



Terms and Conditions

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SCOPE OF PROTECTION

This contract is applicable to real estate and leasing transactions occurred in the province of Quebec for which a duly issued certificate is issued by Fiducia Realty Services Ltd. (Doing business as "Sutton Secur") for the benefit of all those who have subscribed to the Sutton Secur program (hereinafter the « Client »).

This contract provides the Client with a legal referral directly to a lawyer during the occurrence of a covered dispute, as more fully described in section 1 of this contract.

1. DEFINITIONS

In the present contract, the term:

(a) “**Lawyer**” means registered member of the Quebec Bar and part of the Sutton Secur network;

(b) “**Certificate**” means the certificate issued by Sutton Secur in favour of the Client on payment of the prescribed fee and subject to the terms and conditions of the present contract;

(c) “**Application**” means the form to be completed and submitted by the Client for the request to be processed by Sutton Secur;

(d) “**Client**” means all persons who have subscribed and paid for a Sutton Secur certificate;

(e) “**Tenant Obligation**” means any obligation arising from a tenant of a residential lease, either (i) to pay the rent charged at a time agreed in the lease; (ii) use the dwelling with prudence and diligence; (iii) carry out small repairs that are needed; (iv) does not change the form or destination of the housing; (v) provide accommodation in the receiving state; and (vi) not to disturb the peace of other tenants, and all other obligations of a tenant under a commercial lease between the Client;

(f) “**Sutton Secur**” means Fiducia Realty Services Ltd;

(g) “**Passation of title**” means the legal act following the refusal of the buyer or seller to comply with a bilateral Promise to Purchase between the parties to sign the deed of sale;

(h) “**Property**” means the property listed on the Certificate;

(i) “**Hypothecary Recourse**” means a remedy reserved for a secured creditor when the debtor is in default within the meaning of the law at the arrival of the date for the fulfillment of an obligation determined for a specified amount of money;

(j) "**Property Title**" means all rights to immovable property (mortgage, servitude, etc.) with the exception of those he declared at the sale;

(k) "**Relations between neighbours**" means a conflict caused by a neighbour located within 50 meters of the building and on the sights, sounds, rights of way, encroachment or trees and fences;

(l) "**Hidden Defects**", means a major defect that reduces the quality of a building, thus preventing the owner from using or enjoying fully and normally his building and having all of the following: (i) is not apparent and or a simple review does not discover; (ii) is unknown to the buyer at the time of purchase; and (iii) existed at the time of purchase of the building;

2. SCOPE OF LITIGATION

As part of this contract, Sutton Secur assigns a lawyer or a law firm, selected on its sole discretion, to act for and on behalf of the Client upon the occurrence of a dispute concerned for any of the following will happen the Property: Transfer of Title, Duty of tenant, Title of Property, Neighbourhood issues or Hidden defects (hereinafter the "**Litigation**").

3. AMOUNT OF THE MANAGEMENT FEES, LEGAL FEES, AND OTHER EXPENSES

3.1 As part of this contract, Sutton Secur will cover up to a maximum of \$3,000.00 in professional fees for a Litigation relating to the Property;

3.2 Any other expenses, including judicial stamps, bailiff's fees, stenographic services, all expertise, and other amounts that the Client could be ordered to be paid pursuant to a judgment or of any agreement, are specifically excluded from this contract are the responsibility of the Client at the prices then in effect and / or any agreement that might intervene with the Lawyer, from time to time;

3.3 All amounts exceeding the amount provided for in section 3.1 will be paid directly by the Client to the lawyer and Sutton Secur shall not be bound to assume any excess amount, including without limitation as provided in Section 3.2. For clarity, Sutton Secur acts as a referral service, and shall act in no other capacity other than pursuant to its obligations under this contract, unless stated to the contrary in this contract;

3.4 The obligation of Sutton Secur to cover the lawyer fees for the Client, shall end upon exhaustion of the maximum aggregate amount provided in Section 3.1;

3.5 The Client acknowledges that in some cases the lawyer is entitled to receive from the other party legal fees, and in such a case, it is understood that these legal fees belong to the Lawyer.

4. PERIOD OF PROTECTION

The Client benefits from the coverage of the certificate, once purchased by the broker, before or upon signing of the deed of sale, according to the terms and conditions of this contract, for as long as they continue to reside at the property for which the certificate was issued.

