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 Monday, 11 April 2016
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 2016 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
23 March 2016

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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 **Monday, 11 April 2016** 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 – 16

CONFIRMATION OF RECORDS

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

THAT the minutes of the previous General Meeting held 2 December 2015 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 Extraordinary General Meeting, a copy of which is included in the meeting notice.

FINANCIAL MATTERS

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

THAT the audited financial statements of accounts for the period **01/03/2015 to 29/02/2016** be adopted.

Explanatory Note: The financial statements and 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 Matthew Faulkner Accountancy Pty Ltd 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 **01/03/2016 to 28/02/2017.**

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, your owners corporation must have an audit carried each year in accordance with the Strata Schemes Management Act 1996.

MOTION 4	***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 proposed Administration Fund Budget (attached to this notice of meeting) for the financial period **01/03/2016 to 28/02/2017** to raise $666,667.00 **($733,333.70 Including GST)** be approved and the Administration Fund Levies including the interim levy for the period commencing 1 March 2017 be determined as set out below.

Levy Period	Due Date	Total
01.03.16 – 31.05.2016	Previously Issued	$180,187.94
Adjustment Levy 01.03.16 – 31.05.2016	01.06.16	$3,145.48
01.06.16 – 31.08.2016	01.06.16	$183,333.42
01.09.16 – 30.11.2016	01.09.16	$183,333.42
01.12.16 – 28.02.2017	01.12.16	$183,333.44
	TOTAL	**$ 733,333.70**
01.03.17 – 31.05.2017	01.03.17	$183,333.42

c) **THAT** the proposed Sinking Fund Budget (attached to this notice of meeting) for the financial period **01/03/2016 to 28/02/2017** to raise $400,000.00 **($440,000.00 Including GST)** be approved and the Sinking Fund Levies, including the interim levy for the period commencing 1 March 2017 be determined as set out below.

Levy Period	Due Date	Total
01.03.16 – 31.05.2016	Previously Issued	$103,620.00
Adjustment Levy 01.03.16 – 31.05.2016	01.06.16	$6,380.00
01.06.16 – 31.08.2016	01.06.16	$110,000.00
01.09.16 – 30.11.2016	01.09.16	$110,000.00
01.12.16 – 28.02.2017	01.12.16	$110,000.00
	TOTAL	**$ 440,000.00**
01.03.17 – 31.05.2017	01.03.17	$110,000.00

- ***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 treasurer, David Gourley. The budget was prepared in consultation with the Executive Committee and treasurer.

MOTION 5	***Sinking Fund Forecast Report***	***Ordinary Resolution***

THAT the owners corporation authorise the strata managing agent to obtain on its behalf an updated Sinking Fund Plan to adequately assess future Sinking Fund capital requirements with the last Sinking Fund Report being completed in 2012.

Explanatory Note: In accordance with Section 75A of the Strata Schemes Management Act 1996, all Strata Schemes are required to prepare a Sinking Fund Plan to prepare a plan of major expenditure to be met from the Sinking Fund over the next 10 years. This plan is to be reviewed no later than five years after commissioning. An owners corporation may engage expert assistance in preparing this plan and Strata Title Management recommends obtaining a professional consultant to complete.

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). This is a Special Resolution meaning that in order for the motion to pass, it requires not more than 25% of owners voting at the meeting and entitled to vote, to vote against the motion.

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 no additional restrictions be placed on Executive Committee other than those currently imposed by Section 21 (2) of the Act.

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.

MOTION 12	***Child Safety Window Restrictive Devices***	***Ordinary Resolution***

THAT the owners corporation empower the Executive Committee to determine and facilitate the installation of appropriate window restrictive devices at the strata scheme to ensure compliance with the new Child Window Safety Device legislation (refer Annexure "A") and that the Executive Committee be given authority to approve the quotation on behalf of the owners corporation.

Explanatory Note: On the 11th December 2013 the child window safety requirements changed to ensure that all open able windows above ground level that are accessible from inside the building must have safety devices fitted. These devices must ensure that the windows are not able to be opened wider than 12.5cm. All Strata Schemes who contain lots used for residential purposes must comply with this requirement. These must be met by the 13th March 2018 or the owners corporation will risk being fined. STM encourages all Strata schemes to proceed with this installation to ensure the safety of all residents and visitors to your Strata Plan.

MOTION 13	***Debt Collection***	***Ordinary Resolution***

THAT the owners corporation resolve pursuant to the Strata Schemes Management Act 1996 (NSW) including Section 80D for the purpose of collecting levy contributions to authorise the Strata Managing Agent and/or the Executive Committee to do any one or more of the following:

(a) To engage or appoint the services of a debt collection agency, obtain legal advice and/or retain legal representation and/or experts on behalf of the owners of strata plan 50785;

(b) To commence, pursue, continue or defend any court, tribunal or any other proceedings against any lot owner, mortgagee in possession and/or former lot owner in relation to all matters arising out of the recovery of levy contributions and the recovery of other debts, including penalties, interest, legal and other costs;

(c) Enforce any judgement obtained in the collection of levy contributions including commencing and maintaining bankruptcy of winding up proceedings;

(d) Filing an appeal or defending an appeal against any judgment concerning the collection of levy contributions;

(e) Liaise, instruct and prepare all matters with the owners corporations' debt collection agents, lawyers and experts in relation to any levy recovery proceedings.

<u>Explanatory Note:</u> This is a standing motion to authorise Strata Title Management to take any and all necessary action to ensure the prompt payment of levies within your scheme.

