

Tarion Warranty Corporation

Customer Centre
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www.tarion.com

August 13, 2009

Amacon Development (Huronario) Corp.
2 Harbour St.
TORONTO Ontario
M5J 3B1

Enrolment # H1512308
Case # 2355005

Vendor/Builder # 33372
Lot: Pt. 16, Plan: , Block:
Mississauga, City

Findings of Conciliation Inspection

Enclosed is a copy of the *Warranty Assessment Report* documenting Tarion's findings from our recent inspection. The Report outlines which items are covered by warranty ("warranted items") under the *Ontario New Home Warranties Plan Act* and which items are not covered by the statutory warranty. Please be sure to read the Report carefully.

You must resolve the warranted items by September 14, 2009.

If you fail to do so, Tarion will settle the claim directly with the homeowner and invoice you for all related costs, plus a 15 per cent administration fee and applicable taxes.

This conciliation is considered chargeable.

If you do not agree with Tarion's findings, you may have the opportunity to commence arbitration under the *Builder Arbitration Forum*, as explained in *Builder Bulletin 41*. To do so, you must complete and submit an *Arbitration Application Package* to Tarion, with a non-refundable administration fee of \$750.00 plus G.S.T., by September 18, 2009. The *Arbitration Application Package* is available at www.tarion.com, or can be obtained by calling Tarion.

Erin Cox
Claim Service Representative

WARRANTY ASSESSMENT REPORT

Owner Name(s): Esteban Pacheco & Anh My Tran
Enrolment Number: H1512308
Enrolment Address: 3515 Kariya Dr, #1509, MISSISSAUGA, L5B 0C1
Vendor/Builder Name: Amacon Development (Hurontario) Corp.
Vendor/Builder Number: 33372
Date of Possession: January 19, 2009
Case Type: 30DAY
Case Number: 2355005
Inspection Date: August 6, 2009
Report Date: August 13, 2009

Attendance at Inspection

Owner Representative: Esteban Pacheco & Anh My Tran
Vendor/Builder Representative: Mark Fritz
Tarion Representative: Bruce Martin

This is the Warranty Assessment Report for items listed in the owner's 30 Day Form. The numbers below in brackets correspond to that form, and the descriptions provided for each item are the owner's descriptions from that form. The warranties referred to in this report (e.g., One Year Workmanship Warranty) are described in Appendix A.

The following is a breakdown of your item(s) as assessed:

Warranted

The following item(s) are warranted and the vendor is required to remedy them:

(2) Living room | balcony door does not open & close properly

Reason: The homeowner pointed out that because the patio door rubbed against the interior top left side of the frame, the metal skin has peeled back off the interior of the door. A repair or replacement door is required. This is a defect in workmanship that amounts to a breach of the One Year Workmanship Warranty.

(12) Kitchen | lower cabinet near sink has broken side panel

Reason: The homeowner pointed out dents and scratches in the veneer on the lower cabinets between the sink and the cupboard to the left. The damage to the veneer, approximately 20cm above the floor, is consistent with that caused by the clamps used to hold the units in place as they are being installed, and needs to be repaired. **This is a defect in workmanship that amounts to a breach of the One Year Workmanship Warranty.**

- (13) Kitchen | inside lower cabinet door near the stove has cracking marks

Reason: The lower cabinet to the right of the stove has the upper right corner damaged by the screw, which holds the door handle in place, having been tightened to much. The interior side of the door has been crushed, cracked, and damaged by the over-tightened screw, and needs to be repaired. **This is a defect in workmanship that amounts to a breach of the One Year Workmanship Warranty.**

- (14) Kitchen | upper cabinet on top of the refrigerator back panel has cracking inside

Reason: The back panel of the bridge cabinets over the refrigerator has cracked and split. The 25cm long split, along the top edge in the centre of the cabinet backer board, is consistent with damaged caused during installation, and the tightening of the wall screws. **This is a defect in workmanship that amounts to a breach of the One Year Workmanship Warranty.**

