

**INSTRUMENT RENTAL-OWNERSHIP/BUY-BACK AGREEMENT**

**CONTRACT INTRODUCTION:** This is part of the contract for your musical instrument rental. In the contract, “us” and “we” means Central Penn Music, and “you” means the person signing at the bottom. By signing the other side, you agree to these terms.

**RENTAL-OWNERSHIP:** You agree to pay the monthly or quarterly rental fee as indicated on the front page (plus sales tax), for as long as you are renting an instrument. When ready to purchase an instrument, 100% of the rental portion of your payments will be applied toward the retail (msrp) price on new instruments or assigned retail price of used instruments. Undersized string instruments are not for purchase and rental money will apply toward purchase of 4/4 (full-size) instrument only. Purchase price for new string instruments will be based on new retail (msrp) and used instruments assigned retail price. Instrument price tags are marked “Retail” indicating msrp and “Our Price” indicating cash sale price.

Purchase option allows a 30% discount off remaining balance owed at any time. You may upgrade to a higher priced “like” instrument at any time during the agreement. Consignment instruments are not included in this program. Only continuous payments apply toward purchase. Once agreement is terminated, credit will no longer be available to apply toward purchase. Rental continues until renter decides they would like to purchase. Instrument is not automatically paid off at a given point. Central Penn Music assumes that you, the renter, will notify us of your intent to purchase. This contract ends when the rental instrument is returned to Central Penn Music.

**RIGHT TO RETURN:** You may return the instrument to us at any time after the first month (3 month minimum on new instruments) or the end of the first quarter, for quarterly payments and have no more obligation under this Contract except to pay all rental payments due through the return date. After the initial period, if you pay the quarterly payment and return before the next due date you will receive a refund of any unused rental payments with the time used calculated at the monthly rate. You must follow the return instructions. No grace period is given.

**MAINTENANCE & REPAIR (M&R):** Maintenance and repair coverage is optional. Coverage provides any necessary repairs, and 50% off msrp for broken string replacements. Strings must be replaced with the same type as originally installed. Excludes cosmetic repairs, mouthpieces, accessories, etc. Also excludes damage caused by intentional abuse or repair attempted by anyone other than Central Penn Music. Payments must be current at time of repair or claim. Free pick-up and delivery available at schools serviced by Central Penn Music. Instrument will be replaced with a comparable one if unable to be repaired. Customer will pay a deductible equal to 25% of instrument retail price when replacement is needed. Coverage on purchased instruments limited to repair-no replacement. If customer refuses the optional coverage, they assume all financial responsibility for repairs, damage and loss.

**NATURE OF AGREEMENT:** You understand that this is a rental contract. We are legally required to provide you with disclosures on the front of this contract as if we are selling the instrument to you on credit.

**RISK OF LOSS:** You agree that you will have all risk of loss for the instrument and the accessories once you receive the instrument, or we deliver it to your music instructor and until it is returned in the way described in the RETURN PROCEDURE part of this contract except as outlined under “M&R”.

**EXCHANGE OPTION:** You may at any time, during the first year, exchange the instrument that you leased under this Contract for any other band or string instrument we carry. Only one (1) exchange will qualify but does not limit string instrument size changes. 100% of undersized string instrument payments will transfer to full size with no time limit. If the instrument is exchanged for one of a lesser value, the credit applied will be based on the rental amount that would have accrued on the less expensive instrument. 100% of rental paid will transfer to the second instrument.

**LATE PAYMENTS AND DEFAULT:** You agree to pay us a \$5.00 late charge for monthly payments or \$10 late charge for quarterly payments if we do not receive a payment within three (3) days of the due date. We can terminate this Contract if you do not make any payments within that time, if you move and do not provide a new address, or if your child changes schools. If we do terminate, you must return the instrument and all accessories immediately. If you do not, we can take possession of them wherever we find them if we do so lawfully and peacefully. Collection costs will be added to the amount owed.

**SECURITY INTEREST:** We will retain title to the instrument until it is returned to Central Penn Music.

**RETURN PROCEDURE:** You must contact Central Penn Music to notify us of your intent to return the instrument you are leasing. We will then issue instructions on where to return the instrument. Payments will be owed until such time as the instrument is in the possession of Central Penn Music.

**PURCHASE BUY BACK PROGRAM:** Anytime after 3 months, we will buy back an instrument that has been purchased, without renting, for the amount you paid less what the monthly rental cost would have been for the time period you had the instrument. Instrument must be in a condition that is acceptable to Central Penn Music, normal wear and tear expected.

**GENERAL:** This Contract contains the entire understanding between Central Penn Music and you. The only way this can be changed is by a new contract signed by you and accepted by us. Our signature is not needed to make this contract enforceable.

**NOTICE TO BUYER**

1. Do not sign this agreement before you read it or if it contains blank space.
2. You are entitled to a completely filled-in copy of this agreement at the time you sign it.
3. You are renting this property. You will not own it until you make all of the regularly scheduled payments or you use the early purchase option. You do not have the right to keep the property if you do not make the required payments or do not use the early purchase option. If you miss a payment, the lessor can repossess the property, but you may have the right to return of the same or similar property. See the contract for an explanation of your rights.