

## **WAIVER AGREEMENT**

Although the Debtor/Lessee is not required to do so, the Debtor/Lessee and Lender/Lessor hereby agree to amend the early termination provisions of the Loan/Lease Agreement for the above referenced vehicle/equipment dated the date hereof.

### **SECTION "A" — DOWNPAYMENT**

Under the terms of such Loan/Lease Agreement, as amended by this Waiver Agreement, if such financed/leased vehicle/equipment is deemed a "Total Loss"/"Total Write-Off" by the Debtor's/Lessee's Primary Automobile Insurer (providing the vehicle/equipment physical damage insurance which the Debtor/Lessee is required to maintain at all times under the terms of such Loan/Lease Agreement), the Lender/Lessor shall apply a credit equal to the down payment paid on such vehicle/equipment towards the purchase of another vehicle/equipment, provided that the replacement vehicle/equipment is arranged through the Lender/Lessor, or as agreed to in writing by the Administrator. This credit will only be applied in the first thirty six (36) months of the Loan/Lease Agreement as follows:

1. During the first twelve (12) months of the Loan/Lease Agreement: 100% of the down payment (as indicated in the Schedule of this Waiver Agreement) applied to the purchase of such vehicle/equipment covered by this Waiver Agreement to a maximum of \$30,000 (thirty thousand dollars).
2. During the second twelve (12) months of the Loan/Lease Agreement: 75% of the down payment (as indicated in the Schedule of this Waiver Agreement) applied to the purchase of such vehicle/equipment covered by this Waiver Agreement to a maximum of \$22,500 (twenty two thousand five hundred dollars).
3. During the third twelve (12) months of the Loan/Lease Agreement: 50% of the down payment (as indicated in the Schedule of this Waiver Agreement) applied to the purchase of such vehicle/equipment covered by this Waiver Agreement to a maximum of \$15,000 (fifteen thousand dollars).

The maximum credit to be applied is limited to the lesser of:

- A. The down payment applied to the purchase of such vehicle/equipment to a maximum as stipulated in 1., 2. and 3. above or
- B. The difference between the original purchase price of such vehicle /equipment including all applicable taxes and the Debtor/Lessee's physical damage insurance company total loss settlement.

### **SECTION "B" — GAP**

Under the terms of such Loan/Lease Agreement, as amended by this Waiver Agreement, if such financed/leased vehicle/equipment is deemed a "Total Loss"/"Total Write-Off" by the Debtor's/Lessee's Primary Automobile Insurer (providing the vehicle/equipment physical damage insurance which the Debtor/Lessee is required to maintain at all times under the terms of such Loan/Lease Agreement), the Debtor's/Lessee's maximum liability to the Lender/Lessor under such Loan/Lease Agreement shall be the "Actual Cash Value" of the vehicle/equipment as defined below, plus any delinquent payments and all past due charges at the time of such loss. The Debtor/Lessee will be entitled to reimbursement, to a maximum of \$5,000 (five thousand dollars), of the physical damage deductible paid by the Debtor/Lessee under the vehicle/equipment physical damage insurance (which the Debtor/Lessee is required to maintain at all times under the terms of such Loan/Lease Agreement).

The final settlement amount will be the difference between the ACV, plus any delinquent and past due charges, and the discounted value of the remaining payments as stipulated in the loan/lease agreement. Where no discount is provided for in the loan/lease contract Synergy reserves the right to discount the remaining payments using the lease rate or loan interest rate used on the effective date of the loan /lease contract.

"Total Loss"/"Total Write-Off" are understood as being when the vehicle/equipment is stolen and not recovered within 20 days from the date of disappearance or when the cost of repair exceeds the "Actual Cash Value" of the vehicle/equipment as defined below.

“Actual Cash Value” (ACV) means the greater value of the vehicle/equipment as set by the physical damage insurance adjuster or the “Retail” value as per the Canadian Black Book Wholesale/Retail Market Guide, published by Wm. Ward Publishing Ltd. for the month in which the vehicle was written-off, where applicable, or failing the latter, the value as determined by an independent appraiser approved by the administrator.

## **GENERAL CONDITIONS**

All proceeds that the Debtor/Lessee may recover or be entitled to recover from GST and/or HST rebates on the purchase of the vehicle/equipment or from the cancellation of any items such as warranties, service contracts, credit life and/or disability insurance that were included in the Loan/Lease Agreement will be paid directly to the Lending Institution/Leasing Company indicated in the Schedule of this Waiver Agreement, in order to determine the remaining balance on the loan/lease.

