

Builder Membership Guide

Welcome to the Program! We are excited to add you to our team of builder members who are committed to providing outstanding customer care to their homebuyers by protecting each home they build with a warranty. The enclosed information is a snapshot of what your membership entails and will help you get started with basics of providing warranty to your purchasers. This is meant as a 'quick start' guide which highlights some of the most important parts of your membership and will point you toward certain policies, procedures, and other documents that contain critical and detailed information, all of which can be accessed through the Builder Portal on our website. Take some time to read the information below and contact us should you have any questions or concerns.

Table of Contents

1. Our Team	1
contact information	
2. Builder Member Portal	2
log in set up and access	
3. Communication	3
email, regular mail, file upload	
4. Membership	4
security deposit, inspections, voting representative, suspension/cancelation	
5. Membership Renewal	6
annual renewal requirements	
6. Registering Homes for Warranty	7
Enrollment Forms and Possession Certificates	
7. How Warranty Works.....	15
role of the Program and Builder, warranty basics, claim procedure	
8. About the Program.....	16
our history, how we operate, Annual General Meeting	
9. Advertising and other Resources	18
brochures, signage, logos, advertisements	
10. Questions, Comments, Concerns	19

Our Team

Tabatha Funk

Administrative Assistant/Member Services

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Builder membership services (enrollments and possession certificates, membership renewal); accounts receivable/payable; reception/office management.

Jay Kent

Warranty Manager/Inspector

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Cell: (204) 781-3467

Warranty claim evaluation; new construction inspections.

Vlad Stoychev

Warranty Representative

vlad@mbnhwp.com

Warranty claim evaluation

Lori Crandell

Chief Executive Officer

lori@mbnhwp.com

Cell: (204) 781-9961

Program administration; new builder applications; advertising/marketing; website

Additional Information:

Address: *(located across from Superstore, corner of Grant and Kenaston; same building as Original Joe's)*

Unit 340 – 530 Kenaston Blvd.

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Phone: (204) 453-1155

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TEXT: 204-453-1155

CHAT: Available on our website

Text messages and chat requests are received by Tabatha during normal office hours only.

Builder Member Portal

Visit this secure membership only area at www.mbnhwp.com/portal.html to enroll homes, obtain important information about the Program (policies, reports, bulletins, etc.), access FAQ, upload files, and register for events.

1. **Activate your account:** Visit the login page at www.mbnhwp.com/portal.html. Once there, click Request Password and enter your email address. (Use the one you provided to us when you applied for membership.) Click the Request Password button and an automatically generated password will be sent to you. Return to the login page and enter your username (email address) and the provided password. Once logged in, you may change this generated password by visiting Manage Account.
2. **Customize your Profile:** All builders are listed on our builder member directory at www.mbnhwp.com/members.html. You can customize what information (address, phone, fax, etc.) you want to be available to the public by visiting Manage Account (under the 'About' tab). We have already added your company address and email address. We have made this self-serve feature available as many builders like to have different information available to the public versus what we use at the office to contact you.



The information you add/update on the Portal is not 'linked' to any contact list contained in our office and not monitored by us on a regular basis. So, if your address, phone number, email address, etc. changes, please ensure you let us know by contacting us directly in addition to updating your online profile. If you want to sync your contact information, you can email us and advise, "Please update your records and the Builder Portal with the following new information...". We will then update both our records and the Portal for you at the same time.

3. **Email Addresses/Messaging options:** Your Account Email is the email used to log in and where you will receive important Program updates from us. This email is NOT shown to the public. Anyone who visits your profile will find a link called 'send message' where they can send an email to you using an encrypted messaging system. If you prefer to receive email from the public at a different email account, enter it under Public Email. It too will be encrypted. If you do not want to receive any email from the public, go to the 'Profile' tab and click 'Do not allow messaging'.
4. **Upload your logo:** Go to the tab called 'Profile'. Under 'Business Card' upload your logo. This will appear above your company name in the builder member directory. Your logo will add a professional look to your contact information. Think of it as free advertising!
5. **Add Social Media Links:** Under the Profile tab you can add links to any social media accounts you may have, such as LinkedIn, Facebook, Instagram.
6. **Secondary Contacts:** Contact our office if you want to add additional contact information for your company (business partner, management, site supervisor, warranty staff, admin, etc.) It will appear in your Profile available to the public. If you list an email address for any additional contact, they will also be added to our mailing list and receive Program

updates/bulletins. Alternatively, we can make secondary contacts private, so they are only added to the Program's mailing list.

7. **HELP!** If you encounter difficulties, or have questions let us know! We can update your information and upload your logo for you. Our website is managed 'in-house' so we can assist with any matters quickly.

Communication

IMPORTANT! Nearly all communication with builder members regarding policy updates, fee changes, warranty claims, etc. will be done via email. To avoid having important emails from us land in your junk mail folder, please add the emails listed above under Our Team to your contact list.

As part of your annual membership renewal, we will send you a Data Sheet where you can update us on any changes to your company. However, feel free to reach out to us directly at any time.

