STRATA TITLE MANAGEMENT
your strata care company
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NOTICE OF ANNUAL GENERAL MEETING OF THE OWNERS CORPORATION - 50785

NOTICE OF BUSINESS to be dealt with at the Annual General Meeting of the Owners-Strata Plan 50785
To be held on Tuesday, 18th April 2017
In The BBQ Area, 1-3 McDonald Street, Cronulla
Commencing at 7.00pm

PRELIMINARIES

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 - 37

CONFIRMATION OF RECORDS

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

THAT the minutes of the previous General Meeting 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 general meeting, a copy of which is included in the meeting notice.

FINANCIAL MATTERS

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

THAT the statement of key financial information and the audited financial statements of accounts for the period **01/03/2016 to 28/02/2017** 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 Sections 92-94 of the Strata Schemes Management Act 2015. The audit report completed by the auditor has been completed in accordance with the applicable Australian Accounting Standards.

Treasurer's Report

Administration Fund

Another good year, financially!

We budgeted for a year end surplus of $120K and came in with a healthy surplus of $155K.

Significant variances (greater than $10K) were:

- *Insurance premium – in 2015/16 we paid $74K, so budgeted for an increase to $80K in 2016/17. However when STM put this out to bid, a new player (to us) Chubb, came in significantly below the others, and we accepted the quote with Chubb for $66K.*

- *<u>Call-out fees</u> – before and during the installation of our new fire indicator panel (FIP) we had numerous fire brigade call-outs relating to faults, resulting in non-recoverable charges totaling $15K versus a budget of only $4K. False alarms hopefully will now be eliminated/minimized with the new FIP.*
- *<u>Fire protection repairs</u> – difficulties and increased costs were associated with us getting our 2016 fire certification, resulting in charges here totaling $30K versus a budget of only $13K.*

Other expenses of special note are :

- *<u>Electricity</u> – budgeted $75K, paid $75K. STM put our volumes out to bid resulting in a proposed 20% increase, this we rejected. Due to Carey's direct involvement we reduced the increase to 10% on a 2 year contract and will stay with Energy Aust – thanks Carey !*
- *<u>Water</u> – budgeted $60K, paid $56K. We had a rate reduction which should have resulted in even lower charges, but our consumption increased by around $12K pa – ongoing investigations continue here, until we find out why and fix this.*
  If you hear any water constantly running, especially at night, please report it to either Herman or any SC member – thanks !

<u>Capital Works Fund (previously known as Sinking Fund)</u>

Budgeted for a year end surplus of $309K and came in with a massive $916K surplus, BUT –

- *Balustrading project is behind schedule, resulting in payments totaling $683K versus a $969K budget*
- *Balustrading project management charges totaled $23K versus a $31K budget*
- *General works payments totaled $96K versus a $400K budget – same as last year, significant general works have rightfully been deferred until completion of our major balustrading project*

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

THAT a recommended auditor be appointed for the financial year **01/03/2017 to 28/02/2018**.

Explanatory Note: This motion is required to be considered by the Owners Corporation at each Annual General Meeting however it is not a legal requirement to appoint an auditor, unless your Strata Plan contains over 100 lots (excluding utility lots and car park lots) or has the total of other income, total annual levies and the total of funds held on deposit that is greater than $250,000.

MOTION 4	***Term Deposits***	***Ordinary Resolution***

THAT the duly elected Treasurer be authorised to provide standing instructions to the Strata Managing Agent concerning the investment of trust funds into higher interest bearing accounts.

Explanatory Note: This motion is to provide the Treasurer with the expressed authority of the Owners Corporation to provide the Strata Managing Agent instructions on investing trust funds in term deposit accounts or other approved investment accounts to achieve a higher level of interest on your trust funds.