5. APPLICATION BY THE Client

On the occurrence of a Litigation, the Client must complete the Application Form" (hereinafter the "Form"), a copy of which is attached to this contract and send it to Sutton Secur as soon as possible. The Client has thirty (30) days to submit the form when they become aware of a Litigation. If Sutton Secur does not receive the form at the end of this period, coverage may be denied.

6. PREMIUM

6.1 For the benefit of this present contract, the parties to a transaction shall pay the certificate premium, as appropriate:

6.1.1 **Vendor** : at the time of the sale of the Property on the market or by a broker within the meaning of the law or directly by the Client;

6.1.2 **Buyer** : when all the conditions are met for Promise to Purchase;

6.1.3 **Lessor/Lessee**: at the time of acceptance of an offer to lease.

6.2 Payment of the premium is made only to the order of Sutton Secur and / or any other person designated by it from time to time, which amount shall be paid in full prior to the issuance of the certificate.

7. GENERAL EXCLUSIONS

The following items are specifically excluded from this contract and Sutton Secur is in no way to be held responsible for any loss resulting directly or indirectly to:

7.1 A declaration of Litigation made after the expiration of the period of protection or when the Litigation predates the issuance of the Sutton Secur contract;

7.2 theft, fraud, misrepresentation of facts, or wilful or intentional failure to disclose voluntary omission, vexatious or dilatory revenge against a third party or intentional actions of the Client or a family member;

- 7.3 in any confiscation, nationalization, requisition, destruction or deterioration of goods by authorities or by order thereof;
- 7.4 When the Property is wholly or partly uninhabitable or unable to be rented because of construction carried out by contractors, except in cases of emergency, after the contract comes into force;
- 7.5 When a party demonstrates, lack of funding, withdrawal or lack of funds, due to circumstances that should have been known, or any promise of purchase or lease signed when the financial problems of buyer or seller were already known;
- 7.6 In case of different financial losses or loss of value of property, income, salary, value of shares or investments, rents, profits or away from the mortgage interest rate;
- 7.7 For any offer to purchase or lease signed offer while Client's financial problems are known;
- 7.8 When the Litigation Concerned is a broker Sutton Secur part of the network or any partner;
- 7.9 In case of superior force such as nuclear contamination, radioactive, armed conflict, invasion, an act of terrorism or other irresistible and unforeseeable;
- 7.10 In the event of an act of criminal or act by the Client or his spouse;
- 7.11 When the issue is defamations or insults whatever the means of communication or incidental damages, consequential or incidental damages sustained by any person or property whatsoever;
- 7.12 When using the property illegally as cultivating or storing cannabis or other illicit substances;;
- 7.13 When the Client has accepted and recognized the status of the property with defects or damages, he accepted the findings "as is" or "found in the state" before the offer to purchase is performed or the promise to purchase included such words "without warranty" or "your own risk" or finally he knew the presence of pyrite, pyrrhotite, vermiculite, iron ochre, moss of urea-formaldehyde foam (UFFI), asbestos or other pollution in or on the Property;
- 7.14 Any amount of money that may be recuperated are due to the conclusion of the real estate transaction or lease or as a result of judicial decisions relating to litigation;

- 7.15 When the purchase or sale is a newly built residential property, or mobile home;
- 7.16 When the seller left the property vacant before the completion of the offer to purchase, without any voluntary action on the part of the State;
- 7.17 When a developer or contractor is waiting for a permit to demolish or build and participate in the real estate transaction;
- 7.18 When without the approval of Sutton Secur and off an emergency, a professional took care of Concerned Litigation;
- 7.19 When the Client has a trade association or condominium association which, in the opinion of Sutton Secur, should take responsibility to act for and on behalf of the Client;
- 7.20 Sutton Secur is not liable for any postponement related to a strike;
- 7.21 For all situations or disputes concerning patent, trademark, copyright, or a boundary in which the Client is responsible for expropriation or a nuisance;;
- 7.22 When the Client died from an illness he concealed when he was already declared before signing the contract;

8. PROOF OF CLAIM

- 8.1 Besides the presentation of the form provided for in Article 5, the Client must, within thirty (30) days following the sending of said form, submit all information to which Sutton Secur can reasonably be expected regarding the circumstances and extent of the Litigation Concerned;
- 8.2 If this happens, the Client must also provide details of the method of calculating the amount of the loss or damage;
- 8.3 If the Client does not provide this evidence, all the obligations of Sutton Secur to the Client will end;
- 8.4 The Client may also be required in some cases to submit to examination under oath to a Sutton Secur authorized representative;
- 8.5 Confidential information of the Client delivered to Sutton Secur will not be disclosed unless such disclosure is made necessary to administer the file;

