



Pre-Authorized Debit (PAD) Agreement

1) Pre-Authorized Debit (PAD) Details:

You authorize us (MCAP Service Corporation) to withdraw funds from the bank account designated below (or any other account you may authorize at any time), for your loan payments as outlined in the Mortgage Commitment. This applies until all Obligations of the Mortgage have been satisfied, and includes payments for any renewals or amendments to the loan.

You agree we can deduct Regularly Scheduled Payments (which may be a fixed amount, or a variable amount), from the account designated below, at the payment frequency selected on your loan. You agree we can deduct one-time payments such as late interest, service fees and other charges from time to time, from your account (or add that one-time charge to your next Regularly Scheduled Payment), in accordance with the terms of your Mortgage. **YOU AGREE TO WAIVE THE NOTICE PERIODS REQUIRED FOR REGULAR, VARIABLE AND ONE-TIME PAYMENTS.**

This is a personal PAD for mortgage purposes. This PAD Agreement remains in effect until we receive written notification from you of its change or cancellation. This notification must be received by us (at the address provided below), at least 10 business days before the next payment is scheduled. To obtain a sample cancellation form, or for more information on your right to cancel a PAD Agreement, contact your financial institution or visit www.cdnpay.ca.

You have certain rights if any debit does not comply with this Agreement, or is not in accordance with the terms of your Mortgage. For example, you have the right to receive reimbursement for any PAD that is not authorized or is not consistent with the terms of this PAD Agreement. To obtain a form for a Reimbursement Claim, or for more information on your rights, contact your financial institution or visit www.cdnpay.ca.

2) Customer Information (Please Print Clearly):

Name(s): _____ Mortgage #: 8804496.1

Address: _____
(Street)

(City) (Province) (Postal Code)

Phone (Bus): _____ Phone (Home): _____

3) Financial Institution (FI) and Bank Account:

Name of FI: _____

Branch Address: _____
(Street)

(City) (Province) (Postal Code)

Account Information:

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Branch Transit FI Code Account Number

Please attach either a sample cheque marked "void" or proof of account ownership.

4) Authorization:

Signature(s): _____ Date (DD / MM / YYYY): _____

_____ Date (DD / MM / YYYY): _____

Mortgage Servicing Centre, P.O. Box 351 STN C, Kitchener, ON N2G 3Y9
English Toll Free: 1-800-265-2624 • French Toll Free: 1-888-811-2529
Fax Toll Free: 1-800-922-0220 • Email: service@mcap.com • Web Site: www.mcap.com
Licence Numbers: Ontario Mortgage Brokerage #10515 • Ontario Mortgage Administrator #11692



MCAP Home Mortgage
PROTECTION

Fax your completed application to 1-800-922-0220, or
Mail: MCAP Service Centre, P.O. Box 351, STN C Kitchener, ON N2G 3Y9
For assistance: Call toll-free 1-800-265-2624

GROUP POLICY 83041

Mortgage Reference Number: 8804496.1

Mortgage Balance: \$466,733.70

Ref: 2225822

In this application, *you* and *your* refer to the person applying for insurance. *We, us, and our* refer to Sun Life Assurance Company of Canada (Sun Life).

1) Selection		Apply Mortgage Life Insurance	
		Please check the appropriate box to indicate if you want single or joint life insurance or waive coverage.	
Applicant 1 Name Dmitry Borzov	Birth Date (d/m/y) 05 June 1986	<input type="checkbox"/> Single Coverage \$45.37 Monthly	<input checked="" type="checkbox"/> Waive
Telephone (Residence) (647)771-6137	Telephone (Alternate) (647)771-6137		
Mailing Address 342 Breezewood Crescent, Waterloo, ON N2L5K5			
Applicant 2 Name Veronika Fedotova	Birth Date (d/m/y) 22 September 1986	<input type="checkbox"/> Single Coverage \$45.37 Monthly	<input type="checkbox"/> Joint Coverage \$70.57 Monthly
Telephone (Residence) (647)771-6137	Telephone (Alternate)		
Mailing Address 342 Breezewood Crescent, Waterloo, ON N2L5K5			

Premium rates and the method of calculating premiums are described in the "Cost of insurance" and "Refinancing or replacing an insured mortgage" section of the Certificate. The amount of insurance is described in the "Life insurance benefit" section of the Certificate.

