

As of May 2008

Where coverage is provided, title insurance can eliminate the need for certain off-title searches. This can result in savings to the client, which can help outweigh 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 this information was compiled based on general practices in most jurisdictions. For further information please contact Stewart Title.

### Title Search Requirements

#### **Title Search**

Must obtain a current copy of Title. For encumbrances that appear on Title we request that you review those documents and advise us of any issues. We request a sub-search be completed on the day of closing.

#### **Not Required off Title Searches**

The following searches are **not required** when acting on the purchase of a *residential* property of *up to six* units:

1. **Public Utilities** – Verbal confirmation is sufficient. If a verbal confirmation is not available these searches are waived. **NOTE: Coverage is provided to the extent the arrears form a lien.**
2. **Municipal Realty Tax Certificate.** Verbal confirmation, a receipted tax bill or reference in a vendor's Statutory Declaration is sufficient, however, if none of the foregoing can be obtained, we will waive these requirements.
3. **Corporate Profile/Corporate Status Reports.**
4. **Subdivision and Development Agreement Compliance.**
5. **Building and Zoning Compliance** – No search is required for single-family residential dwellings. No search is required for refinance transactions. A building and zoning search is required for transactions for 2 to 6 residential units, where an owner policy is being obtained and coverage for building and zoning matters is requested. Additionally, if your property is located in a municipality where two unit properties must be registered, you must determine if your units are properly registered. For transactions for 2 to 6 residential units where only a lender policy is being obtained, or where the owner does not want coverage for building and zoning matters (contact an underwriter for an exception clause for the owner), the search is not required.
6. **Fire Department Work Orders.** No search is required for single-family residential dwellings. No search is required for refinance transactions. This search is required for transactions of 2 to 6 residential units (including properties where the second unit is a boathouse with living accommodation), where an owner policy is being obtained and coverage for the owner is requested. For transactions of 2 to 6 residential units where only a lender policy is being obtained, or where the owner does not want coverage for fire department work orders (contact an underwriter for an exception clause for the owner), the search is not required.
7. **Septic File Searches.** Our Septic Endorsement is designed to protect the insured regarding the status of the septic system to the extent that a lawyer could do so if the usual septic file search was performed and reviewed. What should be made clear is that neither the policy nor a solicitor's opinion will guaranty that the system is working (it is not a warranty of fitness or quality). Similarly, the coverage does not include protection against defects that would be revealed by a current inspection of the system. It is also worth recognizing that the septic inquiry may provide information which may nonetheless be useful or important to the client. Examples of such issues would include the age of the system or the location of the system on the property. Thus, notwithstanding the comprehensiveness of the Septic Endorsement, it may still be prudent and courteous practice to advise clients of the additional option of ordering a septic inquiry.

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8. **Refinance Transactions:** On residential refinancing situations, an Estoppel Certificate/Status Certificate is not required for Condominium transactions. The execution search and sub-search of title may be conducted up to 10 business days prior to the registration of the mortgage without the need to conduct a further execution search or sub-search. For tax status, verbal confirmation, a receipted tax bill or reference in a Statutory Declaration from the Borrower is sufficient, however, if none of the foregoing can be obtained, we will waive these requirements. No building and zoning search is required.

### Required Off Title Searches

The following searches **are required** as responses received may reflect issues not covered under the policies:

1. **Estoppel Certificate/Status Certificate/Form F Certificate** for Condominiums/Strata properties, *except* for residential refinance transactions. The Certificate may be obtained up to thirty (30) days prior to the closing date without the need to obtain a new certificate on the closing date. As long as the certificate was received within thirty (30) days prior to closing, coverage is provided for condominium/strata fee arrears and special assessments that would have been revealed if a certificate had been obtained on the closing date.
2. **Building and Zoning Compliance** – A building and zoning search is required for transactions of 2 to 6 residential units (including properties where the second unit is a boathouse with living accommodation), where an owner policy is being obtained and coverage for building and zoning matters is requested. Additionally, if your property is located in a municipality where two unit properties must be registered, you must determine if your units are properly registered. For transactions of 2 to 6 residential units where only a lender policy is being obtained, or where the owner does not want coverage for building and zoning matters (contact an underwriter for an exception clause for the owner), these searches are not required. No search is required for single-family residential dwellings. No search is required for refinance transactions.
3. **Fire Department Work Orders.** This search is required for transactions of 2 to 6 residential units, where an owner policy is being obtained and coverage for the owner is requested. For transactions of 2 to 6 residential units where only a lender policy is being obtained, or where the owner does not want coverage for fire department work orders (contact an underwriter for an exception clause for the owner), the search is not required. No search is required for single-family residential dwellings. No search is required for refinance transactions.

### Additional Considerations Falling outside the Scope of Stewart Title Coverage:

1. **Environmental Clearance** – Any concerns about soil or contamination or toxic pollutants on the property should be addressed by obtaining an environmental audit. Such certification is not usually included in a traditional solicitor's opinion.
2. **Legislation relating to Residential Rent Regulation /Tenant Protection** – Landlord liability for illegal rent increases or other claims arising from residential tenancy legislation are not matters covered by title insurance. Where tenanted properties are concerned, you may want to seek the usual comforts in the form of landlord warranties, tenant acknowledgments and/or a search with the local rent authority.
3. **Fire Retrofit Issues** – In the cases of tenanted and multi-unit properties, while title insurance does cover the usual work orders and zoning related matters, it does not cover fire retrofit issues such as the sufficiency of smoke alarms or fire barriers, unless they form work orders or are zoning deficiencies which would have been

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revealed by a regular building and zoning search conducted prior to closing. This is consistent with the principle that title insurance is not a warranty regarding quality or fitness for purpose, but rather a protection regarding matters which can be disclosed by a local authority search.

4. **Water Potability and Quantity** – If the property is serviced by a well, a solicitor should seek the usual protections to ensure marketability and safety, including confirmation of a water potability certificate (preferably more than one) and a well driller's certificate (if available).
5. **PPSA Re: Chattels** – Title insurance covers land, not chattels. When significant chattels are included in a purchase or when a transaction involves the likes of a mobile home, consideration should be given to PPSA search and registration.
6. **Underground Fuel Oil Tanks** – In the event there is an underground fuel oil tank on the property, a solicitor should confirm its compliance with fuel delivery, removal, upgrading, and inspection requirements.

**IMPORTANT NOTE:** It is a requirement of Stewart Title that you obtain Canadian Federal or Provincial Government issued PHOTO ID for all clients, that you review and confirm the validity to the best of your ability, and that you keep a legible photocopy in your file. Due to the ease in which Citizenship Cards may be forged, if you are relying on such a card, we ask that you obtain a second piece of ID that has a name and signature. We will not insure a transaction for which Canadian Government issued PHOTO ID is not obtained. If you are unable to obtain Canadian Government issued PHOTO ID please contact a Stewart Title underwriter PRIOR to closing.