

You are renting from:
K&S Music Inc.
 P.O Box 355, 61 Industrial Rd.
 Berkeley Heights., NJ 07922
 Phone:(908)790-0400
 Fax:(908)790-0407

Instrument Rental/ Purchase Agreement

AFFILIATE Mid Peninsula Music Academy
2163 Roosevelt Avenue
Redwood City, CA 94061
650-701-7664

Office Use Only

| STEP 1 | PLEASE CHECK YOUR CHOICE OF INSTRUMENT | 4 Month Rental | Monthly Re-rental |
|-----------------|--|---|---|
| Group A: | <input type="checkbox"/> Flute <input type="checkbox"/> Clarinet <input type="checkbox"/> Trumpet <input type="checkbox"/> Snare Drum Kit <input type="checkbox"/> Bell Kit <input type="checkbox"/> Guitar Violin: <input type="checkbox"/> 1/8 <input type="checkbox"/> 1/4 <input type="checkbox"/> 1/2 <input type="checkbox"/> 3/4 <input type="checkbox"/> 4/4 Viola: <input type="checkbox"/> 11" <input type="checkbox"/> 12" <input type="checkbox"/> 13" <input type="checkbox"/> 14" <input type="checkbox"/> 15" <input type="checkbox"/> 15½" <input type="checkbox"/> 16" <input type="checkbox"/> 16½" | \$ 75.00 Tax <u>7.31</u> \$ 82.31 | \$ 25.50 Tax <u>2.49</u> \$ 27.99 |
| Group B: | <input type="checkbox"/> Trombone | \$ 85.00 Tax <u>8.29</u> \$ 93.29 | \$ 25.50 Tax: <u>2.49</u> \$ 27.99 |
| Group C: | <input type="checkbox"/> Electric Bass Guitar <input type="checkbox"/> Electric Guitar <input type="checkbox"/> Amplifier <input type="checkbox"/> Alto Saxophone <input type="checkbox"/> Piccolo <input type="checkbox"/> Oboe | \$139.00 Tax <u>13.55</u> \$152.55 | \$ 42.50 Tax: <u>4.14</u> \$ 46.64 |
| Group D: | <input type="checkbox"/> Accordion <input type="checkbox"/> Soprano Saxophone <input type="checkbox"/> Tenor Saxophone <input type="checkbox"/> French Horn <input type="checkbox"/> Baritone Horn _____ size | \$159.00 Tax <u>15.50</u> \$174.50 | \$ 64.00 Tax: <u>6.24</u> \$ 70.24 |
| Group E: | <input type="checkbox"/> Bass Clarinet <input type="checkbox"/> Baritone Saxophone <input type="checkbox"/> String Bass <input type="checkbox"/> Tuba Cello: <input type="checkbox"/> 1/8 <input type="checkbox"/> 1/4 <input type="checkbox"/> 1/2 <input type="checkbox"/> 3/4 <input type="checkbox"/> 4/4 | Call for Price | Call for Price |

Instruments are covered for normal wear & tear. Instruments will be replaced in case of theft or fire for a one time fee. The cost of this insurance is included in the monthly payment listed above. **Please see reverse side for additional information & limitations under "Insurance Information"*
All prices include a monthly service charge as follows:
 Group A:\$6.00 Group B:\$7.00 Group C:\$8.00 Group D:\$9.00 Group E:\$10.00

No refunds for early returns. **After initial rental you have the following options:**
 1) continue to rent the instrument on a continuous monthly basis accumulating money toward the rent-to-own price
 2) purchase the instrument in one payment at any time and receive a discount
 3) return the instrument at any time (see conditions on reverse side.) *No refunds for early returns*

STEP 2 Complete Customer and Credit Card Information and Return Signed Form with Payment to K&S Music

Name of Lessee/ (Print) _____
 *Must be over 18 to complete agreement _____

Address _____ City/State/Zip _____

Home Phone #() _____ Cell#() _____

Lessee/ e-mail address _____

To receive an instrument: Lessee Social Security# or Date of Birth is required

Lessee SSN# _____ OR Lessee Date of Birth _____

Lessee Employer _____ Employer Phone# _____

Spouse Employer _____ Employer Phone# _____

Student Name _____ Grade _____ School _____ City _____

STEP 3 Credit or Debit Card Required for Rental (even if paying by check)
 (Short term rentals – credit card on file will be charged monthly for re-rental payments)

Mastercard Visa Discover Amex

Card # _____

Expiration Date _____ Security Code _____

Name on Card (please print) _____

Signature of Card Holder _____ Date _____

K&S Office Use Only

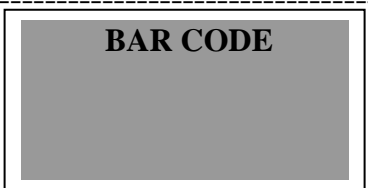
Dealer Code: -687- 9.75% - 2020

TOTAL ENCLOSED \$ _____

Please do not sign this contract before you have read the entire contract including any writing on the reverse side. By signing this contract, lessee allows K&S Music to charge any active credit card on file for any past due amounts. Please retain a copy of this contract. You are entitled to a copy of this contract at the time you sign. You will not receive an instrument until this agreement has been filled out completely.

