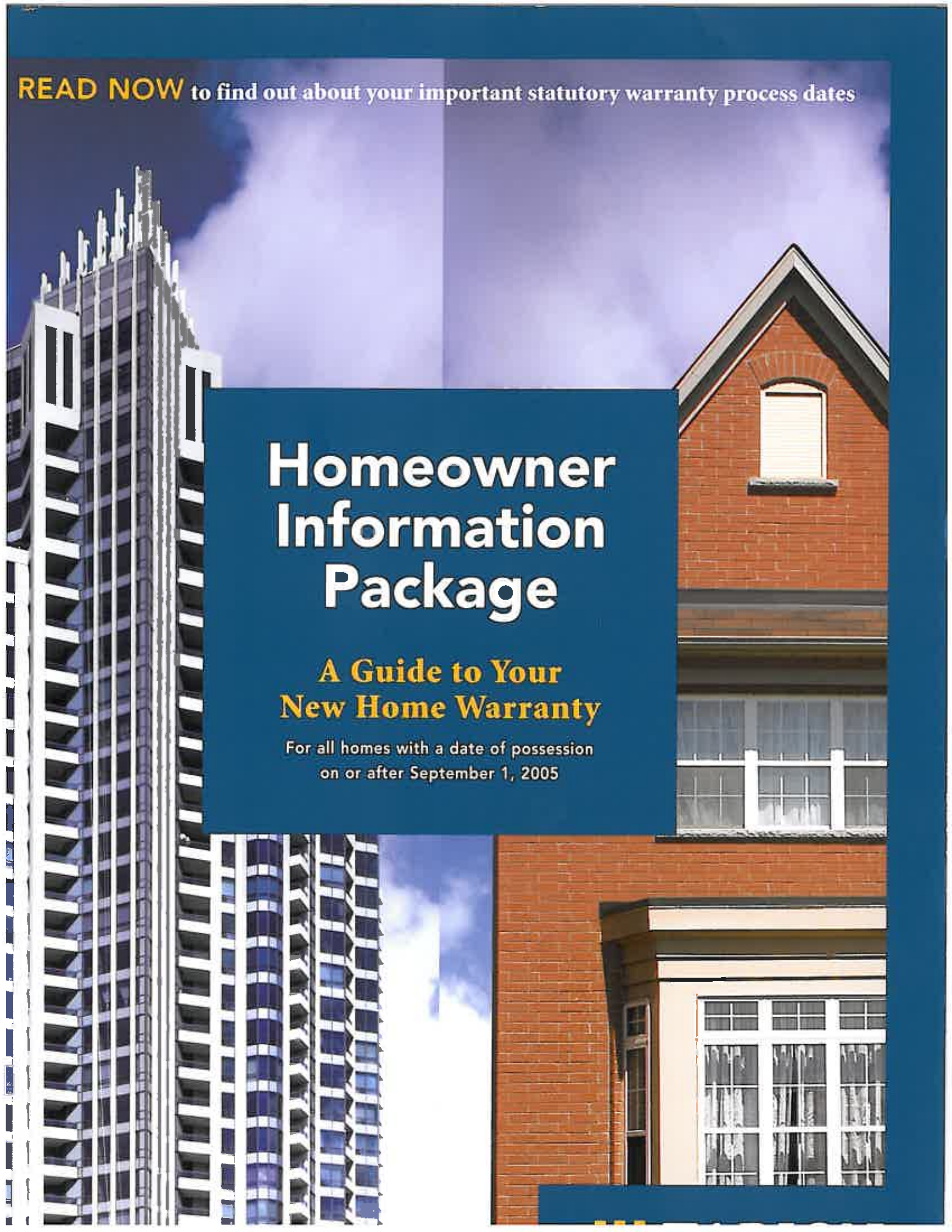


READ NOW to find out about your important statutory warranty process dates

Homeowner Information Package

A Guide to Your New Home Warranty

For all homes with a date of possession
on or after September 1, 2005





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Glossary Terms appear throughout this booklet in bold typeface.

Statutory Warranty Forms (Included in Back Pocket of this Booklet)

- The Confirmation of Receipt of the Homeowner Information Package Form
- The 30-Day Form
- The Year-End Form
- The Second-Year Form

Your Home's Statutory Warranty – Roles and Responsibilities

As required by the *Ontario New Home Warranties Plan Act*, every new home built in Ontario comes with specific warranty coverage provided by your builder (and backed by Tarion) or provided by Tarion directly. This booklet provides details about your home's **statutory warranty** coverage and the process for addressing warranty-related matters.

The statutory warranty process involves three parties: the homeowner, the builder, and Tarion. Each party has specific roles and responsibilities which are outlined below.



Open lines of communication between homeowners and builders help that warranty service is successfully carried out.

The Homeowner's Role

There are a few things you must do to protect your home's **statutory warranty**. Doing so will help ensure that you have a successful new home experience and failing to do so could put your home's statutory warranty in jeopardy.

To protect your home's statutory warranty:

- 1) You should attend the Pre-Delivery Inspection ("PDI") with your builder in order to view your home before you take possession to assess its condition at that time. Use this opportunity to learn how to operate your home's systems, including heating, electrical, plumbing and air conditioning.
- 2) Complete the appropriate **Statutory Warranty Form(s)** and submit them to Tarion on time. The required Forms for most of the items that may arise during the first two years of possession are included in this booklet.
- 3) Send a copy of your completed Statutory Warranty Form(s) to your builder so they can repair or otherwise resolve the items. Be sure to provide your builder and their tradespeople with access to your home during regular business hours to make any necessary repairs.
- 4) After you submit a Statutory Warranty Form, your builder has a specific period of time in which to repair or otherwise resolve the **warranted** items listed. If the items are not resolved within that time, then you have 30 days in which to contact Tarion to request a **conciliation**. If you do not contact us within that time period, we will not be able to help resolve the situation.
- 5) It is important that you properly maintain your home. To help you do this, a maintenance information section is included on page 18 of this booklet. If your builder has provided you with additional maintenance guidelines, you should also refer to them.



