Sutton Secur

PAR SUTTON

A GUIDE FOR BUYERS AND VENDORS

RESIDENTIAL

DISCLAIMER

Information made available in this guide in any form is for informational purposes only. It is not, and should not be taken as, legal advice. It is not in any circumstances a substitute for the advice or services of a notary or lawyer. You should not rely on, or take or fail to take any action based upon this information. Never disregard professional legal advice or delay in seeking legal advice because of something you have read in this guide.

For tailored advice for your specific legal issue, contact Sutton Secur.

Sutton Secur

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BUY AND SELL WITH PEACE OF MIND

THANKS TO Sutton Secur PAR SUTTON

An innovative legal coverage program, Sutton Secur was created to offer you greater security and peace of mind when buying or selling a property.

Exclusive to Sutton - Québec, the Sutton Secur certificate is offered compliments of your participating real estate broker and covers you for up to $3,000 in legal fees. Your coverage is valid from the time it is issued and protects you before, during and after the transaction. Even better, your Sutton Secur certificate is valid for life for a property you sell or purchase (or, in the case of a purchase, for as long as you continue to own the property for which the certificate was issued).

In the event of an issue or conflict, you will benefit from professional legal assistance from a qualified real estate attorney to resolve issues or disputes related to the transaction in the most efficient and cost-effective manner possible.

Sutton Secur PAR SUTTON

- Compliments of your participating Sutton - Québec affiliated real estate broker
- $3,000 in legal coverage
- Valid for buyer or vendor
- Protection before, during and after the transaction
- Initial contact within 24 business hours
- Qualified real estate attorneys
- Fast and courteous service
- Valid for life*

WHAT THE SUTTON SECUR PROGRAM COVERS

Sutton Secur covers you, whether buyer or vendor, for issues such as:
• Hidden defects (infestation, cracked foundation, leaky roof, plumbing problem, mould, heating or cooling problem, electrical or wiring problem, undisclosed suicide or violent death, etc.)
• Problems relating to access to or limits of your property
• Passation of title in the event a party refuses to proceed to the notary
• Financing related to the property
• Environmental issues
• Issues related to servitude
• Recourse in warranty by one party against another
• Death of a contracting party prior to the title transfer at the notary

WHAT IS NOT COVERED BY SUTTON SECUR

The Sutton Secur certificate covers the above issues for residential properties. However, the certificate does not cover:
• Commercial or industrial properties
• Buildings with five or more residential and/or commercial units
• Pre-existing conditions or defects that were or are known prior to the purchase
• Legal action taken against a Sutton - Québec affiliated real estate broker or against a third party with no legal relationship to you

HOW A SUTTON SECUR ATTORNEY CAN HELP

In the event of an issue or conflict, you can expect the highest level of service and professionalism to assist you in achieving a successful resolution for even the most complex issues or disputes.

In the event of a claim, our team of experienced real estate attorneys will advise and support you in the following ways:
• Analyzing your file and developing a strategy to resolve the issue quickly
• Assisting you in preparing a demand letter or a response to one you have received
• Preparing you to negotiate with the other party to settle the issue out of court
• Helping you prepare for Small Claims Court as plaintiff or defendant if the amount in question is within the Small Claims threshold in effect ($15,000, subject to annual indexation)
• Assisting you when compensation for renovations or repairs is sought; every effort will be made to settle out of court and, if necessary, the lawyer will assist you in preparing the proceedings.

HOW IT WORKS: SUTTON SECUR STEP BY STEP

Sutton Secur has been designed for maximum protection and maximum simplicity, so you can buy or sell with peace of mind knowing you're covered in case surprises arise. Our mission is to offer timely legal assistance to help resolve problems as early and as efficiently as possible and remove the uncertainty from residential real estate transactions.

To understand how it works, we've outlined the program is 7 steps:

ACCEPT A CERTIFICATE

Your Sutton -Québec affiliated real estate broker offers you a Sutton Secur certificate.

WELCOME EMAIL

You receive the full details of the program by email, including the official certificate, a letter of welcome, the terms and conditions of the program, a FAQ, and details on how to proceed in the event that legal assistance is required.

ASSISTANCE REQUEST

Should an issue dispute arise, all you need to do is fill out the Sutton Secur online assistance request form at SuttonSecur.com/Assistance

INITIAL CONTACT WITHIN 24 BUSINESS HOURS

The team contacts you within 24 business hours, then a lawyer supports you at every step to resolve the situation as quickly, efficiently and affordably as possible.

