

GUARANTEE CONTRACT BUILDINGS HELD IN DIVIDED CO-OWNERSHIP

ENTERED INTO BETWEEN

CONTRACTOR

Legal name: _____
Business name: _____
Régie du bâtiment du Québec licence holder: # _____ GCR accreditation: # _____
Address: _____
City: _____ Province: _____ Postal code: _____
Email: _____

AND BENEFICIARY(IES)

1 Name of beneficiary: _____
Email*: _____
Address: _____
City: _____ Province: _____ Postal code: _____

2 Name of beneficiary: _____
Email*: _____
Address: _____
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 email will be sent to you.

PROPERTY CONCERNED

Address: _____
City: _____ Province: _____ Postal code: _____
Land known and designated as lot number: # _____ Land registry: _____
Number of preliminary contract or business contract: _____

Section 1. PREAMBLE

Subject to the conditions and exclusions contained herein, the Guarantee plan of *Garantie de construction résidentielle (GCR)* the Contractor's fulfilment of their legal and contractual obligations in respect to this Guarantee Contract in favour of the Beneficiary. This Guarantee Contract is established in accordance with the Regulation respecting the guarantee plan for new residential buildings adopted by the *Régie du bâtiment du Québec* (O.C. 841-98, June 17, 1998) and in force on January 1st, 1999, as amended from time to time.

The *Régie du bâtiment du Québec* approved the contents of this Guarantee Contract in its original French version as of July 3, 2014 (Resolution 2014-237-8-1011). This Guarantee Contract constitutes a "Compulsory Guarantee Plan" under the Regulation respecting the guarantee plan for new residential buildings, CQLR c. B-1.1, r. 8 (hereinafter the "Regulation"). The Contractor and the Beneficiary (Beneficiaries) expressly agree to use the English version of this Guarantee Contract.

Article 2. DEFINITIONS

The following words and expressions, when used in this Guarantee contract, its schedules and any ancillary document, have, unless the context otherwise indicates, the following meanings:

2.1 "Advance payment": Any advance payment by the Beneficiary or made on their behalf applied in whole or in part to the price of the Covered Contract. Without limiting the generality of the foregoing, any payment made by anyone in favour of the Contractor that does not arise directly from the Covered Contract is explicitly excluded from this definition

2.2 "Administrator": The *Garantie de construction résidentielle (GCR)*, a not-for-profit corporate body duly incorporated under Part III of the Companies Act (RLRQ, c. C-38.) and duly authorized to administer a guarantee plan designated by the *Régie du bâtiment du Québec*;

2.3 "End of Work Notification": In the process of Acceptance of the Common Portions of a Building Held in Divided Co-Ownership, the notice sent by the Contractor to each Beneficiary and to the Syndicate of Co-Owners informing them of the End of Work and of their obligations following Acceptance of the Common Portions. This notice may also prescribe the detail work remaining to be completed.

2.4 "Building": The Building itself, including the installations and equipment necessary for its use, namely the artesian well, connections with municipal or government services, a septic tank and its absorption field and the subsoil drain.

2.5 "Beneficiary": The person, partnership, association, non-profit organization or cooperative that initially entered into a contract with the Contractor to purchase or construct the Building and, in the case of the Common Portions of a Building Held in Divided Co-ownership, the Syndicate of Co-owners. Where applicable, also includes any subsequent purchaser of the building for the remaining Guarantee term.

2.6 "Covered Contract": The contract of sale or contract of enterprise for a new residential Building concluded between the Contractor and the Beneficiary as amended in writing by the parties from time to time, particularly to specify any modification of work envisioned in the initial contract.

2.7 "Guarantee Contract": This Guarantee Contract.

2.8 "Statement of Pre-Acceptance": Form prescribed by the Administrator that is completed by the Contractor and the Beneficiary during the Pre-Acceptance Inspection of the Private Portions and Common Portions and that provides precise and detailed descriptions of work to be completed or Apparent Poor Workmanship to be corrected, where relevant. If this Statement of Pre-Acceptance has been signed by the Beneficiary in the Statement of Acceptance section, it constitutes notice for purposes of the Completion Guarantee provided in Subsection 8.2 and the Guarantee Against Poor Workmanship provided in Subsection 9.1, following Acceptance of the Building.

2.9 "Reasonable Time": Period of time enabling the Contractor and the Administrator to take note of any Poor Workmanship, Latent Defects, Construction Defects or Soil Defects affecting the Building in cases in which notice is given. Generally, a Reasonable Time will not exceed six (6) months, except in special circumstances.