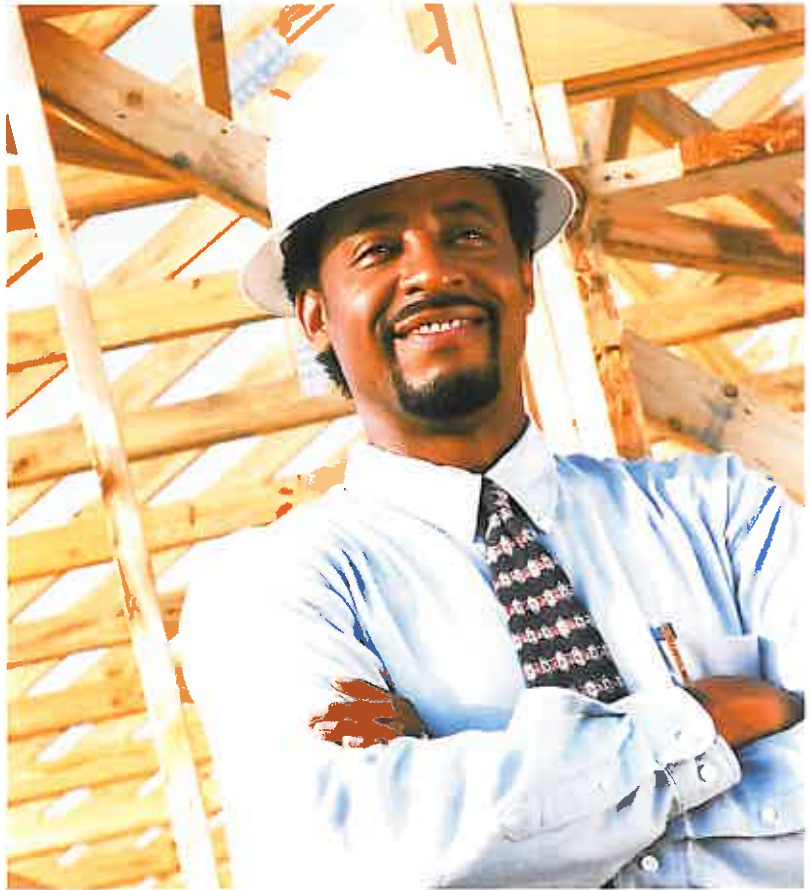
The Builder's Role

Your builder provides **statutory warranty** coverage for your **home** during the first two years of possession, and is responsible for following the minimum customer service requirements to address warranty items as outlined in this booklet.

Based on these requirements, your builder must:

- 1) Provide you with a copy of the *Homeowner Information Package* at or before your Pre-Delivery Inspection (described on page 3). It must contain their contact information for use in the event that an emergency should arise (this may be in a covering letter or on a business card inserted into the inside back pocket). To confirm receipt of this booklet, you or your designate will be asked to sign either the Confirmation of Receipt of the *Homeowner Information Package* Form or the **Certificate of Completion and Possession** ("CCP").
- 2) Conduct a PDI of your completed home before you take possession to assess its condition. At the PDI, they must provide you with a copy of a completed *PDI Form* noting any deficiencies, unauthorized substitutions or items that cannot be inspected because they are incomplete, missing, inaccessible or obscured from view. Your builder should also take some time to show you how to operate your home's systems (including heating, electrical, plumbing and air conditioning).
- 3) Provide you with a completed CCP for your home, including the **date of possession** (the date on which your builder transfers the right of occupancy of the home to you).
- 4) Provide warranty service based on the regulatory time periods described in this booklet. The time periods for repairs may vary depending on whether the repair method would be affected by the weather.

Note: Your builder may choose to exceed the **minimum** requirements by providing additional **warranty** coverage or faster service. You should refer to your **purchase agreement** to determine whether your builder will provide any additional **warranties** on your home.



Tarion's Role

Tarion is responsible for ensuring that builders provide the warranty coverage that homeowners are entitled to under the Act and for ensuring that they follow minimum customer service standards to repair or otherwise resolve **warranted items**. We work with homeowners and builders to adjudicate or resolve disputes about statutory warranty coverage, how repairs should be completed, and how much time the repairs will take. Under the Act, Tarion is able to become involved in a claim only at a homeowner's request, so be sure to file your **Statutory Warranty Forms** on time as you will not be able to request our help unless you do so.

Tarion is also responsible for helping both builders and consumers understand their rights and obligations under the Act. We are available to answer questions, so please feel free to contact us at 1-877-9TARION during regular business hours, or refer to our website at www.tarion.com.

Finally, as the regulator of Ontario's home building industry, Tarion licenses new home builders annually and ensures that they have the technical experience, customer service capability and financial standing required to build new homes.

The Pre-Delivery Inspection

The Pre-Delivery Inspection (“PDI”) takes place when your new home is ready for occupancy, making it the first opportunity to view your completed home and assess its condition before you take possession. During the PDI, you and/or an individual you select to attend (your designate) will be given the opportunity to examine the interior and exterior of the home with your builder or your builder’s representative present. The objective of this inspection is to make a written record of all items that are incomplete, damaged, missing, inaccessible or not operating properly.

It is the builder’s responsibility to explain how the various systems in your home work – including the heating, electrical, plumbing and air conditioning – thus making the PDI a good opportunity for your builder to go through them with you. It is very important that you understand how to operate your home’s systems because not using them properly could affect your warranty coverage.

Due to the importance of the PDI, we suggest that you choose a different time to show your new home to family and friends. Your focus during the inspection should be on observing the home itself and listening to the instructions provided by your builder.

Using a Designate at the PDI

You can have someone accompany you to the PDI or send a designate to attend on your behalf. There is no restriction as to whom you may choose to be your designate. However, if you intend to send a designate to the PDI in your place, your builder may require you to notify them in advance and provide written authorization from you that this person may sign (on your behalf) the *PDI Form*, the *CCP*, and/or the Confirmation of Receipt of the *Homeowner Information Package Form*. Check your purchase agreement to see if such notification is required.

The PDI Form and Certificate of Completion and Possession

During the PDI, your builder will provide a *PDI Form* on which any items that need attention must be recorded. It is important to note that the *PDI Form* serves as the official record of the condition of your home before you move in. After all the items are recorded on the *PDI Form*, you or your designate will review and sign it to confirm that the listed items are complete and accurate.

You will also be asked to review and sign a Certificate of Completion and Possession. This document states your home’s **enrolment number** with Tarion and the **date of possession**, which is also the start date of your **statutory warranty**. Your builder will give you copies of the completed *PDI Form* and *CCP* for your records and forward copies to us.

What Should I Look for During the PDI?

During the PDI, you should identify any damaged, incomplete, or missing items, as well as anything that is not operating properly or cannot be assessed because it is obscured from view or inaccessible. All such items should be included on the *PDI Form*.

Be sure to examine both the interior and exterior of the home. While inside, look for things like chips in the porcelain or scratches on counter tops, damage to floors or walls, and doors and windows that are not secure or do not open and close easily. When you go outside, check things like the quality of brickwork and siding, whether window screens have been installed, and the appearance of the driveway and landscaping.

You should also note on the *PDI Form* any unauthorized “substitutions” of items to be selected under or referred to in your **purchase agreement**. You may want to bring a copy of your purchase agreement with you to the PDI for reference.



What are Substitutions?

If your purchase agreement gave you the right to select certain items of construction or finishing, such as colours and styles, these usually cannot be substituted without your written consent. In addition, if your purchase agreement states that your new home will include particular items (such as a certain model of appliance, or a specific brand of window) but does not give you the right to make a selection, then such items can only be substituted with items of equal or greater quality.

