



**GARANTIE**  
CONSTRUCTION RÉSIDENTIELLE

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# GUARANTEE CONTRACT BUILDINGS NOT HELD IN DIVIDED CO-OWNERSHIP

## SIGNED BETWEEN

### CONTRACTOR

Legal name: \_\_\_\_\_

Business name: \_\_\_\_\_

Régie du bâtiment du Québec licence holder: # \_\_\_\_\_ GCR accreditation no.: \_\_\_\_\_

Address: \_\_\_\_\_ Apartment no.: \_\_\_\_\_

City: \_\_\_\_\_ Province: \_\_\_\_\_ Postal code: \_\_\_\_\_

Email: \_\_\_\_\_

### AND BENEFICIARY(IES)

1 Name of beneficiary: \_\_\_\_\_

Email:\* \_\_\_\_\_

Address: \_\_\_\_\_ Apartment no.: \_\_\_\_\_

City: \_\_\_\_\_ Province: \_\_\_\_\_ Postal code: \_\_\_\_\_

2 Name of beneficiary: \_\_\_\_\_

Email:\* \_\_\_\_\_

Address: \_\_\_\_\_ Apartment no.: \_\_\_\_\_

City: \_\_\_\_\_ Province: \_\_\_\_\_ Postal code: \_\_\_\_\_

\* By entering your email address above, you agree to receive useful communications regarding your coverage from Garantie de construction résidentielle (GCR); no promotional emails will be sent to you.

## BUILDING IDENTIFIED

Address: \_\_\_\_\_

City: \_\_\_\_\_ Province: \_\_\_\_\_ Postal code: \_\_\_\_\_

Land known and described as being lot number: \_\_\_\_\_ Cadastre of: \_\_\_\_\_

Number of preliminary contract or business contract: \_\_\_\_\_

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## Section 1. PREAMBLE

Subject to the conditions and exclusions contained herein, the Guarantee plan of Garantie de construction résidentielle (GCR) guarantees the performance by the Contractor of their legal and contractual obligations resulting from this Guarantee contract entered into with the Beneficiary.

This Guarantee contract shall be determined in accordance with the provisions of the *Regulation respecting the guarantee plan for new residential buildings* adopted by the *Régie du bâtiment du Québec* (order 841-98, June 17, 1998) and effective January 1, 1999, as amended from time to time.

**This Guarantee contract has been approved by the Régie du bâtiment du Québec on July 3, 2014 (resolution 2014-237-8-1011). This Guarantee contract constitutes a mandatory guarantee plan under the Regulation respecting the guarantee plan for new residential buildings, CQLR, c. B-1.1, r. 8 (hereinafter referred to as the "Regulation").**

## Section 2. DEFINITIONS

For the purpose of this Guarantee contract, its schedules and any ancillary documents, unless otherwise indicated by the context, the following terms will be defined as follows:

**2.1 "Advance payment"** means any payment made in advance by the Beneficiary or on their behalf and applied in whole to the Covered contract. Without limiting the generality of the foregoing, any payment made by anyone in favour of the Contractor but that does not stem directly from the Covered contract is expressly excluded from this definition;

**2.2 "Administrator"** means Garantie de construction résidentielle (GCR), a non profit corporate body duly incorporated under Part III of the *Companies Act* (CQLR, c. C-38.) and duly authorized to administer a guarantee plan designated by the *Régie du bâtiment du Québec*;

**2.3 "Building"** means the building itself, including the installations and equipment necessary for its use, namely: artesian well, connections to municipal and government services, the septic tank and its absorption field, and the subsoil drain;

**2.4 "Beneficiary"** means a person, a company, an association, a non profit organization or a cooperative having initially entered into a contract with the Contractor for the purchase or the construction of the Building. Where applicable, also includes any subsequent buyer of the Building for the remaining term of the guarantees;

**2.5 "Covered contract"** means the contract of sale or the business contract for a new residential building concluded between the Contractor and the Beneficiary as it may be amended in writing by the parties from time to time, including to provide for any change to the work set out in the original contract;

**2.6 "Guarantee contract"** means this Guarantee contract;

**2.7 "Declaration of pre-acceptance"** means the form prescribed by the Administrator, completed by the Contractor and the Beneficiary at the time of the inspection prior to acceptance, which identifies precisely and in detail the work to be completed or the poor workmanship to be corrected, if applicable. When this Declaration of pre-acceptance is signed by the Beneficiary in the Declaration of acceptance section, the Beneficiary shall be deemed to have reported unfinished work or defects under the Guarantee of completion provided for in 8.2 and the Guarantee against poor workmanship provided for in 9.1 after the Acceptance of the building;