MOTION 5	***Management of Levy Arrears***	***Ordinary Resolution***

THAT the Owners – Strata Plan No 50785 RESOLVE pursuant to the Strata Schemes Management Act 2015 (including Section 103) for the purpose of collecting levy contributions to authorise the Strata Managing Agent and/or the Strata Committee to do any one or more of the following:

a) to issue arrears notices, reminder notices and/or letters to seek recovery of levy contributions and the recovery of other debts, including penalties, interest, legal and other costs/expenses and arrange and monitor payment plans;

<u>Important Note:</u>

STM's debt recovery process is to send owners the original levy notice at six weeks prior to the due date. STM then sends a first reminder 34 days after the due date, a second reminder 48 days after the due date and a final reminder 64 days after the due date. Our solicitors will be engaged 28 days from the final reminder issue date. This strict process is necessary to ensure that our scheme have suitable cash flows in order to maintain expenditure levels for services.

b) 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- Strata Plan No 50785;

c) to issue demands, 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;

d) Enter and enforce any judgment obtained in the collection of levy contributions including issuing writ for levy of property (personal and real property), garnishee orders, examination notices/orders/hearings, bankruptcy notices, statutory demands and commencing and maintaining bankruptcy proceedings or winding up proceedings;

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

f) Liaise, instruct and prepare all matters with the Owners Corporation's debt collection agents, lawyers and experts in relation to any levy recovery proceedings.

Explanatory Note: 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.

MOTION 6	***Payment Plans***	***Ordinary Resolution***

THAT the Owners – Strata Plan 50785 RESOLVE to agree to enter into payment plans generally for matters involving arrears of unpaid contributions/levies or other amounts including interest, legal and other costs/expenses thereon and to delegate to the strata manager and/or the strata committee the ability to enter into, arrange and monitor each such payment plan limited to a period of 12 months per payment plan with any further or subsequent payment plan to be entered into as agreed by the strata committee or owners corporation by resolution.

Explanatory Note: Pursuant to Sections 85(5) – (85)(7)of the Strata Schemes Management Act 2015 and Regulation 18 and 19 of the Strata Scheme Management Regulations 2016 an owners corporation may agree to enter into payment plans generally or in particular cases for the payment of overdue contributions by a resolution passed at a general meeting. This resolution provides the power for the owners corporation to enter into such payment plans.

MOTION 7	***Annual Budget and Contributions***	***Ordinary Resolution***

a) **THAT** in accordance with Section 79 of the Strata Schemes Management Act 2015, that the proposed annual budget* for the financial period 01/03/2017 to 28/02/2018 be adopted.

b) **THAT** in accordance with Section 81 of the Strata Schemes Management Act 2015, the proposed contributions (levies) payable for the financial period 01/03/2017 to 28/02/2018 be as follows:-

ADMINISTRATIVE FUND:	$733,333.70	GST Inclusive
CAPITAL WORKS FUND:**	$476,666.30	GST Inclusive

And that the contributions be levied in four equal instalments in accordance with Section 81 of the Strata Schemes Management Act 2015 and payable by each Lot owner according to unit entitlement as shown in the table below.

Proposed Administration Fund Budget

Levy Period	Due Date	TOTAL (INCL GST)
01.03.2017 - 31.05.2017	Previously Issued	$183,333.38
01.06.2017 - 31.08.2017	Previously Issued	$183,333.38
01.09.2017 - 30.11.2017	01.09.2017	$183,333.46
01.12.2017 - 28.02.2018	01.12.2017	$183,333.46
	TOTAL	**$733,333.70**
01.03.2018 - 31.05.2018	01.03.2018	$183,333.43
01.06.2018 - 31.08.2018	01.06.2018	$183,333.43

Proposed Capital Works Fund Budget

Levy Period	Due Date	TOTAL (INCL GST)
01.03.2017 - 31.05.2017	Previously Issued	$110,000.00
01.06.2017 - 31.08.2017	Previously Issued	$110,000.00
Adjustment Levy 01.03.2017 - 31.08.2017	01.09.2017	$18,333.15
01.09.2017 - 30.11.2017	01.09.2017	$119,166.58
01.12.2017 - 28.02.2018	01.12.2017	$119,166.58
	TOTAL	**$476,666.30**
01.03.2018 - 31.05.2018	01.03.2018	$119,166.58
01.06.2018 - 31.08.2018	01.06.2018	$119,166.58

Levy periods commencing: 01/03/2017

c) **THAT** in the event that the Owners Corporation is unable to hold the next Annual General Meeting by 15th April 2018 the Owners Corporation estimates and approves that the yearly and quarterly expenses of the scheme will be the same as those contained in the current budget and accordingly resolves to raise a levy for the quarter 01/03/18 – 31/05/18 quarter and 01/06/18 to 31/08/18 in the same amount and equivalent to the quarterly levy raised and payable for the previous quarter 01/12/2017 – 28/02/2018.

