

Contractor's Undertaking as Surety

Licence Security

Type of security:	<input type="checkbox"/> Certified cheque	<input type="checkbox"/> Bank draft
Name of contractor:		
Security amount in letters:	Security amount in figures: \$	

- 1. Undertaking by** _____ ,
both surety and principal debtor, hereinafter called the contractor.

The contractor is liable to the Régie du bâtiment du Québec, hereinafter called the obligee,
for the sum of \$ _____ ,
in Canadian legal tender, for the payment of which the contractor binds itself and its administrators, heirs and legal representatives.
- 2. WHEREAS** the contractor performs the duties or intends to perform the duties of a construction contractor.
- 3. WHEREAS** the performance of these duties requires the contractor to provide a licence security to compensate clients who sustain a loss following non-performance or performance of construction work, in accordance with section 84 of the *Building Act* (CQLR, c. B-1.1), hereinafter called the Act, and section 25 of the *Regulation respecting the qualification of contractors and owner-builders* (CQLR, c. B-1.1, r. 9), hereinafter called the Regulation.
- 4. IT IS UNDERSTOOD AND AGREED THAT** the purpose of this licence security is to compensate any client who has a liquidated claim related to a loss sustained following the non-performance or performance of construction work and resulting directly from instalments paid, failure to carry out construction work, or faulty work or defects discovered in the year following completion of the work. It does not, however, cover the claims of persons who took part in the construction work, damages resulting from delays in construction work, damages for moral injury or punitive damages.
- 5. IT IS UNDERSTOOD AND AGREED THAT** the contractor, as surety, undertakes to pay the principal, interest and costs awarded by any final judgment on such claim. The judgment must have been rendered against the contractor. This undertaking must bind the contractor's administrators, heirs and legal representatives.
- 6. IT IS UNDERSTOOD AND AGREED THAT** the contractor, as surety, undertakes to pay the principal, interest and costs agreed upon in an agreement or transaction to settle the dispute between the client and the contractor. This undertaking must bind the contractor's administrators, heirs and legal representatives.
- 7. IT IS UNDERSTOOD AND AGREED THAT** this licence security is valid for the term of the licence. The contractor may terminate the security only upon written notice of at least 60 days to the obligee. If the contractor's licence becomes invalid for non-payment of the applicable fees and charges by their due date, the security remains valid for a new licence if issued to the contractor within 60 days of said due date.
- 8. IT IS UNDERSTOOD AND AGREED THAT**, even if this security has expired, the contractor's obligations continue to apply if, firstly, the construction work pertains to a contract entered into while the security was in force or was performed while the security was in force and, secondly, if no more than three years have elapsed since the cause of action arose before a civil lawsuit is filed or an agreement or transaction is made.
- 9. IT IS UNDERSTOOD AND AGREED THAT** the contractor's liability under this security, in principal, interest and costs, is limited to the amount stated above. Any payment by the contractor will be made in accordance with sections 43 and 44 of the Regulation.
- 10. IT IS UNDERSTOOD AND AGREED THAT** the contractor hereby waives the benefits of discussion and division.
- 11. THIS LICENCE SECURITY** takes effect on the date on which it is signed.
- 12. IN WITNESS WHEREOF**, the contractor has signed by its duly authorized representative.

Signatures

Signed at:

Name of contractor:

Name of authorized signatory:

Signature:

Date (yyyy-mm-dd):