2) Health Question

If you are applying for insurance you must complete this section.

Any concealment, misrepresentation or false declaration concerning this application may result in your insurance becoming void. Your signature at the bottom of this application acknowledges that the responses are true and complete. If you are unsure as to how to answer the Health Question, answer "Yes" and Sun Life will contact you directly to review your health information.

In the past three years, have you received any treatment for (including taking pills, injections or other medications), consulted a physician or health practitioner for, or been diagnosed as having:

Circulatory illness or heart disorder (including irregular heart beat and coronary artery disease), high blood pressure, stroke, cancer, disorder of the brain or nervous system (including paralysis), digestive or intestinal disorder, diabetes, liver or kidney trouble, arthritis, AIDS (Acquired Immunodeficiency Syndrome), ARC (AIDS Related Complex), HIV (Human Immunodeficiency Virus), lupus, bleeding or blood disorder, lung or respiratory disorder, mental or psychiatric condition (including depression and anxiety), alcohol, drug or substance abuse or have you been admitted as a patient in a hospital or clinic (except for pregnancy or birth) for longer than five consecutive days?

Applicant 1 ☐ No ☐ Yes

Applicant 2 ☐ No ☐ Yes

Provided you are eligible for this insurance, if you answered "**No**" to the Health Question and your mortgage balance is \$300,000 or less, your coverage is automatically approved and your insurance will be effective on the **later** of the date mortgage funds are advanced; in the case of an assumed mortgage, the date the mortgage is assumed; or the date of the insurance application. If you answered "**Yes**" to the Health Question, or your mortgage amount exceeds \$300,000, the Insurer will require you to participate in a confidential telephone interview. The information you provide will become part of the application for insurance. A copy of the telephone interview is available upon request. If your application is approved, your insurance will begin on the **later** of the date mortgage funds are advanced; in the case of an assumed mortgage, the date the mortgage is assumed; or the date the Insurer approves your coverage. If your application is not approved you will be advised in writing by the Insurer.

YOU AGREE THAT – You have received and been given the opportunity to read a copy of this application and the Certificate. You understand that there are terms and conditions that apply to this insurance, including those which exclude or limit coverage, and you agree to be bound by these terms. These exclusions and limitations are described in the Certificate of Creditor's Group Insurance Life Insurance (please refer to the "Exclusions and Limitations" provision). You understand that the maximum amount of life insurance on all mortgages insured under Group Policy 83041 (the "Policy") cannot exceed \$500,000. Any insurance benefit will be paid to MCAP Service Corporation ("MCAP") by Sun Life and will be applied towards the outstanding balance of the mortgage. You are eligible to apply (please refer to the "Eligibility" provision). Sun Life, its agents and service providers are authorized to collect, use and disclose personal information needed for underwriting, administration, and adjudicating claims under the Policy with any person or organization who has relevant information about you in connection with this application, including health professionals, institutions, investigative agencies, insurers and reinsurers. Sun Life or MCAP may disclose the status of your insurance coverage with any co-mortgagor or guarantor. MCAP can collect, use and disclose with the Insurer, your personal information (excluding health information) relating to this application for the purpose of administering coverage under the Policy. MCAP can retain a copy of this application in MCAP's files. You have authorized MCAP to collect applicable insurance premiums (including any applicable sales taxes) along with your mortgage payments.

YOU UNDERSTAND THAT – This insurance is optional. MCAP or its representative is not an agent of Sun Life and no employee, agent or representative has the authority to amend or waive any conditions of this application, the Certificate or the Policy, or to act on behalf of Sun Life in settling claims. MCAP receives a fee from Sun Life to promote and administer the Policy. An insurance premium debited in error does not make insurance effective if the person is otherwise ineligible or uninsurable under the Policy. Sun Life's and MCAP's privacy statements appear on the Certificate. You may cancel this insurance at any time. If insurance is cancelled within 30 days of receiving confirmation that your coverage has been approved, you will receive a full refund of premiums and insurance will never have been in force. Cancellations thereafter will not receive a premium refund except where premiums may have been debited in error. For Quebec only: You have received a Distribution Guide. You require that this application and any related documents be drawn up in English. Vous avez demandé que le présent formulaire, ainsi que tous les documents qui s'y rattachent soient rédigés en anglais. A copy of this application will be as valid as the original.

