

Rent-to-Own Terms & Agreement

RETURN/TERMINATION: You may terminate this agreement by returning the merchandise in good condition. You are responsible for paying the monthly rent for the minimum rental period, until merchandise is returned to us, or until you own via requested early payoff or by renting until purchase credits equal the instruments retail price. There are no pro-rates of the final month when returned after the monthly charge date. We can terminate this agreement without notice if you fail to keep any condition of this agreement.

EXCHANGE OPTION: You can exchange/upgrade this rental instrument for a different type of band (trumpets / trombones / saxophones / clarinets) or orchestra (violins / violas / cellos) instrument, (excluding non-rental pool items such as pianos, harps, guitars, uke's, accessories, etc.) anytime during the rental period, subject to instrument availability. Depending on your selected Purchase Option (below), a percentage of the monthly rental payments made on this agreement will apply to the ownership of current instrument or transferred to a different instrument. Exchange or purchase credits are lost/removed if the rental period is interrupted (due to payment failure), or if contract is cancelled by Termination or Return of the instrument.

One Rental Option Will Be Selected:

_____ () **PURCHASE OPTION #1:** If you have complied with this agreement, and this agreement and subsequent monthly rental payments have remained uninterrupted (paid in full), you may use your *credits* toward the purchase/rental of another Park City Music rental instrument, any time during this agreement period. This option allows for 75% of the rental fee to be applied towards purchase of this instrument, or towards the Exchange/Purchase of another upgraded instrument. Credits in this option are calculated by multiplying total rental payments required for ownership (minus tax & rental protection fees) by Seventy-Five (75) %. Renter is required to make the minimum number of 2 rental payments with this option.

_____ () **PURCHASE OPTION #2:** If you have complied with this agreement, and this agreement and subsequent monthly rental payments have remained uninterrupted (paid in full), you may use your credits towards the purchase/rental of another Park City Music rental instrument, any time during this agreement period. This purchase option allows for 100% of the monthly rental fee to apply to this specific instrument, and 50% of the monthly rental fee may be applied to any Exchanges/Upgrades. Ownership will automatically occur after 36 payments. Monthly payment is calculated by taking the Cash Price of the instrument, divided by 36 months, which will equal the monthly rental rate. The Renter is required to make a Minimum Number of 6 monthly rental payments with this option and may not terminate the agreement before such time.

RESTOCKING FEE: Exchanges/Upgrades may be done at any time, for a \$20 restocking/cleaning fee.

OWNERSHIP: The merchandise is owned by Park City Music until purchase credits total the Cash Price of the current instrument on rental. Once purchase credits total the Cash Price, automatic payments and this rental will cease automatically. You will automatically own the merchandise after monthly payments have been made, or until client pays off the instrument by seeking an early payoff. There is no penalty or fee to purchase or payoff the instrument early.

RENEWAL PAYMENTS: Are automatically charged monthly to your credit card on the day you rented the instrument. You are responsible for having your credit card funded for the monthly rental payments.

TERMS: You will pay \$ (agreed upon after instrument is selected & delivered/pick-up) per month, plus tax and plus Rental Protection (available) per month.

CASH PRICE: If you want to purchase this instrument today and only today, the cost is \$ determined when specific model is selected and approved upon deliver, plus tax.

RENTER'S PROTECTION PLAN: You must have insurance covering this merchandise while it is in your possession or you may choose to pay the monthly RPP fee rather than obtaining private insurance that will cover loss, damage or theft. With our RPP, all repairs, replacements (excluding strings, reeds, drumheads, mouthpieces, ligatures, cleaning kits and other items not considered part of the instrument) are covered, and loaners will be available to you during the restoration of your instrument. If you select private insurance, they must reimburse us for any loss incurred within 10 days. You must report any loss or theft to the Summit County Sheriff's Office within 10 days of discovery and deliver said incident report to Park City Music in order to claim instrument missing or lost. You must order, pick up and pay for the police report within 10 days of the incident, before the instrument can be

replaced. Regular monthly payments must be maintained during the time of loss. Loaner instruments also available during any repair claims.