Note: ***Any questions relating to the budget or financial statements should be directed to our office PRIOR to the meeting.***

Note: *****Your capital works fund budget as proposed has been calculated in accordance with the capital works fund forecast. If the Owners Corporation do not propose to raise the amount accordance with the Capital Works Fund forecast then an explanation is required to be made in the minutes of the meeting.***

Explanatory Note: See Treasurer's Report below:

1/3/2017 to 28/2/2018

Propose that our total Owner's levies increase by 3.1%, over 2016/17 levies, and with 0% change to our Administration Fund levies, and 8.3% increase to our Capital Works Fund levies.

Administration Fund

Starting off with a $156K surplus, we are budgeting a year end surplus reducing to $126K (before any movement of Administration Funds to our Capital Works Fund). It should be noted that :

- *$75K has been allowed for our next insurance premium renewal (paid $66K in 2017), as uncertain if Chubb 'bought' our business and if they are going to rebid again and with a low rate.*
- *$85K has been allowed for electricity (paid $75K in 2016/17) to basically cover the 10% increase under the new contract.*

Again, propose no change to our current Administration Fund levies.

Capital Works Fund

Solutions in Engineering (SIE) were engaged to generate an updated 15 year CWF plan/forecast, and they have come up with what we believe is a realistic proposal – they came out on-site and talked with Carey & Kevin, then along with additional input from John, Sharen and myself have generated a Cote specific document – the full 23 page report is available on our website, and I would encourage all Owners to view this and especially those pages shown as 2 – 8 inclusive.

Starting off with a $916K surplus, we are budgeting a year end surplus reducing to $278K, with planned major expenditure being:

- *$374K to complete the balustrading project, including project management – also see note 1. below*
- *$270K to replace the membrane/pavers around the pool/spa/BBQ areas*
- *$76K contingency allowance, as advised by SIE*
- *$75K to replace fire doors (plus work to continue into 2018/19)*
- *$55K for balance of work regards replacing balcony doors/panels in 4 units (C2, C40, C69 & C71) where ongoing water ingress has been experienced, and*
- *$55K to pay for the new Fire Indicator Panel as already installed.*

Again, propose that our Capital Works Fund levies increase by 8.3%, yielding a total Owner's levies increase by 3.1% over last year.

Notes

1. *Our balustrading financials are:*

	PAID	TO PAY	TOTAL
Project management	*$41,429*	*$54,120*1.*	*$95,549*
Balustrading	*$785,479*	*$320,300*2.*	*$1,105,779*

**1. Includes a $30K allowance, so the over-run here is likely $45K*
**2. Includes a $20K allowance = the over-run if used*
Note, funding is $431K from the special levy 4 years ago +$100K transferred from our Administration Fund (AF) in 2014/15 + around $60K net interest, leaving around $610K coming out of our Capital Works Fund (CWF) reserves = 50% of the funds coming out of our reserves, rather than funded by an additional special levy.

MOTION 8	***Transfer of Funds***	***Ordinary Resolution***

THAT the Owners Corporation agree to transfer $100,000 from the Administration Fund to the Capital Works fund.

Explanatory Note (from the treasurer): It is proposed to transfer a further $100,000 from our AF to our CWF. Our AF surplus has been building up to the point where we can comfortably transfer these funds. If approved by the Owners, then this would reduce our 2017/18 AF surplus to $26K and shift funds into our CWF where they are needed more – as the proposed CWF budget and plan/forecast do not include this $100K (as it is up to the Owners to approve first), then in conjunction with healthy CWF funds towards the end of our 2017/18 financial year we may then be able to also bring forward some of the planned balcony painting and rust removal work.

MOTION 9	***Levy Discount***	***Ordinary Resolution***
THAT the owners corporation decide, pursuant to Section 85(4) of the *Strata Schemes Management Act 2015 (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 85 (4) the owners corporation must decide by Ordinary 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 10	***10 Year Capital Works Fund Forecast***	***Ordinary Resolution***
THAT the Owners Corporation review and adopt the Capital Works Fund Forecast as completed by Solutions In Engineering effective from 01/03/2017 for the anticipated major capital expenditure of the strata scheme over a 10 year period in accordance with Section 80 of the Strata Schemes Management Act 2015 (NSW).		
Explanatory Note: This motion is to resolve to adopt the recommendations of the Capital Works Fund Forecast to ensure sufficient funds are available in the future for major capital expenditure.		