Lessee Signature X _____ Date _____
 (Note: Lessee must be over 18)

INSTRUMENT _____ MODEL _____
 LIST PRICE \$ _____ SERIAL # _____



1. This contract is made on the date of this signed document between K&S Music Inc. of, 61 Industrial Rd., PO Box 355, Berkeley Heights, NJ 07922, a corporation called "Lessor" or "we" or "us" and herein called "Lessee" or "You". Please refer to this contract for any additional information pertaining to early termination, purchase options, maintenance responsibilities, warranties, late and default charges. In exchange for the payment you make, we agree to lease you the instrument according to the terms of this rental agreement.

RENTAL PAYMENTS

2. You agree to make all rental payments in advance of each rental period. These payments are not contingent on practice and lesson schedules. We will consider as delinquent all payments that are received on the 10th day as past due and you will incur an \$8.50 late fee per month. You will receive notification of your options when your trial rental period is concluded. All rental payments (not including monthly service charge, tax & late fees if applicable) will be applied toward the purchase of your instrument if rented on a continuous monthly basis. Rental payments are not pro-rated. There will be a \$40 fee for all returned checks. You are responsible for your monthly payments even if you do not receive a bill. Errors in the billing process and with the postal service may occur.

AFTER THE TRIAL RENTAL PERIOD

3. You have the following options: (1) Continue renting the instrument by making monthly re-rental payments on or before the end of the initial trial period (2) Purchase the instrument you are renting for a discounted price, see purchase information (3) Return the instrument in good condition by end of initial trial period due date or you will be billed the monthly re-rental rate set forth on the front of this agreement. The initial trial rental cannot be extended or renewed.

INSURANCE INFORMATION

4. We will insure against loss or damage to the instrument caused by fire or theft except when fire or theft was occasioned by your negligence. If the loss occurred as a result of having left the instrument on school grounds (i.e. bus stop, playground, etc.) we will consider that to be a negligent loss and we will not provide coverage. If instrument is stolen, notification of theft must be made to police and K & S Music Inc. within 72 hours of occurrence or coverage will be void and customer will be responsible for all costs. A police report is required. Your maximum liability in the event of an insured loss will be a \$150. Insurance for fire or theft is not applicable for bass clarinet, bassoon, bari sax, barimba, tuba, double french horn, string bass, intermediate and professional instruments.

REPAIRS

5. All repairs must be done only by K&S Music. You will have sole responsibility to pay for the cost of repair if there is damage resulting from your negligence or your failure to properly care for your instrument. Coverage excluded for: reeds, mouthpieces, valve or slide oil, strings, bridge or bow.

STRING INSTRUMENT RENTALS

6. Smaller string instruments (excluding guitars) are traded up to larger ones as a child grows. Most smaller instruments are not the one a customer will eventually purchase. All rental payments (not including monthly service charge, tax & late fees if applicable) will go toward a full-size string instrument.

SWITCHING TO A DIFFERENT TYPE OF INSTRUMENT

7. If you decide to switch instruments, you will be charged a \$25 administrative fee. This will not be applied to the purchase price. No fee will be charged for adjusting violin, viola, cello and string bass sizes resulting from student growth. If an instrument is exchanged, purchase information may change. Contact K&S for updated purchase information.

PURCHASE INFORMATION

8. The instrument shall remain ours until it has been paid for in full. You may have the option to purchase the instrument at any time during the lease (if you are not in default of this contract). If you exercise this option, the price you pay will be the list price of the instrument and you will receive credit for the total of your monthly payments (not including monthly service charge, tax & late fees if applicable.) Once your monthly payment (not including monthly service charge, tax & late fees if applicable) equals the list price, you will gain title of the instrument and our mutual obligations under this agreement will cease. You are entitled to **50 % discount off the unpaid balance** if you purchase the instrument outright during the first year of rental with the exception of intermediate and professional instruments. You are entitled to a 25% discount off the unpaid balance thereafter before the expiration of the rental with the exception of intermediate and professional instruments. Purchase must be made in 1 payment. **Please call K&S Music to find out information about your discount.**

WARRANTY INFORMATION

9. You are entitled to a 90-day warranty from the date of purchase. Warranty does not cover damage caused by negligent handling, maintenance, or care for instrument. Warranty is not available for any intermediate or professional instruments, along with any string instruments, including guitars, keyboards, amplifiers, barimba, snare and bell kits.

