

## AGREEMENT TERMS

1. **EQUITY CREDIT APPLIED/EXCHANGES** - Customer has the option to payoff or return the instrument at any time.

A. **(BAND INSTRUMENT/LULL SIZED VIOLIN , VIOLAS,& CELLOS)** - One hundred percent (100%) of all rental payments, exclusive of tax and coverage fees, shall accumulate as Equity Credit applied toward purchase of the above mentioned Instrument. The instrument may be exchange for another instrument without penalty during the first six months of rental. After that time an exchange can still be made, but the percentage of the total Equity Credit (from the Agreement date) that will be applied toward the purchase of the exchanged instrument will be reduced to seventy-five percent (75%).

B. **(EQUITY CREDIT/EXCHANGES, (NON-FULL SIZED VIOLINS, VIOLAS & CELLOS)** - fifty percent (50%) of all rental payments, exclusive of tax and coverage fees, shall accumulate as Equity Credit applied towards the purchase of the above mention Instruments. The Instrument may be exchanged for another instrument at any time. All rental instruments remain the property of MH until MH issues a sales receipt for said instrument and payment/funds in full for said instrument are received by MH. Purchase of the Rental Instrument effectively terminates this Agreement. Upon the return of the Rental Instrument all Rental Credit is forfeited.

2. CUSTOMER agrees to pay at time of signing: One (1) payment in the amount of, and subsequent monthly payments as indicated at top of this Agreement, in advance to MH mailing address in Mission Viejo, CA.

3. Payments are to be made payable to THE MUSIC HOUSE and are subject to a \$15 late charge if not received within 14 days (grace period) of due date. Check, Debit or Credit card (CDC) are acceptable forms of payment. RENTER expressly authorizes MH to charge any CDC submitted to satisfy rental payments, instrument repair and purchase balances. If CDC becomes invalid RENTER agrees to immediately provide MH with a new and valid CDC to satisfy amounts owed. No pro-ration of monthly rent on returned rental instruments.

4. RENTER assumes liability for fire, theft, loss and damage to the Rental Instrument until it is returned to MH or its authorized representative. If RENTER elects to purchase Theft and Damage Coverage, RENTER is aware that: (1) there is a \$30 deductible for a Theft or Damage Claim (\$75 deductible Bell Damage Brass Instruments) and (2) coverage is only in effect so long as the rental account is paid up to date at the time of loss or damage.

5. RENTER shall at all times maintain the Rental Instrument in good working order. When returning the Rental Instrument, RENTER shall be responsible for putting the Rental Instrument in as good a condition as when received - reasonable wear and tear excepted. **Final assessment of the returned Rental Instrument's condition is determined by the MH corporate Repair and Restoration Department.**

6. If RENTER fails to make payments on the Rental Instrument or violates any of the other terms of this Agreement RENTER agrees to, within 10 days after written notification by MH at the last known address, return the Rental Instrument and pay all monies due. If RENTER fails to return the Rental Instrument or to pay all monies due, then MH will charge to RENTER'S account a \$60.00 processing fee and assign the account to a collection agency. Should this occur, all Rental Credit will be forfeited and the Rental Instrument may be reported as stolen. RENTER agrees that MH shall have the right to repossess the Rental Instrument wherever it may be found, including any school or elsewhere, with or without the knowledge of RENTER. RENTER also agrees to pay all collection fees, (court costs and reasonable attorney's fees incurred by MH if legal action should be required) to recover the Rental Instrument or collect any monies due on the account.

7. Once the rental instrument is returned to MH any monies due music be paid within 30 days. Unpaid balances over 30 days from the date the instrument was returned and will accrue interest at the rate of 24% per annum. Customer expressly authorizes MH to charge any CDC submitted to resolve remaining balance due on the account..

8. RENTER shall provide written notice to MH prior to permanently moving the Rental Instrument from the known residence of RENTER. If notice is not provided as required and RENTER'S account becomes delinquent, the Rental Instrument will be reported as stolen and RENTER will be subject to legal action.

9. This Agreement will be considered terminated after two actions occur 1) RENTER turns over possession of the Rental Instrument to MH or it's authorized representative and 2) all monies due and owing on the account have been paid by RENTER and MH has been funded. This shall include any fees or charges incurred, including but not limited to, charges for repair or damage to the Rental Instrument as determined during the final assessment by the MH corporate Repair and Restoration Department. Termination of the Agreement due to purchase of the Rental Instrument shall occur when MH issues a sales receipt for said instrument to RENTER and payment/funds in full for said instrument are received by MH.

10. Until this Agreement is terminated RENTER expressly authorizes MH to either 1) debit RENTER'S checking and/or credit/debit card account on RENTER'S credit statement as listed on this Agreement; 2) debit the checking and/or credit card account presented by RENTER to make the initial rental payment at the time of entering into this Agreement; or 3) debit the checking and/or credit/debit card account RENTER has, at any time during the term of this Agreement, verbally or in writing designated as the replacement for the payment vehicle (checking and/or credit/debit card account) of record on the rental account.

## INSTRUMENT COVERAGE

As a service to our Rental Customers, we offer Theft & Damage Coverage available on an optional basis. The care and maintenance of the instrument that you are renting is of concern to both of us, so we're sure that you'll want to give this option serious consideration. Homeowner's or renter's insurance is seldom helpful with regard to a rental instrument as the deductible on these policies quite often exceeds the value of the Rental Instrument. The coverage offered by MH is subject to only a \$30.00 deductible. **The Rental Customer must be aware that coverage is only in effect so long as the rental account is up to date at the time of loss or damage.**

### THEFT COVERAGE

Misplaced instruments are not covered. Only the actual entering or breaking-in of the Rental Customer's home, vehicle, locked band room or school locker constitutes an acceptable claim. Within 30 days of a theft occurrence, the Rental Customer must remit to MH (1) a copy of the police report or case number; (2) the \$30.00 deductible; and (3) any monies owing on the account. Once the monies owed by RENTER have been funded to MH, the Agreement shall be terminated and all Rental Credit forfeited.

### DAMAGE COVERAGE

Please do not attempt to repair the instrument at home, as this will void the damage coverage. MH reserves the right to discontinue renting in the event of repeated or malicious damage or negligence. The MH Repair and Restoration Department assesses damage. Bows, strings, instrument mouthpiece, intentional damage or damage resulting from negligence is not covered. Within 30 days of the reported damage, the Rental Customer must remit to MH (1) the \$30.00 deductible and (2) any monies owing on the account. Once the monies owed by RENTER have been funded to MH, the Agreement shall be terminated and all Rental Credit forfeited.

## MONTHLY COST OF COVERAGE

|  | THEFT & DAMAGE    |
|--|-------------------|
| Flutes, Piccolos, Clarinets, Trumpets,<br>Trombones, Violins, Violas, Snare and Bell Kits..... | \$6.00 per month  |
| French Horns, Oboes, Saxophones<br>Baritone Horns, Euphoniums.....                             | \$8.00 per month  |
| Cellos.....  | \$10.00 per month |