

DAMAGE WAIVER ADDENDUM

THE FOLLOWING TERMS AND CONDITIONS APPLY TO ALL DAMAGE WAIVERS PROVIDED TO CUSTOMERS ("LESSEES") OF MIKERENTALS, INC. (HEREINAFTER, "MRI," "WE," "US" AND "OUR")

You, the "Customer" or "Lessee," are responsible for protecting all items rented to you (hereinafter, "Rented Item(s)") by MRI under the terms of your Rental Contract from any and all loss, theft, damage, and destruction. Except as provided below, if any Rented Item(s) is/are lost, stolen, damaged or destroyed during your rental, you will be responsible to MRI for all costs associated with repairing, restoring and/or replacing such Rented Item(s). You may also be responsible to MRI for additional charges during the period required to repair, restore or replace any Rented Item(s) which is/are lost, damaged or destroyed, and/or the loss in value of such Rented Item(s). If: (a) we make our Optional Damage Waiver available, and (b) you (i) accept it (as provided below), and (ii) fully and timely pay to MRI the non-refundable Damage Waiver Fee reflected in your Rental Contract prior to commencement of your rental, then to the extent set forth below, MRI agrees to waive certain claims against you arising from physical damage to any Rented Item(s) covered by Damage Waiver (hereinafter, "Covered Item(s)"), subject to the remaining terms hereof. **You will otherwise remain liable for 100% of all loss, theft, and damage to or destruction of the Rented Item(s).**

DAMAGE WAIVER IS OPTIONAL AND MAY BE DECLINED IF YOU PROVIDE TO MRI PROOF OF THE INSURANCE REQUIRED UNDER SECTION 12 OF YOUR RENTAL CONTRACT PRIOR TO COMMENCEMENT OF YOUR RENTAL.

This Damage Waiver is a *partial waiver of our claims for physical damage to or destruction of only Covered Item(s).* **IT IS NOT INSURANCE, NOR IS IT A WARRANTY.** If Damage Waiver has been offered by MRI and you have paid the Non-Refundable Damage Waiver Fee set forth on Page 1 of your Rental Contract, then subject to the remaining terms hereof, including without limitation the "Exceptions and Exclusions" set forth below. MRI will waive its right to recover from you 80% of its cost(s) (hereinafter, "Repair/Replacement Costs") to repair or replace Covered Item(s) which suffer physical damage of up to \$10,000 during the rental "Term" set forth in your Rental Contract (the "Term"); *provided however,* that: (a) you will remain liable to MRI for: (i) a "deductible" equal to 20% of such Repair/Replacement Costs, and (ii) all Repair/Replacement costs which exceed \$10,000 in the aggregate across all Covered Item(s); (b) you must notify MRI in writing of any accident, loss, damage to, or destruction of Covered Item(s) within 24 hours thereafter; (c) you must provide MRI with documentary evidence of the nature and cause(s) thereof; (d) you must return the subject Covered Item(s) to MRI, unless we elect to forego such return (in our sole discretion); and (e) you must continue to comply fully with the terms of your Rental Contract, by among other things, fully and timely paying all amounts due and coming due to MRI.

Exceptions and Exclusions: The foregoing notwithstanding, **the following are NOT COVERED under the Damage Waiver, and you, the "Customer" or "Lessee," will remain 100% liable for:**

