

TERMS AND CONDITIONS

Your right to receive a waiver of collection is determined by the terms and conditions below. To avoid additional interest and late fees you should continue to make regularly scheduled payments until your request for waiver is approved and activated in accordance with the requirements below.

Waiver Formula:

If there is a direct and accidental loss or damage to the Collateral identified on the Declarations Page hereof in which either: (1) the total cost to repair the Collateral is greater than or equal to the Actual Cash Value of the Collateral immediately prior to the date on which the vehicle was damaged; or (2) the Collateral is stolen and is not recovered within thirty (30) days from the date a police report was filed or (3) your primary insurer declares the Collateral a Total Loss, then the amount waived shall be the difference between the net outstanding balance of the Finance Contract on the date on which the vehicle was stolen or damaged and the Actual Cash Value of the Collateral on the date on which the vehicle was stolen or damaged.

"Actual Cash Value" means the retail value of the Collateral on the date of loss as listed in the National Automobile Dealers Association (NADA) Guide for the territory in which the Collateral is principally located. For Collateral which has no NADA retail value available or for which NADA is not customarily used, Actual Cash Value will be determined using the best information available to the Administrator or information which the Administrator reasonably believes accurately reflects the retail value of the Collateral and is customarily used as the basis for establishing ACV for such Collateral in the location.

Limitations:

The amount of waiver under this Agreement has limits and may not cancel your entire indebtedness. No amounts will be paid directly to you. You will remain obligated to pay any amounts or portions of amounts due under your account that the waiver under this Agreement is insufficient to cover. You may only activate and receive waiver for one event under this Agreement. Under no circumstances will this waiver cover any vehicle with a purchase price exceeding \$50,000. Under no circumstances will this Agreement waive more than \$7,500 of indebtedness, regardless of the Actual Cash Value of the Collateral. Under no circumstances will this Agreement waive more than 150% of the Actual Cash Value of the Collateral, regardless of the amount financed or your outstanding indebtedness.

Reductions:

The amount of any waiver shall be reduced by: delinquent payments in excess of two payments; past due charges; late payment charges; loan extensions; disposition fees; sales tax; security deposits; any proceeds that may be recovered from insurance of any kind; any collection fees; early termination fees; any charges that may have been added to the outstanding balance after the inception of the Finance Contract; unearned interest; refunds available on other items financed; any carry-over balances from a previous Loan agreement; any other charges not associated with the normal amortization of the Finance Agreement; and any primary insurance deductible(s) over \$500 (This Addendum shall conform automatically to any applicable state laws concerning how the deductible is treated.)

Exclusions:

Notwithstanding any other provision of this Addendum, you will not receive any waiver of indebtedness for any of the following:

- losses occurring prior to the Finance Contract/Addendum Effective Date
- losses resulting from confiscation by a government body or public official
- theft in which neither you nor we file a police report within 5 days of the theft
- losses resulting from the Collateral being operated, used or maintained in any race, speed contest or other contest
- collateral held as security under any wholesale, floor plan, field warehouse or any other type of financing to a dealership
- collateral used for commercial purposes including but not limited to carrying goods or passengers for compensation or hire

- collateral that has been modified or customized after the sale date such that the potential GAP exposure is increased.
- any loan balance that exists other than for the direct purchase and financing of a private passenger vehicle.
- losses occurring after the Collateral has been repossessed, confiscated, or placed in our possession or in possession of our employees or agents
- losses due to any fraudulent, deceptive, illegal, or criminal act by you, whether acting alone or in collusion with others
- losses caused by or resulting from wear and tear, gradual deterioration, obsolescence, rust, corrosion, latent defect, inherent defect, freezing, overheating, or resulting from any repairing, restoration or remodeling process, structural, mechanical or electrical breakdown or failure unless fire or other accident ensues, and then only for the physical loss or damage by such ensuing fire or accident
- losses due to prior damages, unpaid insurance premiums, traffic citations or towing and storage
- losses due to hostile or warlike action in time of peace or war, including action in hindering, combating, or defending against actual, impending or expected attack
- losses due to any weapon of war employing atomic fission or radioactive force, whether in time of peace or war
- losses due to terrorism, insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such occurrence, seizure or destruction under quarantine or customs regulations, seizure or confiscation by order of any government or public authority, risks of contraband or illegal transportation or trade
- misrepresentation of facts, falsification of documents, or fraudulent or dishonest act(s) in which you participate
- losses to any collateral not listed on the Declarations Page of this Addendum.

GAP Reimbursement Requirements:

To request activation of waiver, you must contact the Lender listed on the front of this form. Lender will send you a GAP Reimbursement Form. This form must be completed by you and such other persons or officials as may be required in the Form. Waiver will not be activated until this form is properly completed by all required parties and returned to the Program Administrator. If you fail to request the required forms, or fail to provide the Program Administrator with the required forms or required evidence within 90 days following the date the Collateral is damaged or stolen, you will forfeit the right to any waiver. Required Evidence includes a completed activation form together with a complete copy of the Primary Insurance Settlement, including the valuation worksheet, a copy of the original Finance Contract and this Addendum, a copy of the accident/police report if applicable, a copy of your insurance policy, and a statement showing your outstanding balance of the as of the date the Collateral was damaged or stolen.

Termination:

If you do not request cancellation within thirty (30) days of the Finance Contract/Addendum Effective Date, then the GAP waiver charge is fully earned and non-refundable*. This GAP Waiver Addendum will automatically terminate and no further waiver will be provided on your behalf on the earliest of the following dates:

- the date you have been considered in default under the terms of your Finance Contract for more than 90 days
- the date the Collateral is repossessed
- the date your Finance Contract is lawfully discharged, terminated or refinanced prior to its scheduled expiration
- the date you receive a waiver activation
- 60 months from the Effective Date of the Addendum, regardless of whether the term of the Finance Contract is longer.

* Subject to any state specific requirements.