2.10 "Contractor": A person holding a General Contractor's licence permitting them to perform or order the performance of the construction work for a Beneficiary on all or part of a new residential building contemplated in Section 3 of this Guarantee Contract.

2.11 "End of Work on the Common Portions": Date on which all the Contractor's work on the Common Portions agreed in writing with the Beneficiary has been completed and the Building is fit for the use for which it is intended

2.12 "End of Work on the Private Portions": Date on which all the Contractor's work on the Private Portion agreed in writing with the Beneficiary has been completed or, failing this, no later than the date of the End of Work on the Common Portions.

2.13 "Advance payment Guarantee": The guarantee mentioned in Section 7 of this Guarantee Contract.

2.14 "Completion Guarantee": The guarantee mentioned in Section 8 of this Guarantee Contract.

2.15 "Guarantee Against Poor Workmanship": The guarantee mentioned in Section 9 of this Guarantee Contract.

2.16 "Guarantee Against Latent Defects": The guarantee mentioned in Section 10 of this Guarantee Contract.

2.17 "Guarantee Against Construction Defects": The guarantee mentioned in Section 11 of this Guarantee Contract.

2.18 "Guarantee Against Soil Defects": The guarantee mentioned in Section 12 of this Guarantee Contract.

2.19 "Guarantee of Relocation, Moving and Storage": The guarantee mentioned in Section 13 of this Guarantee Contract.

2.20 "Poor Workmanship": Poorly performed or poorly executed work in terms of applicable standards.

Such standards are defined in the contract conditions or industry best practices. These standards pertain to minor defects that have no impact on the building's integrity and:

2.20.1 exist and are apparent at the time of Acceptance of the Building; or

2.20.2 exist but are not apparent at the time of Acceptance of the Building.

2.21 "Completion of the Work": Completion of work on the Building that had been agreed in writing in the Covered Contract and that had not been completed.

2.22 "Common Portions": Those portions of the Building listed in the constituting act of co-ownership or, in the absence of specific provisions in that act, the ground, yards, verandas or balconies, parks and gardens, access ways, stairways and elevators, passageways and halls, common service areas, parking and storage areas, basements, foundations and main walls of buildings, and common equipment and apparatus, such as the central heating and air-conditioning systems and the piping and wiring, including what crosses Private Portions.

2.23 "Private Portion(s)": Those portion(s) of a Building Held in Divided Co-Ownership owned and used exclusively by specified Co-Owners

2.24 "Building Professional": An architect, an engineer or a technologist belonging to a professional order and trained in the fields of engineering or construction.

2.25 "Acceptance of the Private Portion": Time at which the Beneficiary states that they accept from the Contractor, with or without reservations, the Private Portion that is fit for the use for which it is intended. This occurs at the earlier of the following:

2.25.1 The date on which the Beneficiary takes possession of the Private Portion; or

2.25.2 The date on which the Beneficiary signs the Statement of Pre-Acceptance in the Statement of Acceptance section.

2.26 "Acceptance of the Common Portions": Time at which the Building Professional selected by the Syndicate of Co-Owners sends a copy of the Statement of Pre-Acceptance giving the date of the End of Work on the Common Portions subject to, as applicable, detail work to be completed as they indicate. This statement shall be made following receipt of the End of Work Notice sent by the Contractor to each known Beneficiary and to the Syndicate of Co-Owners, if the latter has been created and is no longer under the Contractor's control. In the case of a co-ownership in phases, the Acceptance and the Statement take place at the end of work on each of the buildings. The Acceptance of the Common Portions is deemed to have taken place within six (6) months after the receipt of the End of Work Notice if the following conditions have been met:

2.26.1 The work is completed;

2.26.2 The Syndicate has been formed and is no longer under the Contractor's control;

2.26.3 The End of Work Notice sent by the Contractor to the Syndicate, when the Syndicate was no longer under the Contractor's control, informed the Syndicate of the End of Work and of its Acceptance obligations;

2.26.4 Six (6) months have passed since the Syndicate's receipt of this notice and the latter, without reason, has not proceeded with the Acceptance of the Common Portions.

2.27 "Claim": Guarantee implementation procedure contemplated in Section 17 of this Guarantee Contract.

2.28 "Régie": The *Régie du Bâtiment du Québec* constituted under the Building Act (CQLR c. B-1.1).

2.29 "Construction Defect": A defect in the Building's design, construction or production that causes or may cause partial or total loss of the Building.

2.30 "Soil Defect": Defect pertaining to the soil's composition, instability or significant lateral movement that causes or may cause partial or total loss of the Building.

