GAP Waiver Addendum

Lender: ______________________ Today's Date: ______________________

Borrower/Debtor Name: ______________________ Loan Officer: ______________________

Address: ______________________ Account #: ______________________

Collateral Type: ______________________ Amount Financed: ______________________

Vehicle Year/Make/Model: ______________________ Installment Loan Term: ______________________

Vehicle ID Number (VIN): ______________________ Maximum GAP Coverage Term: ______________________

GAP Effective Date: ______________________ MSRP or J.D. Power Clean Retail LTV %*: ______________________

*LTV % is based on the total amount financed inclusive of any ancillary products financed and will be confirmed for accuracy by calculation performed by the GAP administrator at time of claim. The amount financed at loan origination exceeding 150% of the Manufacturer's Suggested Retail Price (MSRP) on new Eligible Collateral, or 150% of J.D. Power Values Guide on used Eligible Collateral will not be waived under this GAP Waiver Addendum. If GAP is purchased at the time a loan is modified, refinanced, or any time after loan origination, the LTV % is calculated as of the GAP Effective Date.

A complimentary GAP Waiver program.

I understand this GAP Waiver Addendum is not an offer of insurance coverage. This GAP Waiver Addendum is not a substitute for collision or property damage insurance, does not provide general liability coverage, nor does it fulfill the requirements of state laws requiring motorists to maintain insurance coverage.

I understand there are eligibility requirements, conditions, and exclusions that could prevent me from receiving benefits under the GAP Waiver Addendum which are explained in the Definitions, Agreement, and Exclusions section on the following pages of this GAP Waiver Addendum.

I understand that the maximum term of this GAP Waiver Addendum is 84 months, and this GAP Waiver Addendum will not waive any amount of Unpaid Net Balance after a period of 84 months. The GAP Amount subject to waiver may decrease over the term of the loan.

By signing below, I affirm that I have read and agree to the terms of this GAP Waiver Addendum. I understand the offer of GAP is governed by the terms of this GAP Waiver Addendum and not by any verbal representations made to me.

Signature: ______________________ Date: ______________________

Signature: ______________________ Date: ______________________

DEFINITIONS

"We", "us", and "our" refer to the Lender; "you" and "your" refer to the Borrower/Debtor shown on page 1 of this form. For the purposes of this GAP Waiver Addendum, the following words are defined, and their meanings will be as follows:

"Actual Cash Value" or "ACV" means the retail value of the Eligible Collateral determined by the Primary Insurance carrier as of the Date of Loss. However, if there is no Primary Insurance coverage on the Date of Loss, or the Primary Insurance coverage is less than the vehicle ACV on the Date of Loss ACV shall mean the retail value of the Eligible Collateral using the J.D. Power Values Guide with appropriate adjustments for mileage or optional equipment.

"Commercial Purposes" means Eligible Collateral titled either partially or entirely under a business or corporation name.

"Date of Loss" means the date on which the Eligible Collateral is reported stolen or incurs physical damage that is severe enough to constitute a Total Loss or Constructive Total Loss. If such date is indeterminable, the Date of Loss shall either be the date established by the Primary Insurance carrier or the date the occurrence was reported to the police, whichever is the earlier.

"Debt Consolidation" means any debt added to an Installment Loan, such as funds to pay off a credit card debt, signature loan, or any other funds not directly related to the purchase of the Eligible Collateral.

"**Delinquent Payments**" means any payment, as described in the Installment Loan, which remains unpaid for a period of more than 120 days after the due date stated in the Installment Loan. This includes any Lender approved Skipped Payments or missed payments.

"Eligible Collateral" is identified as:

- Private Passenger Vehicles not to exceed a maximum amount financed of $100,000 or used for Commercial Purposes. Includes: four-wheeled autos, vans, or light trucks. Maximum Installment Loan term eligible for protection is 84 months. The maximum term covered by this GAP Waiver Addendum is 84 months.

