

This **Rent to Purchase Agreement** (this “**Agreement**”) is a binding legal agreement entered into as of the date indicated with your signature below between **School Music Specialists, Inc. dba K&C Music** (“**K&C Music**,” “**we**,” “**us**,” and “**our**”) and the individual identified on the signature page below (“**you**” and “**your**”). Any reference to the “**instrument**” means the instrument plus all accessories included with the instrument.

RENT TO PURCHASE: By entering into this Agreement, you indicate that your intention is to rent the instrument identified below from us and to pay the monthly (or annual) rental fees (and any other applicable fees or charges) until: (1) you have made all necessary payments to acquire ownership of the instrument, (2) you exercise the early purchase option to acquire ownership of the instrument, or (3) the Agreement is otherwise terminated and you return the instrument to us.

You may return the instrument at any time. You are under no obligation to renew this Agreement, continue to rent the instrument, or purchase the instrument.

1. PAYMENTS:

- (a) The term of this Agreement shall be month-to-month (or year-to-year), automatically renewing when you make the required monthly (or annual) rental payment. You are required to keep a valid credit/debit card on file while in possession of the instrument.
- (b) After the first monthly (or annual) payment, all future monthly (or annual) payments plus applicable state sales and use taxes, are each due on the same day of the month (or year) thereafter.
- (c) Payments will continue to be charged to your card until the agreement is cancelled, payments have reached the agreed upon purchase price, or you have exercised your early purchase option.
- (d) The total of payments needed to acquire ownership of the instrument does NOT include other fees or charges you may incur, such as late payment fees, which are explained in this agreement.

2. TITLE TO INSTRUMENT: Unless and until you have made all necessary payments, you do not own the instrument. **We are and shall remain the owner of the instrument at all times until you have paid all amounts necessary to acquire ownership of the instrument or you have exercised your early purchase option.** If you do not renew this Agreement, if you fail to make any payment when due, or if this Agreement is terminated, we have the right to take possession of the instrument, subject to the terms herein. You agree to make the instrument available to us for repossession without delay.

3. RENEWAL: As long as you comply with the terms of this Agreement, you may, but are not obligated to, renew this Agreement by sending or delivering to us the agreed payment before the end of the then-current rental period. If you fail to make any payment when due, you will be in default and we have the right to terminate this Agreement and retake possession of the instrument after sending you a certified letter stating the same, subject to the terms herein.

4. EXCHANGES: As long as you comply with the terms of this Agreement, you may exchange your instrument for another type at any time with no penalty. A new contract will be required, but we will apply your previously received **principal** payments towards your new instrument.

5. ADDITIONAL FEES: You agree to pay to us any of the following fees which may be imposed under this Agreement.

- (a) **LATE PAYMENT FEE:** You agree to pay the late payment fee of \$5 if you fail to make your rental payment within 10 days of the due date and you have not returned the instrument to us.
- (b) **COLLECTION FEES:** You agree to pay all costs of collecting the amount you owe under this Agreement including court costs and reasonable attorney fees.

6. PAYMENT TERMS:

- (a) **PAYMENT METHODS:** You may make payments under this Agreement by credit or debit card. It is your obligation to maintain a valid method of payment on your account at all times. It is also your responsibility to update your contact details to ensure prompt communication in case of any issue.
- (b) **AUTOMATIC CREDIT/DEBIT CARD PAYMENTS:** You authorize K&C Music to automatically charge the credit/debit card on file for monthly (or annual) rental payments on the due date. If the credit/debit card payment does not clear within 10 days of the due date, it will be considered late and a late payment fee of \$5 will be charged. Any late fees that arise under this Agreement may also be charged to the credit/debit card on file. You agree that your failure to inform K&C Music of any changes in credit/debit card number, expiration date, or security code may also result in failure to process your credit card payment, and you will be considered to have failed to make timely payment under this Agreement.
- (c) **DEFAULT:** If you fail to pay any monthly (or annual) payments when due, you will be in default.
- (d) **CREDIT CHECK:** You agree to allow K&C Music to perform a credit check before entering into any rent-to-own purchase agreement.
- (e) **EARLY PURCHASE OPTION:** You may purchase the instrument at a discount and acquire ownership at any time if your account is current which includes all unpaid late fees. The early purchase price will be the current unpaid balance at a 30% discount plus all applicable taxes until the day your instrument is returned.

7. RETURN POLICY:

- (a) **You may return the instrument at any time. You are under no obligation to renew this Agreement, continue to rent the instrument, or purchase the instrument. If you do choose to return this instrument, YOU MUST CONTACT US IN ADVANCE to arrange for us to pick it up from your school, or you may return the instrument directly to the following address:**

K&C Music, 273 Lenox St. Ste 7, Norwood, MA 02062

- (b) **DO NOT LEAVE THE INSTRUMENT AT YOUR SCHOOL WITHOUT FIRST CONTACTING US. PAYMENTS DO NOT**

STOP UNTIL THE INSTRUMENT IS RETURNED TO K&C MUSIC.

- (c) We will notify you upon our receipt of the instrument. Please return the instrument as soon as possible to avoid incurring additional rental costs, as you will be responsible for payment for the next rental period if your returned instrument is not received by us before the beginning of the next rental period. You will also be responsible for any unpaid rental and late fees until the date our instrument is received by our office. **Instruments must be returned with any accessories that were included in the original rental outfit. This includes, without limitation, the case, mouthpiece, ligature, sticks, bows, cleaning rod, and lubricants (as applicable). You will be charged the fair market value of any accessories missing from the case when the instrument is returned.** You must return the instrument in good working order and condition, normal wear and tear excepted. When an instrument is returned it will be inspected for damage.