- (a) **Item(s) Not Covered:** (I) All glass, tires, tracks, belts, chains, knobs and hoses in or on any Rented Item(s); (II) any Rented Item(s) with respect to which you do not pay the Damage Waiver Fee (as provided on Page 1 of your Rental Contract); and (III) any and all loss, damage and/or destruction exceeding \$10,000 in the aggregate across all Covered Items;
- (b) **Deductible:** The "deductible" described above;
- (c) **Violations / Breaches:** Loss of or damage to Covered Item(s) due to violation by you, your agents, employees or contractors, of the terms of your Rental Contract, any applicable laws, rules, regulations, policy(ies) of insurance, and/or any "Instructions" as defined in your Rental Contract (including without limitation, instructions regarding proper use, maintenance, storage and servicing, as well as EPA Tier 4 compliance), specifications and/or warnings provided by MRI, the owner(s) and/or the manufacturer(s) of such Rented Item(s);
- (d) **Misuse, Abuse, Neglect:** Loss of or damage to Covered Item(s) due to intentional abuse, improper use, negligence, willful misconduct, neglect, overloading, overturning, striking overhead objects, and/or exceeding the rated capacity(ies) of such Item(s);
- (e) **Failure to Return / Criminal Activities:** (I) Any failure to return Covered Item(s) to MRI (including without limitation, loss, theft and disappearance), and (II) criminal, fraudulent, dishonest and/or illegal act(s) or omission(s);
- (f) **Maintenance Failures:** Damage to or destruction of Covered Item(s) resulting from any failure to properly service and/or maintain such Covered Item(s) (including without limitation, failure to maintain proper pressure levels or proper levels of air, water, or manufacturer-approved oil, fuel, lubricants, hydraulic fluid, diesel exhaust fluid, brake fluid and/or coolant);
- (g) **Protection/Security:** Loss of or damage to any Covered Item due to failure to secure and/or protect it (e.g., by leaving it in an unprotected area, leaving it unlocked or with the keys in the ignition, etc.);
- (h) **Use of Drugs / Alcohol:** Damage, destruction or loss of or to any Covered Item resulting from or in connection with the use of alcohol or drugs by you or anyone employed or engaged by you, or anyone you permit to use or otherwise deal with any Rented Item(s);
- (i) **Governmental Authority / War / Terrorism:** Damage, destruction or loss of or to any Covered Item resulting from or in connection with: (I) action(s) or inaction(s) of any governmental or other civil authority; and/or (II) act(s) of war and/or terrorism;
- (j) **Transportation:** Damage, destruction or loss of or to any Covered Item during transportation; and
- (k) **Hazmat / Contamination:** Loss of or damage to any Covered Item resulting from: (I) its exposure to hazardous, explosive, combustible, radioactive, toxic, corrosive or noxious materials or substances; (II) nuclear hazard; (III) temperature/humidity; and/or (IV) contamination, including mold, mildew, rust, rot and/or exposure to pollutants and/or contaminants.

This Addendum shall be deemed to modify and supplement, and shall be deemed incorporated into and become a part of your Rental Contract. To the extent any of the terms of this Addendum conflict with the terms of your Rental Contract, the terms of this Addendum shall control. Your Rental Contract shall otherwise remain valid and in full force and effect, and all terms thereof will be deemed incorporated herein.

IMPORTANT: YOU MAY DECLINE DAMAGE WAIVER IF YOU PROVIDE TO MRI PROOF OF THE INSURANCE REQUIRED UNDER SECTION 12 OF YOUR RENTAL CONTRACT PRIOR TO COMMENCEMENT OF YOUR RENTAL. NONETHELESS, NO DAMAGE WAIVER COVERAGE WILL APPLY TO ANY ITEM(S) FOR WHICH YOU DO NOT TIMELY PAY THE APPLICABLE DAMAGE WAIVER FEE.



5. THE VALUE OF DAMAGE WAIVER.

Our Damage Waiver enables you to avoid costly downtime and expensive repairs and/or replacements by:

(a) Covering:

(i) **Repair/Replacement Costs:** The cost of repairing and/or replacing Covered Item(s) which suffer physical damage during your rental (subject to the limitations set forth in Section 6 and the reverse side or Page 1 hereof); AND

(ii) **Rental Charges:** 100% of the Rent that would otherwise be due under your Rental Contract during the period in which the Covered Item(s) is/are being repaired or replaced (as applicable); AND

(iii) **Certain Other Costs:** 100% of the following charges that would normally be due under your Rental Contract: Late Fees, Transportation and Storage Charges, and Interest; AND

(b) **Enabling You to Avoid Costly Insurance Claims and Premium Increases:** Costly insurance premium increases are avoided because customers are not forced to file claims on their own insurance policies (increasing their "loss histories").