- (19) Main bath R | cracked on tile - bath tub

Reason: Prior to this inspection, the builder had replaced the cracked tile on the east wall, third from the north wall above the border row. However, in the process the builder has chipped the top edge of the decorative insert tile border row directly below, which now requires replacing. **This is a defect in workmanship that amounts to a breach of the One Year Workmanship Warranty.**

- (20) Main bath R | tiles not evenly install - bath tub

Reason: The homeowner pointed out two tiles, which were not flush with the adjacent tiles. The top left corner of the second tile from the north wall, in the first row above the tub deck on the east side is approximately 3mm higher than the bottom right corners of the adjacent tile in the second row to the left. The cut tile at the southwest corner of the tub is higher than the adjacent tile by approximately 3mm. Standard building practice will accept an elevation difference of less than 2mm, therefore these tiles exceed the allowable tolerances, and will need to be reset in order to resolve this complaint. **This is a defect in workmanship that amounts to a breach of the One Year Workmanship Warranty.**

- (21) Main bath R | walls need sanding

Reason: The homeowner pointed out an area on the main bathroom wall, which had not been sanded prior to painting. There is a 20cm section of the wall corner to the right of the west door casing above the baseboard, which was not sanded prior to painting, and has not been finished in a good workmanlike manner. **This is a defect in workmanship that amounts to a breach of the One Year Workmanship Warranty.**

(23) Guest room | baseboard on window next to balcony has water damage

Reason: The homeowner pointed out water stains on the window sill in the quest bedroom. The stains are not from an active leak nor are they consistent with condensation stains, and may have been caused during the installation of the window. The stains need to be sealed and repainted in order to resolve this complaint. **This is a defect in workmanship that amounts to a breach of the One Year Workmanship Warranty.**

(24) Guest room | heater unit front panel door scratched

Reason: The top right corner of the heater unit panel cover in the north west bedroom has been scratched when the builder removed the cover in order to service the unit. The scratch needs to be repaired. **This is a defect in workmanship that amounts to a breach of the One Year Workmanship Warranty.**

(30) Ensuite bath | damaged cabinet due to water leaking

Reason: The surface of the white melamine shelf in the ensuite vanity has bubbled and blistered as a result of a leak in the drains. The builder is required to repair or replace the shelf. **This is a defect in materials that amounts to a breach of the One Year Materials Warranty.**

(33) Ensuite bath | wall on right sink of sink needs sanding

Reason: The homeowner pointed out an area on the master ensuite bathroom wall that had not been sanded prior to painting. There is a 20cm section of the wall corner to the left of the west door casing above the baseboard, which was not sanded prior to painting and has not been finished in a good workmanlike manner. **This is a defect in workmanship that amounts to a breach of the One Year Workmanship Warranty.**

Not Warranted

The following item(s) are not warranted:

(3) Living room | hardwood floor has "bubble effect" in the middle of the room, in front of the heater

Reason: Prior to this inspection, the builder had completed the necessary repairs to resolve this concern by replacing the hardwood floor. The homeowner acknowledged this as being "done". **There is no defect in workmanship that amounts to a breach of the One Year Workmanship Warranty.**

- (4) Living room | hardwood has multiple gaps & scratches

Reason: Prior to this inspection, the builder had completed the necessary repairs to resolve this concern by replacing the hardwood floor. The homeowner acknowledged this as being "done". **There is no defect in workmanship that amounts to a breach of the One Year Workmanship Warranty.**

- (5) Living room | the wall that divide the living room and the den has a very obvious uneven surface

Reason: The drywall finish and painting on the wall dividing the living room from the den has been completed within acceptable, standard building practices. There are no defects in the wall finish which can be seen from a normal viewing position, standing right angled to the wall. **There is no defect in workmanship that amounts to a breach of the One Year Workmanship Warranty.**

- (8) Living room | big gap on metal frame on lower window

Reason: Prior to this conciliation, the builder had completed the necessary repairs to resolve this complaint by caulking the joint. The homeowner acknowledged this as being "done". **There is no defect in workmanship that amounts to a breach of the One Year Workmanship Warranty.**

