

Gold Protection 10/03



Chicago Title Insurance Company

Providing Title Related Services Since 1847



HOME OWNER'S GOLD POLICY OF TITLE INSURANCE

OWNER'S COVERAGE STATEMENT

This policy insures your Title to the Land as described in Schedule A if that Land contains a single family residential property or condominium unit or, if this policy contains a multi-family residential endorsement, a building containing the number of residential units shown on the endorsement. Your insurance, as described in this Coverage Statement, is effective on the Policy Date shown in Schedule A. This policy is not complete without schedules A and B. Your insurance is limited by the following:

- Exclusions and Conditions contained in this policy
- Exceptions in Schedule B

We insure you against actual loss from:

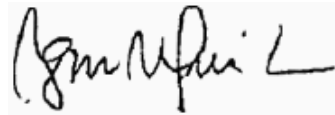
- Any title risks covered by this policy - up to the Policy Amount
- Any costs, legal and/or notarial fees, and expenses we have to pay under this Policy.

Issued By:

Chicago Title Insurance Company
55 Superior Boulevard, Mississauga, Ontario
L5T 2X9 CANADA

CHICAGO TITLE INSURANCE COMPANY

By

 resident

Attest

 Secretary

1 (888) 868-4853 Fax 1 (866) 214-1953

Countersigned



POLICY NUMBER:

SAMPLE

Authorized Signatory

For purposes of the Insurance Companies Act (Canada), this document was made in the course of Chicago Title Insurance Company's insurance business in Canada.

COVERED TITLE RISKS

This Policy insures against actual loss resulting from the following covered risks, if they affect your Title on the Policy Date, or to the extent expressly stated below, if they affect your title after the Policy Date.

1. Someone else owns an interest in your Title.
2. A document is not properly signed, sealed, acknowledged, or delivered.
3. Forgery, fraud, duress, incompetency, incapacity, or impersonation; and after the date of the Policy forgery of an instrument by which someone else claims to own an interest in or have a lien or right of priority on your Title.
4. Defective registration or recording of any document.
5. You do not have any legal right of pedestrian or vehicular access to and from the Land.
6. There are restrictive covenants limiting your use of the Land.
7. There is a lien on your Title because of:
 - a) a mortgage, charge, hypothec or right of priority
 - b) a judgment, tax, or special assessment
 - c) a charge by a condominium corporation
 - d) charges incurred for public utilities supplied to the Land prior to the Date of Policy - except charges you agreed to pay.
8. There are mechanics', builders' or construction liens or rights of priority on your Title, arising now or later, for labour and materials furnished before the Policy Date - unless you agreed to pay for the labour and materials.
9. Others have rights arising out of leases, contracts, or options, or rights of possession in favour of a spouse under the laws in the jurisdiction where the Land is located dealing with matrimonial or community of property rights.
10. Someone else has an easement on your Land.
11. Your Title is unmarketable, which allows another person to refuse to perform a contract to purchase, to lease, or to make a mortgage loan.
12. Your Land is unmarketable, which allows another person to refuse to perform a contract to purchase because:
 - a) it violates a restriction shown in Schedule B
 - b) of adverse matters that would have been disclosed by an up-to-date survey
 - c) your Land violates an existing zoning by-law
 - d) it is located on land under the jurisdiction of a conservation or similar government authority without approval.
13. You are forced by a government office, or in case of 13(a), you are forced by the affected neighbour or a party who benefits from the easement, to remove or remedy your existing structure, or any part of it, other than a boundary wall or fence, or you cannot use it for a one to six family residential property or condominium unit because:
 - a) it extends or is located onto adjoining land or onto any easement
 - b) it violates a restriction shown in Schedule B

- c) it violates an existing zoning by-law
- d) it is located on land under the jurisdiction of a conservation or similar government authority without approval or
- e) of any outstanding notice or violation of deficiency notice.

