

## GAP WAIVER ADDENDUM

Elite Acceptance Corp., 1485 River Park Dr., Ste. 100, Sacramento, CA 95815, 916-486-8178, EMAIL: customerservice@eliteacceptance.com

Please note that this GAP Waiver Addendum ("Addendum") will only be valid if your vehicle is financed by Elite Acceptance Corp. ("Elite").

Buyer			Seller/Dealer		
Buyer's Address			Dealer Address		
City	State	ZIP	City	State	ZIP

Vehicle Year	Vehicle Make	Model			
Vehicle ID Number (VIN)		Sale Date		Amount Financed (Excluding GAP Fees)	
Average Retail Value	Loan-to-Value (minimum 70% retail value)	Term in Months	Fee (maximum of 4% of amount financed)		

This Addendum forms part of the Installment Sales Contract and remains part of that agreement upon assignment, sale, or transfer of that agreement. This Addendum is an optional addition to the Installment Sales Contract. Elite is the contracting party to this Addendum.

This Addendum terminates no later than the earlier of the following events:

- Cancellation of the Addendum by Buyer and Co-Buyer.
- Payment in full of the Installment Sales Contract.
- Expiration of any redemption and reinstatement periods after a repossession or surrender of the vehicle specified in the Installment Sales Contract pursuant to Cal. Civ. Code § 2983.2(a).
- Upon total loss or unrecovered theft of the vehicle specified in the Installment Sales Contract, after Elite has applied all applicable benefits required under this Addendum.

### TERMS AND CONDITIONS OF THE GAP WAIVER ADDENDUM

This Addendum is incorporated into and supplements the terms of the Installment Sales Contract. By electing this Addendum, the Buyer/Co-Buyer agrees to the terms below, which are incorporated by reference into this Addendum.

#### DEFINITIONS

For the purposes of this Addendum, the following words are defined and their meanings will be as follows:

**"We", "us", "our", and "Elite"** refers to Elite Acceptance Corp.; **"I", "you" and "your"** means the Buyer/Co-Buyer.

**"Actual Cash Value (ACV)"** means the retail value of the Collateral, on the Date of Loss, as listed in the Kelly Blue Book retail value for the territory in which the Collateral is principally garaged and with appropriate adjustments for mileage or optional equipment at the time of sale. For any Collateral which has no Kelly Blue Book available, ACV will be determined using the best information available to us which we reasonably believe accurately reflects the retail value of the collateral and is customarily used as the basis for establishing ACV in that territory.

**"Constructive Total Loss"** means the direct and accidental damage to or theft of the Collateral which meets one of these criteria; 1) Either the total cost to repair the Collateral is greater than or equal to the ACV of the Collateral immediately prior to the date of Loss; or 2) The Collateral is stolen and is not recovered within 30 days from the date a police report is filed.

**"Unpaid Net Balance"** means the amount owed by you to clear the outstanding Installment Sales Contract account balance upon the date of loss. This amount shall not include any refundable additions to the amount financed including such items as service contracts, warranties, insurance or other items built into or added to the initial Installment Sales Contract balance; late charges; delinquent payments; collection fees or service charges; any amounts deducted from the primary carrier's settlement due to wear and tear, prior damage, any other condition adjustments, deductibles in excess of \$500, unpaid insurance premiums; unpaid coverage charges added by Elite due to the absence of Primary Insurance coverage, salvage amounts, towing charges and storage charges.

**"GAP Amount"** means the Unpaid Net Balance after applying the primary carrier's physical damage insurance payments for a Constructive Total Loss or, if uninsured, the difference between the Unpaid Net Balance and the collateral's Actual Cash Value.

**"Primary Insurance"** means in force insurance coverage, required by us, and carried by you to protect the covered collateral from collision and comprehensive loss, naming us as Loss Payee or Lienholder. Additionally, Primary Insurance shall be any other coverage we may have protecting our interest in the covered collateral, insuring at least the ACV of the Collateral, contingent upon the failure or absence of Primary Insurance coverage.

**"Delinquent Payments"** means any payment, as described in the Installment Sales Contract instrument, which is unpaid after the due date stated in the Installment Sales Contract.

#### GAP WAIVER ADDENDUM

In consideration for the payment of the fee shown on the first page of this form, we will waive the GAP Amount due to a Constructive Total Loss to the collateral shown on the first page of this form. If the collateral is not fully protected by Primary Insurance, you will remain responsible for the ACV of the collateral.

#### CANCELLATION / REFUNDS

This Addendum may be canceled for a full refund within 30 days of the Origination Date for any reason by your request for a full refund. This Addendum may be cancelled after 30 days of the Origination Date for any reason by your request for a prorated refund. However, in the event of a Constructive Total Loss of the covered Vehicle, the GAP Waiver Addendum fee will be deemed as fully earned and therefore, no refund will be due. This Addendum shall automatically terminate and without prior notice terminate concurrently with the termination of the Installment Sales Contract for Collateral or sale of Collateral, which may also provide a prorated refund.