**2.8 "Reasonable period"** means a period allowing the Contractor and the Administrator to inspect, as the case may be, poor workmanship, hidden defects, building defects or soil defects affecting the Building in the event that notice of any such defects is given. A period of no more than six (6) months is generally deemed reasonable, except in some circumstances;

**2.9 "Contractor"** means a person who holds a general contractor's licence authorizing them to carry out or have carried out for a Beneficiary, in whole or in part, the construction of a new residential building referred to in section 3 of this Guarantee contract;

**2.10 "End of the work"** means the date on which the work agreed upon in writing between the Contractor and the Beneficiary, and related to the Building, is completed and the Building is ready to be used for its intended purpose;

**2.11 "Advance payment guarantee"** means the guarantee set out in section 7 of this Guarantee contract;

**2.12 "Guarantee of completion"** means the guarantee set out in section 8 of this Guarantee contract;

**2.13 "Guarantee against poor workmanship"** means the guarantee set out in section 9 of this Guarantee contract;

**2.14 "Guarantee against hidden defects"** means the guarantee set out in section 10 of this Guarantee contract;

**2.15 "Guarantee against building defects"** means the guarantee set out in section 11 of this Guarantee contract;

**2.16 "Guarantee against soil defects"** means the guarantee set out in section 12 of this Guarantee contract;

**2.17 "Guarantee for the relocation, moving and storage"** means the guarantee set out in section 13 of this Guarantee contract;

**2.18 "Poor workmanship"** means any work that is poorly done or not carried out properly

according to applicable norms (standards).

These norms are laid out in the terms of the contract and defined as per trade practice. The defects in question are minor defects that do not have an impact on the solidity of the building and that, as the case may be:

**2.18.1** are existing and visible at the time of Acceptance of the building; or

**2.18.2** are existing and not visible at the time of Acceptance of the building;

**2.19 "Completion of the work"** means the completion of the work related to the Building, as provided in writing in the Covered contract;

**2.20 "Acceptance of the building"** means the moment when the Beneficiary declares that they accept from the Contractor, with or without reservations, the Building that is ready to be used for its intended purpose. Acceptance occurs at the earliest of the following times:

**2.20.1** the date on which the Beneficiary takes possession of the Building; or

**2.20.2** the date of the signature of the Declaration of acceptance section in the Declaration of pre-acceptance;

**2.21 "Claim"** means the procedure for the implementation of the guarantees covered in section 17 of this Guarantee contract;

**2.22 "Régie"** means the *Régie du bâtiment du Québec* constituted under the *Building Act* (CQLR, c. B-1.1);

**2.23 "Building defect"** means a defect in the design, construction or completion of the Building that causes or could cause the partial or total loss of the Building;

**2.24 "Soil defect"** means a defect related to the soil composition, soil instability or important lateral soil movements that cause or could cause the partial or total loss of the Building;

**2.25 "Hidden defect"** means a defect rendering the Building uninhabitable or significantly reducing its usefulness, and that exists at the time of Acceptance but is unknown to the Beneficiary and could not be observed by a cautious buyer without the help of an expert.

## Section 3. BUILDINGS COVERED

**3.1** The guarantee provided by this Guarantee contract covers only the new Buildings mentioned below, if they are intended mainly for residential purposes and not held in divided co-ownership by the Beneficiary of the guarantee:

**3.1.1** A detached, semi-detached or row-type single-family dwelling;

**3.1.2** A multifamily Building comprising two (2) to five (5) units.

**3.2** The guarantees provided by this Guarantee contract also cover a Building referred to in subsection 3.1 above that is acquired from a trustee, a municipality or a mortgage lender by a Contractor.

## Section 4. INTENDED USE OF A BUILDING

The intended use of a building is established on the date of conclusion of a Covered contract and is presumed valid for the term of the guarantee. The guarantee applies to the entire Building.

## Section 5. INSPECTION PRIOR TO ACCEPTANCE AND DECLARATION OF PRE-ACCEPTANCE

**5.1** The Building covered by this Guarantee contract shall be the subject of an inspection prior to acceptance—that is, an inspection prior to Acceptance of the building.

**5.2** Any inspection prior to acceptance shall be carried out jointly by the Contractor and the Beneficiary using the pre-established Inspection prior to acceptance list provided by the Administrator based on the covered building type. For this inspection, the Beneficiary may be assisted by a person of their choice.

**5.3** During this inspection, the Beneficiary and the Contractor identify the work to be completed and the defects and apparent poor workmanship to be corrected. The Beneficiary and the Contractor agree during the inspection on a period that may not exceed six (6) months for the performance of the completion or corrective work.

