

IMPORTANT NOTE: In addition to your normal corporate due diligence, it is a requirement of Stewart Title that you obtain Canadian/Provincial Government issued PHOTO ID for all private individuals and corporate signing officers for private corporations, that you review and confirm the validity to the best of your ability, and that you keep a legible photocopy in your file. We will not insure a transaction for which acceptable PHOTO ID is not obtained. If you are unable to obtain acceptable PHOTO ID please contact a Stewart Title underwriter PRIOR to closing.

It is imperative that you order your title insurance policy prior to the closing date. This ensures all underwriting matters can be considered in the coverage provided for the Insured. Please inform Stewart Title immediately if your deal has been delayed over 30 days.

Where coverage is provided, title insurance can eliminate the need for certain off-title searches. This results in significant savings to the client, which often outweighs the cost of the title insurance premium. In order to maximize the cost savings, please refer to this list when the transaction is initiated. Please note that this information was compiled based on general practices in most jurisdictions. For further information please contact Stewart Title.

Title Search Requirements

Purchase Transactions:

Registry Properties: A full 40-year search is required including compliance with the *Planning Act*.

Land Titles Absolute and Land Titles Conversion Qualified (“LTCQ”): You are not required to search behind the parcel abstract. However for documents that appear on the parcel register or for which the property is “subject to” we request that you review those documents and provide details to Stewart Title. For commercial transactions up to \$5,000,000, abutting land searches should be done for the current owner as listed in the abstract when you are dealing with a property where the search would normally be required for ascertaining compliance with the *Planning Act*. A full abutting land search is required for commercial transactions exceeding \$5,000,000. **NOTE: Your search must contain deleted instruments.**

Refinances:

Only a Sub-search from the last arm’s length deed is required for commercial refinances under \$10,000,000. No abutting land searches are required, provided that you make a verbal inquiry of the borrower to determine if they have an interest in an abutting property. (A full search of title is required for commercial refinances over \$10,000,000, including a full abutting land search) **NOTE: For Land Titles, your search must contain deleted instruments.**

NOTE: Where a prior opinion is available, the above search requirements may be altered with the approval of a Stewart Title Underwriter. Please contact any of our Underwriters to discuss.

Survey Requirements

FOR OWNER

Commercial Transactions Under \$12,000,000: An up-to-date survey is *not* required to obtain a survey endorsement

Commercial Transactions Over \$12,000,000: An up-to-date survey is required to obtain a survey endorsement. Please note, however, that survey coverage may be negotiated for commercial transactions over \$12,000,000 in the event that an old survey is available and/or the vendor(s)/mortgagor(s) is willing to provide a Statutory Declaration confirming that there have been no improvements to the subject property, up to the Policy Date.

FOR LENDER

For all Commercial Transactions: An up-to-date survey is *not* required to obtain a survey endorsement.

Off Title Searches

Notes: i) "LTV" = Loan to Value Ratio

ii) Where a search is waived for lenders between \$10 million and \$50 million as set out below a suitable statutory declaration from the vendor (purchase mortgage transaction) or borrower (refinance) must be obtained. Please contact Stewart Title to obtain a sample declaration.

- (1) **Execution Searches** are required against the current vendor(s) and if a mortgage is being insured, against the purchaser(s)/mortgagor(s). Please note that similar name executions may be underwritten on a case-by-case basis. Execution searches are not required against any other parties.
- (2) **Public Utility Certificates/Arrears.**
For Owner: For transactions under \$5,000,000, verbal confirmation, a receipted utility bill or reference in a vendor's Statutory Declaration is sufficient; however, if any of the foregoing cannot be obtained we will require the certificate. Public Utility Certificates are required on transactions over \$5,000,000.
For Lender: Verbal confirmation, a receipted utility bill or reference in a vendor's/mortgagor's Statutory Declaration is sufficient regardless of the mortgage amount; however, if any of the foregoing cannot be obtained we will require the certificate.
NOTE: Coverage is provided to the extent the arrears form a lien. Final meter readings are not covered under the policy.
- (3) **Municipal Realty Tax Certificate.**
For Owner: For transactions under \$5,000,000, verbal confirmation, a receipted tax bill or reference in a vendor's Statutory Declaration is sufficient; however, if any of the foregoing cannot be obtained we will require the certificate. Tax Certificates are required on transactions over \$5,000,000.
For Lender: Verbal confirmation, a receipted tax bill or reference in a vendor's/mortgagor's Statutory Declaration is sufficient regardless of the mortgage amount; however, if any of the foregoing cannot be obtained we will require the certificate.
- (4) **Corporate Profile Report or Certificate of Status** is required against the vendor(s), and the purchaser(s)/mortgagor(s). They are not required against prior corporate owners.

(5) **Zoning Compliance.**

For Owner: If the purchase price is under \$10,000,000 no report is necessary in order to obtain a zoning endorsement.

