

Analysis of Resolutions and Introduction of Motions

Analysis of Resolutions:

*In a letter dated 30 Aug 2021, MCST proposed the resolutions to be introduced at the EOGM on 9 October 2021. I want to re-emphasize, whatever the results achieved at the EOGM, the problem that has existed since 2012 may not end. This is because the SPs of the 14th floor or 15th floor, depending on which party “win” or “lose” could start chapter 2 of the dispute. The MCST will incur more costs (and we as SPs will need to pay for it), and a lot of management time will be devoted to the management of legal matters, instead of being spent on planning for a better future for SPs. I therefore urge all SPs again to decide how **to vote carefully**, evaluating all information they have and voting based on their own conscience. In the meantime, I will give my views on the proposed resolutions.*

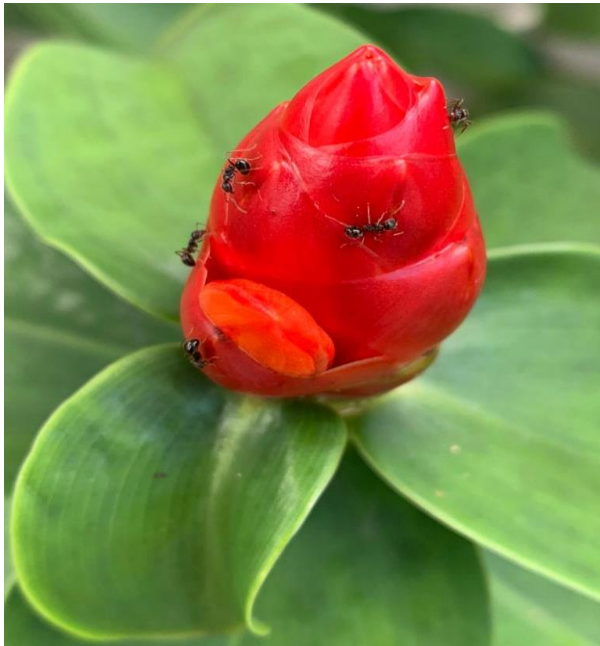


Item2.0: Budget for Legal Services (proposed by MCST):

- Requested budget of \$250,000 is on the low side, my estimate is there is a need for at least \$300,000 (see my calculations in article “Losses to be paid by SPs”).
- On a routine basis, we do not have extra money in the Management fund. There is therefore no possibility of taking this large amount of money from the fund. SPs should question the Council very closely on the source of the funds.

- As explained in the article “A suggest way forward”, the losses have been incurred, because of improper actions of the Councils, past and present. There is no point crying over spilt milk, and I advocate that SPs vote in favour of the resolution, this being the first step in the process to resolve all issues.

Item3.1: Exclusive Use of Certain Common Property (proposed by 14th floor SPs):



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- This resolution is to give exclusive use to 15 listed SPs on the 14th level. These owners were given approval earlier by MCST to construct awnings, despite the fact that the MCST did not have the authority to do so.
- Approving the resolution would be totally unfair to other owners on the 14th floor, as it means one group had approval, and the balance (other 14th floor units not listed) cannot have approval. In addition, many 15th floor SPs are complaining about it. By

introducing this resolution, the affected occupants of the 14th floor are thinking only of themselves. No consideration has been given to other SPs on the 14th floor, as well as the occupants of the 15th floor who made the complaints.

- Adoption of the resolution will not end the current problem. I foresee more legal challenges in the Courts, if the resolution is passed. More litigation means more costs for SPs, since all costs will be bourne by SPs. There is no reason why SPs from the 2nd floor to 13th floor should support this resolution, since supporting it will definitely mean more costs for them.

- Because the resolution is totally unfair, and is almost certainly going to result in additional costs for SPs, I strongly urge all SPs to reject this proposal.

Item 3.2: Budget of \$200,000 (proposed by 14th floor SPs):

- As an SP, I severely object to reimbursement on a “full indemnity basis”. Whilst I advocate reimbursement, it should be made on the basis of original cost LESS an amount for usage, i.e. depreciation.

- Part of the funds requested is “to pay for the MCST’s cost of removing the awnings, etc”. This statement is factually incorrect. The individual SP is required to do the removal, the responsibility cannot be passed on to the MCST.



- This is a very odd proposal. The affected 14th floor units are trying to “budget” MCST funds, i.e. funds belonging to SPs of all other floors, and then eventually pay it to themselves. It is really comical, and I do not see SPs of other units agreeing.
- If compensation to 14th floor SPs is necessary, it is not the business of the affected SPs to persuade SPs from other units to allocate funds. That is the responsibility of the MCST.
- The introduction of this resolution is also misconceived. Under Para 38 (3B) of the BMSMA, a supplementary budget maybe [submitted by the MCST](#) and not by any individual SPs. It contravenes the BMSMA.
- As this resolution contravenes the BMSMA, the Chairman should, under Para 4 of the First Schedule of the BMSMA, declare the motion to be [out of order](#) and direct that no action be taken.