**5.4** The findings of this inspection prior to acceptance and the agreement for the completion work as well as the correction of defects and apparent poor workmanship, if applicable, is recorded in the Declaration of pre-acceptance, which is signed by the Contractor and the Beneficiary in the Declaration of acceptance section to serve as a declaration of defects or poor workmanship for the purposes of the guarantees set out in subsections 8.2 and 9.1 of this Guarantee contract.

**5.5** If there is no known Beneficiary at the end of the work, the inspection must be deferred.

## Section 6. GUARANTEES PROVIDED BY THIS GUARANTEE CONTRACT

**6.1** Subject to the limitations, restrictions and exclusions contained in this Guarantee contract, the following guarantees apply to the Covered contract:

**6.1.1** Advance payment guarantee

**6.1.2** Guarantee of completion

**6.1.3** Guarantee against poor workmanship

**6.1.4** Guarantee against hidden defects

- 6.1.5 Guarantee against building defects
- 6.1.6 Guarantee against soil defects
- 6.1.7 Guarantee for relocation, moving and storage

## **Section 7. ADVANCE PAYMENT GUARANTEE**

7.1 Subject to the limitations and exclusions contained herein, the Administrator undertakes to reimburse the Beneficiary for the Advance payments paid to the Contractor where the Contractor fails to fulfill their contractual and legal obligations, prior to Acceptance of the building, as a result of their bankruptcy, insolvency, termination for cause of the Covered contract or, in the case of a business contract, fraud by the Contractor, provided there is no unjustified profit.

## **Section 8. GUARANTEE OF COMPLETION**

8.1 Subject to the limitations and exclusions contained herein, the Administrator undertakes, in favour of the Beneficiary and provided the Beneficiary does not profit unjustly, to complete the work agreed to in writing in the Covered contract in the event of the Contractor's failure to comply with their contractual and legal obligations prior to Acceptance of the building as a result of their bankruptcy, insolvency, termination for cause of the Covered contract or fraud by the Contractor, but, in the case of a contract of sale, on the condition that the Beneficiary holds the property ri.

8.2 Subject to the limitations and exclusions contained herein, the Administrator undertakes, in favour of the Beneficiary, in the event of the Contractor's failure to comply with their contractual and legal obligations after Acceptance of the building, to complete the work reported in the Declaration of pre-acceptance at the time of Acceptance of the Building or, so long as the Beneficiary has not moved in, within three (3) days following Acceptance.

8.3 In the event where, contrary to subsection 8.2, no Declaration of pre-acceptance has been filled out by the Beneficiary and the Contractor in accordance with subsection 5.4, the Beneficiary may still benefit from the guarantee referred to in subsection 8.2 provided that notice of the work to be completed was otherwise given in writing to the Contractor at the time of Acceptance of the building or, so long as the Beneficiary has not moved in, within three (3) days following Acceptance.

8.4 Subject to the limitations and exclusions contained herein, the Administrator undertakes, in favour of the Beneficiary, to restore the building and repair any material damage caused by the Completion of the work under the guarantee set out in subsection 8.2 of this Guarantee contract.

## **Section 9. GUARANTEE AGAINST POOR WORKMANSHIP**

9.1 Subject to the limitations and exclusions contained herein, the Administrator undertakes, in favour of the Beneficiary, in the event of the Contractor's failure to comply with their contractual and legal obligations, to repair apparent poor workmanship reported by the Beneficiary in the Declaration of pre-acceptance at the time of Acceptance of the building or, so long as the Beneficiary has not moved in, within three (3) days following Acceptance.

9.2 In the event where, contrary to subsection 9.1, no Declaration of pre-acceptance has been filled out by the Beneficiary and the Contractor in accordance with subsection 5.4, the Beneficiary may still benefit from the guarantee referred to in subsection 9.1 provided that the apparent poor workmanship was otherwise reported in writing to the Contractor at the time of Acceptance of the building or, so long as the Beneficiary has not moved in, within three (3) days following Acceptance.

9.3 Subject to the limitations contained herein, the Administrator undertakes, in favour of the Beneficiary, in the event of the Contractor's failure to comply with their contractual and legal obligations, to repair the existing non-apparent poor workmanship affecting the Building at the time of Acceptance of the building, and discovered within the first year after Acceptance of the building provided that such poor workmanship is reported in writing to the Contractor and the Administrator within a reasonable time after their discovery.

9.4 Subject to the limitations and exclusions contained herein, the Administrator undertakes in favour of the Beneficiary to restore the Building and repair any material damage caused by the corrective work under the guarantee provided for in subsections 9.1 and 9.3.

