



Designated Contract GAP Waiver Agreement

**ADMINISTRATOR: LEE & MASON FINANCIAL SERVICES, INC.
P.O. BOX 270 NORTHVILLE, NY 12134-0270 800-533-9469**

This certifies that you, the Borrower, have elected to purchase a gap waiver agreement. This Agreement contains specific benefits, definitions and limitations, which you should read. If you do not fully understand any portion of this GAP Waiver Agreement, contact the above listed Administrator for an explanation.

Lender Old Point National Bank	Borrower
Address 101 East Queen Street	Address
City State Zip Hampton VA 23669	City State Zip
Phone Fax 757-728-1200	Phone (Daytime) Email

GAP Application Date	Date of Installment Loan	APR/Interest Rate	Loan Amount Financed	Term of Installment Loan in Months
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COLLATERAL DESCRIPTION

Year	Make	Model	VIN Or ID Number
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Type of Agreement Installment Loan Contract	GAP Waiver Agreement Charge to Customer: \$	GAP WAIVER AGREEMENT LIMITS (1) Maximum term shall not exceed <u>84 months</u> . (2) Up to <u>\$1,000</u> of primary insurance deductible is covered. (3) Up to <u>150%</u> maximum benefit limit as determined by the Established Retail Guide. (4) Replacement Vehicle Benefit is <u>\$1,000</u> . (5) Maximum limit of liability <u>\$50,000</u> .
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The Borrower acknowledges that the GAP Waiver Agreement is not required as a condition of credit and is STRICTLY VOLUNTARY. The Borrower may, as an alternative to purchasing this GAP Waiver Agreement, be able to purchase a similar product from a company of Borrower's choice. The Borrower elects to purchase this GAP Waiver Agreement for an additional charge which is shown above. The GAP Waiver Agreement does not afford protection against Bodily Injury or Property Damage Liability, nor does it fulfill the requirements of financial responsibility laws. The GAP Waiver Agreement does not eliminate the need for primary insurance.

The Borrower named above is responsible to the Lender named above under the terms of the described Installment Loan Contract for the amount of any early termination liability resulting from a total loss of the above described Collateral caused by the theft of, or physical damage to, that Collateral. The Lender agrees to cancel a portion of the indebtedness in the event of a total loss of the Collateral as provided on page 2 of this Agreement. This GAP Waiver Agreement may only be transferred or assigned by the Lender.

YOU MUST SIGN THIS FORM.

BY MY SIGNATURE BELOW, I REQUEST TO PURCHASE THE GAP WAIVER AGREEMENT.

I ACKNOWLEDGE THAT I HAVE READ AND FULLY UNDERSTAND BOTH PAGES OF THIS GAP WAIVER AGREEMENT.

You may cancel this GAP Waiver Agreement and receive a full refund if a request to cancel is made within thirty (30) days from the inception date of the Installment Loan Contract and a request for benefits under this GAP Waiver Agreement has not been made. Cancellation request must be made in writing to the Administrator.

 Borrower's Signature Date

 Co-Borrower's Signature Date

I. Definitions:

1. **Covered Collateral** shall mean the item as described on page 1 of this Agreement which is not used for racing.
2. **We, Us, Our** shall mean the Company named herein.
3. **You, Your** shall mean the Borrower as described on page 1 of this Agreement.
4. **Total Loss** shall mean a direct and accidental physical loss of or damage to the **covered collateral**, which meets one or more of the following additional conditions:
 - a) the total cost of repair of the **covered collateral** is greater than or equal to the actual cash value of the **covered collateral**; or
 - b) the **covered collateral** is stolen and is not recovered within 30 days of the date of the loss; or
 - c) Primary Insurance is settled on a **total loss** basis.
5. **Established Retail Guide** means the same retail value guide that was used in determining the retail value of the **covered collateral** as of the date of loan or lease inception, such as NADA Retail Automobile Guide.
6. **Installment Loan Contract Net Balance** (hereinafter "**balance**") shall mean a monetary amount owed to the **Lender** by **you** as of the date of loss or loan payoff of the outstanding loan balance amortized at the loan term, but such amounts shall not exceed the maximum benefit limit percentage stated in item #3 on page 1 of this Agreement, as of the date of the **Installment Loan Contract**.
7. **Actual Cash Value** shall mean:
 - a) the value of the **covered collateral** determined by **your** primary insurer via **total loss** payment; or
 - b) if at the time of loss there is no primary insurance in force for the **covered collateral**, **Actual Cash Value** shall be the amount **we** have determined by **Established Retail Guide** based on the best available information substantiating the retail value of the **covered collateral** as of the date of **total loss**.

