

# POLICY OF TITLE INSURANCE

The TitlePLUS Policy is issued and underwritten by Lawyers' Professional Indemnity Company (the "Company").

## COVERAGE STATEMENT

This Policy insures your Title to the Land and the legal services provided by your lawyer for the Transaction, for a single family residential dwelling or condominium unit or, if this policy contains a multi-family residence endorsement, a building containing the number of residential units shown on the endorsement or, if this policy contains a vacant land endorsement, a vacant residential lot.

Your insurance, as described in this COVERAGE STATEMENT, is effective on the Policy Date shown in Schedule A.

This Policy insures you against Actual Loss, and any costs, legal fees and expenses provided under this Policy, resulting from any risk described in the COVERED RISKS if the event creating the risk existed on the Policy Date or, to the extent expressly stated, after the Policy Date.

Your insurance is limited by the following:

- The Policy Amount set out in Schedule A;
- The EXCLUSIONS set out in this Policy;
- The EXCEPTIONS set out in Schedule B to this Policy (if any);
- The limitations in the COMPANY'S DUTY TO DEFEND AGAINST LEGAL ACTIONS; and
- The CONDITIONS set out in this Policy.

## COVERED RISKS

1. Someone else owns an interest in your Title;
2. Someone else has rights affecting your Title arising out of tenancies, leases, contracts or options;
3. Someone else claims to have rights affecting your Title arising out of fraud, forgery, or impersonation;
4. Someone else has an Easement on your Land;
5. Someone else has the right to limit your use of the Land;
6. Your Title is defective, so long as the defects are not otherwise excluded by the terms and conditions of this Policy;
7. Any of COVERED RISKS 1 through 6 occurring after the Policy Date;
8. A document upon which your Title is based is invalid, impaired or unenforceable because it is not properly created, executed, witnessed, commissioned, signed, sealed, acknowledged, authorized, delivered or registered in accordance with the requirements authorized by law;
9. Someone else claims to have rights affecting your Title arising out of duress, incompetency, undue influence or incapacity;
10. You do not have both actual pedestrian and vehicular access to and from your Land, based upon a legal right, or where you do not have access of either type, the Land being land-locked by other properties and thus without any legal right of access;
11. Your Title being lost or taken because there was a breach of a covenant, condition or restriction which occurred before you acquired your Title, even if the covenant, condition or restriction is excepted in Schedule B;
12. There is a lien or charge on your Title because of:
  - a. a mortgage;
  - b. a judgment, tax, special assessment, or public utility account; or
  - c. a charge by a condominium corporation.
13. After the Policy Date, a Governmental Authority assessing supplemental real estate taxes not previously assessed against the Land for any period before the Policy Date;
14. There is a lien or charge on your Title because of a local improvement charge, as to that portion of the total amount of the charge which had accrued prior to the Policy Date;
15. There are charges incurred for public utilities supplied to the Land prior to the Policy Date;
16. Another person would be permitted to refuse to perform a contract to purchase, lease or make a mortgage loan because:
  - a. of a violation of a covenant, condition or restriction set out in Schedule B;
  - b. of adverse matters that would have been disclosed by an up-to-date Survey;
  - c. of a violation of an existing zoning by-law; or
  - d. your existing structures or any part of them are located on land under the jurisdiction of a conservation or similar Governmental Authority without approval.
17. Your Title is unmarketable;
18. There are construction, mechanics' or builders' liens for service or material furnished before the Policy Date, on your Title on or after the Policy Date;
19. Others having rights of possession under applicable provincial or territorial legislation dealing with family law;