## **Section 10. GUARANTEE AGAINST HIDDEN DEFECTS**

10.1 Subject to the limitations and exclusions contained herein, the Administrator undertakes, in favour of the Beneficiary, in the event of the Contractor's failure to comply with their contractual and legal obligations, to repair hidden defects affecting the Building discovered within three (3) years of Acceptance of the building provided that notice of such defects is given in writing to the Contractor and the Administrator within a reasonable time after their discovery or occurrence or, when the defect appears gradually, on the day the Beneficiary could have suspected the seriousness and extent of the defect.

10.2 Subject to the limitations and exclusions contained herein, the Administrator undertakes in favour of the Beneficiary to restore the Building and repair any material damage caused by the corrective work under the guarantee provided for in subsection 10.1.

## **Section 11. GUARANTEE AGAINST BUILDING DEFECTS**

11.1 Subject to the limitations and exclusions contained herein, the Administrator undertakes, in favour of the Beneficiary, in the event of the Contractor's failure to comply with their contractual and legal obligations, to repair building defects affecting the Building discovered within five (5) years of Completion of the work provided that notice of such defects is given in writing to the Contractor and the Administrator within a reasonable time after their discovery or occurrence or, in the case of gradual defects or vices, after their first significant manifestation.

11.2 Subject to the limitations and exclusions contained herein, the Administrator undertakes in favour of the Beneficiary to restore the Building and repair any material damage caused by the corrective work under the guarantee provided for in subsection 11.1.

## **Section 12. GUARANTEE AGAINST SOIL DEFECTS**

12.1 Subject to the limitations and exclusions contained herein, the Administrator undertakes, in favour of the Beneficiary, in the event of the Contractor's failure to comply with their contractual and legal obligations, to repair soil defects affecting the Building discovered within five (5) years of Completion of the work provided that notice of such defects is given in writing to the Contractor and the Administrator within a reasonable time after their discovery or occurrence or, in the case of gradual defects or vices, after their first significant manifestation.

12.2 Subject to the limitations and exclusions contained herein, the Administrator undertakes in favour of the Beneficiary to restore the Building and repair any material damage caused by the corrective work under the guarantee provided for in subsection 12.1.

## **Section 13. GUARANTEE FOR RELOCATION, MOVING AND STORAGE**

13.1 Subject to the limitations and exclusions contained herein, the Administrator undertakes, in favour of the Beneficiary, in the event of the Contractor's failure to comply with their contractual and legal obligations, to reimburse reasonable relocation, moving and storage expenses to the Beneficiary in either one of the following cases:

- 13.1.1 (i) the Beneficiary cannot, for reasons other than force majeure or their own actions or inaction, accept the Building on the date agreed in the Covered contract with the Contractor unless Advance payments are reimbursed or (ii) the Beneficiary cannot receive the Building on the date agreed with the Contractor to allow the Administrator to complete the work on the Building; or
- 13.1.2 The Building is no longer inhabitable after Acceptance of the building as the Contractor or the Administrator is enforcing one of the following guarantees from this Guarantee contract: Guarantee of completion, Guarantee against poor workmanship, Guarantee against hidden defects, Guarantee against building defects or Guarantee against soil defects.

## **Section 14. TRANSFERABLE GUARANTEE**

The guarantee of this Guarantee contract benefits any subsequent buyer for the remaining term of the guarantee.

## **Section 15. LIMITS OF THE GUARANTEES**

15.1 Notwithstanding any provision to the contrary, the guarantees of a detached, semi-detached or row-type single-family dwelling not held in divided co-ownership are limited per address to:

- 15.1.1 For advance payments, \$50,000;
- 15.1.2 For coverage for relocation, moving and storage of the Beneficiary's property, upon the presentation of vouchers and provided that no unjustified profit for the Beneficiary results therefrom, \$6,000 as follows:
  - 15.1.2.1 Reimbursement of reasonable costs incurred for moving and storage;
  - 15.1.2.2 Reimbursement of reasonable actual costs incurred for relocation, including meals and accommodation, without exceeding, on a daily basis:
    - For one (1) person ..... \$95
    - For two (2) people ..... \$125
    - For three (3) people ..... \$160
    - For four (4) people or more ..... \$190

15.1.3 For the Completion of the work and the repair of poor workmanship, hidden defects, building defects and soil defects, the amount entered in the Covered contract, without ever exceeding \$300,000;

15.1.4 For coverage for the obligation to supply water, both in quantity and quality, in the event that repairs are impossible, the amount of the damages suffered by the Beneficiary, without ever exceeding the amount specified in paragraph 15.1.3; coverage applies in the case of a business contract, provided that the obligation is included in the contract.

