the owners and passed as another Special Resolution at a future General Meeting for the relevant Special By-law(s) to change. Following that, the operator would need to apply to SSC for change of DA, as well as the Office of Liquor, Gaming and Racing to update their liquor licence to increase the permitted occupancy load for their premises. Until such approvals are received, use of common property by restaurant operators outside their present exclusive use areas remains illegal.

BALUSTRADING

MOTION 13	***Balustrading***	***Ordinary Resolution***
THAT an update on the balcony railing replacement project be presented to the owners corporation including balustrade options, pricing and project management services.		
Explanatory Note: Update on status of project to be provided at the meeting.		



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STRATA TITLE MANAGEMENT

Dated: 15 April 2014