- **Group Emails:** We will occasionally send information that affects the whole membership through the 3rd party platform that hosts our Builder Portal. Please ensure that your Account Email (the email address you use to log into the Builder Portal) is current and used by someone who regularly checks their email account. If you would like to add an additional email account that will receive these updates, let us know and we will add it as a Secondary Contact as mentioned above.
- **Direct Emails:** We will communicate with you directly using the email provided on your application, or any other email you provide throughout the course of your membership, concerning your membership and any active warranty claim. If you have a specific person handling a specific job (e.g. warranty claims; membership renewal/enrollments) that has a different email address than what you have provided to us as the main contact, let us know and we will do our best to use this specific communication channel. We will keep these extra email addresses for office use only.
- **Mailing Address:** PLEASE keep your address updated with us to ensure mail is not delayed. There are a few specific items we will send by regular mail such as the Notice of Annual Meeting, and some items relating to membership renewal, as well forms/advertising materials (possession certificate forms, brochures, etc.).
- **Phone/Text:** We require that you have phone line for verbal communication. Please keep us updated if your phone number changes. Our phone number (204-453-1155) is available for those who wish to send a text message. Texting is available only during office hours and incoming messages will go to reception (Tabatha Funk) who can route the message to another team member. You may also text any team member directly who has a mobile phone number listed. **We understand that texting may be a common way of communicating for some members, particularly when discussing an important matter with one of our staff such as a claim file. This is acceptable ONLY during business hours. Please respect this policy. While our staff may occasionally respond to these messages outside office hours, they are not required to do so.**

- **File Upload:** If you encounter an issue in sending information you would normally send by email, there is a file upload option in the Builder Portal you can use. This is helpful for large files, such as pictures or video that relate to a claim file.

We aim to communicate quickly and professionally and take measures to use language that is respectful to all our vendors, and this includes the homeowners that reach out to us and our builder members. We expect an equal level of respectful communication from our members.

- Verbal, physical, or other communicative abuse against our staff will not be tolerated. This includes profanity, yelling, racial remarks, bullying, slander, and threats.
- When discussing a warranty claim, whether by email or verbally, please stick to the facts and avoid comments about the homeowner(s) that are slanderous, harmful, or disrespectful.
- We may have questions or require more information pertaining to your membership, a warranty claim, an enrollment, etc. Please respond to us in a timely manner. Failure to respond appropriately may negatively affect your membership.

Membership

Your membership with the Program is far more than just your 'Registered Builder Number' and a requirement to provide warranty. As we are a non-profit organization, our by-laws set out very specific rights, privileges, and obligations of its members. Only builders who focus on building homes for sale as a primary business are welcomed in our Program. We do not warranty one-time builds, owner-built homes, and homes built by hobbyists. You can take pride in knowing you are part of a professional association that focusses on supporting excellence in the new home construction industry.

- **Builder Number:** Your Registered Builder Number (R#) identifies your membership with the Program and may appear on many documents. It is either a three or four-digit number.
- **Agreement with Builder:** This is a contract between the builder member and the Program and outlines your responsibilities and general requirements. You signed this document when you first became a member. It contains important information such as:
 - Indemnity and covenants
 - Enrollment of homes - types of homes eligible, fees, associated penalties, etc.
 - Issuance of a Possession Certificate
 - Default by the Builder; cancelation of membership
- **Security Deposit.** Each member provides a security deposit in the form of either cash (invested in an interest-bearing savings account) or Letter of Credit through their financial institution. The size of this deposit is dependent on a variety of criteria such as annual builds, type of builds, financial strength, etc. and therefore may be different for each builder. This security deposit is held by the Program for the length of the membership and becomes returnable once the membership is canceled and all warranty obligations are met and expired (all homes past warranty; no active claims). The security deposit amount is reviewed annually during the builder's membership renewal. More information can be found in the Security Policy.
- **Inspections:** Most new memberships will have a Mandatory Inspection Requirement. You may have signed a form upon the approval of your membership outlining these

requirements. If so, the Program will inspect all homes at the stages indicated until further notified. These inspections are separate from inspections undertaken by any regional authority having jurisdiction under an issued construction permit. The purpose of these inspections is to learn more about your construction practices, identify anything that is not congruent with the building code, and provide information on issues that are commonly claimed as defects by a homeowner. The Program may also conduct an inspection on a home at any time during the course of your membership either as a routine 'spot check' or in response to a construction concern. In accordance with your Agreement with Builder, a fee may be applicable for any inspection at the discretion of the Program.

- **Voting Representative:** Each member may designate one individual as a voting representative, who will have the privilege of voting at any Annual or General meeting. (You would have indicated who this person is when you first applied for membership). You may change this anytime by letting us know in writing. The Data Sheet we provide at your annual membership renewal will provide a spot for declaring/changing your voting representative.
- **Join the Board of Directors:** A voting representative has the privilege of becoming a director on the Board of Directors should a vacancy become available. Nomination forms for vacancies on the Board of Directors are sent out in December, in advance of the Annual General Meeting in March.
- **Membership Renewal:** Your membership renews on an annual basis. More information below.
- **Changes to company:** If there are any changes to your contact info (address, email, phone, etc.), beneficial ownership/management (shareholders, directors, etc.), or company structure (incorporation, name change, amalgamation, etc.) please let us know immediately and forward the applicable legal document that supports the change. (e.g. for changes to company ownership, etc., please forward a copy of the File Summary that can be obtained from the Companies Office.)
- **Cancellation of Membership:** You may cancel your membership anytime by notifying us in writing. Cancellation of your membership means you will no longer be required to enroll homes for warranty or provide annual renewal information. However, you will retain your responsibility toward any warranty obligations on homes enrolled in the Program.



Membership cannot be 'shared' or 'sold': You may not assist another builder by registering a home under warranty that is constructed by this other builder. This will result in immediate cancellation of your membership. Each builder that seeks warranty on a home must establish their own membership. This also applies to related companies (often referred to as 'sister companies') where the companies have the same ownership or contain more than one similar owner/shareholder. If you have a sister company that is also constructing homes that needs warranty, let us know. We can set up a relationship between the two companies if you would like to share warranty responsibility.