20. There is a violation of any provincial, territorial, or municipal legislation which restricts the subdivision of land;
21. Your Land is in violation of a subdivision agreement, development agreement, municipal agreement, utility agreement, agreement regarding a right of re-entry, and/or agreement respecting joint use/common elements that is registered on your Title;
22. Work orders, notices of violation or deficiency notices, other than for a fence or boundary wall;
23. You are forced by a Governmental Authority, or in the case of 23(b) or (c) below, you are forced by the owner of adjoining land or a party who benefits from the easement, covenant, condition or restriction, to remove or remedy your existing structures or any part of them, other than a fence or boundary wall, because:
  - a. It violates an existing zoning by-law;
  - b. It encroaches onto adjoining land or onto any Easement, even if the Easement is excepted in Schedule B;
  - c. It violates an existing covenant, condition or restriction affecting the Land, even if the covenant, condition or restriction is excepted in Schedule B;
  - d. It is located on land under the jurisdiction of a conservation authority or similar Governmental Authority without approval;
  - e. There is an outstanding work order, notice of violation or deficiency notice;
  - f. There is an open building permit; or
  - g. It was built without obtaining a building permit from the proper Governmental Authority, provided that a building permit would have been required by such Governmental Authority at the time of construction of the structure or relevant portion thereof.
24. The invalidity of any easement benefiting your Land which is included in the Legal Description section of Schedule A;
25. After the Policy Date, someone else builds a structure, other than a fence or boundary wall, which encroaches onto your Land;
26. The residence or the existing improvements with the municipal address shown in Schedule A are not located on the Land as of the Policy Date, or the Land does not have the municipal address set out in Schedule A;
27. Any adverse circumstance affecting the Land which would have been disclosed by a Local Authority Search of the Land as of the Policy Date;
28. Your existing improvements (or a replacement or modification made to them after the Policy Date) including lawns, shrubbery or trees being damaged because of the exercise after the Policy Date of a right to use the surface of the Land for the extraction or development of minerals, water or any other substance, even if those rights were excepted or reserved from the description of the Land or excepted in Schedule B;
29. Your existing structure(s) having been damaged because of the exercise of a right to maintain or use any Easement affecting the Land, even if the Easement is excepted in Schedule B;
30. The expropriation of all or part of your Land occurring prior to the Policy Date;
31. Any incorrectness in a written statement received by you from a Governmental Authority indicating that there are no defects relating to the Land's compliance with applicable building and zoning by-laws as of the Policy Date;
32. If the Land contains one or more new residential dwelling(s) purchased from a builder in the Transaction, with respect to improvements to the Land which the vendor to you was contractually obligated to construct as of the Policy Date, any of risks 11, 16(a) - (d), 18, 22, 23(a) - (f), 27, 28, 29, 31, and 34 in the COVERED RISKS section of this Policy, if the risks affect the Land before or on a date 365 days after the Policy Date;
33. Any other defects, liens, charges or encumbrances on your Title;
34. The inability to use your Land as a single family residential dwelling because such use contravenes a zoning by-law;
35. **Legal Service Coverage**

This Policy insures you if you suffer an Actual Loss in the Transaction because your lawyer:

  - a. Fails to register, or ensure the registration of, any document required to provide you with Marketable Title, so that you cannot later enforce the closing of a sale, lease or mortgage of your Land;
  - b. Fails to remove an encumbrance or lien that exists as of the Policy Date against any chattel included as part of the purchase price in the Agreement of Purchase and Sale for the Transaction;
  - c. Incorrectly adjusts any item to be apportioned between the purchaser and vendor under the Agreement of Purchase and Sale for the Transaction, where the error results in an Actual Loss of more than \$50.00; or
  - d. Commits an error or omission in providing legal services for the Transaction for which liability is imposed by law.
36. Any defect in or lien or encumbrance on your Title or other matter included in COVERED RISKS 1 through 35 above, registered or created subsequent to the Policy Date and prior to the date and time of registration of the instrument by

which you obtained your interest in your Land;

## INFLATION COVERAGE

The Policy Amount will increase to reflect any increase in the fair market value of the Land as of the date you make a claim under this Policy up to a maximum of two hundred percent (200%) of the original Policy Amount.

## COMPANY'S DUTY TO DEFEND AGAINST COURT CASES

We will defend your Title in any legal action as to that part of the action that is based on a COVERED RISK insured against by this Policy and which is not excepted or excluded from coverage in this Policy. We will pay the costs, legal fees and expenses incurred in that defence.

We can end our duty to defend your Title in such action by exercising any of OUR CHOICES WHEN YOU NOTIFY US OF A CLAIM, set out in CONDITIONS.

## EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, legal fees and expenses resulting from:

1. Governmental power, and the existence or violation of any law, by-law, ordinance, order, code, rule or government regulation. This includes, but is not limited to, any law, by-law, ordinance, order, code, rule or government regulation concerning:
  - a. building;
  - b. zoning;
  - c. land use;
  - d. improvements on the Land;
  - e. land division; or
  - f. environmental protection.