MOTION 11	***Balustrading Project***	***Ordinary Resolution***
THAT an update be given by the Chairman of the Strata Committee on the Balustrading Project.		
Explanatory Note: The Strata Committee requested the addition of the above motion in order to updater the owners of the progress on the balustrading works.		

MOTION 12	***Removing Limitation***	***Ordinary Resolution***
THAT in accordance with Section 102 of the Strata Schemes Management Act 2015, 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 102 of the Strata Schemes Management Act 2015, 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 a general meeting can be expensive and burdensome on the Owners Corporation, and this motion gives the Owners Corporation the ability to remove this requirement.*		

MOTION 13	***10 Year Capital Works Fund***	***Ordinary Resolution***

THAT the owners corporation resolve to do the following:

(a) Engage a suitably qualified consultant to review, carry out and/or assess the capital upgrade and maintenance requirements of the building for the next ten (10) years or an updated report each five (5) years, and provide the Capital Works Fund Analysis report; and

(b) To submit that report to the Strata Committee to determine what action is required, if any; and

(c) To delegate to the strata manager the function pursuant to the Agency Agreement additional duties schedule to undertake the seeking of quotations and engaging the contractor to prepare the report and any ancillary work approved by the Strata Committee.

Explanatory Note: The owners corporation must prepare a plan of anticipated major expenditure to be met from the capital works fund over the 10-year period commencing on the date of the first annual general meeting. The capital works fund plan must be reviewed at least once every 5 years.

The preparation of this plan is a significant exercise and the legislation allows the owners corporation to engage expert assistance in its preparation. The meeting must discuss the preparation or review of this plan. A copy of the current plan is available from the strata manager and a copy will be available at the meeting.

MOTION 14	***Election of Strata Committee***	***Election/Ordinary Resolution***

THAT in accordance with Regulation 9 of the Strata Schemes Management Regulation 2016, the election of the Strata Committee takes place and that:

a) The Chairperson announce the names of the candidates already nominated in writing for election to the Strata Committee; and

b) The Chairperson call for any oral nominations of candidates eligible for election to the Strata Committee;

c) The Chairperson declare that nominations are closed;

d) That the number of members to the Strata Committee be set.

Explanatory Note: The election of the Strata Committee process is clearly set out in Regulation 9 of the Strata Schemes Management Regulation 2016. If the number of candidates:

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

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

The Strata Schemes Management Act 2015 (NSW) states that the Owners Corporation must have a Strata Committee and your Strata Committee must be comprised of between no more than 9 members, unless you are a large scheme in which case you must have between 3 and 9 members.

MOTION 15	***Restricted Matters***	***Ordinary Resolution***

THAT no additional restrictions be placed on Strata Committee other than those currently imposed by Section 36 (3b) of the Act.

Explanatory Note: This motion is a statutory motion. An owners corporation must consider at each Annual General Meeting whether the Strata 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 owner's corporation at a general meeting.

BUILDING INSURANCE

MOTION 16	Confirmation of Insurances	Ordinary Resolution

THAT the Owners Corporation's insurance policies currently in place be confirmed.

Explanatory Note: In accordance with Section 160-164 of the Strata Schemes Management Act 2015, the Owners Corporation is required to take out insurances for all the required insurance policies, through an approved insurer.

Insurances are already in place as detailed in the enclosed schedule of insurances and these need to be confirmed.

There are a number of exclusions in the insurance policies including for example, flood cover. You may wish to check these exclusions for yourself at www.chubb.com.au

MOTION 17	Renewal of Insurance Policy	Ordinary Resolution

THAT the Strata Managing Agent be instructed to renew next years insurance policy through a recommended insurance broker, subject to recommendations for renewal being presented to and accepted by the Strata Committee in accordance with the legislation.

Explanatory Note: This motion is to decide to engage the services of an independent insurance broker to go out to the market and obtain at least 3 insurance quotations prior to renewal. Once received, the quotations will be referred to the Strata Committee to resolve a decision on which insurer to renew with.

In accordance with Section 166 of the Strata Schemes Management Act 2015, if at least 3 quotations are not able to be obtained, a written explanation will be provided to the Strata Committee.

MOTION 18	Valuation for Insurance Purposes	Ordinary Resolution

THAT an updated valuation for insurance purposes be obtained prior to the expiration of the current policy period and that the Strata Managing Agent be authorised to alter the sum insured for next year's insurance policy in line with the valuation figure.