9. GENERAL CONDITIONS

- 9.1 Changes in Circumstances: This contract is established on the basis of the information found on the certificate. The Client must inform Sutton Secur as soon as possible of any changes in the circumstances that may materially affect coverage under this Certificate. Any misrepresentation, omission on your part may lead to the invalidity of this Certificate or a denial of your claim;
- 9.2 Adverse Party Unlocatable: If it is impossible to locate the adverse party or to assert the Client's rights, Sutton Secur reserves the right to suspend treatment of the Client's file, until the adverse party is found. Research for the adverse party may lead to additional charges for the Client;
- 9.3 Co-operation of the Buyer, Seller, Tenant or Landlord: If there is a lack of collaboration on the Client's behalf, the present contract can be cancelled at the discretion of Sutton Secur and/or the lawyer, dependent on the case;
- 9.4 Due Diligence: The Client shall take all reasonable precautions to prevent or reduce loss or damages covered by the terms of this contract;
- 9.5 Plurality of Coverage: When numerous legal protection certificates are contracted without fraud and cover the same litigation, The Sutton Secur certificate takes effect proportionately with the totality of the coverage in effect, up to the coverage limit;
- 9.6 Collection of Legal Disbursements: Legal disbursements collected from the adverse party as expenses shall reduce by the same amount the invoice of disbursements from the Law Firm selected by Sutton Secur;
- 9.7 Subrogation: Sutton Secur is entitled to take legal action at its own expense on the Client's behalf to recover any monies it has paid out hereunder, including its own expenses;
- 9.8 Small Claims: In a Litigation valued below the Action Level and below the maximum amount determined in Book VIII of the Code of Civil Procedure of Quebec entitled actions involving Small Claims and which must be exercised pursuant to the provisions of Book VIII, or heard before the Small Claims Division of the Civil Court of Quebec, Sutton Secur will only be responsible for fees and expert fees, excluding any fees listed in article 3 of the present contract.
- 9.9 Interpretation of Terms and Conditions: In the event a Court of competent jurisdiction determines that a condition of this contract violates an act or

regulation of the local province, this condition shall be interpreted or modified so as to comply with this act or regulation.

- 9.10 Arbitration: Any dispute, misunderstanding or claim between the parties to this Certificate as to the interpretation or application of the Certificate terms and conditions or resulting from failure of one of the parties to fulfill its obligations must be submitted to arbitration pursuant to the provisions of the Civil Code of Quebec, the Civil Code of Procedures of the Province of Quebec and the Consumer Protection Act. Arbitration, if required shall take in the municipality governing the subject of real property, or in another municipality or district upon agreement of all parties before a single arbitrator appointed jointly, by the parties. Arbitration fees, which do not include the Client's, representative's fees, shall be charged to each party.
- 9.11 Territory: The Certificate hereunder applies exclusively to Litigation originating in Quebec, within the jurisdiction of judicial, quasi-judicial or administrative courts or Quebec and carried out before them. Sutton Secur assume no responsibility for litigation that is likely to end in legal decisions that could only be applied outside the Province of Quebec (or of Canada).
- 9.12 Prescription : Any action resulting from this Certificate is limited to three (3) years from the originating event;
- 9.13 Transfer of Coverage: In case of the Sutton Secur Client's death or transfer between the Buyer or Seller of their interest in this Certificate, coverage continues to have effect for the benefit of the heir or the remaining Sutton Secur Client;
- 9.14 Termination of Contract: Sutton Secur may cancel the present contract for fraud and/or material interpretation, immediately without prior notice. The effective date of cancellation for fraud and/or material misinterpretation is immediate as determined by Sutton Secur

10. CONTACT

For any assistance or to open a file during a Relevant Litigation and as provided in Section 5 of this contract, call **514.558.8774** or write to info@suttonsecur.com.

The Client must provide in support of its request, all the necessary information and evidence and cooperate fully with Sutton Secur or Sutton Secur's Lawyers appointed by office.

11. EFFECTIVE DATE

The present contract comes into force, on the effective date of the certificate.