2.31 "Latent Defect": Defect rendering the Building unfit for habitation or substantially reducing its usefulness, that exists but that is unknown to the Beneficiary at the time of Acceptance of the Building and that could not be detected by a prudent and diligent purchaser without the need to resort to an expert.

Section 3. SUBJECT BUILDINGS

3.1 The guarantees provided under this Guarantee Contract only cover the new Buildings mentioned below, when they are intended primarily for residential purposes and are Held in Divided Co-Ownership by the guarantee's Beneficiary

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

3.1.2 a multifamily building comprising no more than four (4) private portions stacked one above the other without taking into account, in calculating those four (4) portions, the private spaces used for parking or storage.

3.2 The guarantees provided under this Guarantee Contract also cover the Building mentioned in the foregoing Subsection 3.1, purchased by a Contractor from a syndic, municipality or mortgage lender.

Section 4. PURPOSE OF THE BUILDING

The purpose of the building is determined on the date the Covered Contract is formed. This purpose is presumed to apply throughout the entire guarantee period and the guarantee applies to the entire Building.

Section 5. PRE-ACCEPTANCE INSPECTION AND STATEMENT OF PRE-ACCEPTANCE

5.1 The Building covered by this Guarantee Contract shall be the subject of a Pre-Acceptance Inspection or, in other words, an inspection prior to the Acceptance of the Private Portions and the Acceptance of the Common Portions.

PRIVATE PORTION

5.2 All Pre-Acceptance Inspections of a Private Portion shall be conducted jointly by the Contractor and the Beneficiary, using the Pre-Acceptance Inspection Checklist provided by the Administrator according to the type of subject Building. The Beneficiary may be accompanied by a person of their choice during this inspection.

5.3 During the Pre-Acceptance Inspection provided in Subsection 5.2, the Beneficiary and the Contractor shall identify any work to be completed and any Apparent Defects and Poor Workmanship to be corrected.

The Beneficiary and the Contractor shall agree during this inspection to a deadline of no more than six (6) months to perform the completion and corrective work.

5.4 The results of this Pre-Acceptance Inspection and the agreement to complete the work and correct Apparent Defects and Poor Workmanship, if applicable, shall be recorded in the Statement of Pre-Acceptance, which shall be signed by the Contractor and the Beneficiary in the Statement of Acceptance section, constituting notice for the purposes of the guarantees provided in Subsections 8.2 and 9.1 of this Guarantee Contract.

5.5 If there is no known Beneficiary at the End of Work on a Private Portion, the inspection shall be postponed.

COMMON PORTIONS

5.6 The Contractor shall send an End of Work Notice to each known Beneficiary and to the Syndicate of Co-Owners, when the latter has been formed and is no longer under the Contractor's control.

5.7 All Pre-Acceptance Inspections of the Common Portions shall be conducted jointly by the Contractor, the Building Professional selected by the Syndicate of Co-Owners, and the Syndicate of Co-Owners, using the Pre-Acceptance Inspection Checklist provided by the Administrator according to the type of subject Building.

5.8 During the inspection provided in Subsection 5.7, the Contractor, the Building Professional and the Syndicate of Co-Owners shall identify any work to be completed and any Apparent Poor Workmanship to be corrected. The Contractor and the Syndicate of Co-Owners shall agree during this inspection to a deadline of no more than six (6) months to perform the completion and corrective work.

5.9 The results of the Pre-Acceptance Inspection and the agreement to complete the work and correct Apparent Poor Workmanship, where relevant, shall be recorded by the Contractor and the Syndicate of Co-Owners in the Statement of Pre-Acceptance, which shall be signed by the Contractor and the Syndicate of Co-Owners in the Statement of Acceptance section constituting notice for purposes of the guarantees provided in Subsections 8.3 and 9.1 of this Guarantee Contract, a copy of which shall be sent to all known Beneficiaries

Section 6. GUARANTEES OFFERED UNDER THIS GUARANTEE CONTRACT

6.1 Subject to the limitations, restrictions and exclusions contained herein, the following guarantees shall apply to the Covered Contract:

- 6.1.1** Advance Payment Guarantee;
- 6.1.2** Completion Guarantee;
- 6.1.3** Guarantee Against Poor Workmanship;
- 6.1.4** Guarantee Against Latent Defects;
- 6.1.5** Guarantee Against Construction Defects;
- 6.1.6** Guarantee Against Soil Defects;
- 6.1.7** Guarantee of Relocation, Moving and Storage.

6.2 For application of the guarantees provided in Sections 6 to 13, the term "Acceptance of the Building" includes Acceptance of the Private Portion and Acceptance of the Common Portions, so that each guarantee applies independently to the Private Portion and to the Common Portions.