- However, in the event it is put to a vote, SPs should overwhelmingly reject the resolution. Adoption could undermine the efforts of the Council in negotiating for a reasonable settlement with the 14th floor affected units.

Item 3.3: If resolutions 3.1 and 3.2 are not passed (proposed by 14th floor SPs):



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- Again, this resolution is misconceived. It contravenes the BMSMA. The Chairman should declare the resolution to be **out of order**, under Para 4 of the First Schedule of the BMSMA, and direct that no action be taken.
- However, in the event it is put to a vote, SPs should overwhelmingly reject the resolution. Adoption could undermine the efforts of the Council in negotiating for a reasonable settlement with the 14th floor affected units.

Item 4.0: Budget for Removal (submitted by MCST):

- Whilst compensation is necessary, trying to establish a budget at this early stage is unwise. We frankly have no idea how much it will cost.
- However, it is my opinion that \$100,000 is very much on the low side.
- I suggest that the MCST begin negotiations with individual SPs on the compensation payable, tabulate what it considers reasonable, and present it to SPs at the next AGM for approval, at which time a supplementary budget should be proposed.

Motions introduced:

Mr. Victor Lee has written to the MCST to introduce the following Motions, in an attempt to put an end to “the unending problems”, so that the Council can spend time on matters that are more meaningful and helpful to SPs:

1. That this meeting prohibits the council from continuing the established practice of nominating council members and/or persons known to them, as persons to receive proxies for use at an AGM or EOGM. That the meeting also prohibits staff from soliciting proxies for allocation to persons nominated by Council, staff are to inform all SPs, if they are approached, that they are



prohibited from making a recommendation. Henceforth, the Council and staff shall act in a completely neutral manner, serving all SPs equally.

2. That this meeting notes with alarm the totally untrue statements made in MCST’s letter to SPs dated 10 Aug 2021. The meeting requests the MCST to be much more careful when communicating with SPs in future.

3. That this meeting directs the council to study the background of MAs and recommend an MA for appointment at the next AGM, the appointment to be made on a full appointment basis with the proviso that the MA selected shall be required to continue the employment of existing staff. The MA selected must be accredited to The Association of Property and Facility Managers or the Association of Strata Managers, both of which are recognized by BCA.

4. That this meeting directs the council to prepare a 90% resolution, which must be vetted by an MA, that will enable owners of all units to continue to

retain their existing gates, shoe racks, and air con compressors (15th floor only) as well as enabling other owners to install them, including awnings for 14th floor, based on a standard design. That the new resolution to be tabled at the next AGM or, if that is not possible, at a new EOGM be called, as soon as the 90% resolution has been prepared and the standard design finalized.

5. That this meeting authorizes the MCST to negotiate with a Bank for loans, to be secured on our assets in the sinking fund, to fund the legal fees, cost awards and compensation for the 14th floor SPs. The Meeting further authorizes the MCST to allocate all funds received from SPs to the Management fund, from where amounts shall be utilized to repay the Bank loans on a quarterly basis. *NOTE: This will ensure that SPs do not have to be assessed a large amount to pay for the losses. It also means that our funds in the sinking fund will not be increased in the next few quarters, till the Bank loans have been repaid in full.*

6. That this meeting notes the adverse remarks of the Strata Titles Board (STB 87 of 2019) and the High Court (TA 18 of 2020). The current Council of the MCST accepts responsibility for the criticisms and as a consequence,



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will not accept offers for reappointment to the new Council at the next AGM.

***Note:** Under Section 12 (3) of the First Schedule of the BMSMA, motions introduced after the publication of the agenda for the EOGM need not be included in the agenda for the EOGM, but can be held over to the next general meeting, i.e. at the next AGM. However, the Chairman has discretion. I urge the Chairman to exercise his discretion and allow the above items to be discussed at the EOGM, as several of the items moved are made as a directly result of the*

Agenda items of the EOGM. It is necessary for BP to resolve all issues, and move on, and devote our time to work on items which will enhance the estate for SPs. At the EOGM, all SPs are urged to speak up and urge the Chairman to exercise his discretion, in order to resolve the problem at the same meeting, instead of piecemeal action and, after leaving the meeting, hear of adverse news again . If a large number of SPs do speak up, it will be very difficult for the Chairman to deny the requests from SPs.