Note: Any collateral with a branded title such as salvaged, rebuilt or reconstructed, lemon law, buyback or title issued with any other symbol or word(s) signifying a similar branding is not eligible for GAP. If you purchase a GAP Waiver Addendum on collateral that is not eligible at the time of sale you will receive a full refund of the cost of the GAP Waiver Addendum.

"GAP Amount" means:

- For a single collateral loan, the difference between the Unpaid Net Balance of the Installment Loan and the Primary Insurance carrier's physical damage insurance payment for a Total Loss, Constructive Total Loss, or an Unrecovered Theft or, if uninsured or Underinsured, the Eligible Collateral's Actual Cash Value (ACV), and the Unpaid Net Balance of the Installment Loan.
- For Multiple Collateral Loans, "GAP Amount" means the difference between the proportionate share of the Unpaid Net Balance of the Installment Loan and the Primary Insurance carrier's physical damage insurance payment for a Total Loss, Constructive Total Loss, or an Unrecovered Theft or, if uninsured or Underinsured, the Eligible Collateral's ACV and the Unpaid Net Balance of the Installment Loan.
- For all loans under this GAP Waiver Addendum, if a Primary Insurance carrier denies coverage for reasons including but not limited to an excluded driver clause or because the vehicle was used as part of a commercial ride sharing service (including but not limited to Uber or Lyft), then the GAP amount will be determined by subtracting the ACV of the Eligible Collateral from the Unpaid Net Balance.
- If the ACV of the Eligible Collateral on the Date of Loss is greater than or equal to the Unpaid Net Balance, no waiver of the GAP Amount will be provided under this GAP Waiver Addendum.
- If you are entitled to collect a portion of the GAP Amount from others, including but not limited to, primary and other insurance, or salvage sale, that payment received from others will not be covered in the GAP Amount settlement. The GAP Amount does not cover deductions made by the Primary Insurance carrier for legal expenses or fees, salvage purchase, towing fees, storage fees, to pay off another lien or prior damage that has already been paid to you.
- **The maximum GAP Amount waived shall not exceed $50,000.**

"Installment Loan" means the financing agreement with scheduled payments no less than a monthly frequency between you and the Lender setting forth the terms and conditions of the purchase of the Eligible Collateral.

"LTV %" or "Loan To Value %" means:

- If the Eligible Collateral is new, the percentage amount is determined by dividing the total amount financed, inclusive of any ancillary products financed, according to the Installment Loan agreement by the MSRP at the time of Installment Loan origination.
- If the Eligible Collateral is used, the percentage amount is determined by dividing the total amount financed, inclusive of any ancillary products financed, according to the Installment Loan agreement by J.D. Power Clean Retail value at the time of Installment Loan origination.

Note: If GAP is purchased at the time a loan is modified, refinanced, or any time after loan origination, the LTV % is calculated as of the GAP Effective Date.

"Multiple Collateral Loan" means an Installment Loan secured by two or more pieces of Eligible Collateral. The entire Unpaid Net Balance will not be paid in full if the collateral listed on page 1 suffers a loss. In the event of a Multiple Collateral Loan, we will not pay more than a proportionate share of the total Unpaid Net Balance that each piece of Eligible Collateral represents to the total loan. You will be responsible for the remaining amount of the Unpaid Net Balance that is secured by the other collateral.

"Negative Equity" means amounts still owing from a previous vehicle loan which is financed into the new vehicle loan.

"Non-Purchase Loans" means a loan for which the funds are not used to purchase a vehicle; however, the Lender secures the loan with an Eligible Collateral title.

"Primary Insurance" means in force insurance coverage, required by us, and carried by you to protect the Eligible Collateral from collision and comprehensive loss, naming us as Lienholder. A vehicle driven by a Primary Insurance carrier's excluded driver is considered not covered by Primary Insurance.