Section 7. ADVANCE PAYMENT GUARANTEE

7.1 Subject to the limits and exclusions contained herein, the Administrator undertakes to reimburse to the Beneficiary the Advance payment paid to the Contractor if the Contractor fails to fulfill their contractual and legal obligations prior to Acceptance of the Building, particularly resulting in their bankruptcy, insolvency, termination of the Covered Contract for cause or due to fraud by the Contractor, but in the case of a contract of enterprise, on the condition no unjustified profit for the Beneficiary results therefrom

Section 8. COMPLETION GUARANTEE

8.1 Subject to the limits and exclusions contained herein, the Administrator undertakes to the Beneficiary, on the condition no unjustified profit for the Beneficiary results therefrom, to complete the work agreed in writing in the Covered Contract if the Contractor fails to meet their contractual and legal obligations prior to Acceptance of the Building, particularly resulting in their bankruptcy, insolvency, termination of the Covered Contract for cause or due to fraud by the Contractor, but, in the case of a contract of sale, provided that the Beneficiary holds title to the property.

8.2 Subject to the limits and exclusions contained herein, the Administrator undertakes to the Beneficiary, if the Contractor fails to meet their contractual and legal obligations following Acceptance of the Building, to complete the work for which notice was given:

- 8.2.1** by the Building Professional in the Statement of Pre-Acceptance upon Acceptance of the Common Portions;
- 8.2.2** by the Beneficiary in the Statement of Pre-Acceptance upon Acceptance of the Private Portion or, if the Beneficiary has not moved in, within three (3) days of that date.

8.3 If, contrary to Subsection 8.2, no Statement of Pre-Acceptance is completed pursuant to Subsection 5.4 or Subsection 5.9, the Beneficiary may still benefit from the guarantee provided in Subsection 8.2 on condition that notice of the work to be completed has been provided in writing in another form to the Contractor at the time of Acceptance of the Building or, if the Beneficiary has not moved in, within three (3) days of that date.

8.4 Subject to the limits and exclusions contained herein, the Administrator undertakes to the Beneficiary to restore the Building and repair any physical damage caused by Completion of the Work in application of the guarantee provided in Subsection 8.2 of this Guarantee Contract.

Section 9. GUARANTEE AGAINST POOR WORKMANSHIP

9.1 Subject to the limits and exclusions contained herein, the Administrator undertakes to the Beneficiary, if the Contractor fails to meet their contractual and legal obligations,

to repair the Apparent Poor Workmanship for which notice was given by the Beneficiary in the Statement of Pre-Acceptance following Acceptance of the Building or, if the Beneficiary has not moved in, within three (3) days of that date.

9.2 If, contrary to Subsection 9.1, a Statement of Pre-Acceptance is not completed pursuant to Subsection 5.4 or Subsection 5.9, the Beneficiary may still benefit from the guarantee provided in Subsection 9.1 on condition that notice of the Apparent Poor Workmanship has been provided in writing in another form to the Contractor at the time of Acceptance of the Building or, if the Beneficiary has not moved in, within three (3) days of that date.

9.3 Subject to the limits contained herein, the Administrator undertakes to the Beneficiary, if the Contractor fails to meet their contractual and legal obligations, to repair the existing and unapparent Poor Workmanship affecting the Building at the time of Acceptance of the Building and discovered in the first year following Acceptance of the Building provided that such Poor Workmanship is notified in writing to the Contractor and the Administrator within a Reasonable Time of its discovery.

9.4 Subject to the limits and exclusions contained herein, the Administrator undertakes to the Beneficiary to restore the Building and repair any physical damage caused by the corrective work pursuant to the guarantee provided in Subsections 9.1 and 9.3.

Section 10. GUARANTEE AGAINST LATENT DEFECTS

10.1 Subject to the limits and exclusions contained herein, the Administrator undertakes to the Beneficiary, if the Contractor fails to meet their contractual and legal obligations, to repair the Latent Defects affecting the Building discovered within three (3) years following Acceptance of the Building, on condition that notice of such defects is provided in writing to the Contractor and the Administrator within a Reasonable Time of their discovery or occurrence or, if the defect appears gradually, within a Reasonable Time of the date the Beneficiary could have suspected its seriousness and scope.

10.2 Subject to the limits and exclusions contained herein, the Administrator undertakes to the Beneficiary to restore the Building and repair any physical damage caused by the corrective work pursuant to the guarantee provided in Subsection 10.1.