If you think that an unauthorized substitution has occurred, it should be noted on the *PDI Form*. If you are unsure about your rights regarding unauthorized substitutions, you may wish to seek the advice of a lawyer.

What Happens to the PDI Form?

Once the *PDI Form* has been completed and signed, your builder will give you a copy for your records. Your builder will also submit the original to us within 15 days after your home's **date of possession**.

A more detailed description of the PDI – including a checklist of interior and exterior items that should be examined – can be found in the brochure called “Getting Ready for the Pre-Delivery Inspection,” which is published by Tarion and available in the Resources Section of our website at www.tarion.com.

The PDI for Common Elements (Applies to Condominiums Only)

Condominium Common Elements are not included in the PDI of your unit. The condominium Board of Directors may complete a separate PDI with the builder for all of the common elements. If you see any damage or defects in the common elements, you should notify the Board of Directors so that they can decide whether to record them in a common elements PDI or to take action under the common elements warranty.

IMPORTANT:

The *PDI Form* is not the same as a **Statutory Warranty Form**, such as the *30-Day Form*. It is simply a formal record of your new home's condition before you moved in and it will be used by Tarion as a reference for assessing future statutory warranty claims. You must use a Statutory Warranty Form to initiate the statutory warranty process. So, if you find that any of the items listed on the *PDI Form* have not been repaired or otherwise resolved, you should list them on the *30-Day Form*.

Your Home's Statutory Warranty – What's Included

The Act protects new homeowners by requiring that all builders repair or otherwise resolve any item in a new home that is covered by statutory warranty. The following sections outline the various warranties and protections that are guaranteed to new homeowners under the Act, however, many builders have chosen to exceed the minimum requirements. You should refer to your **purchase agreement** to determine whether your builder will provide faster service or additional warranties on your home.

Your home's statutory protection begins before you move in, providing both deposit protection and compensation for delayed closings/occupancies. After you move in, there are three specific statutory warranties: the one year warranty, the two year warranty, and the seven year warranty covering major structural defects. These warranties begin on the **date of possession** of your home, which may be different than the closing date.

If you would like more details about any aspect of your home's statutory protection, please visit our website at www.tarion.com, or call us at 1-877-9TARION.

You are entitled to warranty coverage up to a maximum of \$150,000 for most types of claims covered by the one, two and seven year warranties. There is a maximum of \$15,000 for **warranted** damage related to damage caused by environmentally harmful substances or hazards and a maximum of \$25,000 for coverage of septic systems.

Deposit Protection

Your deposit is protected by Tarion, up to a maximum of \$40,000 for freehold homes and \$20,000 for condominium units* in the event that your builder is unable to complete the sale of your new home because of bankruptcy, their fundamental breach of the **purchase agreement**, or in the event that you are otherwise legally entitled to treat your purchase agreement as at an end before closing.

If you have entered into a contract with a builder to construct a freehold home on lands you own, the money that you pay to the builder will be protected up to \$40,000. Tarion will pay the difference between the value of the work and materials supplied by the builder and the amount you paid the builder in the event that the builder fails to substantially perform the contract.

Before treating your purchase agreement as at an end before closing, you should consult a lawyer to ensure that you will be within the scope of the deposit protection under the Act. To make a claim for a deposit refund, please contact us at 1-877-9TARION.

Delayed Closing Compensation (This Section Applies to Freehold Home Buyers Only)

The Act specifies that your builder may delay closing of your home for up to five days without giving notice or paying compensation. They may also delay closing for up to 120 days with proper written notice (as described on page 6) without paying compensation.

If, however, the closing date of your new home is delayed more than five days without proper written notice, or more than 120 days in total from the closing date specified in your **purchase agreement** (either the original closing date or a new closing date specified in an amendment to the purchase agreement agreed to by you and your builder), then you may be entitled to compensation from your builder up to a maximum of \$5,000.

If you agree to extend your closing date by way of an amendment to your purchase agreement or if your purchase agreement specifies only a tentative or unclear closing date, you may not be eligible for compensation. There is no compensation for delays caused by strikes, fire, floods, civil insurrection or "acts of God". In addition, compensation is not payable for delays for which you are responsible.

If you are unsure about your rights regarding delayed closing, you may wish to seek the advice of a lawyer.

* Condominium deposits in excess of \$20,000 are protected separately by the trust and excess deposit provisions of the *Condominium Act*.



Does a delayed closing allow me to terminate the purchase agreement?

If the closing date of your home is delayed more than 120 days from the closing date specified in your purchase agreement (or in an amendment to it), you have the right to terminate the purchase agreement between day 121 and day 130. For example, if your original closing date is October 23, 2005, it can be extended by your builder as described above until February 20, 2006. If the purchase is not completed by then, you would have from February 21, 2006 to March 2, 2006 to terminate the purchase agreement. If you choose to terminate the purchase agreement within this time period, then your builder must refund your deposit.

If you don't terminate the agreement by day 130, your builder is entitled to additional delays of up to 120 days total. During this time, under the Act, your new closing date will be deemed to be the date that is 5 days after the date on which the construction of your home is completed. If the further 120 days expire (on June 30, 2006 in the example) without the purchase being completed and you and your builder cannot mutually agree to a new closing date, then the purchase agreement will automatically terminate and your builder must refund your deposit plus interest for the period that has elapsed beyond the initial 120-day delay.

When and how can I claim compensation?

If you are entitled to compensation as described above, you may make a claim to your builder for compensation after you complete the purchase of your new home and at any time in the first year of possession. If your builder does not pay your claim or if you and your builder cannot agree on the amount of compensation payable, you may make a claim to Tarion during the first year of possession. To do so, please contact us at 1-877-9TARION to obtain a *Delayed Closing Form* package. Keep all your receipts and other supporting documents related to your expenses during the period in which the closing was delayed, as you may be required to provide them so we can assess your claim.

What constitutes "proper notice" from my builder about a delay in the closing of my home?

Your builder is allowed to extend the closing date of your new home to a new closing date as follows:

- Once by up to 15 days if they give you written notice of the new closing date at least 35 days in advance; or
- Once by up to 120 days, if they give you written notice of the new closing date at least 65 days in advance. If that is insufficient, your builder may further extend the closing date by an additional 15 days, if they give you proper written notice of the new closing date at least 35 days in advance and if the final new closing date is not more than 120 days later than the original closing date specified in your purchase agreement (or an amendment to it).

Delayed Occupancy Compensation (This Section Applies to Condominium Unit Buyers Only)

The Act specifies that your builder may delay occupancy of your condominium unit for up to five days without giving notice or paying compensation. They may also delay occupancy for up to 135 days with proper written notice as described below without paying compensation.

“acts of God”. In addition, compensation is not payable for delays for which you are responsible.

If you are unsure about your rights regarding delayed occupancy, you may wish to seek the advice of a lawyer.

What’s the difference between “confirmed” and “tentative” occupancy dates?

