



5 yr
Renovation

UNDERSTANDING YOUR RENOVATION WARRANTY



RESIDENTIAL
WARRANTY PROGRAM
www.luxwarranty.com





BRIEF OVERVIEW

Numerous possible circumstances make warranty documents lengthily. This overview is a brief and frank explanation. It is not part of the actual warranty agreement.

The Lux Renovation Warranty Program provide homeowner protection in 5 main areas.

- #1 Insuring Renovation Builders possess the competence to conduct renovations.
- #2 Define a minimum warranty industry standard for defect repairs.
- #3 First year- Provide dispute resolution assistance.
- #4 Provide first year repairs to latent defects that the Builder cannot or refuses to.
- #5 Provide warranty protection after year one for severe structural defects or failures "Major Structural Defects"

Service

First year: for defects and service 1st contact your Builder as identified on your confirmation of warranty certificate.

We are here to assist you;

Anytime with technical questions, clarification on industry standards etc. If you cannot obtain the service required from your Builder simply send us a help request on our homeowner helpline at luxwarranty.com. You will not be charged for any inspections that may be required.

Important Industry limitations common to warranty programs:

- #1 Patent defects are considered contractual items, (no warranty) they are imperfections visible at completion of the renovations that the homeowner either accepts or make arrangements for.
- #2 for coverage the homeowner must advise the warranty program and builder of defects during the first 373 days.
- #3 after year 1 no coverage other than "major structural defects" is provided to new structural components.

ADDITIONAL WARRANTY: Additional protection may be available such as "5yr Dry Basement". The homeowner should contact the builder or warranty program for information on additional coverages.

Renovation Warranty Agreement

Renovation warranty is influenced by three elements, scenarios as taken into account in the warranty performance & repair standards.

#1 Complete replacement or addition: This item is the simplest, it represents the builder completely replacing an item of renovation, similar to adding an addition. Example the builder removes the Porch and builds a completely new Porch including foundation, frame, insulation, windows, electrical and interior finishes. . .

2 Re-used elements: These can be elements which the builder and warranty have limited control over. They are existing elements in the renovation which are not replaced but rather re-used or refurbished. Subsequently their performance cannot be guaranteed by the builder or warranty program. These elements could also have an adverse effect on some of the new products attached, adjacent, or related to them.

#3 Related used elements: These are existing used products and systems which can affect the new renovated products although at a distance or sometimes indirectly. They represent elements such as the existing electrical panel that provides for the new electrical in the porch, the existing water supply piping or heating, the existing heating and air handling systems . . . the performance of which cannot be guaranteed unless they are completely replaced.

Differentials: New construction products experience a volume change, particularly in the context of assemblies. New lumber in particular experiences' volume changes since it continues to dry out after installation and acclimatizes to its new environment. When new lumber and other products are fastened to or adjacent to older existing products, the shrinkage of the new products can cause some differential between the old and new products.

Example: where a new floor meets evenly adjacent to an old floor, or where a new porch addition is attached to the existing house frame . . . See "Differentials" in the (Renovation Performance standards). At the time of construction the alignment and joinery of these elements can seem almost perfect. Several months' later shrinkage and acclimatization may cause some differentials. Although measures can be taken to minimize the effects, imperfection free assemblies cannot be guaranteed when mixing new with used materials.

Circumstantial effects: This term refers to the effect of the 3 elements above on any imperfection or defect and how the circumstance(s) on any given imperfection or latent defect relate to the use of new with used products and materials.

TERMS AND CONDITIONS

In each instance, the Builder or Lux Warranty responsibilities for warranty coverage under this program are subject to the following:

- Prior to a claim Lux Warranty must be in possession of a valid Lux Warranty Renovation Possession Certificate and the warranty must have been activated.
- In the event of a warranty claim, the decision of whether to repair or replace a defective item is solely the Builder's or Lux Warranty, as applicable.
- Financial Liability. The maximum aggregate liability to Lux Warranty is the Lux Renovation Warranty only and shall not exceed a total of \$15,000.
- In the first year, if the Builder does not fulfill his/her obligations under this Agreement the Program Warrantor will be responsible for the Builder's obligations, subject to a one time deductible of \$150. The deductible must be paid by the Homeowner prior to repair or replacement.
- Action taken to repair defects will not extend the periods of coverage specified in the Agreement.
- Prior to the Builder or the Program Warrantor repairing or replacing a defective item, the Homeowner must sign and deliver to the Builder or Lux Warranty, as the case may be, a full and unconditional release, in recordable form, of all legal obligations with respect to the defect and any conditions arising from the defect. However, the repairs or replacement item will continue to be covered by the Agreement.
- In the event the Builder or the Program Warrantor repairs or replaces, any item covered by the Agreement, the Builder and the Program Warrantor shall be subrogated to all of the Homeowners' rights of recovery therefore against any person or entity (including the Builder if its obligations hereunder have been performed by Lux Warranty) and the Homeowner agrees to execute and deliver any and all instruments and papers and to take any and all other actions necessary to secure such rights, including, but not limited to, assignment of the proceeds of any other insurance or warranties to the Builder or Lux Warranty, as appropriate. The Homeowner shall do nothing to prejudice such rights of subrogation.
- In the event that the Homeowner, Builder and or the Program Warrantor are in the process of a dispute resolution and the Builder fails to make repairs ordered by Lux Warranty. Lux Warranty will undertake to cause the related warranty obligation to be resolved as set in the program to be repaired. As all decisions of Lux Warranty are binding on all parties, Lux Warranty is to be fully compensated for all work performed with respect to said dispute by the culpable party. This certificate is an important document, as such, Lux Warranty advises you to review its contents carefully and consult with a professional if required.

