

### **31. Termination of scheme by order of District Court**

- (1) The District Court may, on an application by the strata company or by a proprietor or a registered mortgagee of a lot within a scheme, make an order terminating the scheme.
- (2) An insurer who has effected insurance on the building (other than a building on a lot in a survey-strata scheme), or any part of the building, against damage to or destruction of the building has the right to appear, in person or by counsel, on an application to the District Court under this section.
- (3) An order made under this section shall include directions for or with respect to the following matters —
  - (a) the sale or disposition of any property of the strata company;
  - (b) the discharge of the liabilities of the strata company;
  - (c) the persons liable to contribute moneys required for the discharge of the liabilities of the strata company and the proportionate liability of each such person;
  - (d) the distribution of the assets of the strata company and the proportionate entitlement of each person under that distribution;
  - (e) the administration, powers, authorities, duties and functions of the strata company;
  - (f) the voting power at meetings of the strata company of persons referred to in paragraph (c) or (d);
  - (g) any matter in respect of which it is, in the opinion of the District Court, just and equitable, in the circumstances of the case, to make provision in the order; and
  - (h) the winding up of the strata company (including the appointment, powers, authorities, duties and functions of any person to carry out the winding up).
- (4) An order made under this section may include a direction that money received by the strata company from an insurer of the building shall be paid directly to a mortgagee of a lot.
- (5) The District Court may from time to time amend any order made under this section.
- (6) Where the District Court is of the opinion that an order should not be made under this section —
  - (a) it may, upon application made by any person entitled to appear and be heard on the hearing of the application made under subsection (1) or of its own motion, direct that the application be treated as an application for an order under section 28; and
  - (b) where it makes such a direction —
    - (i) the application the subject of the direction shall be deemed to be an application made under section 28 by a person entitled to make the application; and
    - (ii) the applicant under subsection (1), as well as any other person entitled to appear and be heard under section 28, is entitled to appear and be heard on the hearing of the application.

- (7) On any application under this section, the District Court may make such order for the payment of costs as it thinks fit.
- (8) Upon the making of an order under this section terminating a scheme, the strata company shall immediately lodge a copy of the order with the Registrar of Titles.
- (9) Upon receipt of the copy of the order terminating a scheme, the Registrar of Titles shall make an entry on the relevant registered strata/survey-strata plan and, where applicable, on the relevant certificates of title in the manner prescribed.
- (10) On the making of an entry under subsection (9) —
  - (a) in the case of a strata scheme, subsections (2) to (5) of section 30 apply; and
  - (b) in the case of common property in a survey-strata scheme, subsections (4) and (5) of section 30A apply,

as if the scheme had been terminated by unanimous resolution under section 30(1) or 30A(1) as the case may require.

*[Section 31 amended by No. 58 of 1995 s. 35, 93(1)<sup>5</sup> and 96.]*