Section 11. GUARANTEE AGAINST CONSTRUCTION DEFECTS

11.1 Subject to the limits and exclusions contained herein, the Administrator undertakes to the Beneficiary, if the Contractor fails to meet their contractual and legal obligations, to repair the Construction Defects affecting the Building discovered within five (5) years of the End of Work on the Common Portions or, if there are no Common Portions that are part of the Building, of the Private Portion, on condition that notice of such defects is provided in writing to the Contractor and the Administrator within a Reasonable Time of their discovery or occurrence, or, in the case of gradual defects or losses, within a Reasonable Time of their first significant appearance

11.2 Subject to the limits and exclusions contained herein, the Administrator undertakes to the Beneficiary to restore the Building and repair any physical damage caused by the corrective work pursuant to the guarantee provided in Subsection 11.1.

Section 12. GUARANTEE AGAINST SOIL DEFECTS

12.1 Subject to the limits and exclusions contained herein, the Administrator undertakes to the Beneficiary, if the Contractor fails to meet their contractual and legal obligations, to repair the Soil Defects affecting the Building discovered within five (5) years of the End of Work on the Common Portions or, if there are no Common Portions in the Building, of the Private Portion, on condition that notice of such defects is provided in writing to the Contractor and the Administrator within a Reasonable Time of their discovery or occurrence, or, in the case of gradual defects or losses, within a Reasonable Time of their first significant appearance

12.2 Subject to the limits and exclusions contained herein, the Administrator undertakes to the Beneficiary to restore the Building and repair any physical damage caused by the corrective work pursuant to the guarantee provided in Subsection 12.1.

Section 13. GUARANTEE OF RELOCATION, MOVING AND STORAGE

13.1 Subject to the limits and exclusions contained herein, the Administrator undertakes to the Beneficiary, if the Contractor fails to meet their contractual and legal obligations, to reimburse the Beneficiary for reasonable costs of relocation, moving and storage of their property in either of the following cases:

13.1.1 (i) The Beneficiary cannot, due to causes other than force majeure or their own action or inaction, take Acceptance of the Building on the date agreed in the Covered Contract with the Contractor unless the Advance payment are reimbursed or (ii) the Beneficiary cannot take Acceptance of the Building on the date agreed with the Contractor, to permit the Administrator to complete the Building;

13.1.2 The Building is no longer inhabitable after the Acceptance of the building as the Contractor or the Administrator is enforcing either of the following, 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

This Guarantee may be transferred to any subsequent purchaser for its remaining term.

Article 15. LIMITS OF THE GUARANTEES

15.1 Notwithstanding any provision to the contrary, guarantees of a detached, semi-detached or row-type single-family dwelling Held in Divided Co-Ownership are limited to the following amounts:

15.1.1 For Advance payment, \$50,000 per fraction set out in the Declaration of Co-Ownership;

15.1.2 For coverage regarding relocation, moving and storage of Beneficiary's property, upon submission of vouchers and provided that no unjustified profit for the Beneficiary results therefrom, \$6,000,000 per fraction set out in the Declaration of Co-Ownership, namely:

15.1.2.1 Reimbursement of the actual reasonable cost incurred for moving and storage;

15.1.2.2 Reimbursement of the actual reasonable cost incurred for relocation, including room and board, 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 Completion of the Work and the repair of Poor Workmanship, Latent Defects, Building Defects and Soil Defects, the amount of the Covered Contract without exceeding a limit of \$300,000 per housing unit and \$3,000,000 for all housing units set out in the Declaration of Co-ownership, on the condition that said units include the Common Portions of the Building;

15.1.4 For coverage of the obligation to supply water in adequate quality and quantity, and in the event that repairs are impossible, the amount of damages suffered by the Beneficiary without ever exceeding the lesser of the two amounts mentioned in the foregoing Subsection 15.1.3; in the case of a contract of enterprise, this coverage only applies if explicitly stated therein.

15.2 The guarantee for a multi-family Building Held in Divided Co-Ownership is limited to the following amounts:

15.2.1 For Advance payment, \$50,000 per fraction provided in the Declaration of Co-ownership;

15.2.2 For coverage regarding relocation, moving and storage of Beneficiary's property, upon submission of vouchers and provided that no unjustified profit for the Beneficiary results therefrom, \$6,000,000 per fraction set out in the Declaration of Co-Ownership, namely:

15.2.2.1 Reimbursement of the actual reasonable cost incurred for moving and storage;

15.2.2.2 Reimbursement of the actual reasonable cost incurred for relocation, including room and board, 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 the Work and the repair of Poor Workmanship, Latent Defects, Building Defects and Soil Defects, the lesser of the following two amounts:

15.2.3.1 The total amount of the purchase price of the fractions of the Building or the amount recorded in the contract of enterprise;

15.2.3.2 An amount equal to \$200,000 multiplied by the number of Private Portions in the Building, without exceeding \$3,000,000 per Building;

15.2.4 For coverage of the obligation to supply water in adequate quality and quantity and in the event that repairs are impossible, the amount of damages suffered by the Beneficiary without ever exceeding the amounts provided in Subparagraphs 15.2.3.1 and 15.2.3.2 herein; in the case of a contract of enterprise, this coverage only applies if explicitly stated therein.

