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, 21 April 2015

To be held in the BBQ Area

1-3 McDonald Street, Cronulla NSW 2230

Commencing at 7.00pm

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 2015 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
7 April 2015

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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, 21 April 2015** commencing at **7.00pm**

PRELIMINARIES/AGENDA

1. Recording of persons present personally or by proxy.
2. Recording of apologies.
3. Announcement of persons entitled to vote.
4. Determination of quorum.
5. Determination of Motions 1 - 13

BALUSTRADING

MOTION 1	***Balustrading***	***Ordinary & Special Resolutions***

A) OPTION 1: <u>SYSTEM 1 (FRAMELESS)</u> – Special Resolution

THAT the owners corporation SPECIALLY RESOLVES pursuant to section 65A of the Strata Schemes Management Act, 1996 (NSW) to replace and upgrade all existing balcony railings with Frameless balustrading as depicted in *Annexure 'A'* titled "*System 1 Frameless*" (attached to this notice of meeting) for the estimated price range between $890,000.00 to $970,000.00.

B) OPTION 2: <u>SYSTEM 1A (FRAMELESS WITH HANDRAIL)</u> – Special Resolution

THAT subject to the preceding motion being defeated, that the owners corporation SPECIALLY RESOLVES pursuant to section 65A of the Strata Schemes Management Act, 1996 (NSW) to replace and upgrade all existing balcony railings with Frameless balustrading as depicted in *Annexure 'B'* titled "*System 1a Frameless with Handrail*" (attached to this notice of meeting) for the estimated price range between $1,090,000.00 to $1,160,000.00.

C) OPTION 3: <u>SYSTEM 2 (SEMI FRAMELESS)</u> – Special Resolution

THAT subject to the preceding motions being defeated, that the owners corporation SPECIALLY RESOLVES pursuant to section 65A of the Strata Schemes Management Act, 1996 (NSW) to replace and upgrade all existing balcony railings with Semi-Frameless balustrading as depicted in *Annexure 'C'* titled "*System 2 Semi-Frameless*" (attached to this notice of meeting) for the estimated price range between $975,000.00 to $1,430,000.00.

D) OPTION 4: SYSTEM 3 (FRAMED) – Ordinary Resolution

THAT subject to the preceding motions being defeated, that the owners corporation RESOLVES to replace all existing balcony railings with Framed balustrading as depicted in Annexure 'D' titled "*System 3 Framed*" (attached to this notice of meeting) for the estimated price of $830,000.00.

Explanatory Note: This motion to decide on which balustrade option design the owners corporation wish to select, to allow formal tenders to be received based on the chosen design. The appointed Project Manager and Architect from Davis Langdon will be in attendance at the meeting to answer any questions owners may have.

In the meantime, the documents detailing the different balustrade systems to be considered are attached to this notice of meeting. You can also find links to four single-page design options, each including a photo of what our Tower building might look like with that system installed at http://cote-cronulla.net/archive.html

Please note that the project includes replacement of all present balcony railings including restaurant and lowrise areas, and the price ranges indicated are pre-tender estimates, not final cost.

There are also four display boards prepared by the architect and project managers have been mounted for viewing outside the lifts on B1 and B2. Please study these and discuss the options with your fellow owners so we are all well-equipped to make the best choice by vote at the meeting.

CONFIRMATION OF RECORDS

MOTION 2	***Minutes***	***Ordinary Resolution***

THAT the minutes of the previous Annual General Meeting held 29 April 2014 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 3	***Financial Statements***	***Ordinary Resolution***

THAT the audited financial statements of accounts for the period **01/03/2014 to 28/02/2015** 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 4	***Auditor***	***Ordinary Resolution***

THAT a recommended auditor be appointed for the financial year **01/03/2015 to 29/02/2016.**

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 5	***Annual Budget and Contributions***	***Ordinary Resolution***

a) **THAT** the owners corporation continue to adopt the Sinking Fund Forecast as completed by Leary & Partners Pty Ltd dated 28 March 2012 (which has been amended to cover a more detailed list of works for SP50785) 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 amount of $100,000.00 be transferred from the Administration Fund to the Sinking Fund in accordance with the proposed budget, due to the accumulation of surplus funds.

c) **THAT** the proposed Administration Fund Budget (attached to this notice of meeting) for the financial period **01/03/2015 to 29/02/2016** to raise $655,228.80 **($720,751.68 Including GST)** be approved and the Administration Fund Levies including the interim levy for the period commencing 1 March 2016 be determined as set out below.

