

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 must notify us in writing within 30 days of the expiration of the trial rental period if you wish to discontinue your rental of the instrument. If you keep your instrument and do not notify us, you will be billed the monthly re-rental rate set forth on the front of this agreement.

DEPOSITS

4. You are required to pay a deposit fee if noted on the front of this agreement. It is a security deposit and will be refunded to you when the instrument is returned without damage except for normal wear and tear.

INSURANCE INFORMATION

5. 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.

REPAIRS

6. 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

7. 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

8. 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

9. 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. You are entitled to a 25% discount off the unpaid balance thereafter before the expiration of the rental. Purchase must be made in 1 payment. **Please call K&S Music to find out information about your discount.**

WARRANTY INFORMATION

10. 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 string instruments, guitars, keyboards, amplifiers, snare and bell kits.

RETURNING YOUR INSTRUMENT

11. 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.

CREDIT CARD AUTHORIZATION

12. If lessee is more than 45 days late in paying any sums due under this agreement, Lessee hereby authorizes K&S Music to charge the credit card given at time of rental for payment of any sums due under this agreement. 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.

AUTOPAY

13. By initializing the autopay box on the front side, Lessee authorizes the automatic debiting of credit card shown on the front for monthly payments under this agreement. 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

14. If you are in default of this agreement your reorage 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 or phone number 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 45 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, \$15.00 administrative collection fee plus other court costs and legal fees associated with these actions. Return of the instrument as credit toward this obligation will no longer be accepted. We reserve the right to report your credit and payment history to any of the credit reporting agencies at our option.

15. 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.

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

17. 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 - \$1075.00	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