

TERMS & CONDITIONS:

In the event of a Constructive Total Loss of the Collateral, we hereby agree to waive our rights against you for the amount due under a Qualifying Loss. You will remain responsible for any past due amounts, payment extensions, or any items listed in EXCLUSIONS. This Addendum will follow the Financing Contract with no subrogation rights against the Customer/Borrower, if the Financing Contract is sold or assigned by us.

Although not required to do so, you elect to purchase this Addendum for an additional charge which is shown above. You may as an alternative to purchasing this Addendum, be able to purchase a similar product from a company of your choice.

GAP EXCLUSIONS:

- A. Occurring prior to the effective date of this Addendum.
- B. Occurring prior to the Financing Contract inception date shown in the schedule.
- C. Due to confiscation of the Collateral by a government body or public official.
- D. Caused by theft, unless a police report is filed.
- E. Resulting from the Collateral being operated, used, or maintained in any race, speed contest, or other contest.
- F. To the Collateral held as security under any wholesale, floor plan, field warehouse, or any type of financing made to a dealership or its employees.
- G. To the Collateral, while used for Commercial Purposes.
- H. Occurring after the Collateral has been repossessed by the Financial Institution/Lender or placed in their possession or in the possession of their employees or agents.
- I. To Collateral with a Financing Contract in which the Amount Financed for Collateral exceeds the Maximum Amount Financed Limit shown on the front of this Addendum at the inception date of the Financing Contract.
- J. To Collateral with a Financing Contract where the contract term exceeds the Maximum Term as shown on the front of this Addendum.
- K. For any amounts deducted from the Primary Carrier settlement due to wear and tear, prior damage, unpaid insurance premiums, salvage value, and towing and storage.
- L. To the following vehicles which are excluded from coverage: Aston Martin, Bentley, Daewoo, Ferrari, Lamborghini, Lotus, Maserati, Rolls Royce, and Yugo.
- M. Attributable to other than the standard or optional equipment available from the manufacturer of the Collateral, including but not limited to: special carpeting, furniture, bars, audio, video, or data equipment, cooking and sleeping facilities, customized paint, or any equipment installed to overcome a physical handicap. Factory approved conversion packages and dealer installed options usually included in used car value guidebooks are not excluded.
- N. To the Collateral with a salvage or rebuilt title at the time of sale or for which title has been changed or re-issued as salvage or rebuilt prior to the Date of Loss.
- O. Resulting directly or indirectly from any dishonest, fraudulent, criminal, or illegal act or arising from an intentional act committed by you or a person covered under the policy underwritten by your Primary Carrier.
- P. From a Financing Contract that does not have uniform scheduled payments after the first payment is made and/or a Financing Contract or Loan that is self-financed. The first payment must be made within 45 days of the Financing Contract inception date.
- Q. Due to war, whether or not declared, invasion, civil war, insurrection, rebellion, or revolution during vehicle return process.

Royal Extreme is backed by an insurance company that is Rated A- by A.M. Best & administered by:



Auto Trac System

18 Augusta Pines Drive,
Suite 220W
Spring, TX 77389
Phone: 800-353-1123



This brochure is not a contract. Please refer to your Extreme contract for details of the term and conditions, exclusions, and purchaser's responsibilities.

Royal EXTREME

ANCILLARY PRODUCTS



GUARANTEED ASSET PROTECTION (GAP)

KEEP A TOTAL LOSS FROM GETTING TOTALLY WORSE.



Royal

ADMINISTRATION SERVICES

Eliminate Your Debt if Your Vehicle is Stolen or Totaled.

In the event your vehicle is stolen, accidentally damaged beyond repair, or otherwise declared a total insured loss, your comprehensive and collision insurance pays the actual cash value of the vehicle at the time of loss...
Not what you actually still owe.

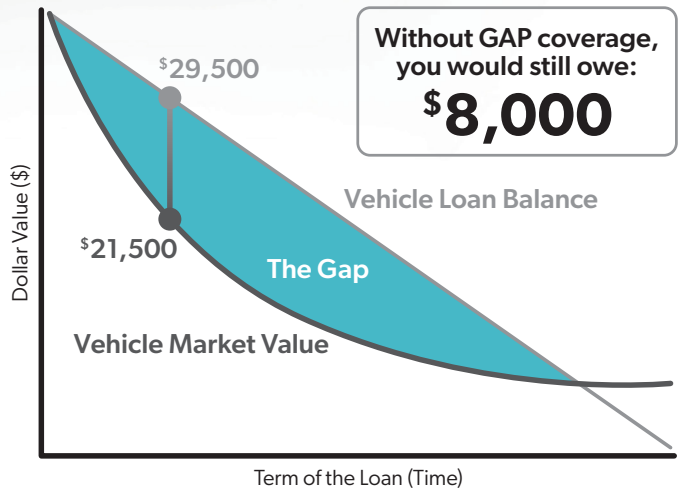
How GAP Coverage Works

Total Loan Amount Still Owed at the Time of the Total Loss

Vehicle's Market Value Paid by Insurance	GAP Coverage



What is "The Gap"



This example is only for illustrative purposes. Actual vehicle balance, market value, and GAP coverage will vary by circumstance.

GAP is More Valuable Than Ever

- In our current economy, used vehicle prices and values fluctuate dramatically. GAP coverage has never been more valuable.
- Your vehicle typically loses value faster than you pay off the loan. Average annual depreciation is 15%-25%. Certain makes and models depreciate even faster.
- The longer your loan term, the more miles you drive, and any negative equity rolled into your loan drastically increase your need for GAP.

What GAP Actually Covers

- Protection is available on a loan/lease up to 96 months of a new or used vehicle up to \$125,000.
- Covers up to 150% of MSRP/NADA value with a maximum \$50,000 benefit and \$1,000 deductible.

This GAP Program is not insurance, does not take the place of insurance on the Collateral and does not afford collision, comprehensive, or any other form of automobile insurance coverage. You are responsible for all communications with your Primary Carrier including notice and claims. If you purchase this coverage, you understand that the Dealer/Creditor may retain all or a portion of the charge paid by you. ENROLLMENT IS AVAILABLE ONLY AT THE TIME THE FINANCING CONTRACT IS ORIGINALLY EXECUTED.

To Initiate a Claim, Please Call **(800) 353-1123** for Authorization & Instructions.