Note: Last Valuation obtained: 16/5/14

Explanatory Note: This motion is to decide to engage the services of a registered valuer to provide a valuation of the property for replacement and restitution purposes. Industry experts recommend that a valuation be obtained at least every year to ensure your building is adequately covered as per the requirements of the Strata Schemes Management Act 2015.

MOTION 19	Additional Insurances	Ordinary Resolution

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

Explanatory Note: In accordance with Section 165 (2) of the Strata Schemes Management Act 2015, the Owners Corporation must consider taking out additional insurances referred to Office Bearer's Liability Insurance and Fidelity Guarantee/Crime Insurance to cover instances such as:

(a) Damage to property, death or bodily injury for which a person holding the office of Chairperson, Secretary or Treasurer of the Owners Corporation or of a member of the Strata Committee of the Owners Corporation could become liable in damages because of an act or omission, committed or omitted in good faith, in performing the functions of that office,

(b) Misappropriation of money or other property of the owners corporation.

COMPLIANCE/RISK MANAGEMENT

MOTION 20	***Commissions and Training Services***	***Ordinary Resolution***

THAT the report (below) be received from the Strata Managing Agent on commissions and training services received in the past 12 months and estimate of commissions and training services to be received in the next 12 months.

Explanatory Note: The strata managing agent under Section 60 of the Strata Schemes Management Act 2015 is required to disclose all commissions or training services provided to the strata managing agent for the strata scheme. As at the date of the notice of this meeting the strata managing agent has received the following:

Commissions Report:
$8001.89 in insurance commissions has been received by the managing agent in accordance with the strata management agency agreement during the past 12 months. STM are of the conservative view the estimated insurance commission to be received in the next 12 months will remain largely the same as in the current 12 months, on the basis the current strata insurance underwriting market remains highly competitive and therefore any increase in insurance premiums and therefore, resultant commission change, is unlikely.

Training Report:
The equivalent of $0.15 per lot in training services in the past 12 months, and an amount of $0.15 in training services is expected to be
received in the next 12 months.

MOTION 21	***Work, Health and Safety Report***	***Ordinary Resolution***

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

Note: Last Report obtained: May 2015

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 an 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 22	***Asbestos Report and Register***	***Ordinary Resolution***

THAT the Owners Corporation engage a specialist to complete an Asbestos Report and arrange an Asbestos Register (if Asbestos Containing Materials are located).

Explanatory Note: Section 429 of the new harmonised Work Health and Safety Regulation 2011 requires a Strata Manager or Owners Corporation of a building where Asbestos Containing Materials (ACM) have been identified on the common property to ensure that an Asbestos Management Plan (AMP) is prepared for the common property. If necessary, plans should be reviewed and revised at least every five years. The maximum penalty for non-compliance is $30,000.

Part 8.2 of the Work Health and Safety Regulation 2011 contains the general duty of Strata Managers or Owners Corporations to ensure that a person working on the common property does not become exposed to airborne asbestos fibres. If the exposure risk cannot be eliminated, it should be minimised so far as is reasonably practical.

MOTION 23	***Annual Fire Safety Statement***	***Ordinary Resolution***

a) **THAT** the current Annual Fire Safety Statement be considered and to confirm the reappointment of the same fire services company for the completion and submission of the next Annual Fire Safety Statement.

b) **THAT** Strata Title Management be authorised to complete, sign and lodge the Annual Fire Safety Statement on behalf of the Owners Corporation in accordance with the Environmental, Planning and Assessment Act 1979 with Council; and be authorised to sign any necessary paperwork and to complete any necessary repairs on behalf of the Owners Corporation in order to satisfy the requirements of Council.

Explanatory Note: In accordance with Schedule 1, Part 2, Clause 6 (c) of the Strata Schemes Management Act 2015, the Owners Corporation must now consider, at each Annual General Meeting, the annual fire safety statement (if one is required for the building) under the Environmental Planning and Assessment Act 1979 and arrangements for obtaining the next annual fire safety statement.

