

## **(Retranscription and translation of the) TRANSACTION**

### ***Between:***

**The Association of Employees of Northern Quebec (AENQ)**, located at 9403 rue Sherbrooke Est, Suite 1500, Montréal (Québec), H1L 6P2;

### ***AND:***

**THE Agence du Revenu du Québec**, located at 3 Complexe Desjardins, Montréal, duly represented for the purposes hereof by Larivière Meunier (Revenu Québec) from the legal department of the Agence du Revenu du Québec;

1. **GIVEN THAT** this transaction shall be regarded as a comprehensive settlement for the determination of fair market rent in relation to the establishment of housing benefits for employees of the Kativik School Board;
2. **GIVEN THAT** Revenu Québec is willing to accept the valuation method contained in the valuation report produced by the Association of Employees of Northern Quebec in December 2012, which was prepared by Philippe Richer, C. App. (hereinafter referred to as "the Richer report");
3. **GIVEN THAT** the fair market rent for the housing on page 66 of the Richer report, which refers to the year 2009, must be updated according to the Consumer Price Index, housing by province (Québec) annually, and includes the cost of public and municipal services (see Appendix 1);
4. **GIVEN THAT** this transaction involves all opposing cases as well as those in appeal before the Court of Québec, including summary tax appeals;
5. **GIVEN THAT** the parties have agreed, under the terms herein, to settle said cases out of court;
6. **GIVEN THAT** the Association of Employees of Northern Quebec has agreed to prioritize the findings of this settlement for all of its members;
7. **GIVEN THAT** the preamble forms an integral part of this transaction.

**THE PARTIES THEREFORE AGREE AS FOLLOWS:**

**The 2013 taxation year and subsequent years**

8. For the determination of housing benefits for employees of the Kativik School Board for the 2013 taxation year and subsequent years, Revenu Québec shall inform the employer that it considers reasonable the valuation method and the present fair market rent for the housing units (which includes values attributable to heating and lighting services as well as to the provision of a fridge and kitchen range) foreseen in the Richer report, unless new evidence affecting this preset value comes to light.

**2012 Taxation year**

9. The present values for 2012 shall apply to all those who request it by way of either a notice of objection or a claim for relief submitted by the deadline for objection.

**2011 Taxation year**

10. The values in the Richer report, updated for the year in question, shall only apply to taxpayers who have protected their rights and whose notices of objection or appeals, depending on the case, are still pending.

**Years prior to 2011**

11. All taxpayers who have protected their rights and whose applications are still pending will be offered the values set by Revenu Québec, applicable as of the 2010 taxation year, values taken from the valuation report produced by the Association of Employees of Northern Quebec and prepared by the firm Raymond, Joyal, Cadieux, Raquette & Associés Ltée. as the fair market rent. The values will be updated to reflect the relevant year. Taxpayers whose applications are still pending and who would have benefited from the values set for the 2010 taxation year will be required to sign a disclaimer<sup>1</sup>.
12. The parties declare and acknowledge that this is a transaction within the meaning of the *Civil Code of Québec*.

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<sup>1</sup> The parties state that for certain cases, a value of \$530 was used to calculate the housing benefit of a two-bedroom unit (2010 taxation year), when in fact a value of \$503 should have been used for the calculation. However, no corrections will be made in this respect.

**In witness whereof, the parties have signed:**

In Montréal, on November 13, 2013

(signature)

**Melançon, Marceau, Grenier et Sciortino**

Attorneys and solicitors for the Association of Employees of Northern Quebec (AENQ)

In Montréal, on November 14, 2013

(signature)

**Larivière Meunier**

Attorneys and solicitors for the Agence du Revenu du Québec

## APPENDIX 1

*Fair market value updated according to the Consumer Price Index, housing by province (Québec) annually.*

Built prior to 1980 renovated	2009	2010 <sup>1</sup>	2011 <sup>2</sup>	2012 <sup>3</sup>
2 bedrooms	330 \$	334 \$	344 \$	351 \$
3 bedrooms	375 \$	380 \$	391 \$	400 \$
4 bedrooms	426 \$	431 \$	444 \$	453 \$
Built post-1980	2009	2010	2011	2012
studio	245 \$	248 \$	253 \$	258 \$
2 bedrooms (small)	330 \$	334 \$	344 \$	351 \$
2 bedrooms	359 \$	363 \$	374 \$	382 \$
3 bedrooms	415 \$	420 \$	433 \$	442 \$
4 bedrooms	470 \$	476 \$	490 \$	500 \$
5 bedrooms	526 \$	532 \$	548 \$	560 \$
6 bedrooms	579 \$	586 \$	604 \$	617 \$

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<sup>1</sup> 1.2% for all.

<sup>2</sup> 3% for all.

<sup>3</sup> 2.1% for all.