"Skipped Payments" means any missed payment approved by the Lender as part of a Lender Skip-a-Pay program.

"Total Loss or Constructive Total Loss" means a loss where the cost to repair or replace the Eligible Collateral would exceed the ACV, as determined by the Primary Insurance carrier, or designated appraiser. A Total Loss or Constructive Total Loss must be caused by collision, acts of nature, or unrecovered theft.

"Underinsured" means the Primary Insurance coverage is less than the vehicle ACV on the Date of Loss, or the Primary Insurance coverage has limits or exclusions that do not cover the full ACV of the Eligible Collateral.

"Unpaid Net Balance" means the amount in U.S. currency owed by the Borrower/Debtor to clear the outstanding Installment Loan account upon the Date of Loss, including, if applicable, any Negative Equity. The Unpaid Net Balance does not include (1) unearned finance charges or interest; (2) Installment Loan charges; (3) late charges; (4) Delinquent Payments; (5) Skipped Payments; (6) uncollected service charges; (7) refundable prepaid taxes and fees; (8) disposition fees, termination fees or penalty fees; (9) the recoverable portion of financed credit insurance charges, or the recoverable portion of financed amounts for service contracts or warranties that are owed to the Borrower/Debtor on the Date of Loss; (10) Legal expenses or fees (11) amounts that are built into or added to the Installment Loan balance after the inception date of the Installment Loan; (12) Debt Consolidation amounts added to the original financing of the Eligible Collateral.

"Unrecovered Theft" means the Eligible Collateral has been reported as stolen by you to both the police and Primary Insurance carrier, who have made every effort, yet have failed, to find and return the Eligible Collateral.

AGREEMENT

We will waive the GAP Amount due to a Total Loss, Constructive Total Loss, or an Unrecovered Theft to the Eligible Collateral, subject to the limitations and exclusions set forth in this GAP Waiver Addendum. The amount waived shall be equal to the GAP Amount and, if the collateral is protected by Primary Insurance, up to $1,000 for the Primary Insurance deductible. The deductible will only be paid if there is a deficiency balance on the loan. **The GAP Amount waived shall not exceed $50,000**.

We will not waive that portion of the Unpaid Net Balance attributable to the original Installment Loan amount exceeding 150% of the MSRP on new Eligible Collateral, or 150% of J.D. Power Clean Retail on used Eligible Collateral, including amounts financed for ancillary products. If GAP is purchased at the time a loan is modified, refinanced, or any time after loan origination, the LTV % is calculated as of the GAP Effective Date.

GAP ADVANTAGE

In the event of a Total Loss, Constructive Total Loss, or Unrecovered Theft to the Eligible Collateral listed on this GAP Waiver Addendum, you may be eligible to receive an additional credit from us, in the amount shown on page 1. In order for you to receive this additional credit, you must finance or lease through us, within ninety (90) days after receiving final settlement from the Primary Insurer, or within ninety (90) days of the Date of Loss if you do not have Primary Insurance coverage, a replacement Eligible Collateral of the same type. The GAP Advantage credit has no cash value and will only be applied by us in the form of a credit towards the amount financed as shown in your replacement Eligible Collateral loan or lease.

EXCLUSIONS

This GAP Waiver Addendum shall be void if there has been any material fact(s) withheld, concealed or misrepresented or in the event of fraud by you. This GAP Waiver Addendum does not provide for waiver of the GAP Amount for bodily injury or property damage liability, medical payments, medical expenses, physical damage, uninsured motorist, supplementary uninsured motorist, personal injury protection or losses other than those stated in this GAP Waiver Addendum. **Installment Loans where the first payment is deferred more than ninety (90) days are ineligible for waiver.**