**15.2** The guarantee for a multifamily Building not held in divided co-ownership is limited to:

- 15.2.1** For advance payments, \$50,000 per Building;
- 15.2.2** For coverage for relocation, moving and storage of the Beneficiary's property, upon the presentation of vouchers and provided that no unjustified profit for the Beneficiary results therefrom, \$6,000 per building, as follows:
  - 15.2.2.1** Reimbursement of reasonable costs incurred for moving and storage;
  - 15.2.2.2** Reimbursement of reasonable costs incurred for relocation including meals and accommodations without exceeding, on a daily basis:
    - For one (1) person.....\$95
    - For two (2) people.....\$125
    - For three (3) people.....\$160
    - For four (4) people or more.....\$190
- 15.2.3** For Completion of work and repair of poor workmanship, hidden defects, building defects or soil defects, the lesser of the following:
  - 15.2.3.1** The amount entered in the Covered contract;
  - 15.2.3.2** An amount equal to \$200,000 multiplied by the number of dwelling units contained in the Building;
- 15.2.4** For coverage for the obligation to supply water, both in quantity and quality, in the event that repairs are impossible, the amount of the damages suffered by the Beneficiary, without ever exceeding the lesser of the two amounts mentioned in subparagraphs 15.2.3.1 and 15.2.3.2 of this document; coverage applies in the case of a contract provided that the obligation is included in the contract.

**15.3** The guarantee of a plan applies to a Building that has no Beneficiary at the end of the work, provided that Acceptance of the building occurs within twenty-four (24) months after the end of the work.

The Guarantee against building defects and the Guarantee against soil defects are nevertheless limited to the remaining term of the guarantee.

The Guarantee of completion after Acceptance of the building does not apply, however, if the Beneficiary and the Contractor agree that the Building is sold in the state of completion it has attained at the date of the Covered contract.

## **Section 16. EXCLUSIONS FROM THE GUARANTEES**

**16.1** The guarantees exclude:

- 16.1.1** repairs to defects in the materials and equipment supplied and installed by the Beneficiary;
- 16.1.2** repairs made necessary by normal behaviour of materials, such as cracks or shrinkage, except if the Contractor failed to comply with trade practice or a Building standard in effect;
- 16.1.3** repairs made necessary by a fault of the Beneficiary such as inadequate maintenance or misuse of the Building, as well as alterations, deletions or additions made by the Beneficiary or a third party on behalf of the Beneficiary outside the scope of a covered contract;
- 16.1.4** deterioration brought about by normal wear and tear;
- 16.1.5** the obligation to relocate, move and store the Beneficiary's property and repairs made necessary following an event of force majeure, such as an earthquake, a flood, exceptional climatic conditions, a strike or a lockout, except if the Contractor failed to comply with trade practice or a Building standard in effect;
- 16.1.6** repairs to damage resulting from the Contractor's extra-contractual civil liability;
- 16.1.7** repairs to damage resulting from contaminated soil, including replacement of the soil itself;
- 16.1.8** the obligation of a public utility to supply the Building with natural gas or electricity;
- 16.1.9** parking areas or storage rooms located outside the Building containing the dwelling units, and any works outside the Building such as swimming pools, earthwork, sidewalks, driveways or surface water drainage systems, except the negative slope of the land;
- 16.1.10** the promises of a seller concerning costs for use or energy consumption of appliances, systems or equipment included in the construction of a Building;
- 16.1.11** claims from the persons who contributed to the construction of the Building.

**16.2** In the event that the Beneficiary provided the land, any soil defect is also excluded from the guarantees.

**16.3** Any building defect or soil defect resulting from an error in the studies or plans of the architect or engineer chosen by the Beneficiary is also excluded from the guarantees.

**16.4** The Administrator cannot be held responsible for the deterioration of a defect if notice of the defect has not been given to the Administrator in the time required by this Guarantee contract and if a rapid response by the Administrator or the Contractor could have prevented or limited the said deterioration.

## **Section 17. CLAIM**

**17.1** A Beneficiary who wishes to avail themselves of the Guarantee for relocation, moving and storage referred to in paragraph 13.1.1, must, no later than six (6) months after Acceptance of the building, submit a Claim in writing, along with vouchers, to the Contractor and the Administrator. If the Claim has not been settled within fifteen (15) days after it has been sent, the Beneficiary shall give written notice to the Administrator, who must decide the claim within thirty (30) days following receipt of the notice.