### ELIGIBILITY REQUIREMENTS, CONDITIONS AND EXCLUSIONS

There are Eligibility requirements, Conditions and Exclusions that could prevent you from receiving benefits under the Addendum. Please review the following Exclusions. This Addendum does not apply when the Constructive Total Loss is: (1) due to losses occurring prior to the Addendum's effective date; (2) due to dishonest, fraudulent, criminal, or illegal act, including forgery by the Buyer/Co-Buyer; (3) due to wear and tear, gradual deterioration, rust, corrosion, or resulting from any repairing, restoration, or remodeling, or resulting from any structural mechanical or electrical breakdown or failure; (4) due to nuclear action or reaction, radiation or radioactive contamination; (5) due to war, whether or not declared, invasion, civil war, insurrection, rebellion or revolution or any consequence of these; (6) due to confiscation of Collateral by a government body or public official; (7) caused by theft of Collateral, unless the Buyer/Co-Buyer files a police report; (8) resulting from the Collateral being operated, used or maintained in any race, speed contest, or other contest; (9) to a vehicle that is part of a fleet that is intended for use as a public or livery conveyance, or any vehicle with commercial use; (10) is to a vehicle with a "salvage" title not disclosed to Elite at the time of sale; (11) caused intentionally by the Buyer/Co-Buyer; (12) due to conversion, embezzlement or secretion by any person in lawful possession of the covered collateral; (13) to other than the standard or optional equipment available from the manufacturer of the covered collateral; (14) sustained outside of the United States of America, its territories or possessions, or is being transported between parts thereof.

### NOTICE OF LOSS

You must notify us within 30 days from the Date of Loss and provide the following: (a) verification of the insurance deductible, and (b) copy of police report in the case of unrecovered theft. All insurance proceeds must be made payable to Elite together with a copy of the insurance settlement. Failure to comply with the above requirements shall result in the denial of Addendum benefits.

### ARBITRATION

BUYER/CO-BUYER AND Elite AGREE THAT SHOULD A DISPUTE ARISE BETWEEN BUYER/CO-BUYER AND Elite AND/OR ELITE'S ASSIGNEE, BUYER/CO-BUYER, Elite AND ELITE'S ASSIGNEE AGREE TO RESOLVE THAT DISPUTE IN BINDING ARBITRATION, AND FURTHER AGREE THAT THE ARBITRATION WILL BE CONDUCTED BY THE AMERICAN ARBITRATION ASSOCIATION ("AAA") UTILIZING AAA'S CONSUMER ARBITRATION RULES, AMENDED AND EFFECTIVE SEPTEMBER 1, 2014, ("CONSUMER RULES"). THIS ADDENDUM IS MEANT TO SUPPLEMENT ANY ARBITRATION PROVISION FOUND IN THE INSTALLMENT SALES CONTRACT. SHOULD THIS ADDENDUM, OR ANY PORTION THEREOF, BE FOUND BY ANY COURT OF COMPETENT JURISDICTION TO BE UNENFORCEABLE FOR ANY REASON, THE REMAINDER OF THIS ADDENDUM, AS WELL AS THE ARBITRATION PROVISION FOUND IN THE INSTALLMENT SALES CONTRACT, SHALL REMAIN ENFORCEABLE. AAA'S CONSUMER RULES MAY BE FOUND AT [WWW.ADR.ORG](http://WWW.ADR.ORG) FOR YOUR REVIEW. ADDITIONALLY, UPON REQUEST Elite WILL PROVIDE YOU WITH A COPY OF AAA'S CONSUMER RULES FOR YOUR REVIEW.

\_\_\_\_\_  
Buyer Signature

\_\_\_\_\_  
Co-Buyer Signature

\_\_\_\_\_  
Elite Signature

### IMPORTANT NOTICE

**You are reminded that this Addendum is not an insurance policy and is not a substitute for collision and property damage insurance. All provisions within this Waiver are subject to state specific regulations.**

Choose Yes or No:



☐ YES, I elect the GAP Waiver Addendum

☐ NO, I do not elect the GAP Waiver Addendum



You have reviewed the terms and conditions of this agreement. You understand that you will remain fully liable for any portion of the balance that is not waived by the terms of this addendum. If you do not elect this Addendum and there is a total loss or your vehicle is stolen, you understand you will be fully responsible for any deficiency balance.

### STOP AND READ:

**YOU CANNOT BE REQUIRED TO BUY A GAP WAIVER OR ANY OTHER OPTIONAL ADD-ON PRODUCTS OR SERVICES. IT IS OPTIONAL. NO ONE CAN MAKE YOU BUY A GAP WAIVER OR ANY OTHER OPTIONAL ADD-ON PRODUCTS OR SERVICES TO GET FINANCING, TO GET CERTAIN FINANCING TERMS, OR TO GET CERTAIN TERMS FOR THE SALE OF A VEHICLE.**

**IT IS UNLAWFUL TO REQUIRE OR ATTEMPT TO REQUIRE THE PURCHASE OF THIS GAP WAIVER OR ANY OTHER OPTIONAL ADD-ON PRODUCTS OR SERVICES.**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Buyer Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Co-Buyer Signature