3) Signature			
Applicant 1 Signature	Date (d/m/y)	Applicant 2 Signature	Date (d/m/y)

Underwritten by Sun life Assurance Company of Canada.

OR-067-009E



Certificate of Creditor's Group Insurance MCAP Service Corporation Life Insurance

Group Policy 83041 (the "Policy") is underwritten by Sun Life Assurance Company of Canada (the "Insurer") and issued to MCAP Service Corporation (hereafter referred to as "MCAP"). Each eligible person ("you", "your") is insured under the Policy, subject to the terms and conditions of the application and this Certificate of Creditor's Group Insurance Life Insurance for MCAP ("Certificate").

Your application and the Certificate, which summarizes all insuring provisions found in the Policy, along with any statements provided by you as evidence of insurability and any letter of approval from the Insurer form all the terms and conditions of coverage under the Policy. The Certificate includes all insuring terms and conditions of mortgage Life insurance available under the Policy.

You may, at any time obtain copies of the above mentioned documents or the Policy. The first copy will be provided at no cost, but a fee may be charged for subsequent copies. All requests for copies of documents should be directed to MCAP.

MCAP and the Insurer together reserve the right to change the terms of the Policy at any time with 30 days advance notice to you. In the event of a conflict between the Certificate and the Policy, the terms of the Policy will govern.

This insurance is optional. If you have any questions about this insurance, contact Sun Life Creditor Team by writing to them at 227 King Street South, PO Box 638 STN Waterloo, Waterloo ON N2J 4B8 or credorteam@sunlife.com, by sending a fax to 1-866-923-8353 or by calling 1-877-271-8713. Please refer to Policy number 83041.

Eligibility

Who is eligible?

You are eligible for insurance if you are:

- indebted to MCAP for a mortgage or have signed as a guarantor for such a mortgage;
- at least 18 and not yet 65 years of age at the time of application; and
- a Canadian resident.

The maximum number of eligible persons who may be insured under a mortgage is 3.

Eligible mortgages

The following MCAP mortgages are eligible for coverage under the Policy:

- mortgages on residential properties; and
- mortgages on recreational properties.

Enrolment

Provided you are eligible, you can apply for this insurance at the time MCAP first approves your eligible mortgage or any time thereafter. The Insurer will require you to participate in a confidential telephone interview if:

- you answered "Yes" to any health question that you were required to complete on the application; or
- your total amount to be insured under the Policy exceeds \$300,000 on the date you apply.

Effective date of insurance

Provided you are eligible, insurance becomes effective on the **latest** of:

- the date you signed your application;
- the date the mortgage funds are advanced;
- in the case of an assumed mortgage, the date the mortgage is assumed; or
- the date the Insurer approves your coverage.

Temporary accidental death protection

If you die as the result of an Accident ("Accident" means a single, sudden, unexpected violent and external event that causes death), before mortgage funds have been advanced or a decision has been made by the Insurer regarding your application, the Insurer will pay MCAP a death benefit.

The Insurer will pay to MCAP, on approval of your claim, the outstanding mortgage balance on the date of your death plus accrued interest from the date of your death to the date of claim payment and any shortfall balance in your property tax account, to a maximum of \$500,000.

No death benefit will be paid if any one of the following applies:

- you were not eligible for insurance when you applied;
- your death was not the result of an Accident;
- you are confined in a prison or similar institution;
- your death results from suicide or self-inflicted injury, whether you are sane or insane;
- your death results from events directly or indirectly relating to, arising from or following your participation or attempted participation in a criminal offence;
- your death results from events directly or indirectly relating to, arising from or following your impairment by illegal drugs or while your blood alcohol concentration is over 80 milligrams of alcohol in 100 milliliters of blood (0.08);
- your death results from war or civil disorder, whether declared or undeclared unless you are on active military duty as a member of the Canadian Armed Forces or Canadian Forces Reserve.

The death benefit is limited to the amount the Insurer would have paid had your application been approved.

Your temporary accidental death protection will end on the **earliest** of the following dates:

- the 60th day after the date you sign your application, provided that it is received by MCAP;
- the date Life insurance begins; or
- the date indicated in the Insurer's written decision to decline your application.

