

Damage Waiver Addendum

Acknowledgement: Customer represents that all authorized users of the rental equipment on this account are experienced and knowledgeable about proper operation of this equipment and they will review the operator's manual for each rental item. Customer acknowledges the potential for personal injury and / or property damage arising from improper use of this equipment and will cause all authorized users to adhere to all warning labels on the equipment and follow safety and operating instructions in the operator's manual.

Assumption of Liability: As provided in the Bobcat rental contract, Customer is fully responsible for all damage, destruction or loss of rental equipment once placed in the Customer's possession until returned to Bobcat's premises. Customer agrees to pay Bobcat of Knoxville / Chattanooga in cash the full "market value" in the event the equipment is lost, damaged or destroyed regardless of how or why such loss or damage occurs. Full "market value" shall be determined by Bobcat of Knoxville / Chattanooga. (See Terms and Conditions on Rental Contract.) The Customer also agrees to assume full responsibility for all personal injuries or property damage resulting from Customer's use and or possession of the equipment and to defend, indemnify and hold Bobcat of Knoxville/Chattanooga harmless for any liability (including attorney fees and expenses) for any such personal injuries and property damage.

Damage Waiver: The damage waiver (DW) as offered by Bobcat of Knoxville/Chattanooga is *not* insurance but will, for a fee of 10% of rental rate, waive all claims against you (the Customer) for the first \$500 of uninsured damage to the rental equipment (excluding waiver exceptions listed below). The Customer is to pay the second \$500 of damage. For all damage or loss over \$1000 the Customer remains responsible and will pay 50% of repair or replacement costs up to \$12,000. The DW is not applicable to damages in excess of \$12,000 and Customer shall pay 100% of repair or replacement costs in excess of \$12,000 up to the full "market value" of the rental equipment as determined by Bobcat of Knoxville / Chattanooga. The Damage Waiver only applies to uninsured loss or damage to the rental equipment and does not release or diminish Customers obligations to insure the equipment.

Waiver Exceptions: Notwithstanding the foregoing, the Customer shall remain fully liable for all loss or damage to the rental equipment resulting from :

- A) Abuse, misuse, overloading, or exceeding the rated capacity of equipment.
- B) Improper servicing or neglect to service equipment.
- C) Sinking or submersion of equipment in mud or water.
- D) Striking overhead objects or use of equipment in demolition activities.
- E) Collision, overturning, upset or roll over occurring during loading, unloading, or transporting
- F) Vandalism, malicious mischief, disappearance, theft or conversion of equipment. Customer must report all such occurrences within 24 hours to the proper public authorities and to Bobcat of Knoxville/ Chattanooga..
- G) Use of the equipment by non-authorized or non-qualified operators.
- H) Exposure to radioactivity or any other hazardous materials.
- I) Tire or track damage from improper inspection of work site for nails, rebar, rocks, or other sharp-edged objects, or track roll-off from improper operation or adjustment.
- J) Use or operation of the equipment in violation of any law or ordinance.
- K) Failure of Customer to comply with any terms or conditions of the rental agreement.

Subrogation: In the event of any loss or damage to the rental equipment, Bobcat of Knoxville / Chattanooga will be subrogated to any right of the Customer against any person, firm or corporation and / or Customer agrees to cooperate fully with Bobcat of Knoxville/Chattanooga to ensure(s) the prosecution of those rights and will neither take nor permit any action to prejudice the rights of Bobcat of Knoxville/Chattanooga's or its insurer(s) with respect thereto. Customer continues to be liable for all lost rental time penalties until equipment repair bill and/or deductible is paid in full.