This exclusion does not apply to violations or the enforcement of these matters which appear in the Public Records as of the Policy Date. This exclusion does not limit the coverage described in Items 11, 16(b), (c) and (d), 21, 22, 23(a), (b), (d), (e) and (f), 28, 29, 31 and 34 in the COVERED RISKS section of this policy;

2. Environmental concerns or matters of any kind on or relating to the Land, including but not limited to: the existence of a hazardous substance, underground fuel tanks, mold, asbestos, urea formaldehyde, infestations, water quality or quantity, or the violation of a law, by-law, order, code, ordinance, rule or regulation relating to the environment.

3. Any inability to use the Land or construct any improvements on the Land except as set out in item (34) of the COVERED RISKS in this Policy or in any Endorsement to this Policy;
4. Any native or aboriginal land claim affecting your Land;
5. Any risk:
  - a. created, allowed, accepted or agreed to by you; or
  - b. actually known to you, but not to us, on the Policy Date, unless disclosed by the Public Records; or
  - c. that result in no Actual Loss to you.
6. Any matters disclosed in a building inspection report or home inspection report obtained by you prior to the Policy Date.
7. The failure of the existing improvement(s) or any part thereof to be constructed in accordance with applicable building codes. This exclusion does not apply to violations of building codes if notice(s) of violation appear(s) in the Public Records, as of the Policy Date or if the existence of the violation would have been disclosed by a Local Authority Search of your Land as of the Policy Date. This exclusion does not limit the coverage provided for any risk covered by items 16(b), (c) and (d), 18, 22, 23(a), (d), (e) and (f), 27, 31 and 34 in the COVERED RISKS section of this Policy.

## CONDITIONS

### 1. DEFINITIONS

The following terms when used in this Policy mean:

- a. "Actual Loss": The difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance, or your lawyer's error or omission, insured against by the Policy.
- b. "Easement": The right of someone else to use your Land, or a portion thereof, for a special purpose.
- c. "Governmental Authority": Any department or division of the government of Canada, or of any province or territory, or of the municipality in which the Land is located, which has jurisdiction.
- d. "Land": The land described in Schedule A to this Policy and any improvements on the land which are real property.
- e. "Local Authority Search": Any search of local government records or other search or verifications pertaining to the Land which would customarily be required by a solicitor qualified to practise law in the province or territory where the Land is located, in the normal course of a real estate transaction.

- f. "Marketable Title": Title that is not affected by an alleged or apparent matter that would make the closing of a sale, lease or mortgage of the Land legally unenforceable. Matters relating only to the physical condition of any improvements on the Land do not cause Title not to be marketable.
- g. "Mortgage": A mortgage, charge, or other security instrument.
- h. "Policy": This policy of insurance, together with Schedules A and B and endorsements, if any. This Policy is not complete without Schedules A and B.
- i. "Policy Amount": The amount shown in Schedule A.
- j. "Policy Date": The Policy Date described in Schedule A.
- k. "Public Records": Records established and maintained under the applicable provincial or territorial legislation in which your Land is located dealing with the registration of title to an interest in land.
- l. "Survey": A plan of survey, building location certificate, real property report or certificate of localization prepared by a surveyor qualified to survey land in the province or territory where your Land is located.
- m. "Title": The estate or interest in the Land described in Schedule A, which would customarily be registered in the Public Records.
- n. "Transaction": Your purchase of the Land.
- o. "Unmarketable Title": Title is affected by an alleged or apparent matter that would make the closing of a sale, lease or mortgage of your Land legally unenforceable. Matters relating only to the physical condition of any improvements on the Land do not cause Title to be unmarketable.

**2. CONTINUATION OF COVERAGE**

This Policy protects you as long as you own your Title. You cannot assign this Policy to anyone else. This Policy will continue to cover:

- a. anyone who inherits your Title;
- b. your spouse or child (as defined under the law of the province where the Land is located) who receives Title because of a transfer by you;
- c. any trustee to whom you transfer Title (or a successor trustee) after the Policy Date, if you are the settlor of the trust;
- d. any beneficiary to whom the trustee or successor trustee of a trust, in which you are the settlor, transfers Title under the provisions of the trust;

- e. you, if you take back a Mortgage from anyone who buys your Land. If you re-acquire Title as a result of enforcement proceedings under your Mortgage or through other means involving a discharge of the Mortgage, this Policy will continue to protect you for as long as you own Title. This Policy also covers any successor or assign of the Mortgage you took back; or
- f. you, if you are liable for any covenants given by you or implied by statutes relating to the registration of documents in the jurisdiction where your Land is located, in respect of a risk covered under this Policy.