If more than one of the applicants dies as the result of an Accident, the Insurer will pay the claim in respect of the applicant the Insurer deems to have died first.

In no event will the Insurer pay more than the indebtedness owed to MCAP in respect of the same insured indebtedness, regardless of the number of persons insured under the mortgage.

Cost of Insurance

Premiums are due on the first day of each month for the prior billing period. Premiums are collected with your mortgage payment. Your premium is based on:

- your age at date of application;
- the rate table included in this section; and
- your initial mortgage amount.

How your premium is calculated

The monthly rate for your age is applied to your initial mortgage amount.

When more than one person is approved for insurance

Joint premium rates apply when two joint mortgagors have been approved for insurance. The joint rate is based on the **lesser** of:

- the joint rate using the age of the older applicant; or
- the sum of the single rates for each applicant.

The guarantor or third co-applicant is insured as a single life and is added to the premium calculated for the joint mortgagors.

Monthly Premium Rate Table Life insurance (per \$1,000 of the initial mortgage amount)		
Age	Single	Joint
18-30	0.09	0.14
31-35	0.13	0.19
36-40	0.20	0.30
41-45	0.29	0.44
46-50	0.40	0.58
51-55	0.55	0.80
56-60	0.75	1.15
61-64	1.06	1.59

Any applicable provincial sales taxes will be added to your premium.

Premium rates are reviewed periodically and written notification will be sent to you at least 30 days prior to any rate change.

Examples:

Joint mortgagors, ages 29 and 35	Joint mortgagors, ages 31, 35 and guarantor, age 50
Initial mortgage amount = \$350,000 Monthly joint premium rate = \$0.19 Premium calculation = (\$350,000/\$1,000) x \$0.19 = \$66.50	Initial mortgage amount = \$450,000 Monthly joint premium rate = \$0.19 Monthly single premium rate = \$0.40 Premium calculation = (\$450,000/\$1,000) x \$0.19 + (\$450,000/\$1,000) x \$0.40 = \$265.50

Lump sum prepayment

If you make a lump sum prepayment on your current insured mortgage of at least \$5,000, you may request a reduction in your premium based on the new mortgage balance. To calculate the reduced premium if you have made a prepayment: subtract the amount of prepayment from the original amount insured, and multiply the result by the premium rate of your existing coverage.

Life Insurance Benefit

What is the Life insurance benefit?

On approval of your claim, subject to Policy maximums, the Insurer will pay to MCAP the outstanding balance of the insured mortgage on the date of death plus:

- accrued interest from the date of death to the date of claim payment; and
- any shortfall balance in the property tax account.

Maximum benefit

Life insurance coverage under the Policy is limited to a maximum benefit of \$500,000 for all insured mortgages.

Refinancing or replacing an insured mortgage

What happens to your Life insurance coverage?

Automatic transfer of Life insurance

If you refinance or replace your insured mortgage but decide not to insure your new mortgage for the full amount, your existing insurance coverage will be automatically transferred to your new mortgage. The amount of insurance transferred will be equal to the unpaid insured balance of your existing mortgage. Your premium will remain unchanged.

When you need to reapply for Life insurance

If you decide to insure your new mortgage for the full amount (subject to the \$500,000 maximum) your existing insurance coverage terminates and you must reapply for insurance by completing a new application. Your premium will be calculated by adding your existing insurance premium to the premium which is calculated for the additional insurance you have requested. The premium for the additional insurance will be based on your age at the time you originally applied for insurance and the rate table in effect on the date of refinancing or replacement.

What if your application is declined?

Recognition of prior coverage

If your new application is declined, provided that your insurance was in force on the date immediately prior to the date of refinancing or replacement, the Insurer will recognize your prior coverage under the Policy by granting partial coverage on the new mortgage based on the amount of insurance in force on the mortgage being refinanced or replaced. Your premium will remain unchanged.

How is the Life insurance benefit calculated?

If your application for insurance has been approved, the benefit payable will be as outlined in the "What is the Life insurance benefit?" section of this Certificate. If your insurance has been automatically transferred or your application for the full amount has been declined, the benefit payable will be calculated using the outstanding insured mortgage balance at time of transfer or decline, divided by the initial amount of your refinanced or replaced mortgage. This percentage (to a maximum of 100%) will be applied to the outstanding insured mortgage balance at the time of death to determine the benefit payable.