SPECIAL BY-LAW FOR INSTALLATION OF EXTERNAL AWNINGS

MOTION 14	***Special By-Law for Installation of External Awnings***	***Special Resolution***

THAT the owners corporation SPECIALLY RESOLVES pursuant to section 47 of the Strata Schemes Management Act 1996 that an additional by-law be made, Special By-Law No. 46 – Installation of External Awnings, on the terms set out below, and that notification of the by-law be lodged for registration at the Registrar-General's Office.

Special By-Law 46 - (Installation of External Awnings)

1. Each owner for the time being of each lot in the strata scheme is conferred with the right to install weather protection devices (hereinafter defined as including blinds, awnings, shades and all associated equipment) to provide shade and protection from the sun) (hereinafter referred to as the "devices") to service the owners lot within the strata scheme subject to the following terms and conditions:

(a) Any lot proposing to undertake the installation of any devices must submit a formal application to the Secretary or Strata Managing Agent including comprehensive plans, specifications and diagrams of the proposed installation and obtain formal written approval prior to any works commencing;
(b) the devices shall not be, or become, or in any way be construed to be common property and shall always remain the sole property of the owner for the time being of the lot which they service;
(c) the style, design and finish of any proposed devices shall be consistent with the architectural theme established throughout the remainder of the strata scheme buildings and shall not detract from the overall appearance of the property. Any such style, design and colour to be notified to the secretary or the strata managing agent will, if it complies with subclause (1) (a) to (j) hereof, set the precedent for any future installations of devices that may be proposed elsewhere in the strata scheme;
(d) the owners of any lot undertaking the installation of any devices must obtain all necessary permits, licenses or consents required by local authority or other statutory or lawful authority for such installation;
(e) the installation of any devices must be effected in a workmanlike manner by licensed and insured tradespersons;
(f) the devices must not interrupt the free flow of air or unreasonably shadow any other lot or the common property or generally interfere with access to the common property by any owner or occupier of a lot in the strata scheme or any person lawfully using the common property;
(g) any damage to common property that occurs during, or results from, the installation or subsequent removal or replacement of, or use of, any devices must be forthwith made good by the owners of the lot from which the damage results at no cost to the owners corporation;
(h) the devices must be maintained in good working order and condition by the owner without claim on the owners corporation in respect of such maintenance;
(i) the owner shall inform the secretary or strata managing agent of the scheme not later fourteen (14) days before *any* devices are to be replaced or renewed;
(j) all paint, stain and trim finishes applied to the devices shall be, and shall always remain, consistent with the materials and finishes in use throughout the remainder of the strata scheme at no cost to the owners corporation.

2. In the event that an owner or occupier of a lot to which any devices are installed, after notice, fails to comply with any matters set out in conditions (a) to (j) hereof then the owners corporation may terminate the right of the owner or occupier to install such devices.

3. In the event that an owner of a lot proposes the installation of any devices that, in their absolute discretion, the secretary or the strata managing agent believes is not consistent with the architectural theme established throughout the remainder of the, strata scheme buildings, the proposal must be decided by vote at a general meeting.

Explanatory Note: This motion has been submitted by the owner of Lot 86 to provide the owners corporation with the opportunity to establish set terms and conditions in relation to the installation of awnings by individual lot owners to achieve a level of consistency in the materials used to uphold the architectural theme and value of the complex. This is a Special Resolution meaning that in order for the motion to pass, it requires not more than 25% of owners voting at the meeting and entitled to vote, to vote against the motion.

OFFER BY LOT 21 FOR COMMERCIAL USE OF COMMON AREA

MOTION 15	***OFFER BY OPAH RESTAURANT FOR COMMERICAL USE OF COMMON AREA ADJACENT TO LOT 21***	***Ordinary Resolution***

THAT the owners corporation RESOLVES to:

(a) accept the offer made by the proprietor of the Opah Restaurant business that operates from lot 21 to make a one off payment in the sum of $5,000 to the owners corporation in consideration for acquiring exclusive use of the area of common property under the awning adjacent to lot 21 pursuant to a by-law as set out in the letter of Law Corporation dated 29 February 2016, a copy of which is attached to the notice of this meeting, and

(b) instruct the strata managing agent to engage a solicitor on behalf of the owners corporation to prepare a by-law to record the terms on which the owners corporation will grant the owner of lot 21 exclusive use of the area of common property under that awning for consideration at a subsequent general meeting;

to the intent that no legal relations are intended to arise between the parties until that by-law is approved by the owners corporation and registered.

Explanatory Note: This motion relates to an offer made by the owner of Opah Restaurant in consideration for acquiring exclusive use of the common area for commerical use under the awning of Lot 21 subject to a by-law being passed a subsequent general meeting of the owners corporation.

RENOVATION APLLICATION & GUIDELINES

MOTION 16	***RENOVATION APPLICATION AND GUIDELINES***	***Ordinary Resolution***

THAT the owners corporation RESOLVES to:

(a) adopt and implement the *"Renovation Application and Guidelines"* documentation, a copy of which is attached to the notice of this meeting, to establish a clear procedure for individual owners seeking approval to carry out all future building works within their lots at the complex, and

(b) authorise the Executive Committee to improve/modify/enhance the Renovation Application and Guidelines at any time, at their sole discretion.

Explanatory Note: The intention of this motion is to adopt a procedure concerning all future building works carried out by lot owners within their lots to ensure owners obtain the required levels of approval for works and to ensure works are performed by licenced and insured contractors. It should be noted that subject to the nature of the works proposed by a lot owner, a by-law may be required to be passed by the owners corporation to authorised the works.



STRATA TITLE MANAGEMENT

Dated: 23 March 2016