HOW TO MAKE A WARRANTY CLAIM

Dispute Settlement:

- carefully read and review the Agreement and the performance standards to determine whether the defect is covered.
- Notice to Builder for defects arising in Year 1: If you have a claim, which you believe is covered by this Agreement and it arises during the warranty period as defined by this Agreement, Written notice of a defect covered during year one must be received by the Builder during the first year and no later than seven (7) calendar days following the expiration of the applicable warranty period. If notice to the Builder does not result in satisfaction within 7 days following the expiration of the first year warranty, written notice must be given to Lux Warranty as warrantor, you must send a notice to Lux Warranty, which is clear and describes the defect in detail along with the written notice provided to the Builder and proof of delivery by registered mail. The notice to Lux Warranty should describe each defect in detail and should be forwarded by Registered Mail. A conciliation/arbitration service report shall be completed by Lux Warranty and delivered to the Home owner and Builder as a means of dispute resolution between the respective parties. The findings of the said conciliation/arbitration shall be binding on all parties.
- Claims Contact: The Homeowner shall forward all claims in writing to the Lux Warranty Program Atlantic office at: Lux Warranty Atlantic P.O. Box 27046 Dieppe, New Brunswick, E1A 6V3

INSPECTION AND MEDIATION

During the first thirty (30) days following Lux Warranty receipt of proper notice of a defect or claim, Lux Warranty will review and mediate the claim by communicating with the Builder, the Homeowner and any other individuals or entities who Lux Warranty believes possesses relevant information. Lux Warranty will issue a binding conciliation report to both the Builder and Homeowner. Lux Warranty, at any time following the receipt of proper notice of a claim against any of the programs listed in this Agreement, may schedule an inspection of the defect or an appraisal acceptable to Lux Warranty. The homeowner must provide Lux Warranty, the Builder, or if applicable, the Lux Warranty with reasonable weekday access during normal business hours in order to perform its obligations. Failure by the Homeowner to provide such access to the Builder or Lux Warranty will relieve the Builder or Lux Warranty of its obligations under this Agreement.

Where a claim is filed that cannot be observed or determined under normal conditions, it is the Homeowner's responsibility to substantiate that the condition does exist. Any cost involved shall be paid by the Homeowner, and if properly substantiated, reimbursement shall be made by the Builder or Lux Warranty to a maximum of \$300.00 dollars. Remedial Action. When a defect has been identified, Lux Warranty will ensure that it is corrected by the Builder or Lux Warranty. Cash settlements would be contemplated only under very special circumstances. A decision in favor of a cash settlement may occur after negotiation with the homeowner and perhaps the mortgage lender.

CONTENT AND TIMING OF NOTICE TO Lux Warranty

Please note that Lux Warranty must receive a written notice of claim within thirty (7) days after the expiration of the applicable warranty period. For example, if the defect is one which is covered under the Builder one year warranty period, notice must be received by Lux Warranty within thirty (7) days of the end of the first year, for the notice to be honored. Notice to the Renovation Builder does not constitute notice to Lux Warranty, nor will it be deemed to extend applicable coverage periods. This notice must contain the following information:

- The enrollment number and possession date.
- The Renovation Builders name and address;
- Your name, civic & e-mail address', home and work phone numbers,
- A specific description of the defect(s);
- A copy of your written notice to the Builder.

21 DAY RESPONSE REQUIREMENT

The homeowner has an obligation to cooperate with Lux Warranty inspectors in the investigation of a claim. From time to time, Lux Warranty may request information from the homeowner regarding the claim. Failure by the homeowner or his/her appointed representative to respond with the requested information within 21 days of the date of request shall result in the closing of your claim file.