Suspension and Cancellation of Membership

If a builder defaults in any covenants or responsibilities of the Agreement with Builder or other such Program policies, the member may have their membership canceled. Typically, the Program will provide notice to the builder of the infraction and advise that the membership has been suspended and will provide a period of time for the builder to rectify the matter. If not rectified satisfactorily in the

prescribed time period, the membership is canceled. Please refer to both the Agreement with Builder and Membership Policy and Renewal Procedure.

Suspension results in:

- an increase in the Enrollment Level. This results in an increase in enrollment fees;
- the suspension of authorization of enrollments. Enrollments should still be forwarded to the Program within the deadline of 61 days from the issue date of a construction permit. However, they will be held pending the removal of the suspension. If suspension is not removed and the member becomes canceled, any held enrollments will become ineligible;
- the inability to vote at any members meeting. If the builder is also a director, they will not be able to attend a Board of Directors meeting.

Cancellation of membership may occur for reasons per above, as a result of an infraction of the Agreement with Builder, or if the member requests in writing to withdraw their membership from the Program. A canceled member

- is no longer required to submit membership renewal information;
- may no longer submit enrollment forms;
- loses the privilege of requesting a payout of accrued interest on any security deposit held by the Program in an interest-bearing savings account (refer to the Security Agreement for more information);
- may not advertise they are a member of the Program and shall remove all advertising from their social media, documents, contracts, etc.;
- shall continue to submit any outstanding possession certificates for homes that have been sold;
- shall advise the Program of any homes that have NOT been sold. Any unsold homes that are enrolled, may be canceled at the discretion of the Program;
- retains any and all obligations under the warranty of any registered homes. If there are active warranty claims, or should a claim subsequently be activated, the builder remains responsible in completing repairs to defects under the warranty. Should the builder be unable to take such actions necessary to complete repairs, the Program will undertake the builder's responsibilities. The Program may use the builder's Security Deposit to cover the cost of repairs, plus an administration fee of 25%.

Membership Renewal

Refer to the Membership Policy and Renewal Procedure document for details on the maintenance of your membership. A few important points are highlighted below.

- Your membership will renew on an annual basis. The annual date of renewal is 6 months following your fiscal year end. In your approval letter, we would have advised what your 'renewal month' is. If your fiscal year end changes, let us know so we can adjust your renewal month.
- We will send a membership renewal reminder out one month in advance of your deadline, which includes an invoice for the membership fee and a Data Sheet for completion. This Data Sheet helps us keep up to date on any changes to your company and will provide information on how many homes you have constructed/enrolled and how many you intend to construct in the upcoming year.
- Payment of the renewal fee and receipt of current financial statements along with a signed Data Sheet is required by the 1st of your renewal month.

- Members are assigned an Enrollment Level which may fluctuate. Level 4 results in the highest enrollment fees, with Level 1 being the lowest in fees. Typically, memberships start at Level 4 and will go down 1 level with each successful membership renewal.
- Failure to provide renewal information on time will result in the suspension of your membership, which will cause an increase in your Enrollment Level.

Registering Homes for Warranty - Enrollments and Possession Certificates

This section is very extensive as registering homes for warranty is the primary activity of our builder members. Due to the importance of this information, it can also be found as a stand-alone guide (Enrollments and Possessions Guide), available on the Builder Portal.

You will be using 2 documents regularly to register homes for warranty: an Enrollment Form and a Possession Certificate. It is a builder member's responsibility to submit these documents in a timely manner and as prescribed by the Agreement with Builder. Failure to do so may affect your membership renewal or lead to suspension or cancelation of membership and/or penalties.

ENROLLING HOME – ENROLLMENT FORMS

All eligible homes constructed for sale must be enrolled with the Program within 61 days of the date of issue of the building permit or the date of payment of a deposit by a Purchaser – whichever is earliest. Late enrollments will incur a \$30 late fee charge. If you are a new builder member and have units under construction that have been approved for warranty by the Program or received construction permits during the application process, please forward enrollments for these homes. If past the 61-day deadline, the \$30 late fee charge will be waived on these current builds as long as the enrollments are received within 30 days of the activation of your membership.

Eligible Homes

Generally, all typical homes constructed for sale must be enrolled in the Program. You are constructing the home if you are responsible for the supply of labour and materials. This includes single family dwellings, duplex, triplex, townhomes, row-housing, low-rise condominiums, etc.

The following homes are NOT eligible:

- condominium units in a building containing more than three stories, underground parking or commercial use space
- mobile homes
- recreational homes/cottages, unless it will be used for more than 6 months of the year
- additions/renovations to existing homes, including the rebuilding of a home on an existing foundation
- detached Secondary Suites (also known as laneway homes or garden suites)
- apartment buildings (buildings specifically built and designed to be leasehold; not capable of condominium title). These are typically units that are NOT self-sustained (do not have their own water/electrical meter, HRV, furnace, hot water tank, etc.)
- owner-built homes where the homeowner is responsible for the purchase of materials and direct payment of the trades. If you are involved in this type of project as a consultant/project manager or as a trade performing one aspect of the build (such as

framing) and being paid by the homeowner or another contractor, this is NOT a home that you are building and may not be enrolled for warranty.

What about show homes, a personal build, partial build, rentals?