Every purchase agreement for a condominium unit will include either a confirmed occupancy date or a tentative occupancy date. If a tentative occupancy date is given, your builder is required to inform you in writing of the confirmed occupancy date no later than 30 days after the roof assembly is completed (or another specific stage of construction as specified in the purchase agreement). If you are not given notice of the confirmed occupancy date by at least 90 days before the tentative occupancy date, then the tentative occupancy date will automatically become the confirmed occupancy date for the purpose of calculating compensation for the delay.

What constitutes “proper notice” from my builder about a delay in the occupancy of my home?

Once the confirmed occupancy date is established, your builder is allowed to extend it as follows:

- Once by up to 15 days if they give you written notice of the new confirmed occupancy date at least 35 days in advance; or
- Once by up to 120 days, if they give you written notice of the new confirmed occupancy date at least 65 days in advance. If that is insufficient, your builder may further extend the date by an additional 15 days, if they give you proper written notice of the new confirmed occupancy date at least 35 days in advance and if the final new confirmed occupancy date is not more than 135 days later than the original confirmed occupancy date.

If, however, the closing date of your new home is delayed more than five days without proper written notice, or more than 135 days in total from the confirmed occupancy date specified in your **purchase agreement** (either the original confirmed occupancy date or a new date specified in accordance with your purchase agreement), then you may be entitled to compensation from your builder up to a maximum of \$5,000.

If you agree to extend your confirmed occupancy date by way of an amendment to your purchase agreement, you may not be eligible for compensation. There is no compensation for delays caused by strikes, fire, floods, civil insurrection or





Does a delayed occupancy allow me to terminate my purchase agreement?

The terms of your **purchase agreement** will determine whether a delayed occupancy will entitle you to terminate that agreement. If you are unsure about your rights regarding termination of your purchase agreement, you may wish to seek the advice of a lawyer.

When and how can I claim compensation?

If you are entitled to compensation as described above, you may make a claim to your builder for delayed occupancy compensation after you take occupancy of your unit and at any time in the first year of possession. If your builder does not pay your claim or if you and your builder cannot agree on the amount of compensation payable, you may make a claim to Tarion during the first year of possession. To do so, please contact us at 1-877-9TARION to obtain a *Delayed Occupancy Form* package. Keep all your receipts and other supporting documents related to your expenses during the period in which the occupancy was delayed, as you may be required to provide them so we can assess your claim.

The One Year Warranty

Your home's statutory one year warranty coverage begins on the date you take possession of the home and ends on the day before the first anniversary of this date. For example, if your home's **date of possession** is October 23, 2005, the one year warranty begins on October 23, 2005 and ends on October 22, 2006. The one year warranty is provided by your builder and it requires that the home be:

- Constructed in a workmanlike manner and free from defects in material;
- Fit for habitation;
- Constructed in accordance with the Ontario Building Code; and
- Free of major structural defects.

Did You Know –

All of your statutory warranties take effect on your home's date of possession and remain in effect even if the home is sold. Please note: The date of possession of your home may not be the same as its closing date.

The Two Year Warranty

Your home's two year **statutory warranty** coverage begins on the date you take possession of the home and ends on the day before the second anniversary of this date. For example, if your home's **date of possession** is October 23, 2005, the two year warranty begins on October 23, 2005 and ends on October 22, 2007. The two year warranty is provided by your builder and covers:

- Water penetration through the basement or foundation walls;
- Defects in materials, including windows, doors and caulking, or defects in work that result in water penetration into the building envelope;
- Defects in work or materials in the electrical, plumbing and heating delivery and distribution systems;
- Defects in work or materials which result in the detachment, displacement or deterioration of exterior cladding (such as brickwork, aluminum or vinyl siding);
- Violations of the Ontario Building Code affecting health and safety (including, but not limited to, violations relating to fire safety and the structural adequacy of the home); and
- Major structural defects*.

* Major structural defects are specifically defined in the Act, and are discussed in more detail on page 9 of this booklet.



The Seven Year Warranty

Your home's seven year warranty covers major structural defects (MSD) and begins on the date you take possession of the home and ends on the day before the seventh anniversary of that date. For example, if your home's **date of possession** is October 23, 2005, the seven year MSD warranty begins on October 23, 2005 and remains in effect until and including October 22, 2012.

During the first two years of possession of your home, the seven year MSD warranty is provided by your builder. After that, during years three through seven, the warranty is provided directly by Tarion. A major structural defect is defined in the Act as:

- Any defect in work or materials that results in the failure of a load-bearing part of the home's structure or materially and adversely affects its load-bearing function; or
- Any defect in work or materials that materially and adversely affects the use of the building as a home.

The seven year MSD warranty includes significant damage due to soil movement*, major cracks in basement walls, collapse or serious distortion of joints or roof structure and chemical failure of materials.

In addition to the general exclusions described on page 10, the seven year MSD warranty specifically excludes: dampness not arising from failure of a load-bearing portion of the building; damage to drains or services; and damage to finishes.

* Soil movement means subsidence, expansion or lateral movement of the soil not caused by flood, earthquake, "acts of God" or any other cause beyond the reasonable control of the builder.



Your Home's Statutory Warranty – What's Excluded

The following conditions and/or items are not covered by the **statutory warranty**:

- Damage resulting from improper maintenance, such as dampness or condensation caused by the homeowner's failure to maintain proper ventilation levels or improper operation of a humidifier, hot tub or any other moisture-producing device.
- Alterations, deletions or additions made by the homeowner (such as changes to the direction of the grading or the slope of the ground away from the house).
- Defects in materials, design and work supplied or installed by the homeowner/purchaser.
- Secondary damage caused by defects under warranty. While the defects themselves are covered, the personal or property damage they cause is not. However, your homeowner insurance may cover secondary damage.
- Normal wear and tear, such as scuffs and scratches to floor and wall surfaces caused by homeowners moving, decorating, and/or day-to-day use of the home.
- Normal shrinkage of materials that dry out after construction (such as nail "pops" or minor concrete cracking).
- Settling soil around the house or along utility lines.
- Damage from floods, "acts of God", wars, riots, or vandalism.
- Damage from insects or rodents, unless it is the result of construction that does not meet the Ontario Building Code.
- Damage caused by municipal services or other utilities.
- Surface defects in work and materials noted and accepted in writing by the homeowner at the time of possession.
- Damage caused by the homeowner or visitors.
- Contractual warranties which lie outside the **Act**. You may have recourse for these warranties under your **purchase agreement**.



Protect Your Statutory Warranty – Submit Your Forms On Time

Tarion is responsible for ensuring that builders provide the warranty coverage that homeowners are entitled to under the Act and for ensuring that they follow minimum customer service standards to repair or otherwise resolve **warranted items**. We work with homeowners and builders to resolve disputes about **statutory warranty** coverage and to determine how repairs should be completed and how much time they will require. Under the Act, Tarion is able to become involved in a claim only at the homeowner's request, so be sure to file your **Statutory Warranty Forms** on time as you will not be able to request our help unless you do so.