YOU PAY NO LAWYER FEES

No lawyer fees up to $3,000. The file opening fee ($150 + tax) and other costs (court stamps, bailiff fees) are extra.

WORK TOWARD RESOLUTION

In the event you require additional legal assistance, your Sutton Secur attorney will continue to work with you at an agreed-upon rate until the situation is successfully resolved.

ADD SUTTON SECUR TO OTHER COVERAGE

Do you already have coverage or insurance for your transaction? No problem! Sutton Secur coverage can be added to other real estate coverage or insurance programs, offering you additional protection and peace of mind.

SUTTON SECUR VS INSURANCE PRODUCTS

Sutton Secur stands out in the marketplace as an innovative legal coverage program that offers buyers and sellers greater peace of mind before, during and after a real estate transaction. While a number of insurance products for real estate transactions exists in Quebec, Sutton Secur is different. Here are the six core differences.

COVERAGE BEFORE, DURING AND AFTER THE TRANSACTION

Once active, the certificate is valid for issues that may occur before, during or after the transaction.

IMMEDIATE COVERAGE

If the need for legal help arises, coverage is immediate, with no need to make a claim or wait for approval from the insurer.

QUICK, HASSLE-FREE ACCESS TO AN ATTORNEY

The Sutton Secur team contacts you within 24 business hours of your request for legal assistance, then connects you with a lawyer. There is no need to search for a lawyer on your own or pay consultation fees.

NO OUT-OF-POCKET LAWYER FEES

With coverage of up to $3,000, you have no lawyer fees to pay for the demand letter, negotiation, proceedings or preparation for a Small Claims Court hearing (the $150 + tax file opening fee, court fees and bailiff fees are extra).

NO TRANSACTIONAL RESTRICTIONS

Most insurance products for real estate transactions exclude a number of types of properties or situations from coverage such as estate sales, foreclosures, properties sold without warranty, investment properties and rental properties. The Sutton Secur program offers coverage in each of these situations (see the details on page 13).

COVERAGE INDEPENDENT OF COURT RULING

Some insurance products will pay out only if you win in court. With Sutton Secur, you have access to immediate legal assistance without having to wait for the result of a court case.

SUTTON SECUR: FREQUENTLY ASKED QUESTIONS

1. What is Sutton Secur?

Sutton Secur is an innovative legal coverage program that protects you in case of a dispute or issue related to the purchase or sale of a residential property. One Sutton Secur certificate covers you for up to $3,000 in legal fees should an issue or dispute arise. Your Sutton Secur certificate is valid for life for the vendor and buyer (or, in the case of a buyer, for as long as they continue to own the property covered by the certificate). Once a request for legal assistance is made, an attorney is assigned to you immediately, and a legal strategy is put in place to bring the situation to resolution as effectively and affordably as possible.

2. What are the benefits of the Sutton Secur certificate?

As an innovative legal coverage program, Sutton Secur is unique on the marketplace. Each certificate covers you for up to $3,000 of legal fees in the event of a dispute or an issue related to the purchase or sale of a residential property.

You will benefit from fast, courteous service and the support of a qualified real estate attorney who can help you resolve the dispute. In summary, Sutton Secur offers:

- Coverage of up to $3,000 in legal fees
- Protection before, during and after the transaction
- An initial contact within 24 business hours of your request for legal help
- Help from qualified real estate attorneys
- A customer-centric approach based on efficient and cost-effective problem resolution
- A certificate valid for life for vendor and buyer (or, in the case of the buyer, for as long as he or she continues to own the property covered by the certificate)

3. What exactly is covered by a Sutton Secur certificate?

The Sutton Secur certificate offers coverage of up to $3,000 in legal fees for residential properties, for issues such as:

- Hidden defects (infestation, cracked foundation, leaky roof, plumbing problem, mould, heating or cooling problem, electrical or wiring problem, suicide or violent death, criminal activity or links to organized crime)
- A dispute or other issue with neighbours for unknown matters prior to the sale.
- Problems relating to access to or limits of your property

- Passation of title
- Refusal by contracting party to pass title.
- Financing related to the property
- Environmental issues
- Issues related to servitude
- Recourse in warranty by one party against the other
- Death of contracting party prior to the sale of the property.