- **A show home** must be enrolled. Typically, show homes eventually are sold and are rarely held by the builder permanently. Most are sold within 2 years of their construction. The Program has a policy to allow the removal of enrollments where a home is not sold within 2 years of the Enrollment Date. (More information on this policy is found in the Agreement with Builder.) So, if you do end up holding onto the show home longer than 2 years from the Date of Enrollment (hint: enroll it early on!) and you don't want it to be eligible for warranty, let us know and we can remove it.
- **A personal build**, including a home that a member constructs for an owner, relative, friend, or employee of the company, or for another company (including another company the builder has ownership in) must be enrolled. Why? A member is required to enroll homes that are constructed for sale and whether or not there is an actual exchange of money, it is considered 'a sale' when ownership is passed from the member company to the individual/alternate company. Also, warranty is on the home, and should the home be sold, warranty is transferred to the subsequent homeowner. *The only time this is exempt is if it is an owner-built home where the employee, shareholder or even the proprietor is managing the construction by personally purchasing the materials and paying the trades.
- **A partial built home** where the builder is constructing the foundation, framing, and building envelope (exterior windows, doors, paper/tape and interior insulation/vapour barrier) under a construction contract must be enrolled. In such a case, all other aspects of the build (labour and material supplied by the homeowner) will be excluded from the warranty.
- **Rental/investment property:** If the builder is clearly able to demonstrate that the home is being constructed and retained for their long-term investment portfolio (not sold within 5 years from the date of completion), the home need not be enrolled. However, homes built for other companies or individuals who will be renting out the homes, must be enrolled. (This excludes 'apartment buildings' per above). See below under Possession Certificates regarding homes that are rented out temporarily by the builder before being sold.
- **Special Circumstances:** If you have a unique situation with a build that is not covered here and do not know whether or not it should be enrolled, be sure to contact us early on – before the completion of the home - and we will advise.

Are Ready to Move homes covered?

A Ready to Move Home (RTM) constructed by the builder where the foundation is NOT part of the contract (constructed by the Purchaser), may be enrolled *at the discretion of the builder. If enrolled, only the RTM is covered (foundation is excluded). This does not, however, exclude any labour and materials the builder provides for any below grade systems (HVAC, plumbing, electrical, etc.) or finishes.

*If you are constructing 'speculative' RTMs (do not know who you will be selling to; no construction contract) and you are not sure if you will be installing a foundation with the sale of the RTM we recommend waiting until the home is sold before enrolling it (unless you have an internal policy in which you have decided that ALL your RTMs will be sold with warranty). We will waive the 'late

enrollment fee' for a speculative RTM. We can typically approve the enrollment the same day as it is sold so you can issue the possession certificate immediately following the authorization of the enrollment.

Will the Program cover homes built in other provinces?

Generally, we provide warranty on homes built only in Manitoba. However, there is one exception. The Program will warranty homes constructed by a builder whose company operates from Manitoba but constructs homes in or moves RTMs into Saskatchewan. This applies to no more than 30 units that are:

- site built within 50 miles (80 kilometers) of the Manitoba/Saskatchewan border or,
- RTMs moved into Saskatchewan (no distance limitation).

Filling out the Enrollment Form

- An Enrollment Form will be used for each eligible home you construct and can be found on the Builder Portal. This form provides us with detailed information about the type of home you are building, the estimated start and completion date of construction, the construction permit, etc. Submitting this enrollment is the first step toward putting warranty on the home.
- One enrollment should be submitted for each home. For example, a duplex would require 2 enrollments and a 20-unit condo would require 20 enrollments. For a Secondary Suite house (a home containing a secondary suite/granny suite), only one enrollment is required. **A 'home' means a building or part of a building which is capable of ownership separate from the ownership of the other part or parts of the building** (regardless of whether it is a condominium or freehold title). For example, if a triplex has three units and each unit has its own entrance and utilities it is capable of separate ownership even if built under one title since condo title could later be applied. If you are unsure about the enrollment eligibility of a home, contact the Program office to discuss.
- When filling out the form, ensure the address information is accurate and complete. For rural homes, be sure to indicate the applicable rural route information if there is no civic address assigned. Upon receipt, it will be processed and given an Enrollment Number. We will then forward an authorized copy back to you via email. If you prefer that authorized copies be mailed to you, please advise.
- **Incomplete forms may result in a delay in processing. If you need assistance in filling out the form, please contact the Program.**

Enrollment Fee Schedule - Payment

The cost to enroll a home is based on the estimated selling price of the unit (excluding land), your Enrollment Level, and the type of warranty chosen. On the Fee Schedule, '1 and 5' means the standard 5-year warranty and '1, 2, 7' means the optional 7-year warranty. You can learn more about these two warranties by visiting the Builder Portal. If you are not sure of your Level, please contact our office. For example, if you are building a home with an estimated selling price of \$425,000 (unit price is **\$325,000** and land value is \$100,000), you are a **Level 3**, and you are choosing the standard **5-year warranty**, the enrollment fee will be \$600. See below.

	LEVEL 1		LEVEL 2		LEVEL 3		LEVEL 4	
UNIT PRICE	1 and 5	1, 2, 7	1 and 5	1, 2, 7	1 and 5	1, 2, 7	1 and 5	1, 2, 7
Up to \$199,999	\$450	\$575	\$500	\$625	\$550	\$675	\$600	\$725
\$200,000 - \$299,999	\$475	\$600	\$525	\$650	\$575	\$700	\$625	\$750
\$300,000 - \$399,999	\$500	\$625	\$550	\$675	\$600	\$725	\$650	\$775
\$400,000 - \$499,999	\$525	\$650	\$575	\$700	\$625	\$750	\$675	\$800
\$500,000 - \$599,999	\$550	\$675	\$600	\$725	\$650	\$775	\$700	\$825
\$600,000 and over	\$575	\$700	\$625	\$750	\$675	\$800	\$725	\$850

If you are using the PDF version of the Enrollment Form, you will need to input this fee amount in the designated area at the bottom of the form and calculate the GST. Ensure the total amount is correct.