14. The failure of the Land to be a lawfully created parcel according to the laws in the jurisdiction where the Land is located dealing with the subdivision of land and local ordinances adopted pursuant thereto.
15. Work orders, unless you agreed to be responsible for them.
16. You are forced by a government office to remove or remedy your existing structure - other than a boundary wall or fence - because any portion of it was built without obtaining a building permit from the proper government office.
17. Someone else seeks to take away your Title because of a violation of a restriction shown in Schedule B which happened before you became the owner of your Land.
18. Someone else seeks to enforce a restriction shown in Schedule B because of a violation on your Land, other than a violation already covered by items 13 or 17 of the Covered Title Risks, which happened before you became the owner of your Land.
19. Someone else refuses to perform a contract to lease or to make a mortgage loan because of any violations on your Land of any restrictions shown in Schedule B which happened before you became the owner of the Land.
20. Someone else, after the Policy Date, builds a structure other than a boundary wall or fence which encroaches onto your Land.
21. Your existing structure, or any part of it, or a structure you may build after the Policy Date as a replacement of or modification to the existing structure, or any part of it, is damaged because another person uses the surface of your Land for the extraction or development of minerals owned by them or water which they have a right to.
22. Any adverse circumstances affecting the Land which would have been disclosed by a Local Authority Search of the Land at Policy Date.
23. Other defects, liens, hypothecs, rights of priority or encumbrances.
24. Any defect in or lien or encumbrance on the Title or other matter included in Covered Title Risks 1 through 23 that has been created or attached or has been recorded or registered in the Public Records subsequent to Date of Policy and prior to the recording or registration of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

COMPANY'S DUTY TO DEFEND AGAINST COURT CASES

We will defend your Title in any court case as to that part of the case that is based on a Covered Title Risk insured against by this Policy. We will pay the costs, legal and/or notarial fees, and expenses we incur in that defense. We can end this duty to defend your Title by exercising any of our options listed in Item 4 of the Conditions.

EXCLUSIONS

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

1. Governmental power and the existence or violation of any law, by-law, order, code or government regulation. This does not include subdivision or development agreements, but does include zoning by-laws and also laws, by-laws, orders, codes and regulations concerning:
 - a) land use
 - b) improvements on the Land
 - c) environmental protection

This exclusion does not apply to violations or the enforcement of these matters, which appear in the Public Records at Policy Date. This exclusion does not limit the coverage described in Items 5, 12, 13, 14, 15 and 16 of the Covered Title Risks.

2. The right to take the land by expropriation, unless:
 - a) notice of exercising the right being exercised appears in Public Records on the Policy Date
 - b) the expropriation happened prior to the Policy Date and is binding on you if you bought the Land without knowing of the expropriation.

3. Title risks:
 - a) that are created, allowed or agreed to by you
 - b) that are known to you, but not to us, on the Policy Date - unless they appeared in the Public Records
 - c) that result in no loss to you
 - d) that first affect your Title after the Policy Date - this does not limit the coverage in Items 3, 20, 21 and 24 of the Covered Title Risks.

4. Failure to pay value for your Title.

5. Lack of a right:
 - a) to any land outside the area specifically described and referred to in Item 3 of Schedule A; or
 - b) in streets, lanes, or waterways that touch your land

This exclusion does not limit the coverage in Items 5 and 13(a) of the Covered Title Risks.

6. Any lien for real estate taxes or assessments imposed on the Land by governmental authority that become due or payable, but unpaid, between Date of Policy and the date of recording or registration of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

CONDITIONS

1. DEFINITIONS

- a. Easement - the right of someone else to use your Land for a special purpose.
- b. Land - the land or condominium unit and its common elements described in Schedule A and any improvements on the land which are real property.

c. Local Authority Search - any search of the local government records pertaining to the land which would customarily be required by a solicitor qualified to practice law in the jurisdiction where the Land is located, in the normal course of a real estate transaction.

d. Mortgage - a mortgage, charge, hypothec, right of priority, trust deed, or other instrument securing an interest in land in accordance with the laws in the jurisdiction in which the Land is located.

e. Public Records - records established and maintained under the laws of the jurisdiction where the Land is located for the registration and/or recording of interests in land.

f. Title - the ownership of your interest in the Land, as shown in Schedule A.

2. CONTINUATION OF COVERAGE

a) This Policy protects you as long as you:

- i) own your Title;
- ii) take back a mortgage from anyone who buys your Land; or
- iii) are liable for any title warranties or covenants given by you or implied by the laws in the jurisdiction where the Land is located.

b) This Policy also protects:
i) anyone who receives your Title because of your death;

ii) your spouse or child who receives your Title because of a transfer by you where the transfer is for nominal consideration only or in the settlement of your obligation under the matrimonial or community of property laws in force in the jurisdiction where the Land is located;

iii) the trustee or successor trustee of a trust in which you are the settlor to whom you transfer your Title after the Policy Date and the beneficiaries to whom the trustee or successor trustee of a trust in which you are the settlor, transfers your Title upon your death, by operation of the terms of the trust; and

iv) any successor or assign of a mortgage you took back from anyone who bought your Land.