15.3 The guarantee of a plan applies to a Private Portion that has no Beneficiary at the End of Work on the Common Portions, provided that Acceptance of the Building takes place within twenty-four (24) months following said End of Work.

The Guarantee Against Construction Defects and the Guarantee Against Soil Defects are, however, limited to the Guarantee's remaining term.

The Completion Guarantee following Acceptance of the Private Portion does not apply, however, if the Beneficiary and the Contractor agree that the Private Portion shall be sold in the state of completion in which it is found at the date of the Covered Contract.

Section 16. EXCLUSIONS FROM THE GUARANTEES

16.1 The following are excluded from the guarantees:

16.1.1 Repair of defects in materials and equipment supplied and installed by the Beneficiary

16.1.2 Repairs made necessary due to normal wear and tear, such as cracks and shrinkage, unless the Contractor has failed to comply with industry best practices or standards applicable to the Building;

16.1.3 Repairs made necessary by a fault of the Beneficiary, such as inadequate maintenance and improper use of the Building, as well as those caused by eliminations, modifications or additions performed by the Beneficiary or a third party on behalf of the Beneficiary outside the framework of the Covered Contract;

16.1.4 Deterioration due to the Building's normal wear and tear;

16.1.5 The obligation of relocation, moving and storage of the Beneficiary's property and repairs made necessary following force majeure events such as earthquakes, floods, exceptional weather conditions, strikes and lockouts, unless the Contractor has failed to comply with industry best practices or standards applicable to the Building;

16.1.6 Repair of damage relating to the Contractor's extracontractual civil liability;

16.1.7 Repair of damage resulting from contaminated soil, including the replacement of such soil;

16.1.8 A public utility's obligation to supply natural gas or electricity to the Building;

16.1.9 Parking spaces and storage facilities outside the Building in which the residential units are located and all structures outside the Building, such as outdoor pools, earthworks, sidewalks, alleys and surface water drainage systems, except negative grading;

16.1.10 Promises of a sales representative with respect to usage cost or energy consumption of devices, systems or equipment used in constructing a Building;

16.1.11 Claims of persons who participated in the Building's construction;

16.2 Also excluded from the guarantees is any Soil Defect if the Beneficiary supplied the soil, where relevant;

16.3 Also excluded from the guarantees is any Building Defect or Soil Defect resulting from an error or defect in expert reports or plans of the architect or engineer selected by the Beneficiary, where relevant;

16.4 The Administrator cannot be held liable for further aggravation of the situation if it was not reported to the Administrator within the time limits required in this Guarantee Contract and if a prompt intervention by the Contractor or Administrator could have prevented or limited the aggravation in question.

Section 17. CLAIMS

17.1 The Beneficiary who wishes to benefit from the Guarantee of Relocation, Moving and Storage provided in Paragraph 13.1.1, shall, within six (6) months of Acceptance of the Building, send a written Claim including vouchers to the Contractor and the Administrator. If the Claim is not settled at least fifteen (15) days after it is sent, the Beneficiary shall give written notice to the Administrator, which shall rule on the Claim within thirty (30) days of receipt of this notice of the Claim.

17.2 The Beneficiary who wishes to benefit from the Advance Payment Guarantee provided in Subsection 7.1, or the Completion Guarantee provided in Subsection 8.1, shall send a written Claim to the Contractor and the Administrator. The procedure described in Paragraphs 17.4.1 to 17.4.5 applies, with the necessary modifications

For the purposes of this subsection, the Beneficiary shall pay to the Administrator fees in the amount of \$100 for opening the file. Those fees are reimbursed to them if the decision rendered is in their favour, in whole or in part, or if an agreement is entered into between the parties concerned.

17.3 On condition the Beneficiary, wishing to benefit from the Completion Guarantee provided in Subsection 8.2 or the Guarantee Against Poor Workmanship provided in Subsection 9.1, have prior written notice of the work to be completed and the Apparent Poor Workmanship, they shall send a written Claim to the Contractor and the Administrator within a Reasonable Time after one of the two following dates:

17.3.1 The Contractor's deadline for finalizing the completion and correction of the Poor Workmanship agreed with the Contractor and the Building Professional, where relevant, pursuant to Subsection 5.4 or 5.9;

17.3.2 Otherwise, the date of Acceptance of the Private Portion or of the Acceptance of the Common Portions, as applicable.