II. Agreement:

1. If the **covered collateral** is declared a **total loss** within the term as listed on page 1 of this Agreement, the amount waived shall be the difference between (a) the **balance** which remains payable with respect to the involved **Installment Loan Contract** and (b) the **Actual Cash Value** of the **covered collateral**, with such difference then reduced by (c) the sum of any delinquent payments, all past due charges, late payment charges, loan extensions, sales tax, any proceeds that may be recovered by insurance coverages, service contracts, extended warranties or similar items, any collection fees, early termination fees, any charges that may have been added to the outstanding **balance** after the inception of the **Installment Loan Contract**, unearned interest, and any primary insurance deductible(s) assessed over the amount shown in item #2 of the GAP WAIVER AGREEMENT LIMITS listed page 1 of this Agreement at the time of such loss, provided all of the following conditions have been met:
 - a) **You** must report the total loss if the loss is the result of theft, to law enforcement authorities within forty-eight (48) hours of knowledge of the theft;
 - b) **You** must report **total loss** to **your** primary insurance carrier within five (5) days of knowledge of the **loss**, and;
 - c) **You** must provide proof of loss including such documents as **we** may require to Administrator within a reasonable period of time, usually within thirty (30) days of the date of settlement by the Primary Carrier.
2. **Replacement Vehicle Benefit: In the event of a paid claim, you will be eligible to receive the Replacement Vehicle Benefit if an amount is stated in item #4 on page 1 of this Agreement. In order to receive this benefit, you must purchase or lease within three (3) months from the date the GAP Waiver Agreement claim is paid. Upon receipt of proof of "delivery", the Replacement Vehicle Benefit will be made payable to you and the lender as a co-payee.**

III. Agreement Limitations:

1. Any loss other than **total loss**, and any loss which is due to any fraudulent, deceptive, illegal, or criminal act by **You**, whether acting alone or in collusion with others, is specifically excluded.
2. This Agreement is for the sole benefit of the borrower as described on page 1 of this Agreement, and may not be assigned or transferred to another person, is not renewable, and is cancelable as provided for on page 1 of this Agreement.
3. Any loss resulting from **total loss** to the **covered collateral**, 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 are specifically excluded.
4. Any loss resulting from **total loss** to the **covered collateral** caused by or resulting from any of the following causes are specifically excluded:
 - a) hostile or warlike action in time of peace or war, including action in hindering, combating, or defending against actual, impending or expected attack;
 - b) any weapon of war employing atomic fission or radioactive force, whether in time of peace or war;
 - c) 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; or
 - d) occurring after **covered Collateral** has been repossessed or placed in repossession.
5. Maximum Limits/Term: **Installment Loan Contract** which exceeds the GAP WAIVER AGREEMENT LIMITS listed in items #1 and #5 on page 1 of this Agreement is not eligible for the GAP Waiver Agreement.
6. Any used collateral not listed in the then current **Established Retail Guide** at the time of financing is not eligible for this GAP Waiver Agreement.
7. All coverage terminates at the end of the **Installment Loan Contract** term with respect to each **covered collateral**, but not to exceed the GAP WAIVER AGREEMENT LIMITS #1, or under any of the following conditions:
 - a) payment of a loss under this Agreement;
 - b) early **Installment Loan Contract** payoff;
 - c) sale or transfer of the **covered collateral** or;
 - d) date of repossession of the **covered collateral**.

IV. Termination Provisions:

The GAP Waiver charge is fully earned and non-refundable after thirty (30) days from inception.

V. Settlement Requirements:

All settlements must be reported in accordance with Section II above to the Administrator.

If you require additional information or have any questions concerning these terms and conditions, please call or write Administrator at the address listed.