We can assert against anyone making a claim under this Policy any of the same rights and defences that we have against anyone previously insured under this Policy.

The CONTINUATION OF COVERAGE provisions contained in this Policy do not extend the Policy Date or provide coverage for matters occurring subsequent to the Policy Date, except as expressly set out elsewhere in this Policy.

**3. IF YOU HAVE A CLAIM**

**a. Prompt Notice of Your Claim**

- i. As soon as you know of any claim that you may have under this Policy, you must notify us promptly in writing.
- ii. Send your notice to us, either:
  - a. At the Company's last known address, Attention: TitlePLUS Claims. Our current address is set out in Schedule A of this Policy; or
  - b. Electronic notice may only be provided on titleplus.ca by completing and submitting a "Proof of Loss" in accordance with the instructions on the website. If no confirmation number is received by the party in submitting a "Proof of Loss" on the website, then notice is deemed not to have been given to us. You shall promptly furnish all information on the claim which is within your knowledge.

Please include the Policy Number, and the municipal address of the Land, together with an explanation of the claim and copies of any supporting documentation.

- iii. Our obligation to you could be reduced if:
  - a. you fail to give us prompt notice; or
  - b. you fail to provide any assistance in handling a claim that may be required under this Policy, and your failure affects our ability to resolve the claim or defend you against the claim.

**b. Proof of Your Loss Must Be Given To Us**

- i. We may require you to give us a written statement signed by you describing your loss which includes:
  - a. the basis of your claim;
  - b. the COVERED RISKS which resulted in your loss;
  - c. the dollar amount of your loss; and
  - d. the method you used to compute the amount of your loss.
- ii. We may require you to make available to us records, cheques, letters, contracts, insurance policies and other documents which relate to your claim. We may make copies of these documents;
- iii. We may require you to provide access to the Land;
- iv. We may require you to answer questions about your claim under oath;
- v. If you fail or refuse to give us a statement of loss, answer our questions under oath truthfully, or make available to us the documents we request, your coverage will be reduced or ended, but only to the extent your failure or refusal affects our ability to resolve the claim or defend you.

- h. Pay any amount due under the Policy to the holder of any Mortgage registered on title, and this payment shall be treated as a payment to you under this Policy;
- i. Cancel this Policy by paying the Policy Amount then in force and only those costs, legal fees and expenses incurred up to that time which we are obligated to pay under the COMPANY'S DUTY TO DEFEND AGAINST COURT CASES or paragraph 6(c)(ii) under LIMITS ON OUR LIABILITY; or
- j. Take other appropriate action.

When we choose the options in paragraph 4(f) or (i), all our obligations for the claim end, including our obligation to defend, or continue to defend any legal action.

Even if we do not think that the Policy covers the claim, we may choose one or more of the options above. By doing so, we do not give up any rights.

**4. OUR CHOICES WHEN YOU NOTIFY US OF A CLAIM**

After we receive your claim notice or otherwise learn of a claim that is covered by this Policy, we can in our discretion do one or more of the following:

- a. Pay the claim;
- b. Remove the cause of the claim and pay any Actual Loss;
- c. Negotiate a settlement;
- d. Bring or defend a legal action related to the claim;
- e. Pay the amount required by this Policy;
- f. Pay the Actual Loss, as determined by an appraisal conducted by an accredited appraiser instructed by us, and those costs, legal fees and expenses incurred up to that time which we are obligated to pay under the COMPANY'S DUTY TO DEFEND AGAINST COURT CASES or paragraph 6(c)(ii) under LIMITS ON OUR LIABILITY;
- g. Pay the quoted cost for any work required to remove the cause of the claim and those costs, legal fees and expenses incurred up to that time which we are obligated to pay under the COMPANY'S DUTY TO DEFEND AGAINST COURT CASES or paragraph 6(c)(ii) under LIMITS ON OUR LIABILITY;