4. Is the preparation and sending of a demand letter or response to one included in the $3,000?

Yes! In the case of a claim, a portion of this amount ($750) will be used to prepare and send a demand letter so you can rest easy in knowing you do not have to incur in any out-of-pocket legal expenses to send or respond to a demand letter.

5. Can Sutton Secur coverage be used for a case going to Small Claims Court?

Small Claims Court in Quebec hears cases for claims that do not exceed the Small Claims threshold in effect ($15,000, subject to annual indexation). If you are going to Small Claims Court for an issue related to the property covered by the Sutton Secur certificate, an attorney cannot represent you during the hearing, but can help you prepare your case and work with you to maximize the chances of a ruling in your favour.

As part of your coverage, a Sutton Secur attorney can:
- Help you understand your rights according to the law
- Assist you in preparing your demand letter
- Assist you in drafting an application to institute proceedings
- Help you organize and prepare your evidence before the hearing
- Research case law (jurisprudence) to help you argue your case before the judge
- Prepare you to be comfortable in the courtroom and to speak persuasively to the judge

Please note that while the above services are covered by the Sutton Secur certificate, other disbursements such as court fees are not included and are your responsibility.

6. If the property is sold with known defects, are issues related to those defects covered by the certificate?

No, the certificate only covers issues unknown and/or undisclosed at the time of purchase.

If you are buying a property, the certificate covers defects or issues that were unknown and/or undisclosed at the time of purchase.

If you are selling a property, the certificate covers defects or issues that were unknown to you. If you choose not to disclose known defects to the buyer as required by law, issues related to those defects will not be covered by the certificate.

7. What is not covered by the Sutton Secur certificate?

The Sutton Certificate covers the issues listed in question 3 for residential properties. There are four things not covered by the Sutton Secur certificate:

- Commercial or industrial properties
- Any property with 5 residential or commercial units and up
- Pre-existing conditions or defects that were or are known prior to the purchase
- Legal action taken against a Sutton - Québec affiliated real estate broker or against a third party with no legal relationship to you

8. How long is Sutton Secur coverage valid for?

Once issued, the Sutton Secur certificate is valid for life, or in the case of a buyer, for as long as that buyer continues to own the property for which the certificate was issued.

During the validity of the certificate, you can make a request for legal assistance to Sutton Secur for any difficulty or dispute related to the property listed on the certificate. You will benefit from the full $3,000 in legal coverage at no cost to you.

Please note that a certificate is assigned to a specific client or clients and property, and is not transferable. As such, if the property changes owners, the certificate cannot be transferred.

9. What is the difference between Sutton Secur and title insurance?

Residential title insurance is an insurance policy that protects the homeowner or the lender, depending on the policy, against challenges to the "title", or right to ownership of a property.

The policy provides coverage against losses due to title defects, title fraud, survey or problems with the title which prevent free and clear ownership such as rights of way, encroachments (from neighbouring properties), unpaid liens, etc.

In contrast, Sutton Secur is not a form of insurance and is not limited to issues related to the title. Sutton Secur offers coverage in the form of $3,000 in legal fees if assistance is needed to handle a dispute with a wide range of potential issues as listed in question 3.

10. In the event of a legal problem and request for legal assistance, how can a Sutton Secur attorney help me?

Once a request for legal assistance is made using the online form available at SuttonSecur.com/Assistance, a meeting will be scheduled between you and a Sutton Secur attorney. During that meeting, the attorney will gather and clarify the details of the situation and set out a plan of action with you.

Depending on the issue or dispute, your Sutton Secur attorney will advise and support you:
- In preparing a demand letter to the concerned party or a response to one you have received
- In negotiating with the other party, to find a speedy solution to the problem
- In preparing for Small Claims Court as plaintiff or defendant, if the amount in question is within the threshold in effect
- In obtaining compensation when renovations or repairs are needed; if necessary, the lawyer will assist you in preparing the proceedings (see "No guaranteed outcome", page 13)

11. Can Sutton Secur be used in combination with another real estate insurance program?

Yes. Sutton Secur can be used in conjunction with other real estate insurance programs.

In the case that you are covered by another program, you can use the Sutton Secur certificate first for coverage of up to $3,000 of legal assistance. If further legal services are required beyond the amount covered by the certificate, a Sutton Secur attorney will continue working with you. You can then submit a claim to your insurance provider to cover the additional legal fees required to handle your file.

12. How does this certificate work when the property has been sold without legal warranty?

When a property is sold without legal warranty, whether its a succession sale, a foreclosure, or simply two parties who agree to complete the transfer of the property without legal warranty, a certificate may still be issued.