APPOINTMENT OF STRATA MANAGING AGENT

MOTION 24	***Appointment of Strata Managing Agent***	***Ordinary Resolution***

THAT in accordance with Section 52 (1) of the Strata Schemes Management Act 2015 ("**Act**") that:

(a) Strata Title Management Group 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 52 (2) of the Act) and all of the functions of its Chairperson, Secretary, Treasurer and Strata 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 Strata Committee Member be authorised to sign the agreement on behalf of the Owners Corporation under common seal in accordance with Section 273 of the Strata Schemes Management Act 2015;

(d) The delegation is 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: Due to the major strata law reforms (effective from 30 November 2016) which impose new legislative requirements and additional obligations on all Owners Corporations in NSW, Strata Community Australia (SCA), our leading industry body in NSW, has released a new version of their recommended Strata Management Agency Agreement. Furthermore, under the transitional provisions contained within the new Act, agency agreements that have not been renewed for a term extending beyond 31/05/2017 will automatically expire. In order to address this anomaly and the provisions of the new Act, it is proposed that your Owners Corporation enter into a new agency agreement with our office to enable seamless continuation of our management services to your Owners Corporation. The terms and conditions of the new agreement are largely the same as those currently in place – Refer to copy of agreement attached. The annual fee reflects an amount of $199.00 per annum, including GST. Should there be any questions in relation to our proposed reappointment, please do not hesitate to contact our office on 9266 2600.

BUILDING DEFECTS

MOTION 25	Building Defects	Ordinary Resolution

THAT the Owners Corporation considers any building defects at the strata scheme currently under a statutory warranty period under the Home Building Act 1989 and the proposed rectification of those defects.

Explanatory Note: Until the end of warranty periods for applicable statutory warranties under the Home Building Act 1989 for buildings of the strata scheme, the Owners Corporation must now consider an item in relation to building defects and rectification.

REVIEW OF BY-LAWS

MOTION 26	By-Laws	Ordinary Resolution

THAT the Owners Corporation review their existing by-laws in accordance with Schedule 3, Clause 4 of the Strata Schemes Management Act 2015 (NSW).

Explanatory Note: In accordance with Schedule 3, Clause 4 of the Strata Schemes Management Act 2015 (NSW), the Owners Corporation is required to review their existing by-laws prior to end of November 2017 (Copy available for review at the meeting)

MOTION 27	By-Law for Minor Renovations	Special Resolution

A) **THAT** the owners corporation SPECIALLY RESOLVES pursuant to sections 110 and 136 of the *Strata Schemes Management Act 2015* THAT an additional by-law be made, **Special By-Law – Minor Renovations –** on the terms set out below or which are attached to the notice of this meeting and marked **ANNEXURE 'A'**, and that notifications of the by-law be lodged for registration at the Registrar- General's Office.

B) **THAT**, subject to the preceding motion passing, the owners corporation SPECIALLY RESOLVES pursuant to section 106(3) of the *Strata Schemes Management Act 2015* that:

1. it is inappropriate for the owners corporation to maintain, renew, replace or repair any minor renovations carried out in accordance with Special By-Law No. 2 – Minor Renovations; and
2. in the light of the obligations imposed on owners in that by-law to maintain, renew, replace or repair any minor renovations done by them, its decision will not affect the safety of any building, structure or common area in the strata scheme or detract from the appearance of any property in the strata scheme.

Explanatory Note: This motion is to consider passing a new by-law concerning minor renovations within a lot. The new Act will permit an owner of a lot in a strata scheme to carry out work for the purposes of minor renovations to common property in connection with the owner's lot with the approval of the owners corporation given by an ordinary resolution at a general meeting. However if the owners corporation passes this recommended by-law, the strata committee is also able to approve minor renovations thus reducing time and cost for all concerned.

Minor renovations include work for the purposes of renovating a kitchen, changing hard floors, installing wiring and reconfiguring walls. However, minor renovations cannot include work involving structural changes or waterproofing, work that changes the external appearance of a lot or work for which approval is required under planning laws or other legislation.

There are rules that must be followed for minor renovations. These rules apply before, during and after any minor renovations are carried out. Before starting any minor renovations, an owner of a lot must give written notice of any proposed minor renovations to the owners corporation, including details of the minor renovations and of the persons carrying out the work. An owner who obtains approval to carry out minor renovations must ensure that the minor renovations are carried out in a competent and proper manner and that any damage caused to any part of the common property by the minor renovations is repaired.

The proposed by-law (if passed) imposes additional rules and obligations concerning minor renovations to protect the Owners Corporation and therefore STM recommends passing this by-law.

This is a special resolution which requires not more than 25% of financial owners voting at the meeting to vote against the motion, for the motion to pass.