When considering whether to submit a Statutory Warranty Form, you should refer to your *PDI Form* or purchase agreement to determine whether any items remain outstanding or unresolved. If you are in doubt as to whether an outstanding item is covered by your home's statutory warranty, you can refer to Tarion's *Construction Performance Guidelines*, which outline what does and does not represent a **warrantable** defect for almost 300 items. The Guidelines are available on our website at www.tarion.com.

You should be aware that natural settling and the drying of construction materials will take place in your new home during the first year and this may affect items that are both warranty-related and non-warranty related.

Statutory Warranty Forms

In order to protect your warranty, you must use specific **Statutory Warranty Forms** to submit outstanding warranty items to Tarion, and you must submit the Forms within specific time periods as follows:

- During the first year of possession of your new home, a *30-Day Form* can be submitted during the first 30 days after you take possession and a *Year-End Form* can be submitted within the last 30 days of the first year of possession.
- During the second year of possession, a *Second-Year Form* can be submitted anytime.
- During years three through seven of possession, a *Major Structural Defect Form* can be submitted anytime.

Submission periods are subject to the **December 24 to January 1 (inclusive) Holiday Period**.

In addition, where the submission period for a Statutory Warranty Form ends on a weekend or holiday, it is extended to the end of the next business day that is not a holiday (i.e., where the time period to submit a *30 Day-Form* ends on a Sunday, it will be extended to end on the next Monday where Monday is not a holiday). An example of this is provided in the *Year-End Form* section on page 12.

These Forms may be submitted to Tarion by bringing them to our office or by sending them via fax, courier or mail. Upon receipt of a Statutory Warranty Form, Tarion will send you a notice confirming the Form has been received on time. You should be aware that if a Form is sent by regular or registered mail, submission is effective on the postmark date. Forms sent by regular mail must be received by us on or before 10 days after the submission expiry date for that particular Form. If a Form is sent by registered mail and the postmark is missing or illegible, the date on the receipt given to you by the Post Office will be used. Submission by regular or registered mail is not advisable during a general interruption of postal service (during a labour dispute, for example).

During the first two years of possession, a copy of each form you submit to Tarion should also be sent to your builder so they can repair or otherwise resolve the items.



The 30-Day Form

Use the *30-Day Form* (provided with this booklet) to notify Tarion of outstanding **warranty items** during the first 30 days of possession of your new home. For example, if your home's **date of possession** is October 23, 2005, you can submit your *30-Day Form* between October 24, 2005 and November 22, 2005.

We recommend that you fill out and submit a *30-Day Form* on or about the 25th day after your home's date of possession. On this Form, you may include items that were listed on your *Pre-Delivery Inspection Form* that have not yet been addressed, as well as new items that you have discovered since taking possession of your home. Tarion will only accept and act on the first *30-Day Form* that is properly submitted on time, and only one *30-Day Form* may be submitted, so make sure it is complete. If we do not receive a *30-Day Form* from you on time, then you will have to wait until the last 30 days of the first year of possession of your home to notify us of outstanding warranty items.

The Year-End Form

Use the *Year-End Form* (provided with this booklet) to notify Tarion of outstanding **warranty items** during the last 30 days of the first year of possession of your new home. For example, if your home's **date of possession** is October 23, 2005, you may submit a *Year-End Form* to us between September 23, 2006 and October 22, 2006. Since, in this example, the year-end expiration of October 22, 2006 falls on a Sunday, the submission period is extended to the next business day, which is Monday, October 23, 2006.

You may submit only one *Year-End Form*, so be sure it is complete. Tarion will only accept and act on the first *Year-End Form* that has been properly submitted on time. If we do not receive a *Year-End Form* from you on time, then you will have to wait until the second year of possession of your home and you will only be able to report two year warranty items to us at that time.

Protect your warranty by submitting a *30-Day Form*. If you do not do so, you will have to wait until the last 30 days of the first year of possession of your new home to notify us of outstanding warranty items.

The Second-Year Form

Use the *Second-Year Form* (provided with this booklet) to notify Tarion of outstanding **warranty items** covered by the two-year warranty or the major structural defect warranty that occur during the second year of possession. For example, if your home's **date of possession** is October 23, 2005, you may submit a *Second-Year Form* to us at any time between October 23, 2006 and October 22, 2007. *Second-Year Forms* may be submitted to Tarion anytime during this period and as often as required.

The Major Structural Defect Form

At any time during the third year of possession of your new home, but no later than the end of the seventh year of possession, you may make a claim regarding any MSD items directly to Tarion using a *Major Structural Defect Form*. For example, if your home's **date of possession** is October 23, 2005, you may submit a *Major Structural Defect Form* beginning on October 23, 2007 through until October 22, 2012.

You can obtain this Form by calling us at 1-877-9TARION or by visiting our website at www.tarion.com. Upon receipt of your Form, Tarion will schedule and conduct an inspection within 30 days.

The Statutory Warranty Process – After Form Submission

Submission of a **Statutory Warranty Form** triggers a specific process and series of time periods, as described below. Specific exceptions to this Statutory Warranty Process are described beginning on page 15. Note: All time periods below are subject to the **December 24 to January 1 (inclusive) Holiday Period**. In addition, where a time period ends on a weekend or holiday, it is extended to the end of the next business day that is not a holiday (i.e., where the time period to submit a *30 Day-Form* ends on a Sunday, it will be extended to end on the next Monday where Monday is not a holiday). An example of this is provided in the *Year-End Form* section on page 12.

The Initial Builder Repair Period

Submission of a *30-Day*, *Year-End* and/or *Second-Year Form* triggers the builder's initial 120-day repair period as follows:

- The builder repair period for the *30-Day Form* begins 31 days following the **date of possession**. If, for example, your home's date of possession is October 23, 2005, the builder repair period for **warranted items** listed on your *30-Day Form* would begin on November 23, 2005.
- The builder repair period for the *Year-End Form* begins on the anniversary of the date of possession. So, for example, if your home's date of possession is October 23, 2005, the builder repair period for warranted items listed on your *Year-End Form* would begin on October 23, 2006.
- The builder repair period for warranted items listed on your *Second-Year Form* begins on the day after Tarion receives the Form.

During this period it is important that you provide your builder and their tradespeople access to your home.

Your Time Period to Request Tarion's Involvement

If your builder does not complete repairs or otherwise resolve **warranted items** to your satisfaction by the end of the 120-day period, you will have 30 days to contact Tarion and request a **conciliation**. When you do, we will schedule a conciliation inspection with you between 30 days and 60 days after your request or we will arrange a desk assessment. We will also charge you a \$50 fee, which will be refunded if at least one item listed on your Statutory Warranty Form is determined to be warranted. After you request a conciliation, you should send Tarion a copy of your **purchase agreement** and all its schedules, amendments and attachments, as well as any photographs that support your claim.