3. HOW TO MAKE A CLAIM

a. You Must Give The Company Prompt Notice Of Your Claim.

If anyone claims a right against your insured Title, you must notify us promptly in writing. Send the notice to:

CHICAGO TITLE INSURANCE COMPANY
55 Superior Boulevard
Mississauga, Ontario, L5T 2X9
or by email to claims@ctic.ca

Please include the Policy Number shown in Schedule A, and the municipal address of the Land.

Our obligation to you could be reduced if:
- you fail to give us prompt notice; and

- your failure affects our ability to dispose of or to defend you against the claim.

b. Proof Of Your Loss Must Be Given To The Company

You must give us a written statement to prove your loss. This statement must be given to us no later than 90 days after you know the facts that will let you establish the amount of your loss. The statement must have the following facts:

- the Covered Title Risks which resulted in your loss
- the dollar amount of your loss
- the method you used to compute the amount of your loss

You may want to provide us with an appraisal of your loss by a professional appraiser as a part of your statement of loss. We may require you to show us your records, cheques, letters, contracts, and other papers, which relate to your claim of loss. We may make copies of these papers. We may require you to answer questions under oath. Our obligation to you could be reduced if you fail or refuse to: provide a statement of loss; or answer our questions truthfully; or show us the papers we request; and your failure or refusal affects our ability to dispose of or to defend you against the claim.

4. OUR CHOICES WHEN YOU NOTIFY US OF A CLAIM

After we receive your claim notice or in any other way learn of a matter for which we are liable, we can do one or more of the following:

- a. Pay the claim against your title.
- b. Negotiate a settlement.
- c. Prosecute or defend a court case related to the claim.
- d. Pay you the amount required by this policy.
- e. Take other action, which will protect you.
- f. Cancel this Policy by paying the Policy Amount, then in force, and only those costs, legal and/or notarial fees and expenses incurred up to that time which we are obligated to pay.

5. HANDLING A CLAIM OR LEGAL ACTION

You must cooperate with us in handling any claim or legal action and give us all relevant information. We are required to repay you only for those settlement costs, legal and/or notarial fees and expenses that we approve in advance. When we defend your Title, we have the right to choose the lawyer. We can appeal any decision to the highest court. We do not have to pay your claim until your case is finally decided.

6. LIMITATION OF THE COMPANY'S LIABILITY

a. We will pay up to (i) your actual loss, or (ii) the Policy Amount in force when the claim is made - whichever is less.

b. If we remove the claim against your Title within a reasonable time after receiving notice of it; we will have no further liability for it. If you cannot use any or part of your Land because of a claim against your Title, and you rent reasonable substitute land or facilities, we will repay you for your actual rent until the cause of the claim is removed or we settle the claim.

c. The Policy Amount will be reduced by all payments made under this policy, except for costs, legal and/or notarial fees and expenses.

d. The Policy Amount will be reduced by any amount we pay to our insured holder of any mortgage shown in this policy or a later mortgage given by you.

e. If you do anything to affect any right of recovery you may have, we can subtract from our liability the amount by which you reduced that value of that right.

7. TRANSFER OF YOUR RIGHTS

When we settle a claim, we have all 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. We will not be liable to you if we do not pursue these rights or if we do not recover any amount that might be recoverable. With the money we recover from enforcing these rights, we will pay whatever part of your loss we have not yet paid. We have a right to keep what is left.

8. ARBITRATION

You and the Company may agree to have arbitration. If we arbitrate, the arbitration shall be binding on both you and the Company. The arbitration shall decide any matter in dispute between you and the Company. The arbitration award may include legal and/or notarial fees and, if allowed by the laws in the jurisdiction where the Land is located, be entered as a judgment in the proper court. The arbitration shall be under the Title Insurance Arbitration Rules. You may choose current Rules or Rules in existence on the Policy Date. The law used in the arbitration is the law of the place where the property is located. You can get a copy of the Rules from the Company.

9. OUR LIABILITY IS LIMITED TO THIS POLICY

This Policy, plus any endorsements, is the entire contract between you and the Company. Any claim you make against us must be made under this Policy and is subject to its terms.

10. INFLATION COVERAGE

The amount that is insured by the Policy will increase based upon an increase in the fair market value of the land up to a maximum of two hundred percent (200%) of the Policy Amount.