In the case where a property is sold without legal warranty, but the seller did not disclose known issues or defects, the buyer may still have legal recourse and the Sutton Secur certificate would be valid (see "Sales without legal warranty", page 13) for assistance in taking legal action.

Additionally, in such as case, the certificate will cover issues such as disputes, conflicts, contractual issues, environmental issues, issues related to servitude and other aspects of the Sutton Secur coverage.

13. If my contract with my broker expires, is the certificate still valid?

Your Sutton Secur certificate is valid for the duration of your relationship with your Sutton Quebec real estate broker until the transaction is concluded, at which time your coverage continues to protect you from any issues that may arise with related to the property you bought or sold, depending on your certificate.

In the case that the brokerage contract expires before the transaction is concluded, it will need to be renewed with your Sutton Québec broker to be valid (or the transaction concluded).

14. Who are the lawyers selected to handle my requests for legal assistance?

Sutton Secur is powered by a network of experienced real estate attorneys committed to the highest standard of service, professionalism and transparency. Each attorney adheres to Sutton Secur's specific protocols and terms of service, ensuring a client-centered approach to problem-resolution and an exceptional level of client satisfaction.

In the case of a request for assistance, Sutton Secur attorneys agree to provide their support services up to $3,000 at no cost to you and to work to settle the dispute in the most efficient and cost-effective manner possible. Should the legal intervention require more than $3,000, your assigned lawyer and you will agree on a budget and on a course of action to continue to work towards the resolution of the situation.

All attorneys in the Sutton Secur network are experienced in practicing real estate law in Quebec and members of the Québec Bar in good standing.

15. How can I be sure that the attorney assigned to my file will work in my best interest and will aim to resolve the issue as affordably as possible?

The Sutton Secur client promise is to offer rapid, hassle-free support in the resolution of real estate disputes that may arise before, during or after the sale or purchase of a residential property. As members of the Sutton Secur network, attorneys abide by the Sutton Secur terms of service and sign a professional services mandate with you, operating in your best interest and with full transparency to settle the issue in most efficient and cost-effective manner.

In addition, attorneys in Quebec are bound by the Code of Professional Conduct of advocates (Code de déontologie des avocats) which obliges them to act within their moral duty and always serve their client's best interests.

16. What rates apply to the use of the $3,000 in coverage?

The rate that applies to the use of the coverage is $250 per hour (preferred rate); an authorized direct intervention by the lawyer is billed at $300 per hour.

17. What happens once the $3,000 is used up?

Once the value of a Sutton Secur certificate is used up, should you require additional legal support, you may continue working with your Sutton Secur affiliated attorney. You must, however ensure to clarify the terms and conditions of your working relationship without the assistance of the Sutton Secur programme.

In order to avoid any surprises on your part, before doing any additional billable legal work on the file, you should discuss the additional work before accepting the billable rate and terms of service.

18. If I use the certificate once for a portion of coverage, and later I have the need of legal help again, do I have access to the remaining balance of coverage?

Yes. A Sutton Secur certificate is valid for up to $3,000 and is not limited to one request for legal assistance. For example, in the case that you make a request for assistance and use $500, if you require legal assistance at a later date, you will still have access to the remaining $2,500 of coverage while the certificate is valid (see "Use in stages", page 13).

19. Can the certificate be used to take legal action against my broker?

No. If you find yourself in a conflict with your Sutton - Québec affiliated real estate broker, you may turn to the Organisme d'autoréglementation du courtage immobilier du Québec (OACIQ) and/or the Fonds d'assurance responsabilité professionnelle du courtage immobilier du Québec (FARCIQ), however you cannot use the certificate.

20. How can I obtain a certificate?

Sutton Secur is an optional program. Each Sutton Québec broker is free to choose whether or not to offer it to their clients, and no coverage exists without a Sutton Secur certificate issued in the client's name for the property in question. If your broker participates, they will be able to give you details on the program and issue you a certificate for the purchase or sale of a property.

21. If an issue arises, how do I make a request for assistance?

In the event of an issue related to the sale or purchase of your property, simply fill out our online assistance request form at SuttonSecur.com/Assistance.

A Sutton Secur staff member will contact you within 24 business hours to clarify the details of the issue and to schedule a meeting with an attorney. Your attorney will then create a plan of action to bring about a successful resolution of the problem.