No waiver will be made under this GAP Waiver Addendum for a Total Loss or Unrecovered Theft; (1) when the Total Loss, Constructive Total Loss, or an Unrecovered Theft occurs prior to the GAP Effective Date of this Gap Waiver Addendum; (2) if the Primary Insurance settlement is equal to or greater than the Unpaid Net Balance; (3) resulting directly or indirectly from any dishonest, fraudulent, or criminal act by you, or any dealer from whom you may acquire the Installment Loan; (4) caused intentionally by you; (5) to other than the standard or optional equipment available from the manufacturer of the Eligible Collateral; (6) to equipment designed for the recording, reproduction, receiving or transmitting of sound or signals unless the device is permanently installed in the Eligible Collateral at the time the Eligible Collateral is purchased; (7) due to conversion, embezzlement or, secretion by any person in lawful possession of the Eligible Collateral, or due to the legal confiscation of the Eligible Collateral by a public official; (8) Any loss resulting from wear and tear, freezing, mechanical or electrical breakdown; or (9) if the Eligible Collateral is being used for Commercial Purposes at the time of the Total Loss, Constructive Total Loss, or an Unrecovered Theft.

Additionally, this Waiver does not include the following:

- Any refundable additions to amount financed.
- Interest accrued after Date of Loss.
- Delinquent Payments or any missed payments more than 120 days past due on Eligible Collateral.
- Late charges, fees or funds added after Installment Loan inception.
- Any amounts due to an Installment Loan modification or refinance that would increase the balance, cause the Installment Loan to pay down more slowly, or extend the original Installment Loan term.
- Any amounts due to extension of the original Installment Loan term resulting from Lender approved Skipped Payments.
- Deductions made by Primary Insurance carrier for legal expenses or fees, towing fees, storage fees, salvage purchase, or for prior damage that has already been paid to you.
- State required tax and fees and those voluntarily added to the Total Loss settlement.
- Primary Insurance deductible in excess of $1,000.
- Portion of the original Installment Loan amount that exceeds 150% of MSRP on new Eligible Collateral, or 150% of J.D. Power Clean Retail on used Eligible Collateral, including amounts financed for ancillary products. If GAP is purchased at the time a loan is modified, refinanced, or any time after loan origination, the LTV % is calculated as of the GAP Effective Date.
- Debt Consolidation amounts of the Borrower/Debtor added to the original financing of the vehicle. This exclusion does not apply to Non-Purchase loans or to Debt Consolidation amounts added in a refinance or loan modification (up to the maximum LTV), when a new GAP waiver is purchased.
- Leases or Balloon Notes.

TERMINATION

This GAP Waiver terminates as of the date that: (1) the Installment Loan agreement for the Eligible Collateral terminates; (2) the Installment Loan agreement for the Eligible Collateral is cancelled prior to its expiration; or (3) the Eligible Collateral is sold, assigned or re-financed to a different lender, or is transferred by the Borrower/Debtor before the expiration date of the Installment Loan; or (4) eighty-four (84) months after the GAP Effective Date, whichever occurs earlier.

NOTICE OF LOSS

In the event of Total Loss, Constructive Total Loss, or an Unrecovered Theft, you must notify us within thirty (30) days of receiving final settlement from the primary or third party insurance carrier and provide the following (a) copy of the Primary Insurance settlement package including the auto physical damage worksheet and check, color photos from insurance claim adjuster and original appraisal form, (b) verification of the Primary Insurance deductible, (c) copy of police report in the case of an Unrecovered Theft, and (d) copy of vehicle appraisal from a licensed adjuster if uninsured. During the claim process, continue to make payments according to the terms of your Installment Loan. Payments made after the Date of Loss will be refunded as part of the GAP Amount, minus any amounts outlined under "Unpaid Net Balance."

We must file the GAP waiver demand within sixty (60) days after receiving final settlement from the Primary Insurer, or within sixty (60) days of the Date of Loss if you do not have Primary Insurance coverage.

Important Notice: You are solely responsible for the payment of any and all taxes you may owe due to the discharge of your debt under this GAP Waiver Addendum. You may wish to consult a tax professional.