**17.2** A Beneficiary who wishes to avail themselves of the Advance payment guarantee referred to in subsection 7.1, or the Guarantee of completion referred to in subsection 8.1, shall submit a Claim in writing to the Contractor and the Administrator. The procedure described in paragraphs 17.4.1 to 17.4.5 applies, adapted as required.

For the purpose of this subsection, the Beneficiary must pay the Administrator a processing fee of one hundred dollars (\$100), which will be reimbursed only if the ruling is in their favour, in whole or in part, or if the parties reach an agreement.

**17.3** Unless notice of the work to be completed and the apparent poor workmanship has already been given in writing, a Beneficiary who wishes to avail themselves of the Guarantee of completion referred to in subsection 8.2 or the Guarantee against poor workmanship referred to in subsection 9.1, shall send a written Claim to the Contractor and the Administrator within a reasonable time after one of the following:

- 17.3.1** the deadline for completion of the work and corrective work on poor workmanship agreed upon with the Contractor in accordance with subsection 5.4;
- 17.3.2** the date of Acceptance of the building.

The procedure described in paragraphs 17.4.2 to 17.4.5 applies, adapted as required. For the purpose of this subsection, the Beneficiary must pay the Administrator a processing fee of one hundred dollars (\$100), which will be reimbursed only if the ruling is in their favour, in whole or in part, or if the parties reach an agreement.

**17.4** Unless a written notice has already been given, in accordance with subsections 9.3, 10.1, 11.1, 12.1 and paragraph 13.1.2, when required, and excluding the Claims referred to in subsections 17.1 to 17.3 above, a Beneficiary who wishes to avail themselves of the Guarantee against poor workmanship, the Guarantee against hidden defects, the Guarantee against building defects, the Guarantee against soil defects or the Guarantee for relocation, moving and storage must follow this Claim procedure:

- 17.4.1** At least fifteen (15) days after notice by the Beneficiary has been sent, the Beneficiary shall notify the Administrator in writing if they are dissatisfied with the intervention of the Contractor or if the latter has failed to intervene. The Beneficiary shall pay the Administrator a processing fee of one hundred dollars (\$100), which will be reimbursed only if the ruling is in their favour, in whole or in part, or if the parties reach an agreement;
- 17.4.2** Within fifteen (15) days after receipt of the notice prescribed in paragraph 17.4.1, the Administrator shall ask the Contractor to intervene and to inform them, within fifteen (15) days, of the measures they intend to take to remedy the problem reported by the Beneficiary;
- 17.4.3** Within fifteen (15) days after the expiry of the period granted to the Contractor in paragraph 17.4.2, the Administrator shall carry out an inspection on the premises;
- 17.4.4** Within thirty (30) days following the inspection, the Administrator shall file a detailed written report stating whether or not the matter has been settled and send a copy by registered mail to the parties concerned. If the thirty-day (30-day) period cannot be complied with for valid reasons, the Administrator must so inform the Beneficiary, the Contractor and the Régie in writing; the Administrator shall also provide reasons for the delay and indicate when the decision will be rendered. If the claim has not been settled, the Administrator shall decide the Claim and order, as applicable, the contractor to reimburse to the beneficiary the cost of necessary and urgent conservatory repairs, or to complete or correct the work within the reasonable period agreed upon with the beneficiary;
- 17.4.5** Where the Contractor fails to reimburse the Beneficiary or to complete or correct the work and there is no recourse to mediation or the decision of the Administrator is not contested in arbitration by one of the parties, the Administrator shall, within fifteen (15) days after the expiry of the period agreed upon with the Beneficiary under paragraph 17.4.4, make the reimbursement or take charge of completing or correcting the work, agree to a time for doing so with the Beneficiary and undertake, if applicable, the preparation of corrective specifications and a call for tenders, choose



Contractors and supervise the work. Within thirty (30) days following the expiry of the time agreed upon with the Beneficiary under paragraph 17.4.4, the Administrator shall communicate to the Beneficiary in writing the planned schedule of the various steps to be carried out to ensure that the corrective work is performed.

**17.5** If the Administrator establishes an electronic system for Claims, a Claim related to either one of the guarantees may be made using the system.

**17.6** Subject to subsection 17.7, the Beneficiary's failure to give notice in writing or to respect the period prescribed to file a Claim referred to in this subsection for any of the guarantees results in the loss of the Beneficiary's right to file a Claim.

In such cases, the Administrator does not accept liability for any of those defects. The Beneficiary retains their rights and recourse against the Contractor to the extent permitted by law.