Example:

Outstanding insured mortgage balance at time of transfer/decline = \$180,000
Initial mortgage amount of new mortgage = \$300,000
Outstanding insured mortgage balance at time of death = \$175,000
Percentage applied to outstanding insured mortgage balance at time of death = \$180,000/\$300,000 = 60%
Benefit Payable = \$175,000 x 60%= \$105,000

Exclusions and Limitations

Any concealment, misrepresentation or false declaration concerning your application or statements given as evidence of insurability may result in your insurance becoming void.

If you have misstated your age on your application and your true age would have made you ineligible for insurance, the Insurer's liability will be limited to a refund of premiums paid and your insurance will be voided.

No Life insurance benefit will be paid if any one of the following applies:

- you were not eligible for insurance when you applied;

- you are confined in a prison or similar institution;
- for any amount of insurance that has been in force for less than two years, your death results from suicide or self-inflicted injury, whether you are sane or insane†;
- your death results from events directly or indirectly relating to, arising from or following your participation or attempted participation in a criminal offence;
- your death results from events directly or indirectly relating to, arising from or following your impairment by illegal drugs or while your blood alcohol concentration is over 80 milligrams of alcohol in 100 milliliters of blood (0.08);
- your death results from war or civil disorder, whether declared or undeclared unless you are on active military duty as a member of the Canadian Armed Forces or Canadian Forces Reserve.
† If insurance is on a refinanced mortgage, this exclusion will apply to any increase in coverage.

In no event will more than one Life insurance claim be paid in respect of any one insured mortgage regardless of the number of persons insured under it.

Cancellations and refunds

You may cancel this insurance at any time. Cancellations must be made in writing to MCAP. If you cancel your insurance within 30 days of receiving confirmation that your coverage has been approved, you will receive a full refund of premiums and the insurance will have never been in force. If cancellation is requested after that date there will be no refund in premium except where premiums may have been debited in error.

When your insurance terminates

Your insurance ends on the earliest of the following dates:

- the first premium due date following the date MCAP receives your written request to cancel the insurance, or the first premium due date following the date specified in the written instructions if later than the date of receipt;
- on the date you reach age 70 (if coverage is approved on joint mortgagors, insurance on the younger mortgagor continues until the occurrence of any other event of termination listed in this provision);
- the date insurance premiums are 61 days overdue;
- the date the Policy terminates;
- the date you die;
- the date the mortgage is refinanced or replaced in full; or
- the date any debt no longer exists such as:
 - the date title or ownership of the mortgaged property is transferred to a third person,
 - the date the mortgage is paid in full,
 - the date the mortgage is assumed by another mortgagee or assigned to a third party.

Claims

Claims should be made as soon as possible on the form approved by the Insurer, but no later than one year following the date of death. Forms are provided on request by contacting MCAP.

While your claim is being processed you, or your estate, continue to be responsible for mortgage payments and monthly insurance premiums as they come due.

Proof of claim is at the expense of the claimant. All claims must be submitted in accordance with the instructions provided with the approved claim form.

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 or such other applicable legislation in your province of residence.

Respecting your privacy

At Sun Life Financial, protecting your privacy is a priority. We maintain a confidential file in our offices containing personal information about you and your contract(s) with us. Our files are kept for the purpose of providing you with investment and insurance products or services that will help you meet your lifetime financial objectives. Access to your personal information is restricted to those employees, representatives and third party service providers who are responsible for the administration, processing and servicing of your contract(s) with us, our reinsurers or any other person whom you authorize. In some instances these persons may be located outside Canada, and your personal information may be subject to the laws of those foreign jurisdictions. You are entitled to consult the information contained in our file and, if applicable, to have it corrected by sending a written request to us.

To find out about Sun Life's Privacy Policy, visit Sun Life's website at www.sunlife.ca, or to obtain information about Sun Life's privacy practices, send a written request by email to privacyofficer@sunlife.com, or by mail to Privacy Officer, Sun Life Financial, 225 King St. West, Toronto, ON M5V 3C5.

From MCAP- please visit www.mcap.com to view our Privacy Policy.