The procedure described in Subsections 17.4.2 to 17.4.5 applies, with the necessary adjustments. For the purposes of this subsection, the Beneficiary shall pay to the Administrator fees in the amount of \$100 for opening the file. Those fees are reimbursed to them if the decision rendered is in their favour, in whole or in part, or if an agreement is entered into between the parties concerned.

17.4 On condition of having previously given written notice, in accordance with Subsections 9.3, 10.1, 11.1 and 12.1 and Paragraph 13.1.2, when required, excluding Claims covered in the foregoing Subsections 17.1 to 17.3, a Beneficiary who wishes to claim the Guarantee Against Poor Workmanship set out in Subsection 9.3, the Guarantee Against Latent Defects set out in Subsection 10.1, the Guarantee Against Construction Defects set out in Subsection 11.1, the Guarantee Against Soil Defects set out in Subsection 11.2, or the Guarantee for Relocation, Moving and Storage Guarantee set out in Paragraph 13.1.2 shall adhere to the following Claim procedure:

17.4.1 At least fifteen (15) days after notice by the Beneficiary has been sent, the Beneficiary shall send a written Claim to the Administrator if they are dissatisfied with the Contractor's intervention or if the Contractor has failed to intervene. The Beneficiary shall pay to the Administrator fees in the amount of \$100 for opening the file. Those fees are reimbursed to them if the decision rendered is in their favour, in whole or in part, or if an agreement is entered into between the parties concerned.

17.4.2 Within fifteen (15) days after receipt of the Claim provided 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 situation concerning which the Beneficiary has given notice

17.4.3 Within fifteen (15) days after the expiry of the period granted to the Contractor under Subsection 17.4.2 herein, 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 (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 state 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 a Reasonable Time the Administrator indicates and 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 Administrator decision 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 period 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 period 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 the corrective work is performed.

17.5 A Claim pertaining to any of the guarantees may be submitted through an electronic claim system, if the Administrator possesses such a system.

17.6 Subject to Subsection 17.7, failure to give written notice or to comply with the Claim deadlines prescribed in this section for any of the guarantees offered shall result in forfeiture of the Beneficiary's right to their Claim. The Administrator then shall assume no responsibility for such defects. However, the Beneficiary shall maintain their rights and direct recourses against the Contractor to the extent provided by law.

17.7 Non-compliance with a Claim period by the Beneficiary 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, 5.6, 5.7, 5.8, 17.1, 17.2, 17.3, 17.4, 18.1, 18.2, 22.2, 22.3 and 22.5 herein, unless the Contractor or the Administrator shows that such failure had no incidence on non-compliance with the period or that the time for filing the Claim has been expired for more than one (1) 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 withheld by their financial institution or pay such sum into a trust account with a lawyer, 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 decision of the Administrator concerning a Beneficiary's Claim must be written and provide reasons.

18.2 The decision of the Administrator concerning a Claim must include the following information:

- The indication that it pertains to a decision of the Administrator;
- The names of the Beneficiary and Contractor
- The address of the Building concerned;
- The date of each inspection, if applicable;
- The date of the decision;
- The remedies and their deadlines prescribed by the Regulation;
- Contact information for arbitration bodies authorized by the Régie, as well as those of the Ministère du Travail to enable the Beneficiary to obtain a list of accredited mediators.

Section 19. REMEDY

19.1 The Beneficiary or Contractor who is dissatisfied with a decision of the Administrator has recourse to mediation, arbitration or both consecutively, according to the conditions described hereinafter.

Section 20. MEDIATION

20.1 The Beneficiary and the Contractor may, by mutual consent, within thirty (30) days of receipt by registered mail of a decision of the Administrator concerning a Claim, agree to resort to mediation in order to reach an agreement on their dispute.

20.2 The parties shall agree on the mediator who will be designated to conduct the mediation, from among the list of mediators authorized by the Ministère du Travail, which is available on the following websites:

20.2.1 Ministère du Travail: www.travail.gouv.qc.ca;

20.2.2 Régie du bâtiment du Québec: www.rbq.gouv.qc.ca.

20.3 Any agreement that settles the dispute in whole or in part shall be recorded in writing, signed by the mediator, the Beneficiary and the Contractor and bind all of them, as well as the Administrator. The mediator shall send a copy of the agreement to the Administrator and to the Minister by registered mail, as soon as it is signed.