**5. HANDLING A CLAIM OR LEGAL ACTION**

- a. You must cooperate with us in handling any claim or legal action and give us all relevant information and documentation;
- b. If you fail or refuse to cooperate with us, your coverage will be reduced or ended, but only to the extent your failure or refusal affects our ability to resolve the claim or defend you;
- c. We are required to repay you only for those settlement costs, legal fees and expenses that we approve in advance;
- d. We have the right to choose the lawyer when we bring or defend a legal action on your behalf. We can appeal any decision to the highest level. We do not have to pay your claim until the legal action is finally decided;
- e. Whether or not we agree there is coverage, we can bring or defend a legal action, or take other appropriate action under this Policy. By doing so we do not give up any rights;
- f. In the event of a dispute between you and us, such dispute shall be decided by binding arbitration which shall be initiated by the delivery of a notice of arbitration. The parties will agree to a single arbitrator, failing such agreement, the arbitrator shall be designated by the court on application. The parties agree to enter into an arbitration agreement within sixty (60) days of delivery of the notice of arbitration. Such arbitration agreement shall include the procedure to be followed in the arbitration under this condition; failing agreement between the parties, the procedure shall be set and determined by the appointed arbitrator. Each party shall bear its own costs, including each party's share of the costs of the arbitration.

**6. LIMITS ON OUR LIABILITY**

- a. Our obligation to pay for any one or more claims made under this Policy is limited to the lesser of:
  - i. your Actual Loss; or
  - ii. the Policy Amount in force when the claim is made;plus any costs, legal fees and expenses which we are obligated to pay under the COMPANY'S DUTY TO DEFEND AGAINST COURT CASES or paragraph 6(c)(ii) under LIMITS ON OUR LIABILITY;
- b. If we remove the cause of the claim with reasonable diligence after receiving notice of it, all our obligations for the claim end, including any obligation for loss you had while we were removing the cause of the claim;
- c. Regardless of 6(b) above, if you cannot use the Land because of a claim covered by this Policy:
  - i. You may rent a reasonably equivalent substitute residence and we will reimburse you for the actual rent you pay, until the earlier of:
    - a. the cause of the claim is removed; or
    - b. we pay you the amount required by this Policy.
  - ii. We will reimburse you for the reasonable costs paid by you to move any personal property you have the right to remove from the Land, including transportation and storage of that personal property, for up to fifty (50) kilometers from the Land, and repair of any damage to that personal property resulting from the move. The amount we will pay you under this paragraph of the Policy is limited to the value of the personal property before you move it.
- d. The Policy Amount will be reduced by all payments made under this Policy, except for costs, legal fees and expenses which we are obligated to pay under the COMPANY'S DUTY TO DEFEND AGAINST COURT CASES or paragraph 6(c)(ii) under LIMITS ON OUR LIABILITY;
- e. The Policy Amount will be reduced by all payments we make to the holder of a Mortgage on your Land;
- f. Your coverage under this Policy will be eliminated or reduced to the extent of any actual prejudice suffered by us if you do anything to affect any right of recovery you may have; or
- g. If you have insurance with another insurer for a COVERED RISK for which you are making a claim under the Policy, we are only liable for that proportion of your Actual Loss and costs, legal fees and expenses covered by the Policy, that the Policy Amount bears to the total amount of insurance you have with us and the other insurer.

**7. TRANSFER OF YOUR RIGHTS TO US**

- a. When we settle your claim, we have all of the rights you had against any person or property related to the claim. You must transfer these rights to us when we ask, and you must not do anything to affect these rights. You must let us use your name in enforcing these rights.
- b. We will not be liable to you if we do not pursue these rights or if we do not recover any amounts that may be recoverable.
- c. We will pay any money we collect from enforcing these rights in the following order:
  - i. To us for the costs, legal fees and expenses we incurred in enforcing these rights;
  - ii. To you or the holder of a Mortgage for any part of your Actual Loss that has not already been collected;
  - iii. To us for any money we paid out under this Policy on account of your claim; and
  - iv. To you, the balance of the money, if any.
- d. If you have rights under contracts to recover all or part of your Actual Loss, then we have all of those rights, even if those contracts provide that those obligated have all of your rights under this Policy;
- e. We have the right to use information gathered during the underwriting of this Policy and handling of any claim under this Policy for the purpose of underwriting, issuing and administering title insurance policies for future transactions with respect to the Land.