If you do not request a conciliation during this time period, Tarion will consider all the items listed on your **Statutory Warranty Form** resolved and the matter closed. (Note: You may resubmit the item(s) at a later date if the warranty covering the item(s) is still in effect.)





The Builder's Second Repair Period

After you request a **conciliation**, your builder will have 30 days from the day that the request was made to repair or otherwise resolve the outstanding **warranted items** described on the Statutory Warranty Form.

Tarion Conciliates the Matter (Adjudicates the Dispute)

If the repairs are not completed by the end of the 30 days described above, Tarion will conduct the scheduled **conciliation** inspection with you and your builder present, and will send you a report of our findings within 30 days. The report will outline which items your builder must resolve under the terms of the **statutory warranty** and list those that are not covered. There may be items which require further investigation, and if so, you will be notified. Your builder will, in most cases, then be given 30 days after the date of the report to resolve any **warranted items**. The time period given to your builder may be extended beyond 30 days in certain situations, including where the repair will be affected by the weather, or where the materials required for the repair are unique and additional time is reasonably required to obtain them. If there is at least one warranted item, your \$50 fee will be refunded to you.

Final Resolution

Tarion will contact you 30 days after the date of the report to confirm that all the **warranted items** listed in the report have been repaired or otherwise resolved. If any of the items remain outstanding at that time, Tarion will work with you directly to resolve them.



Provide access to your builder

When necessary work is required, be sure to give your builder and their tradespeople access to your home during normal business hours, at a time mutually agreed upon in advance. Failure to do so will jeopardize your **statutory warranty rights**.

Exceptions to the Statutory Warranty Process

There are circumstances that may affect your builder's ability to repair or otherwise resolve **warranted items** according to the process and timelines described in the previous section for **statutory warranty** claims. While these are infrequent, it is important that you understand what they are.

Emergencies

Certain severe conditions constitute an emergency situation. An emergency is any **warrantable** deficiency within the control of your builder that, if not attended to immediately, would likely result in imminent and substantial damage to your home, or would likely represent an imminent and substantial risk to the health and safety of its occupants. Examples of emergency situations include:

1) Total loss of heat between September 15 and May 15; **2)** Gas leak;* **3)** Total loss of electricity;* **4)** Total loss of water supply;* **5)** Total sewage stoppage;* **6)** Plumbing leakage that requires complete water shut-off; **7)** Major collapse of any part of the home's exterior or interior structure; **8)** Major water penetration on the interior walls or ceiling; **9)** A large pool of standing water inside the home; or **10)** Any situation where, in the opinion of Tarion, the home is uninhabitable for health or safety reasons.

What To Do In An Emergency Situation

- 1)** You should immediately call the emergency contact telephone number provided by your builder when you received this booklet.
- 2)** If you are unable to reach your builder or if your builder does not assess and correct the situation within 24 hours, you should contact us at 1-877-9TARION for further assistance.
- 3)** If you cannot reach your builder or Tarion, and have no other option but to have the work completed, you or your contractors should correct the situation. However, only the emergency condition should be corrected and the problem should be documented with pictures taken before and after the repair, if possible.

- 4)** You should not repair any damage to builder-installed materials. If your builder is responsible for the emergency item and you have notified them, they should resolve the damage to builder-installed materials caused by the emergency condition within 30 days. If your builder fails to do so, we will work with you directly to settle the matter.
- 5)** To recover costs for the circumstances set out in item 3 above, you will need to submit an *Emergency Form* (available at 1-877-9TARION or www.tarion.com) to us and your builder as soon as possible after completing the repair.

Apart from taking steps to protect your property or safety, you should not undertake any repair work without giving your builder 24 hours to assess the problem and take corrective measures. You will not automatically receive reimbursement for emergency repairs and, in addition, completing the work without an assessment by your builder may jeopardize your statutory warranty coverage.



* Emergency situations due to the failure of a municipality or utility to provide the service are not covered under warranty because they are not within the builder's control.



Seasonal and Special Seasonal Warranty Items

Seasonal and Special Seasonal Warranty Items are items on the exterior of or outside your home that can only be repaired effectively in favourable weather conditions. The period from May 1 to November 15 is generally considered to have suitable weather conditions for making such repairs.

Seasonal Warranty Items

Seasonal Warranty Items include:

- Exterior painting;
- Exterior cement/concrete work (including parging application/repair);
- Exterior mortar work (including brick installation/repair);
- Exterior stucco work/repairs (including repairs to exterior insulation finishing systems);
- Exterior caulking; and
- In-ground support for decks.

These items should be listed on your *30-Day, Year-End* or *Second-Year Form*, as appropriate (see page 12). They will be dealt with according to the timelines set out in the Statutory Warranty Process (see pages 13-14), subject to suitable weather conditions as described above. If, however, your builder cannot complete or repair a Seasonal Warranty Item within the required timelines due to unsuitable weather conditions, they must do so as soon as possible after suitable weather conditions return, and in any event between the following May 1 and September 1.

If for any reason your builder does not complete or repair a Seasonal Warranty Item to your satisfaction within this time period, you have 30 days (until October 1) to contact us and request our assistance. If you do not do so, the Seasonal Warranty Items listed on your **Statutory Warranty Form** will be considered resolved and the matter will be closed. (Note: You may resubmit the item at a later date if the warranty covering the item is still in effect.)

Special Seasonal Warranty Items

Special Seasonal Warranty Items include the completion of your new home's final grading, landscaping (laying sod, etc.) and the installation of driveways, patios and walkways, and should be listed on your *30-Day* or *Year-End Form* as appropriate. Your builder has 270 days of "seasonable weather" from your home's **date of possession** to complete any of these items, unless a longer period within the time limits permitted under applicable municipal agreements was negotiated between you and your builder. For example, if your home's date of possession is October 23, 2005, your builder has until June 16, 2007 to complete the necessary work.

THE SEASONABLE WEATHER DAYS IN THIS EXAMPLE ARE CALCULATED AS FOLLOWS:

	Number of Seasonal Weather Days
From October 23, 2005 to November 15, 2005	24
From May 1, 2006 to November 15, 2006	199
From May 1, 2007 to June 16, 2007	47
TOTAL	270



If for any reason your builder does not complete the required work to your satisfaction within this 270-day period, you have 30 days (which in the example above would be from June 17, 2007 to July 16, 2007) to contact Tarion and request our assistance.

If the item is determined to be **warrantable**, we will work with you directly to settle the matter. If you do not contact us within this 30-day period, the Special Seasonal Warranty Items listed on your *30-Day or Year-End Form* will be considered resolved and the matter closed.