We will not issue refunds on amounts under \$10 where there has been an overpayment.

De-enrolling Homes/Canceling Enrollments

The cancellation of a home enrolled in the Program can only be done by the Program. There are 3 circumstances that an enrollment may be canceled:

- The Program determines that the home does not qualify as an eligible home for warranty (e.g. built on existing foundation, is a mobile home, etc.)
- The home does not get built. If this occurs, please advise us immediately by providing evidence of cancellation of the construction permit. Or, in the case of a contract build, evidence that supports the cancellation of the construction contract.
- The home remains unoccupied more than 2 years from the date of its enrollment. This is not AUTOMATIC. Many builders choose to keep a home available for warranty, as it may be difficult to sell without warranty. HOWEVER, if you identify a home that you wish to de-enroll that would comply with this policy, please contact us BEFORE the home is sold.

POSSESSION CERTIFICATES

Per the Agreement with Builder, section 7 (1):

Forthwith upon granting possession of a home to a Homeowner, the Builder shall complete and execute and shall cause the Homeowner to complete and execute a Possession Certificate in the form determined from time to time by the Program. The Builder shall furnish the Homeowner with a copy of such Possession Certificate and shall immediately forward the designated copy of the Possession Certificate to the Program.

If the Program determines that certificates are not being issued by the builder to the Purchaser and/or forwarded to the Program in a timely manner without justifiable cause, the Program will execute its right in raising the builder's Enrollment Level or cancelling the builder's membership.

Please take the time to read the Warranty thoroughly and ensure that your construction contract does not conflict in any way. Also, ensure that all staff members, trades, and associates (real estate agents, managers, etc.) understand the Warranty so that accurate information is always communicated to your Purchaser(s) and potential buyers.

- A Possession Certificate provides information on the Purchaser(s), Date of Possession (commencement date of warranty), and any pertinent information that may affect the warranty (material/labour supplied by the Purchaser; potential defects noted at walkthrough). The document is a legal sized 3-part carbon copy form and is available in paper format only.



Use ONLY the document we provide to you. Do NOT use a photocopy of this certificate. It is double sided with the warranty on the back side, to ensure that the Purchaser has the warranty information immediately upon signing. DO NOT send us a photocopy or a scanned copy via email. This is a legal carbon-copy document where all information is transferred to 3 copies so that all parties receive the same information. This protects all parties against fraud.

- You will fill out a possession certificate for each home that you have enrolled. **Do NOT issue a certificate to a Purchaser for a home that has NOT been enrolled in the Program.**
- When your membership was first activated, we provided you with a certain number of these certificates based on the number of builds in your 1st year. More certificates can be obtained by request.
- NOTE, THERE ARE 2 DIFFERENT CERTIFICATES: **1 and 5 Warranty** and **1, 2, 7 Warranty**. Please ensure you use the right one! If you did not specify which warranty you were going to use at the time of membership approval, we likely provided you with the '1 and 5 Warranty' certificates, as this is our standard and most popular warranty. If you want to use the '1, 2, and 7 Warranty' on a home, please check the appropriate box on the Enrollment Form, and we will provide you with the appropriate certificate. You can pick and choose for each home; you don't have to choose one type of warranty for ALL homes.
- The possession certificate is issued to the Purchaser for their signature when the home is ready for possession/occupancy, usually shortly after confirmation of sale or when the construction contract reaches substantial completion. The best time is usually at the pre-occupation walkthrough or when you hand over the keys.



You MUST issue a possession certificate to the Purchaser. The issuance of a certificate is NOT a condition that can be waived. You must issue even if the Purchaser is withholding funds as there is a clause on the certificate that will assist in this situation. If you are unable to legally provide possession to the homeowner due to a contractual dispute or failure to substantially complete the build, please contact our office with information to support the matter. This may be the only situation under which a possession certificate may be withheld. Please read more below for extenuating circumstances regarding the inability to issue a certificate.

- Upon completion, ensure the Purchaser retains the 'white' copy, you retain the 'yellow' copy, and the 'pink' copy is forwarded to our office. DO NOT email or fax. If you lose the pink copy, you may send us the yellow copy. Any attachments (walk through sheets, agreements regarding deficiencies or "as is" items, etc.) should be attached to the pink copy of the certificate.
- Upon receipt of our 'pink copy', we will send a 'welcome letter' to the homeowner and a sticker that they will attach to their electrical panel, bearing the Enrollment Number and warranty coverage on the home.

- **UNOCCUPIED INVENTORY:** We refer to homes that have been enrolled where no Possession Certificate has been received as Unoccupied Inventory. You may occasionally receive a list of these homes (e.g. annual membership renewal). IF YOU SEE A HOME LISTED THAT IS OCCUPIED, PLEASE FORWARD THE CORRESPONDING POSSESSION CERTIFICATE IMMEDIATELY.
- Where a home is used by the builder as a rental property prior to selling it, the builder shall provide a possession certificate for the home where the builder is indicated as the 'Purchaser' and the Date of Possession is the date of substantial completion or date of first occupancy by the renter. This includes condominium units. For example, a builder may construct a condominium building and sell 20 of the 30 units, but retain 10 as rental units. A possession certificate is required for these rental units.

Filling out a Possession Certificate

When filling in a Possession Certificate, please follow these guidelines:

Address information: Fill in the legal address of the home. If the legal address is different than the mailing address, please provide the mailing address (where indicated). This information is necessary for the Program to send the Purchaser their warranty coverage information package.