I DO elect to pay the additional monthly of \$6.00 (\$1399 Cash Price or under) or \$12.00 (\$1400 Cash Price or over) plus tax for the Renter's Protection Plan.

EXTENDING INSURANCE / PROLONGING CREDITS OPTION: Clients may obtain ownership of an instrument before they wish to upgrade or own. In this situation, Park City Music will honor credits for upgrades or exchanges no more than 90 days after the rental term has ended, and ownership on the current instrument is obtained. Upon request, clients may choose to lock in those purchase credits by opting to continue with the Renters Protection Plan (RPP), or by paying for any and all repairs Park City Music will need done upon the instruments return, even if Renters Insurance was purchased during the term of their rental.

PAYMENTS: Park City Music will automatically charge your credit card on file (required for rental), monthly on the renewal date. Monthly payment notices are sent to the email provided by client. It is the responsibility of the client to update the credit card on file when the credit cards are unable to process.

DEFAULT: If the renter should default in any of the obligations hereunder, the entire value of the merchandise, plus all outstanding rent and charges, shall immediately become due and payable, and shall bear interest at 18% APR.

RIGHT TO REINSTATE: If this agreement defaults, we can repossess the merchandise. If you voluntarily return the instrument and pay for any unpaid payments (minus repairs needed), we will remove all future charges. If the company has repossessed the instrument, the renter agrees to a pickup fee consisting of reasonable time and mileage incurred by the company in recovering the merchandise with a minimum amount of \$100 per visit. Such fees are due at repossession.

RETURN OF MERCHANDISE: This is a rent-to-own contract in accordance with uninterrupted monthly payments. We request you have the instrument returned by a reputable party engaged by you and accountable for its' safe return. Rent is charged on a month-to-month basis on the rental date listed. Company does not prorate or refund rent for unused days if return of merchandise takes place after the listed monthly charge date.

YOUR LIABILITY FOR LOSS OR DAMAGE: If the merchandise is damaged, lost or stolen, and you have not chosen to use the Renter's Protection Plan (RPP), or if the plan has terminated, you are responsible for its purchase value minus credits, or for any repairs needed to bring the instrument back to the company's rental standards. You will never owe more than the total remaining payments. Any repair work must be done by a PCM approved shop.

SALES TAX RATE: The sales tax rate in effect on the date of this rental agreement is subject to change by applicable governmental authorities. Your payment will be subject to sales tax changes that occur while renting this instrument.

LOCATION OF MERCHANDISE: You agree to keep the instrument at the address shown on this agreement. If you move this instrument to a new address and do not provide us with the new location, it is a breach of this agreement. If the instrument is moved from the State of Utah without permission, company reserves the right to terminate this agreement.

USE OF THE MERCHANDISE: You understand that you cannot rent, sell, pawn, assign or otherwise give the instrument to any other person while you are renting.

COLLECTION COSTS: Renter agrees to pay all costs and expenses incurred in enforcing the terms of this agreement, including the company's costs to pick up the instrument, mileage (\$0.27 per mile), and any other costs including reasonable attorney fees, faculty time coverage (\$25 per hour), and court costs.

DEFINITION OF "RENTAL PURCHASE": The Utah Business and Commercial Code, chapter 8, section 15-8-3 entitled the "Utah Rental Purchase Agreement Act" defines "Rental Purchase" as an agreement for the use of personal property by a natural person primarily for personal, family, or household purposes that is automatically renewable with each payment after the initial period, but which does not obligate or require the consumer (the renter) to become the owner of the property. This agreement is a rental purchase agreement and not an installment sales agreement. You do not have any rights or title in the merchandise unless you do fully comply with the provisions of OWNERSHIP (as stated earlier). During the term of this agreement, other merchandise cannot be included in, protected by or be a part of any type of bankruptcy filing.

I understand that this constitutes the full agreement between me and Park City Music. Oral statements made by our staff are not part of this agreement.