MOTION 28	***By-Law for Proxies***	***Special Resolution***

THAT the owners corporation SPECIALLY RESOLVES pursuant to section 136 of the *Strata Schemes Management Act 2015* THAT an additional by-law be made, **Special By-Law – Proxies** – on the terms set out below or which are attached to the notice of this meeting and marked **ANNEXURE 'B'**, and that notification of the by-law be lodged for registration at the Registrar- General's Office.

Explanatory Note: This motion is to consider passing a new by-law concerning proxies. This by-law sets out rules that must be followed if a person has been given too many proxies i.e. the number of proxy appointment forms held by that person exceeds the total number of proxies that may be held by that person under the new Act.

Under the proposed by-law, if a person has been given a surplus of proxies, the person must make a proxy election. A proxy election is a decision identifying the proxy appointment forms the person will and will not use at any meeting to which those forms are to operate. The proxy election must be communicated by that person to the secretary of the owners corporation (in the case of a large strata scheme) at least 24 hours before the meeting and (in any other case) before the meeting. The proxy election does not have to be communicated by that person to the owners who gave them their proxies unless the owners require the person to do so.

In order to address this anomaly, the proposed by-law will require that, if the person who receives a surplus of proxies and does not make the proxy election within the time required by the by-law, the chairperson of the owners corporation must make the proxy election at the meeting.

Furthermore, the proxy election made by the person who holds a surplus of proxies or the chairperson must give priority to the earliest proxy appointment forms so that those forms are able to be used by the person at the meeting. However, if it is not possible for that person or the chairperson to determine which are the earliest proxy appointment forms, then the proxy election will be able to be made in any manner determined by the person who makes the proxy election. Finally, the by-law requires all owners to take all reasonable steps to ensure that their proxies comply with the by-law.

This is a special resolution which requires not more than 25% of financial owners voting at the meeting to vote against the motion, for the motion to pass.

MOTION 29	***Special By-Law – Lot 55 Renovations***	***Special Resolution***

That The Owners Corporation **SPECIALLY RESOLVES** pursuant to section 141(2)(a) of the *Strata Schemes Management Act* 2015 that the by-laws of the Owners Corporation are amended by the addition of Special By-law No. 47 – Renovations (Lot 55), as below and that the works described as *Works* in that by-law are specifically authorised, with the owners of lot 55 responsible for their ongoing maintenance and repair.

Special By-law 47 — Lot 55 Renovations

47.1 Introduction
This by-law notes that extensive Works have been undertaken on Common Property by the Owner of residential Lot 55, and details the terms and conditions under which authorization has been retrospectively granted, allowing the Owner exclusive use of so much of the Works as comprise part of the Common Property.

47.2 Works specified
The Owner acknowledges that the following Works have been carried out in the Lot:
a) New bi-fold doors fitted to the balcony without structural alteration, the same exterior color as the original sliding doors they replaced;
b) New suspended ceilings in all living areas and bedrooms;
c) Alteration of Fire services at Owner's cost where required;
d) Removal of non-structural walls in the Lot with certification of structural engineer provided, being any or all of the laundry wall, a kitchen wall, a wall to the ensuite doorway and one internal bathroom wall;
e) New kitchen installed including new appliances, plumbing and electrical services in accordance with the attached plans;
f) Two new bathrooms and a new laundry installed, including waterproofing of all floors;
g) New tiled or floating flooring with sound proofing as necessary to comply with the by-laws; and
h) Re-tiling of the balcony involving removal of original tiles, waterproofing and re-tiling.

47.3 Authorisation, Right of Exclusive Use and Responsibility
a) The Owner has a special privilege to keep and maintain the Works.
b) The Owner has a right of exclusive use and enjoyment of so much of the Works that comprise part of the Common Property on the terms and conditions set out in this by-law.
c) The right of exclusive use and enjoyment granted to the Owner is subject to the Owners Corporation being able to obtain access to and the use of any part of that Common Property required for the purposes of fulfilling any obligation which the Owners Corporation may have under the Strata Legislation or any other law.
d) The Owner is responsible at all times for the proper maintenance of, and keeping in a state of good and serviceable repair, the Works and, when necessary, renewing or replacing any part of the Works.

47.4 Terms & Conditions
a) The Owner must make good any damage to another lot or the Common Property caused by the Works no matter when such damage may become evident.
b) The Owner must notify the Owners Corporation when any such damage to another lot or the Common Property caused by the Works has been repaired.
c) The Owner acknowledges that he has complied with all statutes, by-laws, regulations, rules and other laws in force which are applicable to the Works.
d) The Owner indemnifies and keeps indemnified the Owners Corporation against all actions, proceedings, claims, demands, costs, damages and expenses which may be incurred by or brought or made against the Owners Corporation arising out of the Works or the altered state or use of the Common Property.