**17.7** Failure by the Beneficiary to file a Claim in timely fashion cannot be set up against the Beneficiary if the Contractor or Administrator fails to perform the obligations under subsections 5.1, 5.2, 5.3, 17.1, 17.2, 17.3, 17.4, 18.1, 18.2, 22.2, 22.3 and 22.5 of this Guarantee contract, unless the Contractor or Administrator shows that such failure had no incidence on the non-compliance or that the time for filing the Claim has been expired for more than one year.

Non-compliance with a period cannot be set up against the Beneficiary if the circumstances make it possible to establish that the Beneficiary was made to exceed the period following representations by the Contractor or the Administrator.

**17.8** Where the Administrator intervenes to complete or correct work related to a Building, the Beneficiary shall have any sum still owing kept by their financial institution or pay such sum into a trust account with an advocate, a notary or the Administrator for the final payment of the work that will be carried out by the Administrator to complete or correct the work provided for in the Covered contract or the additional work provided for in any written agreement entered into with the Contractor.

#### **Section 18. DECISION BY THE ADMINISTRATOR**

**18.1** The Administrator's decision pertaining to a Claim by a Beneficiary shall be in writing and give reasons thereof.

**18.2** The Administrator's decision pertaining to a Claim shall contain the following:

- mention that it is the Administrator's decision;
- the name of the Beneficiary and the Contractor;
- the address of the Building concerned;
- the date of each inspection, if applicable;
- the date of the decision;
- the remedies and time limits prescribed by the Regulation;
- the names and addresses of the arbitration bodies authorized by the Régie as well as those of the Ministère du Travail so that the list of accredited mediators may be obtained by the Beneficiary.

#### **Section 19. REMEDY**

**19.1** A Beneficiary or Contractor dissatisfied with the Administrator's decision can resort to mediation or arbitration or both consecutively, as set out below.

#### **Section 20. MEDIATION**

**20.1** The Beneficiary and the Contractor can, by mutual agreement, within thirty (30) days of receipt by registered mail of the Administrator's decision concerning a Claim, agree to resort to mediation to attempt to reach an agreement on their dispute.

**20.2** The parties jointly agree on the mediator designated to carry out the mediation, chosen from the list of mediators authorized by the Ministère du Travail, available on the following websites:

**20.2.1** Ministère du Travail: [www.travail.gouv.qc.ca](http://www.travail.gouv.qc.ca);

**20.2.2** Régie du bâtiment du Québec: [www.rbq.gouv.qc.ca](http://www.rbq.gouv.qc.ca).

**20.3** Any agreement that settles the dispute in part or in whole shall be put in writing, signed by the mediator, the Beneficiary and the Contractor and be binding on both parties and the Administrator. The mediator shall forward a copy of the agreement to the Administrator and to the Ministère du Travail, as soon as it is signed, by registered mail.

**20.4** The Administrator may take part in the mediation. In such a case, the agreement shall also be signed by the Administrator to bind them and the mediator shall forward a copy of the agreement to the Minister, as soon as it is signed, by registered mail.

**20.5** The costs for mediation shall be shared equally by the Contractor and the Beneficiary, except if they both agree otherwise. Notwithstanding the preceding, the Administrator shall pay for a third of the costs when they take part in the mediation.

**20.6** Unless the Beneficiary, the Contractor and, if applicable, the Administrator agree to it, nothing that was said or written during a mediation session is admissible as evidence; a mediator may not divulge what was disclosed to them or what they became aware of while carrying out their duty or present personal notes or a document made or obtained during mediation before a court or a body or person carrying out judicial or quasi-judicial duties.

**20.7** If the mediator becomes unable to act, they shall be replaced according to the procedure followed for their appointment.

**20.8** An agreement may not depart from the provisions of the Regulation.

#### **Section 21. ARBITRATION**

**21.1** A Beneficiary or Contractor dissatisfied with a decision made by the Administrator shall, for the guarantee to apply, submit the dispute to arbitration within thirty (30) days of receipt by registered mail of the Administrator's decision, or if the parties resorted to the mediation process provided for in subsection 20.1, within thirty (30) days of receipt by registered mail of the notice of the mediator confirming the partial or total failure of mediation.

**21.2** An application for arbitration shall be sent within the period prescribed in subsection 21.1 to an arbitration body authorized by the Régie du bâtiment du Québec. The body shall appoint an arbitrator from a list of persons drawn up by it beforehand and sent to the Régie du bâtiment du Québec.

**21.3** The Beneficiary, the Contractor and the Administrator are bound by the arbitration's decision as soon as it is rendered by the arbitrator.