8. REINSTATEMENT: If you fail to pay any monthly (or annual) rental payments when due, you will be in default, but you can reinstate this Agreement without losing any rights or options you previously acquired under this Agreement:

- (a) If we have not yet requested the return of the instrument and you have not otherwise returned the instrument to us, then you may reinstate this Agreement by paying to us all rental payments, returned payment fees, and late fees then due.
- (b) If you have returned the instrument to us prior to or within 7 days following our request for such return, then you may reinstate this Agreement within 30 days after the date you returned the instrument to us by paying to us all rental payments and late fees then due. Upon reinstatement, we will provide you with the same instrument or an instrument of comparable quality and condition.

If you fail to exercise your reinstatement right as stated above, this Agreement shall be considered terminated, and you shall not be entitled to any credit toward any future purchase of the instrument.

9. MANDATORY LOSS/THEFT DAMAGE WAIVER PLAN (ALSO KNOWN AS “LTD Waiver”, “LTD”)

NOTICE: This contract includes, for an additional charge, a liability damage waiver to cover your responsibility for damage to the property. Your account **MUST** be current in order to maintain the LTD Waiver coverage.

- (a) Our LTD Waiver covers most repairs at no charge to you. In most cases of repair, we will exchange your instrument for a similar quality instrument to minimize disruption. This waiver does not cover regular maintenance, such as cleaning.
- (b) The LTD Waiver does not include damage to finishes, cosmetic damage to cases, case feet, handles, string breakage (after the first 14 days of rentals), reeds, drum sticks and mallets, drums heads, bow hair, rosin, brass and woodwind mouthpiece loss, neck straps, ligature and mouthpiece cap loss, to the extent any of the foregoing is caused by moisture, scratches, mysterious disappearance, vandalism, abandonment of the property, or any other damage intentionally caused by the lessee or that results from the lessee's willful or wanton

misconduct. Mouthpiece and ligature, included with the instrument at the time of rental, are covered upon presentation of the broken part.

- (c) Our Loss/Theft/Damage Waiver Plan also means that you will not be liable for loss of or damage to the instrument due to (i) fire, or (ii) theft, in which case you must provide us with a police report within 72 hours of the loss. **The LTD Waiver does not cover: moisture, scratches, vandalism, abandonment of the property, or mysterious disappearance.** We reserve the right to determine within our reasonable discretion what is a “mysterious disappearance” and to require a police report or other evidence of theft not due to the foregoing exclusions. Additionally, regardless of anything stated in this Agreement otherwise, the LTD Waiver will not cover any damage intentionally caused by you or that results from your willful or wanton misconduct, in which case our standard repair rates apply.
- (e) If you claim a loss of the instrument under the Loss/Theft/Damage Waiver Plan, we will not replace the instrument, and payments made prior to the date of loss are not refundable or transferable. If you claim a loss under the LTD Waiver, you agree that we are subrogated to all of your rights, claims, and remedies due to the loss of the instrument, including, but in no way limited to, your rights or any recoveries under any insurance policies.

10. RESTRICTIONS: You agree that, unless and until you acquire ownership of the instrument, you will not sell, rent, lease, mortgage, pawn, pledge, or otherwise dispose of the instrument to a third party or otherwise encumber the instrument. You agree to keep the instrument in your possession at all times that this Agreement is in effect.

11. TERMINATION: You may terminate this Agreement at any time by returning the instrument to us in accordance with the return policy stated above. Upon termination, you must pay to us all unpaid rental payments, unpaid taxes, and other fees and charges due through the date the instrument is returned to us. We may terminate this Agreement without prior notice to you if you: (i) fail to make any rental payment when due, subject to your late payment and reinstatement rights, or (ii) breach any term of this Agreement. If we terminate this Agreement, you must promptly return the instrument to us in accordance with the return policy.

12. MISCELLANEOUS: All amendments or changes to this Agreement must be in writing and signed by you and us. In the event any provision or part of this Agreement is found to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired by such a finding. No failure or delay of K&C Music in exercising any right, power, or privilege under this Agreement will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power, or privilege under this Agreement. We may sell, transfer, or assign this Agreement. You may not sell, assign, or otherwise transfer any of your rights under this Agreement. This Agreement is governed by and interpreted in accordance with the laws of the Commonwealth of Massachusetts without regard to its conflict of laws principles.

By accepting these terms, you accept and agree to the terms of this Agreement and acknowledge that you have read and fully understand the terms of this Agreement. You also acknowledge that you are responsible for all payments due hereunder.

THREE DAY RIGHT OF RESCISSION

You may cancel this agreement, without penalty or obligation, within THREE BUSINESS DAYS (3) from the date you signed the agreement. If you cancel this agreement within THREE BUSINESS DAYS (3) from the date you signed the agreement, any payments made to K&C Music by you under the agreement shall be returned to you within Ten (10) business days following receipt by K&C Music of your cancellation notice, and any security interest arising out of the transaction will be cancelled.

If you cancel this agreement within THREE BUSINESS DAYS (3) from the date you signed the agreement, you must also return the instrument to K&C Music in the same condition as you received it. Please contact our business office at (781)769-6520 for instructions on where to return the instrument.

To cancel this agreement, you must mail, hand deliver, or fax a signed dated copy of this Notice of Cancellation no later than midnight of the third business day following your execution of this agreement to the following address/fax number:

K & C Music, 273 Lenox Street, Norwood, MA 02062.
Fax (781)769-8827.

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I HEREBY CANCEL THIS AGREEMENT:

Date: _____

Name: _____

Address: _____

City, State, Zip: _____

Phone: _____

Customer's Signature: _____