Enrollment No: This is the 'Assigned Enrollment Number' from the authorized Enrollment Form.

Purchasers: Purchaser name(s). Please ensure the spelling is correct and print clearly.

Date of Possession: This is the date the Purchaser takes possession of the home. DO NOT LEAVE BLANK. If you are not sure of this date - contact our office. Warranty begins from the Date of Possession.

PRE-DELIVERY INSPECTION:

Use this section to list items that have already been identified as possible Defects in Workmanship and Materials per section 2 of the Warranty. These are defects recognized during the pre-possession walkthrough of the home such as: bathtub dent, front door damage, cracked window glass, loose handrail, etc. If you prefer, you may attach a copy of your walk-through sheet to the Certificate instead of listing the items in this space. If you have questions about this section, please contact our office.

Do not list items that are not part of the warranty such as:

- UNCOMPLETE, MISSING, SEASONAL, or CONTRACTUAL ITEMS (missing towel bar, stucco to be completed in the spring, light fixture in wrong location per contract, wrong paint colour in kitchen, window screens missing.)
- EXCLUDED ITEMS (driveways, walkways, grading, landscaping, etc.)
- MISCELLANEOUS INFORMATION such as meter readings.

The following work and materials are NOT WARRANTED BY THE BUILDER (SUCH AS WORK DONE BY OWNER):

Use this section to list labour and materials that will be excluded from warranty. This can include:

- Labour and/or materials carried out by the Purchaser. (if this list is extensive, please attach a separate page or a copy of the construction contract).
- A foundation constructed by the Purchaser on to which an RTM is to be placed.
- Defects agreed upon by both Builder and Purchaser due to extenuating circumstances. Example: a stain on the carpet of a show home, and the Purchaser agrees that this will not be cleaned/repaired by the Builder. This can also include, *“colour variations or surface defects in workmanship or materials apparent and accepted by the homeowner at the date of possession”*.



The builder may not exclude entire items from warranty (such as flooring, plumbing, framing, etc., if such work and/or materials is supplied by the builder).
The builder may not limit or change the warranty coverage periods.

Completing a Possession Certificate in a timely manner is important!

The Possession Certificate contains important terms and conditions of the warranty of the home, including the Claims Procedure. If a homeowner does not receive a Possession Certificate within a reasonable time, and in any case not later than 1 year from their Date of Possession, they will not have the opportunity to understand the claims process that provides certain timelines for the submission of a claim. This can cause a situation where the homeowner submits a warranty claim past the coverage period – with the expectation that it be honoured as they did not know the claims procedure. **The Program therefore reserves the right to accept a warranty claim in such a situation where a Possession Certificate is outstanding**, despite the claim being received outside the coverage period, and will hold the builder responsible. Further, failure to comply with section 7(1) of the Agreement with Builder may result in the termination of your membership.

Outstanding Possession Certificates affect the release of security

All Enrollments in our records where a home has been sold and occupied must match up with a duly executed possession certificate. This becomes extremely important when a builder's membership is canceled and awaiting the release of their security deposit. A builder's security may not be released until all homes are past warranty. If a certificate is missing, then the expiry date of the warranty for the home(s) cannot be determined. This could result in the Program holding the security longer than required. Please refer to the Security Policy for more information.

Common problems executing the Possession Certificate

You may encounter a problem with a misplaced Certificate or getting a Certificate signed by the Purchaser. If this happens, CONTACT US IMMEDIATELY. Below are some scenarios and instructions on what to do.

1. You have misplaced the 'pink' Program copy or it is possibly lost in the mail.

Make a photocopy of the front and backside of your 'yellow' copy for your records and send us the yellow carbon copy original.

2. You have misplaced both the 'pink' Program copy and your 'yellow' copy, but you are certain the Purchaser has signed the Certificate.

Get in touch with the Purchaser(s) and request that they confirm receipt of the Certificate and email you back with an attached copy. You can then forward the email to us. This is one of the only times we will accept a scanned copy of the Certificate.

3. You have given the Certificate to the Purchaser, but they refuse to sign or request that the Certificate be 'left with them to review' before signing and fails to send it back to you.

- a.) Send a letter to the Purchaser(s) (preferably by registered mail) with another Certificate and request a signature. The letter should be cc'd to us. Provide instructions to keep the 'white' copy and send back the 'yellow' and 'pink' copies. Once received, send us the 'pink' copy, Alternately, the instructions could indicate that they send it directly to us, OR,
- b.) Provide us with the details via email (Purchaser name(s) and Date of Possession) and we will fill out the Certificate and sign on your behalf OR provide us with the completed Certificate, all three copies. Also provide additional contact information of the Purchaser (phone number/mailling address/email address), the date you attempted to have the Certificate signed, the reason it was not signed, and any other information you feel is important. We will then forward the Certificate to the Purchaser for signature.

Note, there may be a charge (see below) for us to attempt to obtain the signed Certificate, so we recommend that you make this attempt on your own first.

4. You are an RTM builder and there is no walk-through or other convenient time to sign the Certificate at possession.

Please refer to # 3 above.

5. Fully signed Certificate absolutely cannot be obtained (original owner is deceased or the home has been sold before signature from original owners can be obtained; etc.)

Provide name of Purchaser(s), Date of Possession (according to your records), copy of the construction contract/purchase agreement, and legal information to support the Date of Possession (Letter of Substantial Completion from lawyer, Title Search showing transfer of land to Purchaser, transfer of house insurance, etc.). We will then assign a Date of Possession that will be deemed binding on all parties.