RETURNING YOUR INSTRUMENT

10. You may return the instrument at any time to terminate this agreement. There are no refunds for early returns. You must return the instrument to the store where the contract was signed. You must ask for and retain a receipt for the return. If the instrument is damaged or defective when returned, you may have to pay additional fees for repair. When instrument is returned, you must pay any outstanding amounts. If instrument is returned, all monies toward the purchase of the instrument will be forfeited. If the store you rented from is no longer in business, it is your responsibility to contact K&S Music regarding return instructions.

CREDIT CARD AUTHORIZATION

11. By signing this contract, Lessee hereby authorizes K&S Music to charge any active credit card on file for any past due payments. If renters check is returned unpaid, renter hereby authorizes his/her credit card to be charged for both check amount and returned check fees. Credit card chargeback fee is \$40.00. If paying with a credit card, you authorize K&S Music to add on a credit card processing fee at our option. It is Lessee's responsibility to notify K&S Music of any credit card change.

AUTOPAY

12. By initializing the autopay box on the front side, Lessee authorizes the automatic debiting of the credit card on file for monthly payments under this agreement (with the exception of monthly contracts where lessee is authorizing K&S Music to take the payments out automatically.) It is the Lessee's responsibility to notify K&S Music of any credit card change or return of instrument.

INFORMATION ON BREACH OF THIS AGREEMENT

13. If you are in default of this agreement your reeage and all future payments shall immediately become due. You will be in default of this contract if: A (1) You fail to make a timely payment to K&S Music Inc. (2) Your check is non-collectible, (3) You fail to notify K&S Music Inc. of a change in your address, phone number and e-mail address in writing (4) You damage the instrument through negligence or fail to properly care for it (5) You lose the instrument including fire or theft (6) You fail to return the instrument. (7) You allow anyone other than K&S Music Inc. to service the instrument. (8) You sell, assign, or attempt to sell or assign instrument (9) You declare bankruptcy. B If you are in default of this agreement, we may terminate this agreement with you. If you owe us money that has remained unpaid for more than 30 days, and we send this obligation to collection, all payments along with third party debt collection fees, administrative collection fees, all other court costs and legal fees associated with these actions will be due. If you are still in the possession of the instrument at the time you are sent to collection you will be responsible for the price of the instrument plus all costs including the collection and legal fees associated with these actions, a 30% third party debt collection fee, \$40.00 return instrument fee, \$15.00 administrative collection fee plus other court costs and legal fees associated with these actions. We reserve the right to report your credit and payment history to any of the credit reporting agencies at our option.

14. We reserve the right to make corrections which might be necessary due to mathematical errors caused by our systems or staff. You are entitled to a full accounting at any time upon request.

15. E-MAIL OPT-IN: By supplying us with your e-mail address, you have agreed to receive promotional messages, along with any account/billing information, helpful instrumental tips and valuable coupons via e-mail. Your information is always kept confidential. We do not sell or share this information.

16. Disclosures available upon request: **BELOW ARE THE APPROXIMATE LIST PRICE RANGES FOR STUDENT RENTAL INSTRUMENTS (PRICES ARE DEPENDENT ON BRAND, MODEL, CONDITION, AND AVAILABILITY, EXCLUSIVE OF TAX, SERVICE CHARGE, AND LATE FEES IF APPLICABLE.) PRICES SUBJECT TO CHANGE AT ANY TIME.**

| | | | | |
|-----------------------------------|---------------------------------|-----------------------------------|--------------------------------------|------------------------------------|
| FLUTE \$700.00 - \$2065.00 | CLARINET \$645.00-\$1475.00 | ALTO SAX \$1260.00 - \$2055.00 | TENOR SAX \$1500.00 - \$2150.00 | TRUMPET \$800.00 - \$1495.00 |
| TROMBONE: \$700.00 - \$1795.00 | OBOE \$1800.00-\$2910.00 | PICCOLO \$800.00 - \$1400.00 | VIOLIN \$400.00 - \$1495.00 | VIOLA \$400.00 - \$1495.00 |
| CELLO \$750.00 - \$2400.00 | DRUM KIT \$300.00 - \$450.00 | BELL KIT \$350.00 - \$500.00 | FRENCH HORN \$1600.00 - \$3170.00 | EUPHONIUM \$1500.00 - \$2200.00 |