**21.4** The arbitration's decision is final and not subject to appeal.

**21.5** Arbitration fees are shared equally between the Administrator and the Contractor where the latter is the plaintiff. Where the plaintiff is the Beneficiary, the costs are borne by the Administrator unless the Beneficiary fails to obtain a favourable decision on any of the elements of their Claim, in which case the arbitrator shall split the costs. Only the arbitration body is empowered to draw up an account of arbitration fees for payment thereof.

**21.6** Where applicable, the arbitrator shall decide on the amount of reasonable fees for a relevant expert's report that the Administrator must reimburse to the Beneficiary when the latter wins in whole or in part. The arbitrator shall decide, if applicable, the amount of reasonable fees for a relevant expert's report that the Administrator and Contractor must jointly reimburse to the Beneficiary even when the latter is not the applicant.

**21.7** Expenses incurred by the Beneficiary, Contractor and Administrator for the arbitration shall be borne by each of them.

#### **Section 22. VARIOUS CONDITIONS**

**22.1** Upon receipt of the Building registration application or as soon as the Beneficiary is known, the Administrator shall send to the Beneficiary the explanatory document prepared by the Régie on the application of the Regulation.

**22.2** The Contractor's signature shall be affixed on the last page of the copies of the Guarantee contract following all the stipulations.

**22.3** The Contractor's signature binds the Administrator.

**22.4** The Contractor undertakes to:

**22.4.1** where applicable, take all necessary measures to ensure the preservation of the Building or to reimburse the Beneficiary where the latter was forced to take such measures urgently;

**22.4.2** carry out an inspection prior to Acceptance with the Beneficiary, using the Declaration of pre-acceptance provided by the Administrator, and to send the findings thereof to the Administrator;

**22.4.3** give notice to the Administrator of the end of the work where the Beneficiary is unknown and notify thereof the future buyer at the time of the conclusion of the Covered contract.

**22.5** The Contractor shall give a copy of the duly signed Guarantee contract to the Beneficiary and send a copy thereof to the Administrator.

**22.6** Any provision of this Guarantee contract that is irreconcilable with the Regulation is invalid.

**22.7** The Beneficiary may not, by special agreement, waive the rights granted to them by the Regulation.

**22.8** The Beneficiary is required to perform their obligations set forth in this Guarantee contract only from the time they are in possession of a copy of the duly signed Guarantee contract.

**22.9** An Administrator who compensates a Beneficiary under this Guarantee contract is subrogated in their rights up to and including the sums they have paid.

I (We) acknowledge having read, understood and agreed to each and every one of the terms and conditions written on both sides of this Guarantee contract, and I (we) undertake to comply with them. I (We) also confirm having received a copy of the Guarantee contract.

**With my signature, I solemnly declare that I have read and understood this Guarantee contract, and fully subscribe to it.**

Signed at \_\_\_\_\_, on \_\_\_\_\_  
City Date

## CONTRACTOR

Legal name: \_\_\_\_\_

Business name: \_\_\_\_\_

Name (please print) (Duly authorized representative): \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ Postal code: \_\_\_\_\_

Office phone: \_\_\_\_\_ Ext.: \_\_\_\_\_

Email: \_\_\_\_\_

**SIGNATURE OF DULY AUTHORIZED REPRESENTATIVE: X** \_\_\_\_\_

## BENEFICIARY(IES)

**1** Name (please print): \_\_\_\_\_

Email: \_\_\_\_\_ Date of birth: \_\_\_\_\_

Address: \_\_\_\_\_ Apartment no.: \_\_\_\_\_

City: \_\_\_\_\_ Province: \_\_\_\_\_ Postal code: \_\_\_\_\_

Phone: \_\_\_\_\_ Office phone: \_\_\_\_\_ Ext.: \_\_\_\_\_

**SIGNATURE OF BENEFICIARY 1: X** \_\_\_\_\_

**2** Name (please print): \_\_\_\_\_

Email: \_\_\_\_\_ Date of birth: \_\_\_\_\_

Address: \_\_\_\_\_ Apartment no.: \_\_\_\_\_

City: \_\_\_\_\_ Province: \_\_\_\_\_ Postal code: \_\_\_\_\_

Phone: \_\_\_\_\_ Office phone: \_\_\_\_\_ Ext.: \_\_\_\_\_

**SIGNATURE OF BENEFICIARY 2: X** \_\_\_\_\_

The contractor accredited by GCR is responsible for registering your building. You can, however, send us copies of your documents at any time if you want to make sure that we have them on file and that your building is duly registered. You can email your documents to [enregistrement@garantiegr.com](mailto:enregistrement@garantiegr.com).