6. WHAT IS NOT COVERED?

Following is a summary of what the Damage Waiver will not cover (as more specifically described on the reverse side or Page 1 hereof):

- Any Item(s) with respect to which you do not pay the Damage Waiver Fee prior to commencement of your rental;
- A "deductible" equal to 20% of the total of all "Repair/Replacement Costs" (as defined on the reverse side hereof);
- Repair/replacement costs exceeding \$10,000 in the aggregate across all Covered Items;
- Intentional abuse, improper use, negligence, and neglect;
- Violation of your Rental Contract, applicable laws or any instructions provided by MRI and/or any owner(s) or manufacturer(s) of Covered Item(s);

- Criminal Activities, War and Terrorism;
- Actions of Governmental Authorities;
- Loss, theft, disappearance of, or any other failure to return, any Covered Item(s);
- Maintenance Failure(s), and Damage During Transportation;
- Failure to Secure and Protect Covered Item(s);
- Use of Alcohol and/or Drugs; and
- Exposure to Hazardous Materials, Pollutants and/or Contaminants.

7. HOW DO I USE MY DAMAGE WAIVER?

If a Covered Item is damaged or destroyed (an "Event of Loss") during your rental, you must advise us of the date, time and suspected cause of the Event of Loss in writing within 24 hours. In the event of a reportable accident or vandalism, you must also properly complete and file a police report with local authorities. A copy of the police report must be provided to us within 48 hours after the Event of Loss. You will be 100% responsible for any Event of Loss which is not covered by this Damage Waiver (e.g., for any Rented Item(s) which you elected not to cover and for Covered Item(s) with respect to which any exclusion(s) referenced in this Damage Waiver Guide (including Page 1 hereof) apply(ies)).

8. HOW CAN I AVOID PAYING FOR DAMAGE WAIVER?

Damage Waiver is not mandatory; it is **OPTIONAL**. If you wish to decline Damage Waiver, you must provide us with proof that you have the insurance required under Section 12 of your Rental Contract. **NO DAMAGE WAIVER COVERAGE WILL APPLY TO ANY ITEM(S) FOR WHICH YOU DO NOT PAY THE APPLICABLE DAMAGE WAIVER FEE (WHICH, IF CHARGED, WILL BE SET FORTH IN YOUR RENTAL CONTRACT).**



DAMAGE WAIVER GUIDE

1. YOUR RESPONSIBILITIES.

Rental customers or "lessees" are generally responsible for **ALL COSTS AND EXPENSES ARISING IN CONNECTION WITH ANY LOSS, THEFT, DAMAGE TO OR DESTRUCTION OF RENTED ITEM(S)** regardless of whether the rental customer or lessee was at fault. This can amount to thousands of dollars in additional expense, even for rental customers who maintain insurance (e.g., for deductibles, coverage limits, exclusions, etc.).

2. WHAT IS DAMAGE WAIVER?

MRI's Damage Waiver is an **OPTIONAL** program that **ENABLES OUR CUSTOMERS TO AVOID SUBSTANTIAL EXPOSURE TO MANY CLAIMS** for physical damage to or destruction of "Covered Item(s)" when a covered loss occurs through no fault of the customer.

DAMAGE WAIVER IS NOT INSURANCE, NOR IS IT A WARRANTY.

3. WHAT DOES DAMAGE WAIVER COST?

The fee for our Damage Waiver (if offered) is the percentage (of the Rent) charged for Damage Waiver set forth on Page 1 of your Rental Contract solely with respect to Covered Item(s). No Damage Waiver Fee is applied to purchases, delivery charges, fuel, or tax. All Damage Waiver fees are non-refundable.

4. HOW DOES THE DAMAGE WAIVER WORK, AND WHAT DOES IT COVER?

In exchange for your purchase of Damage Waiver, MRI agrees to waive its claims against you and your company for a portion of the charges identified in Section 5 of this Damage Waiver Guide with respect to Covered Item(s), enabling you to spend your valuable time and money on your business.