Note, there may be a charge (see below) for us to do a Title Search to confirm the Date of Possession, so we recommend that you provide all available information first. The construction contract alone is not enough to establish the Date of Possession.

NOTE: THIS METHOD OF PROVIDING POSSESSION INFO SHOULD NOT BE USED IN LIEU OF ISSUING A CERTIFICATE TO A PURCHASER WHERE SUCH CERTIFICATE COULD REASONABLY BE ISSUED.

6. You are unable to grant possession of the home due to a contractual dispute with the Purchaser (purchaser soured the construction contract and you will not be finishing home).

Provide us with details of the situation, along with the Enrollment Number, address of the home, Purchaser names and their contact information (mailling address, phone number, email address).

NOTE: If there is simply a dispute over monies being held in relation to defects in workmanship and materials, do not withhold the Certificate. Clause 10 on the back of the Possession Certificate is in place for this reason.

Administrative Costs for Outstanding Possession Certificates

As it is the builder's responsibility to provide the Possession Certificates to the Program, all accompanying administrative costs shall be borne by the builder. While we will assist in the best way we can in difficult situations where a Certificate cannot be obtained, we do reserve the right to recoup any administrative costs for obtaining Possession Certificates or legal information to assign a Date of Possession if the builder is unable to perform this responsibility. See below.

- | | |
|--|---------------|
| 1.) Title Search | \$35 plus GST |
| 2.) Sending a Certificate to Purchaser for signature | \$50 plus GST |

How Warranty Works

The Role of the Program

The New Home Warranty Program of Manitoba Inc. ("The Program") is the administrator of the Warranty and acts as a mediator between the Purchaser and the builder concerning any claims made under the Warranty. If a builder becomes incapable (bankrupt; goes out of business) or otherwise fails in its obligation to repair Defects in Workmanship and Materials, the Program will undertake the builder's obligations to complete any repairs deemed to be covered pursuant to the terms of Warranty.

Role of the Builder

The builder is obligated to repair Defects in Workmanship and Materials that are brought to the attention of the builder by the homeowner within the applicable coverage period and deemed to be covered pursuant to the Warranty.

Warranty at a Glance

The Program offers two types of warranty: 5-year warranty (1 and 5 Warranty) or a 7-year warranty (1, 2, and 7 Warranty). The warranty covers infractions of the Manitoba Building Code and Construction Performance Guidelines. Under both warranties, the 1st year covers Defects in Workmanship and Materials for common construction components such as flooring, doors, windows, kitchen and bathroom fixtures, interior and exterior finishes, framing, electrical, plumbing, and HVAC systems. Structural issues that affect the load-bearing part of the home (example: pile, joists, roof trusses) are covered for 5 years under the 1 and 5 Warranty and 7 years under the 1, 2 and 7 Warranty. Under the 1, 2, and 7 Warranty, there is an extension to 2 years of coverage for defects in the building envelope (windows, doors, exterior cladding, water penetration, etc.) and the electrical, plumbing, HVAC delivery and distribution systems.

The warranty excludes such things as driveways, landscaping, septic tanks/fields, contractual disputes, unfinished construction, and materials and/or labour supplied by the homeowner. Read the Warranty for a complete list.

Information on these 2 types of warranties can be found on the Builder Portal.

Construction Performance Guidelines

This guide, available on our website, outlines the parameters under which certain items are covered and is designed to supplement the building code.

Claims Procedure

The actual claims procedure, including timelines for the submission of a warranty claim by a Purchaser, is indicated by the Warranty, which forms part of the Possession Certificate. Generally, a homeowner opens a warranty claim if the builder fails to agree to do repairs on issues the homeowner feels are covered under warranty. However, some homeowners will register a claim even if they are successfully working with the builder as a measure to safeguard any rights they may have under the warranty. Below are a few key points.

- The homeowner may register a warranty claim with the Program within the applicable coverage period by providing notice in writing of the alleged defects.
- The Program will send a notice to the builder regarding the claim and then provide mediation between both parties in resolving any dispute by providing guidance as to warranty coverage.
- The builder will repair any defects covered under warranty in a timely manner.
- If any alleged defect remains disputed, either party may request conciliation (final and binding arbitration) within the timelines provided.
- If the Program must undertake the responsibility of the builder in completing warranty repairs, all costs associated with the repairs, plus an administration fee of no less than 25%, will be charged to the builder. If unpaid, the amount will be drawn from the security deposit.

Conciliation

Disputes that cannot be resolved by general mediation by the Program can be adjudicated by conciliation, which is a method of binding arbitration. The Program will assign a 3rd party to review the alleged defects on site where the builder, homeowner, and a representative of the Program are in attendance. A report is issued by the conciliator containing a decision of rights and responsibilities of the builder (if any) pursuant to the terms of warranty, along with guidelines for repair. Either party may request conciliation. If requested by the homeowner, the Program will generally require a deposit and a signed form identifying the issues to be conciliated. If 50% or more of the items are found to be covered under warranty/in favour of the homeowner, then the deposit is returned to the homeowner and the builder is responsible in reimbursing the Program for the costs associated with the conciliation. If the builder requests conciliation, all costs will be payable by the builder regardless of the outcome.

Deposit Protection

On duly registered homes, the Program will cover a deposit given by the Purchaser to the builder up to the amount of \$25,000, as a result of the failure of the Builder to refund a deposit which the builder becomes legally obliged to repay.