For Lender: If the loan amount is under \$10,000,000 no report is necessary in order to obtain a zoning endorsement. If the loan amount is between \$10,000,000 and \$50,000,000 no report is necessary in order to obtain a zoning endorsement provided that we receive confirmation that the LTV is not greater than 75%. With the approval of a Stewart Title Underwriter, the search may be waived for loans over \$50,000,000. Please contact any of our Underwriters to discuss.

NOTE: The policy will insure that the Property will be permitted to continue its present use. If the land is vacant or if a change of use is contemplated, the client or solicitor should confirm that zoning corresponds with future plans for development/improvements.

(6) **Municipal Work Orders.**

For Owner: If the purchase price is under \$2,000,000 no report is necessary in order to obtain our municipal building department work order coverage.

For Lender: If the loan amount is under \$10,000,000 no report is necessary in order to obtain our municipal work order coverage. If the loan amount is between \$10,000,000 and \$50,000,000 no report is necessary in order to obtain our municipal work order coverage provided that we receive confirmation that the LTV is not greater than 75%.

(7) **Unregistered Hydro Easements.**

For Owner: If the purchase price is under \$10,000,000 no search is required unless the property is vacant. Where the property is vacant, this search is required prior to the issuance of an owner's policy regardless of the policy amount. This search is required for purchase prices over \$10,000,000.

For Lender: If the loan amount is under \$10,000,000, no search is required. If the loan amount is between \$10,000,000 and \$50,000,000 no search is required provided that we receive confirmation that the LTV is not greater than 75%. For loans over \$50,000,000, this search is required.

(8) **Estoppel Certificates/Status Certificates** this search is required for all condominium transactions except for condominium refinances under \$2,000,000.

(9) **Orders Under *The Residential Tenancies Act, 2006 (Ontario) Concerning Unlawful Rents*** searches are not required for lender policies under \$10,000,000. If the loan amount is between \$10,000,000 and \$50,000,000 no search is required provided that we receive confirmation that the LTV is not greater than 75%. For all owner policies and for lender policies over \$50,000,000 no coverage is provided for these matters.

(10) **Subdivision and Development Agreement Compliance**

For Owner: This search is not required for owner policies under \$10,000,000 *unless the property is currently under construction*, in which case this search should be completed regardless of the policy amount. For all transactions over \$10,000,000, this search is required.

For Lender: This search is not required for lender policies under \$10,000,000. If the loan amount is between \$10,000,000 and \$50,000,000 no search is required provided that we receive confirmation that the LTV is not greater than 75%. For loans over \$50,000,000, this search is required.

(11) **Fire Department Compliance** searches are not required for lender policies under \$10,000,000. If the loan amount is between \$10,000,000 and \$50,000,000 no search is required provided that we receive confirmation that the LTV is not greater than 75%. For all owner policies and for lender policies over \$50,000,000, no coverage is provided for this matter.

(12) **Electrical Safety Authority** file searches for work orders are not required for lender policies under \$10,000,000. If the loan amount is between \$10,000,000 and \$50,000,000 no search is required

provided that we receive confirmation that the LTV is not greater than 75%. For loans over \$50,000,000, this search is required. For all owner policies no coverage is provided for this matter.

- (13) **Technical Standards and Safety Authority** file searches for work orders are not required for lender policies under \$10,000,000. If the loan amount is between \$10,000,000 and \$50,000,000 no search is required provided that we receive confirmation that the LTV is not greater than 75%. For loans over \$50,000,000, this search is required. For all owner policies no coverage is provided for this matter.

Items Not Covered By Commercial Policies

Please Note- Existing Owner and Existing Lender Policies are not available for Commercial Properties

The following searches may reveal title or other defects which are of relevance to your client and are NOT covered by commercial title insurance policies:

- (1) Conservation Authority.
- (2) Environmental Clearance.
- (3) Residential Tenancies Act, 2006 (Ontario) (except as provided in No. 9 above).
- (4) Water Potability and Quantity.
- (5) Parkway Belt Planning and Development Act for properties in Niagara Escarpment.
- (6) PPSA Re: Chattels.
- (7) Estoppel Certificate/Status Certificate for Condominium (except as provided in No. 8 above).
- (8) Fire Department Compliance (except as provided in No. 11 above).
- (9) Bank Act Issues.
- (10) Bankruptcy Act.
- (11) Elevator Issues.
- (12) Public Health Department Issues.
- (13) Septic System.
- (14) Electrical Safety Authority (except as provided in No. 12 above).
- (15) Technical Standards and Safety Authority (except as provided in No. 13 above).

NOTE: Stewart Title Commercial Policies do not provide coverage for the foregoing matters. This list is for guidance only and is not intended to be an exhaustive list of searches that Solicitors should consider. Solicitors should determine if any of the above or other searches are relevant to the subject transaction and if so, which of the above or other searches need to be conducted to adequately protect their client's interests. Please review the actual policy documents for full particulars of coverage.