- (9) Living room | walls need sanding

Reason: The living room walls have been finished, plastered, and sanded within acceptable, standard building practices, with no visible defects when viewed from a normal position perpendicular to the wall. No further action is required by the builder. **There is no defect in workmanship that amounts to a breach of the One Year Workmanship Warranty.**

- (10) Kitchen | damage granite counter top! big black spot on to of granite near water's faucet

Reason: The homeowner pointed out a 45mm by 20mm dark spot in the kitchen granite counter top located approximately 30cm to the north of the faucet. This granite slab is a combination of grey and black colours in a marbling pattern. Because granite is natural product, it is not unusual to have spots or blemishes, which are characteristics of the stone appearance in the finished slab. The counter top has been polished and buffed to an acceptable finish, and has been installed correctly so there is no defect in workmanship. **There is no defect in materials that amounts to a breach of the One Year Materials Warranty.**

- (11) Kitchen | refrigerator door has scratches, mark

Reason: At the time of this inspection, the homeowner withdrew this complaint as the scratches were not reported on the PDI or any other earlier document, which is required in order to support their claim. This item of damage was not previously documented on any pre-delivery documents, such as the Pre-Delivery Inspection Form or the Certificate of Completion and Possession. The owner has not established that the damage was caused by the vendor.

- (15) Kitchen | upper wall near pantry has dent mark

Reason: There is a very slight dent in the drywall to the left of the pantry door approximately 200cm above the floor. This dent is minor in nature, and is not readily noticeable from a normal viewing position. **There is no defect in workmanship that amounts to a breach of the One Year Workmanship Warranty.**

- (17) Kitchen | wood panel under granite counter top facing living room has scratches mark

Reason: There is a small dent, approximately 1.5mm wide 36cm (14") up from the floor by 125mm (5"), in from the front edge on the east gable end of the kitchen peninsula. This small dent was not reported on the PDI or any earlier document, therefore Tarion is unable to determine who caused the damage. **This item of damage was not previously documented on any pre-delivery documents, such as the Pre-Delivery Inspection Form or the Certificate of Completion and Possession. The owner has not established that the damage was caused by the vendor.**

- (18) Kitchen | big gaps underside of counter bar side

Reason: The homeowner expressed concerns with gaps between the underside of the granite counter top and the top edge of the lower cabinets. The gap, which was created by the adhesive required to secure the granite to the base cabinets, has been caulked correctly, and has been finished within acceptable building standards. **There is no defect in workmanship that amounts to a breach of the One Year Workmanship Warranty.**

- (22) Main bath R | toilet hard to flush and water does not come up right away

Reason: At the time of this inspection, the toilet was working as intended. **There is no defect in workmanship that amounts to a breach of the One Year Workmanship Warranty.**

- (25) Guest room | inside of heater's unit isolation material and underneath metal structure damage

Reason: At the time of this inspection, the homeowner was unable to show Tarion the damage, and since this unit is only a blower fan and not the heating boiler system (located in the basement), a small hole in the casing would not impact on its functionality. **There is no defect in workmanship that amounts to a breach of the One Year Workmanship Warranty.**

- (26) Guest room | walls need sanding

Reason: Prior to this inspection, the builder had completed the necessary repairs to resolve this complaint. The homeowner acknowledged this as being "done". **There is no defect in workmanship that amounts to a breach of the One Year Workmanship Warranty.**

- (28) Master room | wall area around thermostat needs to be sand & paint

Reason: Prior to this inspection, the builder had completed the necessary repairs to resolve this complaint. The homeowner acknowledged this as being "done". **There is no defect in workmanship that amounts to a breach of the One Year Workmanship Warranty.**

- (29) Master room | walls needs sanding

Reason: The drywall taping and the paint applied to the walls in the master bedroom were inspected, and deemed to have been finished within acceptable building standards. **There is no defect in workmanship that amounts to a breach of the One Year Workmanship Warranty.**

- (31) Ensuite bath | toilet handle very hard to flush

Reason: At the time of this inspection, the toilet was working as intended. **There is no defect in materials that amounts to a breach of the One Year Materials Warranty.**

- (32) Ensuite bath | water faucet does not come out straight

Reason: Prior to this inspection, the builder had completed the necessary repairs to resolve this complaint. The homeowner acknowledged this as being "done". **There is no defect in workmanship that amounts to a breach of the One Year Workmanship Warranty.**

Withdrawn

The following item(s) were withdrawn and have not been assessed:

- (1) Den | window frames has scratches & dent marks
- (6) Living room | upper & lower baseboard needs caulking
- (7) Living room | window frames has scratches & dent marks
- (16) Kitchen | pantry's door handles has scratches
- (27) Guest room | damage door stopper

Reason: A warranty assessment was not made because the owner advised that the item(s) was withdrawn. No further action by the vendor is required for this item(s).