About the Program

Our History

We have a unique history tied to the way operate, where builder members can feel proud knowing they are a 'moving part' in a system that provides consumer protection. We incorporated in 1975 at a time

when warranty did not exist in Canada. To avoid a forced federally regulatory environment, all provinces in Canada voluntarily incorporated a 'not-for-profit New Home Warranty Program', thanks to the work of CHBA, CMHC and concerned builders. The concept was simple: builders provide a 'manufacturer' warranty on the homes they build and agree to have an 'arms-length' 3rd party oversee their responsibility and act (complete any required repairs) if they fail in their responsibility. The key was having an environment without ownership (keeps costs low and avoids heavy-handed biased decisions) and balanced input from both builders AND organizations with an interest in providing professional expertise to sustain a positive new home construction industry. Many provinces today have modified the way they are organized and operate due to regulatory requirements in their province. Also, beginning in the 90s, insurance companies/brokers entered the market as warranty providers. Regardless of this diversity and differences in registration/enrollment fees and warranty coverage (length, exclusions, etc.) from one provider to the next, many of the core concepts that originated in 1970's remain the same and are modelled by all warranty providers across Canada.

How We Operate

What sets us apart in Manitoba is that we have remained steadfast to all core principles of our originating by-laws. We are confident that our environment provides the most fair, inexpensive, result-driven warranty available to consumers in Manitoba. We are not regulated by the government, or any other administrative body, and we are not underwritten by insurance. There is no ownership, shareholders, etc. We are independently operated by staff, a volunteer board of directors, and various committees.

- We are 100% local, with one office in Winnipeg. We do not provide warranty in other provinces.
- The Program's Chief Executive Officer administers the daily activities of the Program and convenes with the Board of Directors on matters of policy and procedure, the annual audited financial statements, and other matters affecting the continuation of operations.
- Our Board of Directors consists of 5 builder members and 5 non-builder members (external director) representing associated industries (eg. Insurance Association, Consumer's Association, Banker's Association, etc.). Builder board members are appointed by and voted in by the builder members.
- Builder members carry the privilege of voting on the actions of the Board of Directors at an Annual General Meeting, which is held in March every year. The 1st Notice of our AGM is normally sent out in December and will provide the agenda and information pertaining to any nominations for directors.
- The Program maintains various committees and arms-length processes for making decisions and providing support and direction to the Chief Executive Officer. This unbiased, detail-oriented approach to Program operation ensures fairness and quantifiable delivery of decisions affecting membership and the application of warranty.

Annual General Meeting & Reception

Our by-laws require that we have an annual meeting to approve certain actions of the Program for the year such as:

- Approve the audited financial statements
- Appoint auditors for the upcoming year
- Ratify the actions of the Board of Directors
- Elect directors to fill vacancies on the Board of Directors
- Any other business that may be required to be discussed at the meeting, such as changes to the warranty, claims procedure, security policy, etc.

In addition to the above, the Chairman and Chief Executive Officer will speak about the year's events. The speech by the Chief Executive Officer often will contain statistics on enrollments, warranty claims, membership activity, etc. along with information on any projects or changes to Program fees, policies, etc. We will also hand out achievement awards to the builder members.

For the meeting to successfully occur, we require a quorum of 25% of the builder membership to be present either represented by their authorized voting representative or by proxy. Each December we will send a notice by mail and email that will provide the agenda, a list of vacancies on the board of directors (if any) with nominations forms, and the date/time/location of the meeting. We will also include a proxy form that can be filled out and submitted if the authorized voting representative for your company is unable to attend. If there are board of director vacancies and we receive nominations for these vacancies, there will be an election. Election ballots are mailed out in January, and you would then vote on the nominations. The actual meeting is held sometime in the last 2 weeks of March.

Typically, we include a reception that takes place following the meeting. This might include dinner and a complimentary bar. Builders often enjoy having conversations with our staff and board of directors about issues occurring in the housing industry and receive updates on anything new happening with the Program.

If you have questions about this annual event, let us know. Otherwise, watch your mail and email for these notices. We will provide detailed instructions on how to take part.

Advertising and Other Resources

Advertising Materials

We have numerous types of advertising materials available by request at no charge:

- Brochures (Protect Your Investment) – describes the 5-year Warranty and what's covered.
- Yellow window signs – These have a spot for you to put the house number (a requirement by most jurisdictions while a home is being built). Simply fill in the number, remove the sticky tape, and affix to the window.
- 1' x 2' chloroplast double-sided signs with the Program logo and mission statement. These are great for homes under construction and show homes. Due to the size, these are only available for pick up from our office.
- More advertising materials are always being generated, so check back with us often.

Advertising in YOUR magazine

Yes – we do this! We have a budget for placing our logo/advertisement in a magazine that the builder member has enlisted to showcase their company. Our budget is usually for about 2 to 3 placements per year.

Advertising on your website, vehicle, etc.

If you would like to place our logo on your website, vehicle, etc., please let us know. Based on where the logo will appear, we will provide you the right size and file type.

Questions, Comments, Concerns

We have an 'open door, coffee is always on' policy. Stop by anytime you have questions or would like to have a chat. If you prefer a more formal meeting, let us know. We can also arrange a time to come to your office for an in-depth orientation with you and your staff. Just tell us what you need! We are always looking for ways to improve our services to both our builder members and homeowners. If there is something we can add, improve, or change – please don't hesitate in letting us know.

Disclaimer

This is a living, breathing document that may change without notice as the Program grows and changes. We will do our best to ensure this document is updated when the need arises and update the revision date accordingly. If you find an error or discrepancy, we would appreciate your help in bringing it to our attention. Note that information in this document is meant as a 'quick reference' and may not contain all the information available for the topic in question. We recommend that you always seek out the specific policy as referenced herein.