

TERMINATION OF SERVICE AGREEMENT – CONDOMINIUM MANAGEMENT

Purpose: To explain the termination requirements that must be part of a service agreement and the minimum steps that must be followed when a condominium management service agreement terminates.

This Information Bulletin applies when a service agreement between a condominium corporation and a condominium management brokerage is being terminated. It does not matter if the termination is the natural expiry of the service agreement or if either the condominium corporation or the brokerage has initiated the termination process.

Condominium corporation funds

The condominium management brokerage must, as soon as possible, but no later than 30 days of the termination date:

- transfer control of the condominium corporation's money to the condominium corporation, or as directed:
 - a. disburse the funds to the condominium corporation; or
 - b. if the condominium corporation engages another brokerage to provide condominium management services, transfer the funds to the other brokerage.

Brokerages are expected to transfer the majority of the condominium corporation's funds within 7-10 days of termination. The brokerage may retain sufficient funds to pay outstanding invoices related to expenses on behalf of the condominium corporation incurred before the termination of the service agreement. A brokerage should be prepared to meet these timelines as the termination would have typically been subject to 30-90 notice leading up to the termination date.

Property and documents

The brokerage must return, at no charge, all property and documents belonging to the condominium corporation. The brokerage is required to keep copies of all documents related to their providing condominium management services to the condominium corporation for the last three years of their management services.

The brokerage cannot charge the corporation for the copying or scanning of documents they are required to maintain.

Related Information

[RECA Rules - Rule 110.29](#)

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