It is understood that such vehicle/equipment shall be replaced within a six (6) month period from the date of the “Total Loss”/ “Total Write-Off” in order to qualify for the Down Payment and/or Deductible section(s) of this Waiver Agreement. In the event the Debtor/Lessee sustains personal injury directly related to the “Total Loss”/ “Total Write-Off”, such period may be extended by up to an additional three (3) months by the Administrator.

This Waiver Agreement is NOT transferable to another vehicle/equipment or person or corporate entity. This Waiver Agreement does NOT have any value OTHER THAN when this Waiver Agreement is redeemed (subject to the conditions listed herein) by the Lender/Lessor, or the Lender’s/Lessor’s nominee or as agreed to in writing by the Administrator.

The Debtor/Lessee has thirty (30) days from the effective date of this agreement to cancel the agreement. Cancellation requests must be received in writing by Synergy at the address below. A full refund of all waiver fees received will be sent to the Financial Institution/Leasing Company provided no claim has been or will be submitted.

Assignment of such Loan/Lease Agreement by the Lender/Lessor shall not in any way affect the amendment of such Loan/Lease Agreement provided for in this Waiver Agreement.

The Debtor/Lessee is required to maintain a primary insurance policy and will lose all the benefits under the Waiver Agreement if they fail to maintain the required physical damage coverage. The Waiver Agreement will never act as primary automobile physical damage insurance. This Waiver Agreement is only valid for losses occurring within Canada, the continental United States and Mexico. All currency referred to herein shall be in Canadian dollars.

## **EXCLUSIONS**

This Waiver Agreement does not provide coverage for:

1. Any “Total Loss”/“Total Write-Off” of the vehicle/equipment directly or indirectly caused by the Waiver Agreement holder or any individual with permission to possess the covered vehicle/equipment while committing or attempting to commit a criminal act or if the operator of the vehicle was impaired at the time of the accident.
2. Automobiles.
3. Vehicles/equipment for public use such as police cars, taxis, limousines, courier or similar delivery vehicles, buses.
4. Vehicles/equipment used by government or municipal services.
5. Vehicles/equipment for which the amount to finance/lease exceeded \$250,000 (two hundred and fifty thousand dollars).
6. Exhibition or racing vehicles.
7. Short term rental vehicles.
8. Light vans other than original manufacturer’s models with standard equipment.
9. Motorhomes or RV vehicles.

**WAIVER CLAIM PROCEDURES (Section “A” — Down Payment and/or Section “B” — GAP)**

At the time of early termination of such Loan/Lease Agreement due to the “Total Loss”/“Total Write-Off” of such vehicle/equipment, the Debtor/Lessee shall provide to the Lender/Lessor the following information:

1. Copy of this Waiver Agreement.
2. Copy of Original Bill of Sale for Financed Vehicle/Equipment, copy of original Lease Agreement for Leased Vehicle/Equipment. If part or the entirety of the downpayment on the vehicle/equipment was paid in cash, the dealer may be asked for a bank record of this cash deposit before a claim can be settled
3. If part or the entirety of the down payment on the vehicle/equipment was paid in cash, the dealer may be asked for a bank record of this cash deposit before a claim can be settled.
4. Copy of Vehicle/Equipment Certificate of Primary Automobile Insurance.
5. Copy of the Debtor’s/Lessee’s Primary Automobile Insurer’s total loss settlement statement for such loss. This is the physical damage insurance adjuster’s report detailing components, the cost to repair and should clearly state the physical damage deductible paid by the Debtor/Lessee.
6. Copy of the police report.
7. Copy of Account from the Lending Institution/Leasing Company showing the remaining balance on the loan/lease.
8. Copy of the Automobile Insurer’s actual cash value calculations.
9. A copy of the Bill of Sale for the replacement vehicle/equipment (if applicable).
10. Such other pertinent information as may be required.

The Debtor/Lessee must advise the Administrator of a potential claim no more than 30 days after the potential claim occurred. Any claims reported after this period shall be denied.

**This Waiver Agreement is only available at the time the Loan/Lease is executed.**

This Waiver Agreement is administered by: Synergy Automotive Protection Corp. 10203-178th Street, Edmonton, Alberta T5S 1M3 • Tel: 1-800-561-4272