**8. ENTIRE CONTRACT**

- a. This Policy, with any endorsements, is the entire contract between you and us. To determine the meaning of any part of this Policy, you must read the entire Policy. Any changes to this Policy must be agreed to in writing by us. Any claim you make against us must be made under this Policy and is subject to its terms and conditions.
- b. Each endorsement to this Policy issued at any time is made a part of this Policy and is subject to all of its terms and conditions, including any other endorsement. Except as the endorsement expressly states, it does not
  - i. modify any of the terms and conditions of the Policy;
  - ii. modify any prior endorsement;
  - iii. extend the Policy Date; or
  - iv. increase the Policy Amount stated in Schedule A.

**9. SEVERABILITY**

In the event any provision of this Policy is held invalid or unenforceable under applicable law, the Policy shall be deemed not to include that provision and all other provisions shall remain in full force and effect.

**10. COMPLIANCE WITH PROCEEDS OF CRIME AND ANTI-TERRORIST FINANCING LEGISLATION**

The Company shall not be deemed to provide coverage and shall not be liable to pay any claim or provide any benefit under this Policy to the extent that the provision of such coverage, payment of such claim or provision of such benefit would result in a violation of law or expose the Company to any penalty, prohibition or restriction under United Nations resolutions or trade or economic sanctions, or under the laws or regulations of Canada.

**11. INSURANCE LEGISLATION STATEMENT**

*The following applies to policies issued in the province of Manitoba, British Columbia or Alberta:* Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the *Insurance Act*.

Signed on behalf of Lawyers' Professional Indemnity Company

*Daniel E. Pinnington*

Daniel E. Pinnington

President and Chief Executive Officer

Lawyers' Professional Indemnity Company (LAWPRO®)  
250 Yonge Street  
Suite 3101, P.O. Box 3  
Toronto, Ontario M5B 2L7  
416-598-5899  
1-800-410-1013

# Schedule A

## Owner Policy

**Lawyer's Name:**

**Lawyer's File No.:**

**Policy Amount:**

**Premium:**

(not including processing fee or taxes)

**Policy Date:**

*(Upon registration of the insured interest in the Land in the Public Records, the Policy Date shall be deemed to be amended to the date of registration.)*

1. **Name of Insured:**

2. **The estate or interest in the Land which is covered by this policy:**

Fee Simple

3. **The Land is described as follows:**

Municipal Address:

PIN :

Legal Description:

Together with any benefiting easements registered on Title to the Land.

This Policy is valid only if Schedule B is attached.

SAMPLE



# Schedule B

## Owner Policy

**Lawyer's Name:**

**Lawyer's File No.:**

**Policy Amount:**

**Premium:**

(not including processing fee or taxes)

**Policy Date:**

*(Upon registration of the insured interest in the Land in the Public Records, the Policy Date shall be deemed to be amended to the date of registration.)*

This Policy does not insure against Actual Loss (and the Company will not pay costs, legal fees or expenses) resulting from:

1. All by-laws, easements, rights of way, rights of re-entry, covenants, conditions, restrictions, airport zoning regulations, notices, agreements, and exceptions or reservations of mineral rights registered on Title.
2. Mortgages, assignments of rents, or other financial obligations created or agreed to by you.
3. Condominium declaration, description and by-laws registered on Title. [if condo]
4. Any loss as a result of the use of the Land as a multi-family residence, or the construction of one or more additional dwelling units on the Land, including, without limitation, work orders, deficiency notices, zoning violations, open permits or the lack of permits pertinent to the construction or use of the Land as a multi-family residence, if this Policy does not contain a multi-family residence endorsement.

Endorsement [sample] is attached to this Policy.