Rental Units; Rental units may not be eligible for coverage in the program.

Warranty Transferability

The Warranties contained in this agreement shall remain with the home and extend to the future registered purchasers of this home subject to any conditions applied by the original or subsequent owners. A confirmation of warranty can be obtained through luxwarranty.com.

Renovation Builder's RESPONSIBILITY AND HOMEOWNERS RIGHTS: YEAR ONE

If a latent defect in the renovated or addition portion of the Home arises due to nonconformity with the warranty standards during the first year of this Agreement the Renovation Builder will repair or replace the defective item as per the performance standards.

Latent Defects in Workmanship and Defective Material. Year 1

Latent Defects are defined as hidden defects or imperfections which manifest themselves after possession or not visible at the time of possession, even with reasonably careful inspection during construction they will not be revealed until after a Home is completed, and put in use for some time. Latent Defects are defects which become manifest within the first year after the date of possession of the renovation of the home.

Major Structural Defects Year 2 – 5

A major structural defects are defined as defects resulting in failure of the load bearing portion of a Home, including but not limited to damage due to soil movement which affects its load bearing function, all of which affects the use of a Home for residential purposes, providing that the subject load bearing portion of the home was replaced or built new by the builder as part of the renovation.

If a Major Structural Defect as defined by the coverage arises in the renovated portion of the home during years two through expiry of the coverage under this Agreement, Lux warranty at its sole option will repair or replace the defective item(s). The responsibilities of the Builder or Lux Warranty as set forth herein, will be limited to such actions as are necessary to restore the load-bearing capability to the renovated load-bearing component portion of the Home and to repair those new elements of the structural renovated portion of the Home damaged by the Major Structural Defect which make the renovated portion of the Home physically unsafe, provided that the defects are caused by the negligence of the Builder to new products supplied and installed by the Builder.

Examples of Load bearing components include newly built:

1. Piles - Footings - Foundation walls - Grade beams – Teleposts - Bearing walls - Floor joists - Posts and Beam - Roof trusses.

Examples of non-load-bearing elements which will be deemed not to have Major Structural Defects

Defect potential are, (this list is not exhaustive):

Non-load-bearing partitions and walls - Wall tile or paper - Plaster, laths, or dry wall - Flooring and sub-flooring material
Brick, stucco, stone, or veneer - Any type of exterior siding - Roof shingles, sheathing, and tar paper - Heating, cooling, ventilating, plumbing, electrical and mechanical systems - Appliances, fixtures, or items of equipment –Concrete Slabs

The following exceptions and exclusions apply to defects not covered under this Agreement:

Failure of the Builder to complete; construction, registration of the warranty or completion of the renovation of the Home on or before the Effective Date or damages arising from such failure. An incomplete item is not considered a warranty defect hereunder, although a Renovation Builder is otherwise obligated to complete such items under contract to the homeowner or building code issues with the authorized jurisdiction.

- Any act of terrorism or defect which does not result in actual physical damage.
- All consequential damages including, but not limited to, transportation, food, moving, storage, or other incidental expenses related to relocation during repairs.
- Property damage or bodily injury.
- Any claim reported after an unreasonable delay, not reported to the Renovation Builder for any reason or later than seven (7) days after the expiration of the applicable warranty period or any claim without proper notification to Lux Warranty.
- Loss or damage caused to a Home directly or indirectly by insects, birds, vermin, rodents, wild or domestic animals.
- Defect which arises while a Home is used for nonresidential purposes, including renting, leasing etc.
- Damage caused by soil movement, including subsidence of land around the Home or along the utility lines, expansion or lateral movement of the soil, to any Home or to any other Home in the surrounding area.