Levy Period	Due Date	Total
01.03.15 – 31.05.2015	Previously Issued	$180,187.87
01.06.15 – 31.08.2015	01.06.15	$180,187.92
01.09.15 – 30.11.2015	01.09.15	$180,187.92
01.12.15 – 29.02.2016	01.12.15	$180,187.97
	TOTAL	**$ 720,751.68**
01.03.16 – 31.05.2016	01.03.16	$180,187.85

d) **THAT** the proposed Sinking Fund Budget (attached to this notice of meeting) for the financial period **01/03/2015 to 29/02/2016** to raise $376,800.00 **($414,480.00 Including GST)** be approved and the Sinking Fund Levies, including the interim levy for the period commencing 1 March 2016 be determined as set out below.

Levy Period	Due Date	Total
01.03.15 – 31.05.2015	Previously Issued	$90,856.32
Adjustment Levy 01.03.15 – 31.05.2015	01.06.15	$12,763.68
01.06.15 – 31.08.2015	01.06.15	$103,620.00
01.09.15 – 30.11.2015	01.09.15	$103,620.00
01.12.15 – 29.02.2016	01.12.15	$103,620.00
	TOTAL	**$ 414,480.00**
01.03.16 – 31.05.2016	01.03.16	$103,620.00

- ***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: Refer to the Financial Report (attached to this notice of meeting notice) prepared by former treasurer, David Gourley. The budget was prepared in consultation with the Executive Committee and former treasurer.

MOTION 6	***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 7	***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 8	***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 9	***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 10	***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 through a recommended insurance broker, 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 16/05/2014).

d) **THAT** an insurance policy continue to 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 11	***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 (*last report completed 09/05/2014).

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.

DEED OF RELEASE – LOT 21

MOTION 12	***Deed of Release – Lot 21***	***Ordinary Resolution***

THAT the owners corporation RESOLVES to settle certain disputes between the owners corporation, the previous owner of lot 21, Universal Finance Holdings Pty Ltd, and the current owner of lot 21, Anagnos Pty Ltd, on the terms and subject to the conditions of the deed of release, a copy of which is attached to the notice of this meeting, and to approve and give the strata managing agent authority to execute the deed on behalf of the owners corporation.

Explanatory Note: The proposed Deed of Release is to settle disputes between the owners corporation and the past and current owners of Lot 21. The purpose of the Deed will be explained at the meeting by the Chairman, Mr Kevin O'Shea.

AMENDMENT OF SPECIAL BY-LAW NO. 2

MOTION 13	***Amendment of Special By-Law No. 2***	***Special Resolution***

THAT the owners corporation SPECIALLY RESOLVES pursuant to section 52 of the *Strata Schemes Management Act 1996* to amend Special By-Law No. 2 in dealing registration no. AA96463 by deleting clauses C(iii) and (iv) from the by-law (which clauses impose on the owner of lot 21 responsibility to maintain and repair the elevator and elevator tower adjacent to that lot and indemnify the owners corporation for elevator maintenance costs) and to lodge notification of the amendment of the by-law at Land and Property Information.

Explanatory Note: This motion relates to amending Special By-Law 2 to delete clauses which impose a responsibility on the owner of Lot 21 to maintain and repair the elevator and elevator tower adjacent to that lot. You will note, this forms part of the Deed of Release documentation raised under Motion 12.



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STRATA TITLE MANAGEMENT

Dated: 7 April 2015