47.5 Breach of this By-Law
a) If the Owner breaches any condition of this by-law and fails to rectify that breach within 30 days of written notice from the Owners Corporation, then the Owners Corporation may:
i) Rectify any such breach;
ii) Enter on any part of the Common Property or the Lot, by its agents, employees or contractors for the purpose of rectifying any such breach; and
iii) Recover as a debt due from the Owner the costs of the rectification together with the expenses of the Owners Corporation incurred in recovering those costs including legal costs on an indemnity basis.
b) Nothing in this clause restricts the rights of or the remedies available to the Owners Corporation as a consequence of a breach of this by-law.

Explanatory Note: This motion has been requested by the owner of Lot 55 concerning renovations previously completed This is a special resolution which requires not more than 25% of financial owners voting at the meeting to vote against the motion, for the motion to pass.

MOTION 30	Common Property Cleaning Responsibility of Commercial Lots	Ordinary Resolution
That all the restaurant operators and commercial Lot owners (Lots 1, 2, 3, 4, 5, 12 & 21) be informed of their responsibility to comply with Special by-law 42.6 regarding their regular cleaning of the common property beyond their permitted exclusive use areas, and that appropriate action be taken if there is no improvement in cleanliness of the areas within 30 days or if the cleanliness of the area is not regularly maintained.		
Explanatory Note: The common property areas in front of the restaurant exclusive use areas are not kept adequately clean, and so they detract from the quality of our complex as well as surely create a negative impression on restaurant patrons in particular. It is the responsibility not of our cleaner, but of each restaurant operator (and Lot owner) to ensure they keep the area in front of their particular restaurant clean. *Motion Submitted by The Owner of Lot 17*		

MOTION 31	Commercial Insurances	Ordinary Resolution
That all the restaurant operators and commercial Lot owners (Lots 1, 2, 3, 4, 5, 12 & 21) be requested to provide certificates of currency within 30 days for their public liability insurance, showing on which physical areas their policy covers possible claims from injury to patrons, staff or general public. Further, if such information is not received within 30 days, the Strata Manager is authorized to take appropriate action to ensure the Owners Corporation cannot be held liable for any claims resulting from restaurant operators trading on common property.		
Explanatory Note: It has been a contentious issue for some years about exactly who might be liable in the event of injury of restaurant patrons, staff or general public, on areas of common property on which several restaurants continue to illicitly trade. It is not fair for the Owners Corporation to be exposed to possible claims. *Motion Submitted by The Owner of Lot 104*		

MOTION 32	Lot 21 Commercial Rental For Use of Common Property As Agreed at December 2015 EGM	Ordinary Resolution
That the Strata Manager report to the Owners at the AGM on his communications with Mr Tony Tartak, business owner of Opah restaurant (Lot 21), and the Strata Committee's negotiations on Mr Tartak's agreement as noted in the minutes of the EGM of 2 December 2015 that he would pay fair commercial rental from the date of that meeting for his continued use of the common property area adjacent to Lot 21.		
Explanatory Note: The Opah (Lot 21) awning structure was approved in December 2015 on the basis that the Lot 21 restaurant operator agreed to pay fair commercial rental for his use of common property on which he has been seating almost sixty patrons. It has been ascertained that the area is likely to be worth between $20000 and $30000 per annum. A later offer of a one-off payment of $5000 was rejected by the Owners at the 2016 AGM, and the restaurant continues to operate illicitly on our property for which we receive no compensation. *Motion Submitted by The Owner of Lot 104*		

MOTION 33	PRIDE Budget Allocation	Ordinary Resolution
That a budget of $5000 be allocated to PRIDE for the materials in carrying out necessary approved tasks for the betterment of our building.		
Explanatory Note: Motion Submitted by the Owner of Lot 82		

MOTION 34	***PRIDE Working Arrangements***	***Ordinary Resolution***
That the Strata Committee and PRIDE are to work with each other in a harmonious way.		
Explanatory Note: Motion Submitted by the Owner of Lot 82		



Daniel Goodwin

STRATA TITLE MANAGEMENT

Dated: 4th April 2017