APPENDIX "A"

WARRANTIES UNDER THE *ONTARIO NEW HOME WARRANTIES PLAN ACT* - DEFINITIONS & DESCRIPTIONS

Note: These are simplified descriptions provided for ease of understanding. The full definitions/descriptions are found in the references in brackets. The warranties and limits on warranties are also described in the *Homeowner Information Package* and on www.tarion.com.

The Pre-Completion Warranties

Deposit Protection

- A home buyer who has entered into a contract to purchase a home from a vendor is entitled to reimbursement of a deposit paid to the vendor which is to be credited to the purchase price under the contract on closing if
 - the person has exercised a statutory right to rescind the contract before closing; or
 - the person has a cause of action against the vendor resulting from the fact that title to the home has not been transferred to the person because,
 - the vendor has gone into bankruptcy, or
 - the vendor has fundamentally breached the contract[s.14(1) of the *Ontario New Home Warranties Plan Act* (the "Act")].

Financial Loss for Contract Homes

- An owner of land who has entered into a contract with the builder for the construction of a home on the land and who has a cause of action against the builder for damages resulting from the builder's failure to substantially perform the contract is entitled to receive reimbursement for shortfall, if any, between the amount paid by the owner to the builder under the contract and the value of work and materials supplied by the builder [s.14(2) of the Act].

The Delayed Closing/Occupancy Warranties

Delayed Closing or Delayed Occupancy Compensation Warranty

- If the closing of the sale of your home or the occupancy date of the condominium is delayed beyond the permitted delays in the legislation, then delayed closing or occupancy compensation may be payable [Reg. 165 under the Act].

The One Year Warranty

Workmanship

- Every vendor of a home warrants for one year after the date of possession that the home is constructed in a workmanlike manner [s.13(1)(a)(i) of the Act].

Materials

- Every vendor of a home warrants for one year after the date of possession that the home is free from defects in materials [s.13(1)(a)(i) of the Act].

Fit for Habitation

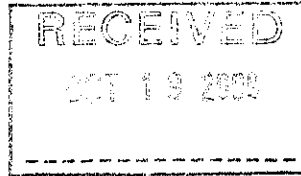
- Every vendor of a home warrants for one year after the date of possession that the home is fit for habitation [s.13(1)(a)(ii) of the Act].

Building Code

- Every vendor of a home warrants for one year after the date of possession that the home is constructed in accordance with the *Ontario Building Code* [s.13(1)(a)(iii) of the Act].

Major Structural Defect

- Every vendor of a home warrants to the owner for one year after the date of possession that the home is free of major structural defects as defined in the legislation [s.13(1)(b) of the Act].



Press/ File
TARION 1509
Tarion Warranty Corporation

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5150 Yonge Street, Concourse Level
Toronto, Ontario M2N 6L8
Toll-Free: 1-877-982-7466
www.tarion.com

October 15, 2009

Copy to:

Esteban Pacheco & Anh My Tran
3515 Kariya Dr 1509
MISSISSAUGA ON
L5B 0C1

Amacon Development (Huronario) Corp.
2 Harbour St.
TORONTO Ontario
M5J 3B1

Enrolment # H1512308
Case # 2355005

Vendor/Builder # 33372
Lot: Pt. 16, Plan: , Block:
Mississauga, City

Findings of Claim Inspection

Enclosed is a copy of the *Warranty Assessment Report* documenting Tarion's findings from our recent inspection. The Report outlines which items are covered by warranty ("warranted items") under the *Ontario New Home Warranties Plan Act* and which items are not covered by the statutory warranty. Please be sure to read the Report carefully.