- Any deficiencies in or damage caused by material or work supplied by anyone other than the Renovation Builder or its employees, agents, or subcontractors.
- Damages or losses not caused by a defect in construction of a Home not caused by a Renovation Builder or its employees, agents, or subcontractors, but resulting instead from acts or omissions of the Purchaser, his agents, employees, invitees, accidents, riots, civil commotion, nuclear hazards, acts of God or nature, fire,
- Loss or damage to used materials or to existing materials repaired or re-used materials
- Explosion, blasting, smoke, water escape, windstorms, hail, lightning, falling trees, aircraft, vehicles, flood, mud slides, sinkholes, faults, crevices, earthquake, including land shock waves or tremors before, during or after a volcanic eruption.
- Loss or damage resulting from a Purchaser's failure to perform routine maintenance and maintaining proper moisture levels in the home.
- Loss or damage resulting from the Purchaser's failure to minimize or prevent such damage in a timely manner.
- Loss or damage to or resulting from defects in outbuildings including, but not limited to detached carports, (a fence, utility line or similar union shall not cause an outbuilding to be considered attached), site located swimming pools and other recreational facilities; driveways; walkways; patios; boundary and retaining walls, bulkheads; fences, landscaping (including sod, shrubs, trees and planting) French drains; septic systems; off-site improvements; or any other improvement not a part of a Home itself.
- Loss or damage resulting from concrete floors of basements and attached or detached garages or chimneys. Note garage & all non-load bearing concrete floors are not major structural components.
- Loss or damage to real property which is not part of a Home (land is not considered a part of a Home) covered by this Agreement and which may or may not be included in the final sale price.
- Loss or damage resulting from, or made worse by, changes in the grading of the property surrounding a Home by anyone except a Renovation Builder or its employees, agents or subcontractors, or changes in the grading or drainage resulting from erosion or subsidence.
- Damage resulting from, or made worse by, dampness, condensation or heat build-up caused by the failure of a Purchaser to maintain proper ventilation and humidity levels.
- Loss or damage resulting from, or made worse by, modifications or additions to a Home done by a Purchaser, or property under or around a Home, made after commencement of the term of this Agreement (other than changes made in order to meet the obligations of this Agreement).
- Any defect, damage or loss which is caused or made worse by the failure of a Purchaser to promptly notify a Renovation Builder or Lux Warranty, as applicable, of any defect within the period of time specified by this Agreement.
- Any defect, damage, or loss which is caused or made worse by failure by anyone to comply with a Renovation Builders' warranty requirements concerning appliances, fixtures or items of equipment. Loss or damage resulting from or made worse by, negligent maintenance or operation of a Home and its systems by anyone other than a Renovation Builder or its employees, agents or subcontractors. Any deficiencies in fixtures, appliances, and items of equipment whether or not components of the cooling, ventilating, heating, electrical, plumbing or in-house sprinkler systems.
- Loss or damage resulting from a condition not resulting in actual physical damage to a Home, including un-inhabitability or health consequences of insects, unacceptable levels of radon, formaldehyde, carcinogenic substances, or other pollutants and contaminants; or the presence of hazardous or toxic materials.
- Loss or damage caused directly by flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these (whether or not driven by wind), water which backs up from sewers or drains, changes in the water table, or water below the surface of the ground (including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool, or other structure) wetlands, springs or aquifers, ground pumps.

- Violations of applicable building codes or ordinances unless such violation results in a defect which is otherwise covered under this agreement. Under such circumstances, the obligation of a Renovation Builder or the Program Warrantor under this Agreement shall only be to repair the defect, but not to restore or bring the Home to conform to code. Loss of damage caused by abuse, misuse, negligence, accident or other casualty or any damages caused by the same.
 - Loss or damage resulting from failure to comply with instructions contained in the manufactures warranty manual. Loss or damage resulting from improper set up or leveling of Home.
 - Loss or damage caused by normal deterioration due to wear exposure.
 - Loss or damage resulting from the storage of firewood or other wood products under a Home.
 - Loss or damage caused by the phenomenon known as roof truss uplift.
 - Loss or damage caused by, defects in any part of the foundation or the building, or the attachment of components, such as vents, fascia, skylights, or other such materials, accessories or machinery, the attachment of which is made known to and approved by a Renovation Builder in writing or any other cause beyond the reasonable control of a Renovation Builder.
 - Loss or damage to products or materials which are not manufactured by a Renovation Builder except to the extent of the guarantee given by the actual Renovation Builder.
 - Loss or damage to used materials or to materials repaired or replaced under this Agreement except to the extent of the remainder of the applicable warranty period (to repaired, repainted, replaced or used materials).
 - Loss or damage to or caused by any paints or coating applied after installation not furnished or specifically recommended in writing by a Renovation Builder.
 - Loss or damage to driveways, basement floors, garage floors, patios, sidewalks, retaining walls, and all concrete constructions which are not load bearing.
 - Loss or damage to any tires, axles, wheels, tie down straps, anchors.
 - Loss or damage caused by condensation damage to the floor system resulting from improper ground moisture retarder protection.
 - Loss or any resultant damage caused by the failure of any appliance, system, or structure which may be covered under any Purchasers' insurance policy whether purchased or not.
 - Damage which would not have occurred, in whole or in part, but for the actual or alleged exposure to, existence of, or presence of, any Fungi or bacteria on or within a building or structure, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such damage.
 - Landscaping, septic beds, water sheds, foundation or any other drainage systems, tile beds.
 - Water Penetration of any kind after the first year warranty term in this Agreement.
 - Renovation Builder does not provide any warranty for work done or any materials provided by the Retailer, any installer or contractor or any other person, except where it is expressly so stated.