### **Specific Risk(s) Insured Over**

This Policy insures against Actual Loss, and any costs, legal fees and expenses provided under this Policy, resulting from the following risk(s) as of the Policy Date:

1. [sample]

# Septic System Endorsement

## Owner Policy

If there is a septic system servicing your LAND:

1. Item (22) of the COVERED RISKS insures you if you suffer an Actual Loss arising from any outstanding notice of violation, deficiency notice or work order issued as of the Policy Date affecting the septic system.
2. You are insured if you suffer an Actual Loss if a Local Authority Search, as of the Policy Date, would have disclosed that:
  - a. a certificate of approval and/or use permit or other required approval or permit was not issued for the septic system servicing your Land, provided that such approval and/or permit would have been required at the time of construction of the septic system; or
  - b. the certificate of approval and/or use permit or other required approval or permit, issued for the septic system servicing your Land, does not conform with the improvement(s) on your Land existing as of the Policy Date.
3. This Policy does not insure against any Actual Loss related to the functionality and/or age of the septic system, unless such Actual Loss arises from an issue covered under the septic system coverage set out above.
4. For the purposes of item 31 under the COVERED RISKS section of this Policy, a response to a Local Authority Search indicating that there is no record with respect to a septic system installation, approval or permit for the Land shall not constitute an adverse circumstance.
5. Coverage under this Policy only applies provided that the Governmental Authority having jurisdiction over the regulation of septic systems would have provided written confirmation as of the Policy Date as to the existence of (or lack of) work orders, certificates of approval, use permits and/or other required approvals or permits, if requested.
6. Coverage under this Policy and Endorsement applies only if the septic system services residential dwelling(s) of 1-6 units or vacant land.

*This endorsement is part of the Policy and is subject to all of the terms and provisions of the Policy, including any other endorsements. This endorsement does not:*

- *modify any of the terms and provisions of the Policy, including any other endorsement;*
- *extend the effective date of the Policy, including any other endorsement; or*
- *increase the face amount of the Policy;*

*unless expressly stated above.*

# Condominium/Strata Endorsement

## Owner Policy

Notwithstanding the exceptions set out in Schedule B and in addition to the COVERED RISKS in the Policy, this Policy insures you if you suffer an Actual Loss because of any of the risks listed below, provided they affect your Title as of the Policy Date:

1. The failure of the unit(s) identified in Schedule A and its/their interest in the common elements to be part of a condominium/strata corporation created under the applicable condominium/strata legislation.
2. The failure of the condominium/strata complex as a whole to comply with building and zoning by-laws and/or registered municipal covenants and restrictions.
3. The failure of the documents required by applicable condominium/strata legislation to comply with the requirements of the legislation to the extent that such failure affects your Title to the unit(s) and its/their common elements.
4. Violations of any restrictive covenants which restrict the use of the unit and its common elements and which are contained in the condominium/strata documents required by the applicable condominium/strata legislation.
5. The failure of the condominium/strata corporation to disclose, as required by law, in the Status Certificate/Estoppel Certificate/Information Certificate/Certificate of Payment obtained in this Transaction any situation that would give rise to its right to levy an increase in monthly condominium/strata expenses or special assessments against the unit. Provided, however, that this coverage shall not extend to Actual Loss sustained by you as a result of the condominium/strata corporation's failure to disclose:
  - a. any such situation identified in a pending, ongoing, or future reserve fund study or comparable review required by law;
  - b. increased insurance premium rates or deductibles on the condominium/strata complex; or
  - c. the failure of the condominium/strata corporation to obtain insurance on the condominium/strata complex.
6. Any charges or assessments provided for in the condominium/strata legislation and condominium/strata documents due and unpaid as of the Policy Date.
7. The failure of the unit(s) identified in Schedule A and its/their interest in the common elements to be entitled by law to be assessed for real property taxes as a separate parcel.
8. The condominium/strata corporation, a court or other authority forcing you to remove or remedy any:
  - a. improvements existing as of the Policy Date because of (i) encroachments, or (ii) future unintentional encroachments of the common elements upon any unit or of any unit upon the common elements or another unit that is not excepted in Schedule B; or
  - b. unauthorized alteration or improvement of the common elements in existence as of the Policy Date.
9. The failure of your Title to include the parking, storage, locker or other units appurtenant to the Land which were inadvertently omitted from the legal description of the Land.

*This endorsement is part of the Policy and is subject to all of the terms and provisions of the Policy, including any other endorsements. This endorsement does not:*

- *modify any of the terms and provisions of the Policy, including any other endorsement;*
- *extend the effective date of the Policy, including any other endorsement; or*
- *increase the face amount of the Policy;*

*unless expressly stated above.*