The items included in this report have been resolved to Tarion's satisfaction. We now consider this matter closed and do not require that your builder take any further action.

Erin Cox
Claim Service Representative

You may also wish to visit our website to consult the *Construction Performance Guidelines*. The Guidelines describe many of the most commonly reported warranty items and indicate which are covered by warranty under the *Ontario New Home Warranties Plan Act*.

WARRANTY ASSESSMENT REPORT

Owner Name(s): Esteban Pacheco & Anh My Tran
Enrolment Number: H1512308
Enrolment Address: 3515 Kariya Dr, #1509, MISSISSAUGA, L5B 0C1
Vendor/Builder Name: Amacon Development (Huronario) Corp.
Vendor/Builder Number: 33372
Date of Possession: January 19, 2009
Case Type: 30DAY
Case Number: 2355005
Inspection Date: October 1, 2009
Report Date: October 15, 2009

Attendance at Inspection

Owner Representative: Esteban Pacheco & Anh My Tran
Vendor/Builder Representative: Mark Fritz
Tarion Representative: Bruce Martin

This is the Warranty Assessment Report for items listed in the owner's 30 Day Form. The numbers below in brackets correspond to that form, and the descriptions provided for each item are the owner's descriptions from that form. The warranties referred to in this report (e.g., One Year Workmanship Warranty) are described in Appendix A.

The following is a breakdown of your item(s) as assessed:

Warranted

The following item(s) are warranted and the vendor is required to remedy them:

(2) Living room | balcony door does not open & close properly

Reason: The homeowner pointed out that because the patio door rubbed against the interior top left side of the frame, the metal skin has peeled back off the interior of the door. A repair or replacement door is required.

Claim Inspection - October 1, 2009

Prior to this inspection, the builder had completed the necessary repairs to resolve this complaint by replacing the door. This is a defect in workmanship that amounts to a breach of the One Year Workmanship Warranty.

- (19) Main bath R | cracked on tile - bath tub

Reason: Prior to this inspection, the builder had replaced the cracked tile on the east wall, third from the north wall above the border row. However, in the process the builder has chipped the top edge of the decorative insert tile border row directly below, which now requires replacing.

Claim Inspection - October 1, 2009

Prior to this inspection, the builder had completed the necessary repairs to resolve this complaint by replacing the tiles. **This is a defect in workmanship that amounts to a breach of the One Year Workmanship Warranty.**

- (20) Main bath R | tiles not evenly install - bath tub

Reason: The homeowner pointed out two tiles, which were not flush with the adjacent tiles. The top left corner of the second tile from the north wall, in the first row above the tub deck on the east side is approximately 3mm higher than the bottom right corners of the adjacent tile in the second row to the left. The cut tile at the southwest corner of the tub is higher than the adjacent tile by approximately 3mm. Standard building practice will accept an elevation difference of less than 2mm, therefore these tiles exceed the allowable tolerances, and will need to be reset in order to resolve this complaint.

Claim Inspection - October 1, 2009

Prior to this inspection, the builder had completed the necessary repairs to resolve this complaint by replacing the tiles. **This is a defect in workmanship that amounts to a breach of the One Year Workmanship Warranty.**

- (21) Main bath R | walls need sanding

Reason: The homeowner pointed out an area on the main bathroom wall, which had not been sanded prior to painting. There is a 20cm section of the wall corner to the right of the west door casing above the baseboard, which was not sanded prior to painting, and has not been finished in a good workmanlike manner.

Claim Inspection - October 1, 2009

Prior to this inspection, the builder had completed the necessary repairs to resolve this complaint by sanding and painting the drywall. **This is a defect in workmanship that amounts to a breach of the One Year Workmanship Warranty.**

- (23) Guest room | baseboard on window next to balcony has water damage

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 - the person has a cause of action against the vendor resulting from the fact that title to the home has not been transferred to the person because,
 - > the vendor has gone into bankruptcy, or
 - > the vendor has fundamentally breached the contract
- [s.14(1) of the *Ontario New Home Warranties Plan Act* (the "Act")].

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