

**Notice of passage of termination plan resolution***Body Corporate and Community Management Act 1997, section 81F*

This form is effective from 1 May 2024

IMPORTANT PLEASE READ

Please ensure that you carefully consider the contents of this form

Why are you receiving this form?

You are receiving this form because you are an interested party for a community titles scheme that has recently passed a **termination plan resolution**, as part of a process for possible termination of the scheme for economic reasons.

What is termination for economic reasons?

Termination for economic reasons is a process allowing a body corporate to sell the scheme and all its lots (75% of all lot owners must vote in favour) in accordance with a **termination plan**.

What is a termination plan resolution?

The termination plan resolution authorises the body corporate to prepare a termination plan for the process. The termination plan will include a range of information about termination, including how assets and liabilities of the body corporate and proceeds of the sale of the community titles scheme would be distributed for each lot, and how the interests of a lessee that will extend past the proposed sale of the scheme would be compensated by the lessor.

Key things to know about the process:

The body corporate must **first** have passed an **economic reasons resolution** (by majority resolution) that there are economic reasons for termination, before passing a **termination plan resolution**. This decision about economic reasons must be based on independently sourced expert information in a **pre-termination report**.

Economic reasons for termination are:

- if all of the lots included in the scheme are used for a commercial purpose—that it is not economically viable for the scheme to continue
- or-
- that it is not, or will not be (within 5 years), economically viable for the body corporate for the scheme to carry out repairs and maintenance to any property or assets the body corporate must maintain in good or structurally sound condition.

You are strongly advised to seek legal advice if you have concerns about the body corporate's decision to pass an **economic reasons resolution** or a **termination plan resolution**.

If you are an owner of a lot, there is an **objection period** of 90 days after this notice of passage of termination plan resolution is given, during which you can apply for an order of a specialist adjudicator if you consider the economic reasons resolution should not have been passed. See below for further information on disputing an economic reasons resolution.

Section 1 – Relevant person or entity details

Name:

Address:

Locality / Suburb: State: Postcode:

Lot on plan description:

Section 2 – Scheme details

Name:

Community titles scheme (CTS) number:

Address:

Locality / Suburb: State: **QLD** Postcode:

Plan description:

Section 3 – Date of resolution

Date of termination plan resolution:

Section 4 – Required notice

The body corporate for the community titles scheme described in section 2 hereby advises that within the last 14 days the owners of the scheme considered and passed a **termination plan resolution**.

Guide to completing and understanding the passage of termination plan resolution form

The contents of this guide are designed to assist in the completion and understanding of the passage of termination plan resolution form (BCCM form 29). Please read this guide carefully. The section number of the guide corresponds to the section numbering in the form.

Section 1 Relevant person or entity details	Relevant person means the following— <ul style="list-style-type: none">(a) each owner of a lot included in the scheme(b) each person whose leasehold interest in a lot, or other scheme land, is created by a lease or sublease for a term of 6 months or more(c) each person who is a registered mortgagee of a lot included in the scheme(d) the caretaking service contractor for the scheme(e) the letting agent for the scheme.
Section 2 Scheme details	In this section, please include: <ul style="list-style-type: none">(a) the name of your body corporate scheme and its community titles scheme (CTS) number (for example, Seaview CTS 1234)(b) the physical / street address of the scheme (please do not include a PO Box address or the address of the appointed body corporate manager (BCM))(c) the plan number of the scheme.
Section 3 Date of resolution	Within 14 days after passing a termination plan resolution, a body corporate must give a relevant person written notice, in the approved form, advising the person that the resolution was passed.
Section 4 Required notice	<p>The <i>Body Corporate and Community Management Act 1997</i> provides that the following are economic reasons for termination of a community titles scheme—</p> <ul style="list-style-type: none">(a) if all of the lots included in the scheme are used for a commercial purpose—that it is not economically viable for the scheme to continue;(b) that, on the day a pre-termination report is given to lot owners, or within 5 years from that day, it is not, or will not be, economically viable for the body corporate for the scheme to carry out repairs and maintenance to any property or assets the body corporate must maintain in good or structurally sound condition. <p>Section 4 provides for a written notice advising that the body corporate scheme outlined in section 2 has passed a termination plan resolution. No additional information needs to be included in this section.</p>

Other matters the recipient should note

Disputing the outcome of an economic reasons resolution

The *Body Corporate and Community Management Act 1997*, section 81G, provides that if a community titles scheme considered a motion to pass an economic reasons resolution and—

- (a) if the resolution was passed—an owner of a lot (an *aggrieved party*) included in the scheme considers the resolution should not have been passed; or
- (b) if the resolution was not passed—the body corporate or an owner of a lot (each also an *aggrieved party*) included in the scheme considers the resolution should have been passed,

an aggrieved party may, within the objection period, apply under chapter 6 for an order of a specialist adjudicator to resolve the dispute.

Objection period means—

- for a person mentioned in paragraph (a) above—the period of 90 days starting on the day the aggrieved party is given *this* notice of passage of a *termination plan* resolution; or
- for a person mentioned in paragraph (b) above—the period of 90 days starting on the day the motion for the *economic reasons* resolution was considered by the body corporate.

If an application is made for specialist adjudication, the body corporate that passed the resolution must not, before the dispute is resolved, consider a motion to pass a termination resolution.

If more than 1 application for specialist adjudication is made about the same motion to pass an economic reasons resolution, the Commissioner for Body Corporate and Community Management may recommend the applications be consolidated into 1 proceeding.

The body corporate must pay the amount for the adjudication.

Further assistance

For general information related to the body corporate legislation contact the Office of the Commissioner for Body Corporate and Community Management's information service on free-call 1800 060 119 or visit www.qld.gov.au/bodycorporate.

For land titles enquiries, including information on the community management statement, registrations and plans, contact Titles Queensland by visiting www.titlesqld.com.au.

Queensland Law Society provides a free referral service to help members of the public find a licensed solicitor that can assist them with legal advice—visit www.qls.com.au or phone 1300 367 757.

Disclaimer

The laws referred to in this guide are complex and various qualifications may apply in different circumstances. The information in this document does not constitute legal advice. You are encouraged to obtain independent legal advice if you are unsure of how these laws apply to your situation.