



CHICAGO TITLE
CANADA

Commercial Search Guidelines

Search Guidelines

Searches Applicable to All Transactions

Search	Requirements
Title Search*	<p>Purchase and Refinance transactions</p> <p>NB: Certificate of registered ownership NS: Statement of registered ownership and recorded interest NL & PEI: Full Title search or a sub search from a previously issued title opinion, copy of the search is not required, unless requested</p>
Judgment Search*	<p>Purchase transaction:</p> <ul style="list-style-type: none"> Owner Policy: Vendor Loan Policy: Purchaser/borrower and vendor <p>Refinance transaction: Borrower</p>
Realty Taxes and Utilities (which can form a lien)	<p>Confirmation there are no tax/utility arrears.</p> <p>A tax/public utility certificate is not required. Confirmation can be obtained by:</p> <ul style="list-style-type: none"> verbal confirmation from the relevant municipality/utility provider; or a receipted tax/utility bill; or a declaration from the borrower (refinance transaction) or vendor (purchase transaction).
Corporate Search	<p>Purchase transaction:</p> <ul style="list-style-type: none"> Owner Policy: Vendor Loan Policy: Purchaser and borrower <p>Refinance transaction: Borrower. Searches against prior owners are not required.</p> <p>IMPORTANT: Any change to the corporate records within the last 12 months must be disclosed to the Company.</p> <p><i>Search to be dated within 30 days of closing.</i></p>
Estoppel / Status Certificate - Condo	<p>All owner policies (under and over \$25M) and loan policies over \$50M.</p> <p>Status Certificate dated within 60 days of closing (verbal update accepted within 90 days).</p>

*Updated title and judgment searches must be conducted on closing confirming no new registrations.

Additional Owner and Loan Policy Search Requirements

Owner policies greater than \$25M and loan policies greater than \$50M

Search	Requirements
Building Department – Zoning Compliance	Verification current use and/or intended use matches the zoning classification for the Land.
Municipal Agreement Compliance	Confirmation that municipal, subdivision and development agreements are in compliance. Such inquiry is not required for non-municipal agreements or airport and zoning regulations. If confirmation is not available, a declaration or officer's certificate may be accepted on a case-by-case basis instead.
Tax Lot Verification	Confirmation the description of the Land on the tax bill matches the legal description.
Unregistered Easements	Hydro and local utilities search to identify any easements.

Additional Loan Policy Search Requirements – Over \$50M

Search	Requirements
Work Orders Notices of Deficiency, Open Permits, or Notices of Violation [‡]	Confirmation there are no work orders or deficiency notices, open permits or notices of violation filed with the building department, fire department and any other governmental and quasi-governmental authority** that would be typically conducted in a similar transaction, which would reveal any of these items. [‡]

**Governmental or quasi-governmental authority means any department or division of the Government of Canada or of the town, city, county, regional municipality or province in which the Land is located.

[‡]For loan policies, a statutory declaration or officer's certificate from the borrower, confirming zoning, agreement compliance, and no work orders, deficiency notices, open permits, or notices of violation may be accepted on a case-by-case basis in lieu of the Additional Loan Policy Search Requirements.

‡PLEASE NOTE: The commercial owner policy does not contain any coverage for work orders, notices of deficiency or open permits.

Although a search may not be required, the coverage offered by a title insurance policy should be reviewed to determine if the search would benefit your client given the nature of the transaction.

You must advise Chicago Title of any adverse matters that were revealed by any required searches, if any of the searches were not conducted, or if the search is older than what is required. Failure to conduct a search may result in an exception being listed on the policy or the removal or modification of an endorsement.



Coverage Summary

All Policies

Policy Jacket
Title being held other than as stated in the policy.
Defects in title caused by forgery/fraud, lack of authority, improper execution, invalid power of attorney, improper registrations, defective judicial/administrative proceeding or subdivision of land.
Liens for real estate taxes or assessments unpaid at the Date of Policy.
Defects revealed by an up-to date survey. §
Unmarketable Title.
Gap coverage – Defects, liens or encumbrances registered subsequent to the Date of Policy, but prior to the registration of the insured interest.
Expropriation rights registered in the Public records or binding on an innocent purchaser.
Duty to defend any matter covered under the policy.

§Owner policies over \$25M require an up-to-date survey / certificate of location in order to provide full survey coverage.