Air Conditioning

Defects in work or materials that result in problems with your builder-supplied air conditioner are covered under the one-year warranty. They should be reported on your *30-Day or Year-End Form* and they will be serviced by your builder according to the timelines outlined in the Statutory Warranty Process section, with

one exception. A complete lack of cooling between May 15 and September 15 inclusive during the first year of possession of your home may be reported to Tarion separately and will be resolved more quickly. Report the problem to your builder immediately, so they can assess the situation and resolve the matter. If you also wish to report the problem to Tarion, we will assist you in determining whether it is an exceptional situation and if so, we will ask you to complete and submit an *Air Conditioning Form*. Your builder will be given 30 days from the date that we receive your Form to correct the complete lack of cooling, if it is **warranted**. If they fail to do so, you will have 30 days to contact us and request a **conciliation**. Tarion will schedule a conciliation inspection and send you a report regarding your claim within 10 days of your request for a conciliation.

Extraordinary Situations

Another exception to the time periods set out in the Statutory Warranty Process is in the case of an extraordinary situation. There are two types of extraordinary situations, either of which could cause your builder to seek an extension of the time periods:

- 1) An industry or regional event that affects a segment of the construction industry or region of the province (such as labour, trade or materials shortages, strikes or other labour disputes, and severe weather or other acts of nature); or
- 2) Special circumstances affecting a particular builder or home, such as the special order of a part that will take more time to arrive than the Statutory Warranty Process time periods allow.

If your builder applies to Tarion for this type of extension on any of your outstanding items, they will notify you in writing. If the extension is granted, we will set a new time period and confirm it with you.



Maintaining Your New Home

By conducting regular and proper maintenance on your home, you will be helping to ensure that your **statutory warranty** rights are protected. Talk to your builder about what you should be doing both inside and outside during the various seasons of the year to benefit from their experience with home maintenance. They might even provide you with an instruction guide to help you along. We have also included some useful tips to help you get started, such as the home maintenance checklist on pages 20-21 of this booklet. As you'll learn, there are many items involved in an ongoing maintenance program, including one of the most important: moisture control.

Control the Moisture in Your New Home – It's Important!

Today's building products have eliminated much of the time-consuming and often tedious work involved in home maintenance. However, no home is maintenance-free. Special care is especially required to maintain modern, energy-efficient homes which are tightly constructed to seal out the cold weather in winter and keep in cool air in summer.

Guidelines for properly venting your home should be followed in order to prevent excess moisture from building up inside the home, which can result in damage that would not be covered by the statutory warranty. Bathroom fans, kitchen range hoods and packaged ventilators such as heat-recovery ventilators are specifically installed in your home to help you control moisture and contaminants. As well, regular use of your home ventilation system will remove excess airborne moisture caused by bathing, showering, doing laundry and cooking.

What causes moisture damage?

Your home can be damaged when weather-related water is allowed to enter and remain in the structure. Water from leaking pipes or fixtures that is not immediately cleaned up, and indoor humidity levels that are not properly controlled, can have serious consequences.

Sometimes this damage is easily seen; at other times the damage is hidden inside wall or roof space. Regardless of where it occurs, moisture damage can lead to serious problems, such as rot and structural failure.





How can I control moisture?

Tarion recommends that new homeowners always use their home ventilation system to control moisture. Here are some extra tips you can follow to help prevent moisture damage to your home.

Outside the home

- 1) Keep flowerbeds or landscaping at least six inches or 150 mm away from the top of the foundation and do not change the direction of the grading or the slope of the ground away from the house. Placing soil near or above the top of the foundation allows moisture to come into direct contact with the structure of the building.
- 2) Clear eavestroughs of debris regularly and extend downspouts so that water is directed away from the building. Water flow can erode the ground near the foundation and create depressions where water collects. Standing water near the foundation can force its way into the basement.
- 3) Inspect the caulking around windows and doors and on the roof to ensure it hasn't become cracked or separated.

- 4) Have your roof inspected regularly to ensure shingles, flashing and chimney caps are in place and sealed properly.

Inside the home

- 1) Purchase a "hygrometer" to monitor the relative humidity in your home.
- 2) When using a humidifier or dehumidifier, be sure to follow the manufacturer's instructions. In the winter, keep the relative humidity in your home in the range of 30-45%. Lower humidity levels may affect your health and cause things made of wood to shrink. Excess humidity can cause condensation on windows and damage the surrounding wall. In the summer, dehumidify the basement to avoid condensation build-up on the cool foundation walls. Relative humidity levels should not exceed 60%.
- 3) Work with your builder to ensure that leaky pipes and fixtures are repaired immediately. Clean and completely dry any areas that are dampened or wet within 48 hours.
- 4) Store organic materials such as newspapers, cardboard boxes and clothes away from cool, damp areas to prevent moisture build-up. Keep storage areas tidy so that air circulates freely.
- 5) If you are adding a hot tub to your home, or have a large collection of plants, consider the amount of moisture they will add to your indoor air and ventilate accordingly.
- 6) Never vent your clothes dryer inside your home.
- 7) Investigate and identify any musty smells and odours. They are often an indicator that there is a hidden moisture problem.

We have included a Home Maintenance Checklist in this booklet (on the following pages) to guide you through your annual maintenance routine. The checklist provides a monthly breakdown of items for inspection, and is intended to help you set up a regular schedule of check-ups and clean-ups.



Home Maintenance Checklist (Items may not apply to all homes)

SPRING

March

- Clean furnace filter and Heat Recovery Ventilator (HRV)
- Check attic
- Check sump pump
- Clean humidifier
- Carefully remove snow and ice from roof overhang/vents
- Check and reset ground fault circuit interrupter (GFCI)
- Test smoke alarms and carbon monoxide detectors

April

- Check eavestroughs and downspouts
- Clean furnace filter and HRV
- Clean humidifier
- Inspect basement or crawl spaces
- Check roof for loose or cracked shingles
- Check driveways and walks for frost damage
- Check water heater for leaks, etc.
- Plan landscaping to avoid soil settlement and water ponding and to maintain the direction of the grading
- Check and reset GFCI
- Test smoke alarms and carbon monoxide detectors

May

- Check caulking for air and water leaks
- Lubricate weatherstripping
- Check exterior finishes
- Check windows and screens
- Check septic system
- Check and reset GFCI
- Test smoke alarms and carbon monoxide detectors

SUMMER

June

- Inspect air conditioning
- Check roof
- Check sheds and garages
- Check sealing around doors and windows
- Check septic system and clean if necessary
- Check water heater for leaks, etc.
- Check and reset GFCI
- Test smoke alarms and carbon monoxide detectors

July

- Air out damp basements on dry, sunny days
- Clean air conditioner filter
- Test exhaust fans
- Check water heater for leaks, etc.
- Check and reset GFCI
- Test smoke alarms and carbon monoxide detectors

August

- Clean air conditioner filter
- Air out damp basements on dry, sunny days
- Inspect driveways and walks
- Inspect doors and locks
- Check and reset GFCI
- Test smoke alarms and carbon monoxide detectors

Home Maintenance Checklist (continued)