22. Who are the lawyers selected to handle client claims?

Sutton Secur is powered by a network of experienced real estate attorneys committed to the highest standard of service, professionalism and transparency. Each attorney adheres to Sutton Secur's specific protocols and terms of service, ensuring a client-centered approach to problem-resolution and an exceptional level of client satisfaction.

In the case of a claim, Sutton Secur attorneys agree to provide their support services up to $3,000 at no cost to you in order to settle the dispute in the most efficient and cost-effective manner possible. Should the legal intervention require more than $3,000, once that amount is exhausted, your assigned attorney and you will agree on a budget and course of action to continue to work towards the resolution of the situation.

All attorneys in the Sutton Secur network are experienced in practicing real estate law in Quebec and members of the Québec Bar in good standing.

23. Are there any upfront costs to opening a file with an attorney?

YES. A file opening fee of $150 plus taxes is payable to the law firm to which the file is assigned. It is in addition to the coverage and does not reduce it. It is refunded if no file is opened (see page 13).

24. Does the certificate holder need to reside in the Property to benefit from coverage.

NO, the beneficiary of the Certificate does not need to live or operate their business in the Property covered by the Certificate. This means that an investor, whether local or international, can also benefit from the coverage offered by the Sutton Secur Certificate.

Have additional questions? Contact us!
info@suttonsecur.com • 438-922-2750

Important program details

Nature of the assistance: The Sutton Secur program is a legal assistance program. The assigned lawyer advises, guides and assists the certificate holder at every step: analysis of the file, qualification of the problem, strategy, and assistance in preparing notices, correspondence and, where applicable, proceedings. Unless a separate representation mandate is agreed to in writing with the lawyer, communications remain directly between the certificate holder and the other party, whether a lawyer, an opposing party or any other person involved.

File opening: For any legal assistance request, a file opening fee of $150 plus taxes is payable to the law firm to which the file is assigned. This fee covers the administrative opening of the file, the conflict of interest check, the preliminary review of the documents submitted and basic disbursements (printing, mailing). It is in addition to the coverage provided by the certificate and does not reduce it.

Refund: If, following a duly submitted request for assistance, no file is opened, in particular because no lawyer was assigned or no work was undertaken, the opening fee is refunded in full upon request. Once a file is opened and work has begun (document review, consultation, legal analysis), the opening fee is non-refundable, including when the certificate holder stops cooperating or abandons the process.

Use in stages: The $3,000 coverage is used in successive stages: (i) initial consultation, document review and notice of defect; (ii) demand letter, response and negotiation; (iii) preparation of a court application, including assistance with Small Claims Court; (iv) assistance during the proceedings. Moving from one stage to the next is confirmed with you, along with the remaining balance of your coverage.

Documents to attach to your request: the deed of sale, the seller's declarations, the promise to purchase and its schedules, the pre-purchase inspection report, expert reports, exchanges between the parties and any demand letter received.

Sales without legal warranty: A property bought or sold without legal warranty, at the buyer's own risk, remains eligible for the certificate. In that case, the lawyer's role includes assessing whether the conditions for a remedy (such as fraud) are met. This burden of proof is more demanding, and the analysis may conclude that no viable remedy exists.

Contractual chain: The assistance covers steps taken against the certificate holder's direct contracting party or, where the law allows, the exercise of warranties that were validly transferred to the holder. Claims against third parties with no legal relationship to the holder are not covered.

No guaranteed outcome: The coverage guarantees access to a professional legal analysis; it does not guarantee that a viable remedy exists or a favourable outcome. The opinion given may be unfavourable, and a cautious opinion is an integral part of the service: it saves the holder from incurring significant costs in a claim that is bound to fail.

Cooperation: If you do not respond to requests from the lawyer or Sutton Secur for sixty (60) days, the file may be closed after written notice, without refund of the opening fee if work has been done; it can be reactivated while the certificate is valid.

SUTTON SECUR IS A LEGAL PROTECTION PLAN THAT COVERS YOU IN THE CASE OF A CONFLICT OR DISPUTE RELATED TO THE SALE OR PURCHASE OF A HOME

Certificate offered compliments of your participating Sutton Quebec real estate broker

$3,000 in legal fees

Protection before, during and after the transaction

Qualified real estate attorneys

Direct access to attorneys and rapid assistance

A client-centered approach to efficient and cost-effective problem resolution

Valid for life*

*Certificate valid for life for vendor and buyer (for as long as they continue to own the property covered by the certificate)

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