

March 31, 2020

TITLE SEARCH REQUIREMENTS

Purchase Transactions:

A 10 year title search is required, as well as a 30 year search for priorities and other charges and a search up to the cadastre for servitudes.

Refinances:

Only a Sub-search from the last arm's length deed is required for commercial refinances up to \$50 million. (A 10 year title search is required, as well as a 30 year search for priorities and other charges and a search up to the cadastre for servitudes for commercial refinances over \$50 million.)

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.

CERTIFICATE OF LOCATION REQUIREMENTS

For Owner:

An up-to-date certificate of location is *not* required to obtain a certificate of location endorsement for:

- developed properties up to \$25 million;
- vacant land, or properties under construction, up to \$12 million.

For all other thresholds, an up-to-date certificate of location is required to obtain a certificate of location endorsement; however, certificate of location coverage may be negotiated in the event that a suitable certificate of location is available and the vendor(s)/mortgagor(s) is willing to provide a suitable 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 certificate of location is *not* required to obtain the certificate of location coverage found in the commercial lender policy jacket.

OFF-TITLE SEARCH REQUIREMENTS

(1) **Public Utility Certificates/Arrears**

For Owner: For transactions up to \$25 million, no public utility certificate is required, provided you are able to obtain one of the following: (i) a receipted utility bill, (ii) confirmation that utilities are paid to closing in a vendor's statutory declaration, or (iii) verbal confirmation from the relevant department/agency that utilities are paid in full to date. Public utility certificates are required on transactions over \$25 million.

For Lender: Regardless of the mortgage amount, no public utility certificate is required, provided you are able to obtain one of the following: (i) a receipted utility bill, (ii) confirmation that utilities are paid to closing in a vendor's/mortgagor's statutory declaration, or (iii) verbal confirmation from the relevant department/agency that utilities are paid in full to date.

NOTE: Coverage is provided to the extent the arrears form a lien.

(2) **Municipal Realty Tax Certificate**

For Owner: For transactions up to \$25 million, no tax certificate is required, provided you are able to obtain one of the following: (i) a receipted tax bill, (ii) confirmation that taxes are paid to closing in a vendor's statutory declaration, or (iii) verbal confirmation from the municipality that taxes are paid in full to date. Tax certificates are required on transactions over \$25 million.

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For Lender: Regardless of the mortgage amount, no tax certificate is required, provided you are able to obtain one of the following: (i) a receipted tax bill, (ii) confirmation that taxes are paid to closing in a vendor's/mortgagor's statutory declaration, or (iii) verbal confirmation from the municipality that taxes are paid in full to date.

- (3) **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.
- (4) **Zoning Compliance**
For Owner: A zoning search is not required in order to obtain a zoning endorsement if the purchase price is up to \$25 million.
For Lender: A zoning search is not required in order to obtain a zoning endorsement for lender policies up to \$50 million*.
NOTE: The policy will insure that the land will be permitted to continue its present use. If the land is vacant or if a change of use is contemplated, the client or lawyer/notary should confirm that zoning corresponds with future plans for development/improvements. For construction loans, Stewart Title will require sufficient confirmation that the intended use is permitted.
- (5) **Estoppel Certificates/Status Certificates** this search is required for all condominium transactions except for condominium refinances up to \$50 million.

* Where searches are waived for lenders between \$25 million and \$50 million in paragraph 4 above or as mentioned below, a suitable statutory declaration from the vendor (purchase mortgage transaction) or borrower (refinance) must be obtained where the LTV is greater than 75%. Please contact Stewart Title to obtain a sample declaration.

NOTE: Where a policy includes a Government Response Endorsement, coverage may be provided for losses resulting from incorrectness in a written statement received, prior to or at the date of policy, with respect to the off-title governmental inquiries listed in the endorsement. Please see the endorsement for full details.

Items Not Covered By Commercial Policies

Please Note- Existing Owner Policy is 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 (except as may be available in a Government Response Endorsement)
- (2) Environmental Matters
- (3) Act Respecting the Régie du Logement as well as monthly rent payments by lessees (coverage may be available for lender policies. No file search is required for lender policies up to \$50 million*. For all owner policies, no coverage is provided for this matter.)
- (4) Water Potability and Quantity
- (5) Movable hypothecs as well as all other guarantees on movable property published at the R.D.P.R.M.
- (6) Estoppel Certificate/Status Certificate for Condominium (except as provided in No. 5 above)

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- (7) Fire Department Compliance (coverage may be available for lender policies. No file search is required for lender policies up to \$50 million*. For all owner policies, no coverage is provided for this matter.)
- (8) Bank Act Issues
- (9) Bankruptcy Act
- (10) Public Health Department Issues (except as may be available in a Government Response Endorsement)
- (11) Septic System
- (12) Electrical Safety Authority (coverage may be available for lender policies. No file search is required for lender policies up to \$50 million*. For all owner policies, no coverage is provided for this matter.)
- (13) Technical Standards and Safety Authority (coverage may be available for lender policies. No file search is required for lender policies up to \$50 million*. For all owner policies, no coverage is provided for this matter.)
- (14) Work Orders (coverage may be available for lender policies. No work order search is required in order to obtain our governmental and quasi-governmental (excluding environmental) work order endorsement coverage for lender policies up to \$50 million*. For all owner policies, no coverage is provided for this matter.)

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 lawyers/notaries should consider. Lawyers/notaries 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.

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.