FALL

September

- Check exterior finishes
- Check movement of garage doors and lubricate moving parts as needed
- Check caulking for air and water leaks
- Check fireplace and chimney
- Check basement or crawl spaces
- Have humidifier, furnace and HRV serviced
- Check clothes dryer vent
- Check and reset GFCI
- Test smoke alarms and carbon monoxide detectors

October

- Check windows and screens
- Drain exterior water lines
- Check roof (including shingles, flashing and vents)
- Check weather-stripping and lubricate
- Check sealing around doors and windows
- Check septic system
- Winterize landscaping and remove leaves
- Clean furnace filter and HRV
- Check water heater for leaks, etc.
- Shut off exterior water supply
- Check eavestroughs and downspouts
- Clean humidifier
- Check and reset GFCI
- Test smoke alarms and carbon monoxide detectors

November

- Check attic
- Inspect floor drains to ensure trap is filled with water
- Clean furnace filter and HRV
- Check for condensation and humidity
- Check and reset GFCI
- Test smoke alarms and carbon monoxide detectors

WINTER

December

- Check air ducts
- Check for excessive snow on roof
- Clean furnace filter and HRV
- Clean humidifier
- Check and reset GFCI
- Test smoke alarms and carbon monoxide detectors

January

- Clean furnace filter and HRV
- Check furnace fan belt
- Check water heater for leaks, etc.
- Test exhaust fans
- Clean humidifier
- Carefully remove snow and ice from roof overhang/vents
- Check and reset GFCI
- Test smoke alarms and carbon monoxide detectors

February

- Clean furnace filter and HRV
- Carefully remove snow and ice from roof overhang/vents
- Check and reset GFCI

For more information on how to maintain your new home, you can contact the Ontario Home Builders' Association (www.homeontario.com) or your local home builder's association. The Canada Mortgage and Housing Corporation (www.cmhc.ca) also provides information to new homeowners.



Glossary of Terms

Certificate of Completion and Possession (CCP)

The Certificate of Completion and Possession is a certificate which specifies the possession date of your home and which is used to fix the starting date of the warranties which apply to your home. The CCP should be given to you by your builder and should be filled out at the PDI.

Conciliation

A conciliation is a process in which Tarion assesses whether a disputed item is warranted (i.e., covered by statutory warranty) and/or whether Tarion supports the way a repair was done. Where possible, Tarion will base its conciliation decisions on the *Construction Performance Guidelines* which are available on our website at www.tarion.com. A conciliation may include an inspection at the home (if items that require repair are involved) or a desk assessment (if items can be assessed based on a paper record, e.g., delayed closing/occupancy compensation claim) and may also include a review of the purchase agreement, the completed *PDI Form* and other relevant documentation. A Warranty Assessment Report is issued by Tarion following a conciliation. The builder is expected to fully comply with any direction that has been provided by Tarion in the Warranty Assessment Report.

Condominium Common Elements

Common elements are areas of a condominium where ownership is shared among all unit owners, and they will vary depending on the type of condominium project, such as townhouse, high-rise or fully detached. Common elements include items that are outside the boundaries of your unit and may include, for example, the heating system or the windows of your unit. To determine the boundaries between your unit and the common elements, you should refer to "Schedule C" of the declaration of your condominium, which should be included with your Disclosure Statement (delivered to you when you entered into your purchase agreement).

For most condominiums, warranty coverage also includes the common elements. (There is no warranty coverage for the common elements of a Common Elements Condominium, or for the common elements of Vacant Land Condominiums.) Coverage for common elements as well as some spaces that may be for your exclusive use (known as "exclusive use common elements") begins on the day the condominium corporation is registered. See "Schedule F" of the declaration of your condominium for details of exclusive use common elements. Note: This booklet does not apply to the common elements of a condominium.

Date of Possession

The Date of Possession is the date on which your builder transfers the right of occupancy to you, as specified on the Certificate of Completion and Possession provided to you by your builder. It is also the date your home's statutory warranties begin. For freehold homes, the Date of Possession can be verified by checking it on your Transfer Deed of Land or your Statement of Adjustments. For condominium units, the Date of Possession can be verified by checking it on your Interim Occupancy Agreement.

December 24 to January 1 (inclusive) Holiday Period

In recognition of difficulties which builders may face in scheduling appointments with homeowners and/or performing work in the holiday period between December 24 and January 1 (inclusive) every year, any time period fixed in the Statutory Warranty Process will be extended if any portion of the time period occurs during this holiday period. Time periods which would span, or would start or end during this holiday period will be extended by nine days and all related subsequent time periods will be adjusted so that they remain consecutive. For example, a time period which would otherwise end on December 28 will be extended to January 6; and a time period which starts December 15 and would otherwise end on January 13 will be extended to January 22.

Glossary of Terms (continued)

Enrolment Number

The Enrolment Number is the number Tarion uses to identify your home in our computer systems. It can be found on your Certificate of Completion and Possession.

Home

In this booklet a home means either your new freehold home or your new condominium unit. There are also several types of dwellings that are not covered by the warranties under the Act. These include:

- Temporary or seasonal homes, not built on permanent foundations and not insulated sufficiently to enable year-round living;
- Homes built on existing footings or foundations;
- Homes built in converted buildings;
- Homes that have been lived in or rented by the builder before they are sold; and
- Homes that are built by their owners.

The Ontario New Home Warranties Plan Act and Regulations ("the Act")

This Government of Ontario legislation requires builders to offer a warranty to each purchaser of a new freehold home or condominium unit in Ontario, defines what is covered under this warranty protection, and gives Tarion Warranty Corporation the power to administer all aspects of the rules and regulations contained in the Act.

Purchase Agreement

Your written agreement with a builder providing for the purchase of your new home including, for the purpose of this booklet, a construction contract for the construction of your new home.

Statutory Warranty

Under the Act, new home buyers benefit from deposit protection, as well as protection against delayed closings or occupancies without proper written notice. They are also protected against defects in work and materials, major structural defects, and, in some cases, unauthorized substitutions.

Statutory Warranty Form(s)

Specific Tarion forms that must be used by homeowners to inform Tarion about potential outstanding warranty items. These include the *30-Day Form*, *Year-End Form*, *Second-Year Form* and *Major Structural Defect Form*. Each must be submitted to Tarion according to specific timeframes based on the Date of Possession as described on page 11.

Vendor/Builder Number

The Vendor/Builder Number is the number Tarion uses to identify your vendor or builder in our computer systems. This number can be found on your Certificate of Completion and Possession.

Warranted/Warrantable/Warranty Item

A warranted/warrantable/warranty item is a defect in workmanship or materials which is contrary to one of the specific builder warranties set out in the Act. For information about items covered under the statutory warranty, please visit our website at www.tarion.com to consult the *Construction Performance Guidelines*. These describe many of the most common warranty items homeowners submit to Tarion and indicate which are covered by the statutory warranty.