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

20.5 The mediation costs shall be shared equally by the Contractor and the Beneficiary, except if they both agree otherwise. However, the Administrator shall assume one third of the costs when it participates in the mediation.

20.6 Unless the Beneficiary, the Contractor and, where relevant, the Administrator consent, 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 have learned in the performance of his duties or present personal notes or a document made or obtained during mediation before a court, a body or a person exercising judicial or quasijudicial functions.

20.7 If the mediator becomes unable to act, they shall be replaced according to the procedure followed for the original designation.

20.8 An agreement may not deviate from the provisions of this Regulation.

Article 21. ARBITRATION

21.1 For the Guarantee to apply, the Beneficiary or the Contractor, dissatisfied with a decision of the Administrator, must submit the dispute to arbitration within thirty (30) days of receipt by registered mail of the decision of the Administrator, or if the parties engaged in the mediation process provided in Subsection 20.1, within thirty (30) days of the notice of the mediator concluding partial or total failure of the mediation.

21.2 An application for arbitration shall be addressed within the period provided in Subsection 21.1 to an arbitration body authorized by the Régie. The body shall appoint an arbitrator from a list of persons drawn up by it beforehand and sent to the Régie.

21.3 An arbitration award, once it is rendered by the arbitrator, is binding on the Beneficiary, the Contractor and the Administrator.

21.4 The arbitration award is final and not subject to appeal

21.5 Arbitration costs are shared equally between the Administrator and the Contractor where the latter is the plaintiff.

Where the plaintiff is the Beneficiary, these costs are assumed 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 shall be empowered to draw up the declaration of arbitration costs in view of their payment.

21.6 Where applicable, the arbitrator shall decide on the amount of reasonable fees for a relevant expert's report to be reimbursed to the plaintiff by the Administrator, where the plaintiff wins the case in whole or in part.

The arbitrator must 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 Beneficiary is not the plaintiff.

21.7 The Beneficiary, the Contractor and the Administrator shall each bear their own costs for the arbitration process.

Section 22. MISCELLANEOUS CONDITIONS

22.1 Upon acceptance of a Building registration application from the Beneficiary 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 signature of the Contractor shall be affixed to the last page of the copies of the Guarantee Contract following all the stipulations.

22.3 The signature affixed by the Contractor is binding on the Administrator.

22.4 The Contractor undertakes:

22.4.1 where applicable, to 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 to carry out a Pre-Acceptance Inspection, jointly with the Beneficiary or the Building Professional designated by the Syndicate of Co-Owners and, where applicable, using a predetermined checklist of items, provided by the Administrator, to give a duly completed copy thereof to the Building Professional, the Syndicate, each known Beneficiary and any future purchaser at the time of conclusion of the Covered Contract and to send the findings thereof to the Administrator on request;

22.4.3 to give notice to the Administrator of the End of Work on the Common Portions to each known Beneficiary and to the Syndicate of Co-Owners and to notify the Administrator and any future purchaser of a Private Portion of the stated End of Work date upon the making of this Covered Contract;

22.4.4 to give notice to the Administrator of the End of Work where the Beneficiary is unknown and to notify the future purchaser thereof at the time the Contract is made.

22.5 The Contractor shall give the Beneficiary a duplicate of this Guarantee Contract duly signed and send a copy to the Administrator.

22.6 Any clause of this Guarantee Contract that is irreconcilable with the Regulation is null and void.

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 duly signed copy of the 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 the Administrator has paid.

I (we) acknowledge that I (we) have read, understood and accepted each and every clause appearing on the front and back of this Guarantee Contract and I (we) undertake to comply with them. Moreover, I (we) acknowledge I (we) have received a copy of the Guarantee Contract.

By my signature. I solemnly affirm that I have read and understood this Guarantee Contract and that I fully subscribe to it.

Signed at _____, this _____
City Date

CONTRACTOR

Legal name: _____

Business name: _____

Duly authorized representative (name in block letters): _____

Address: _____

City: _____ Province: _____ Postal code: _____

Office phone: _____ Extension: _____

Email: _____

DULY AUTHORIZED REPRESENTATIVE'S SIGNATURE: X _____

BENEFICIARY(IES)

1 Name: _____

Email: _____ Date of birth: _____

Address: _____ Apartment No: _____

City: _____ Province: _____ Postal code: _____

Telephone: _____ Office telephone: _____ Ext.: _____

SIGNATURE OF BENEFICIARY 1: X _____

2 Name: _____

Email: _____ Date of birth: _____

Address: _____ Apartment No: _____

City: _____ Province: _____ Postal code: _____

Telephone: _____ Office telephone: _____ 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.