Endorsements
Parcels comprising the Land not being contiguous to each other.
Failure of the current use of the Land to be permitted under the applicable zoning by-laws. For land with a structure, forced removal as a result of zoning by-law violations relating to: a. Area, width, or depth of the Land as a building site for the structure; b. Floor space area of the structure; c. Setback of the structure from the property lines of the Land; and d. Height of the structure.
Coverage for number of parking spaces is available for loan policies or owner policies if a search has been conducted.
Violations of covenants, conditions and restrictions contained in agreements registered on title to the Land.
Actual loss related to an incorrect response from a governmental or quasi-governmental authority.**
Failure of the Land to constitute a separate tax parcel for real estate tax purposes.
Lack of pedestrian and vehicular access from all access routes currently enjoyed.
Failure of the Land to constitute a lawfully created parcel according to subdivision laws.
Condominium (when applicable): Failure of the unit to comply with applicable laws, be assessed for taxes, charges or assessments owing, increases to common expenses due to errors in status certificate and violations of restrictions contained in condo documents.

Additional Coverage

Commercial Loan Policy Jacket

Lack of priority of the Insured Mortgage, including with respect to priority of post policy construction liens. Construction lien coverage is modified if insuring a construction loan and issuing the construction loan endorsement.

Invalidity of an assignment of the Insured Mortgage or failure of the assignment to vest in name of assignee free of liens.

Commercial Loan Policy: Endorsements/Affirmative Coverage

Illegal rents resulting in a final judgment ordering a reduction of rent or a rebate (within the two years prior to the Date of Policy).

Court order or judgment denying the right to enforce the Insured Mortgage because it violates “doing business” laws of Canada.

Court order or judgment ruling the charge is invalid or unenforceable because the loan evidenced by the Insured Mortgage is usurious under the laws of Canada.

Lack of building or occupancy permit for improvements on the Land or work orders issued as a result of open permits. ¹¹

Enforcement of work orders by the fire department that would have been issued had an inspection been done.

Governmental/quasi-governmental authority** work orders outstanding at the Date of Policy. Does not cover environmental issues.

Enforcement of a private charge or assessment; an option to purchase; a right of first refusal; or a right of prior approval of a future purchaser or occupant resulting in the invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage.

Damage to improvements resulting from the exercise of any right to use the Land for the extraction of minerals.

Encroachment of improvements on to easements and damage to improvements resulting from the exercise of easement rights.

¹¹Coverage available for Loan Policies under \$50M. This coverage may be available for Loan Policies over \$50M depending on the availability of additional information to underwrite the risk.



Additional Information

Other Coverage Available

In addition to the coverage outlined in this document, we have a comprehensive suite of endorsements that can be issued based on the unique needs of your transaction. Contact one of our experienced underwriters to discuss any additional requirements. We recommend consulting our Reference Guide Commercial Endorsements located in the Resource Library on our website for an overview of all endorsements available and offered by Chicago Title.

Properties on Septic or Non-Municipal Water Sources

Water Potability endorsement is available to lenders and provides coverage for loss as a result of the water from non-municipal sources being non-potable as at the Date of Policy. The Septic System endorsement is available for owner policies under \$25M and loan policies under \$50M. For both owner and lender policies, confirmation that a permit for use was obtained when the system was installed is required. Additionally, for an owner policy, confirmation is required that there have been no further improvements since the permit was issued. Our underwriting team is available to further discuss the coverage and requirements with you.

Private Lender and Private Lender Exception

We consider a private lender to be any lender which is not a chartered bank, trust company, credit union, insurance company or mortgage finance corporation. We expect funds from a private lender transaction to be disbursed directly to the borrower or to one of the permitted parties listed in our private lender exception. Help us protect you and your client against fraud by following our instructions.

Existing Owner Policy

A copy of the parcel register together with the value of the land from an appraisal or realty tax bill will be required in order to obtain an existing owner policy. Depending on the circumstances, there may be further questions or requirements.

Indigenous Lands

Chicago Title proudly insures Indigenous lands whether title is registered at the Indian Land Registry System, the First Nations Land Registry System, or the Self Governing First Nations Land Register (for First Nations who operate under their own Land Code). Additional information about the land tenure will be required as well as copies of certain instruments (e.g. Head Lease, Sub-Leases or Agreement of Purchase & Sale). Additional premiums apply for Indigenous lands.

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This document is intended to provide general information on title insurance. For specific details regarding policy coverage, exceptions and exclusions, please contact us for copies of the complete title insurance policy. Known title and survey defects are subject to underwriting review and approval.