

This Musical Instrument Rental Agreement (the "Agreement") is made between Rhapsody Music Holdings, LLC ("Company") and the Renter as entered on this order (collectively referred to as the "Parties").

The Parties agree as follows:

1. **EQUIPMENT:** Company hereby leases to Renter the equipment designated on the submitted order (the "Equipment").
2. **RENTAL TERM:** The rental will start on Renter's receipt of the Equipment (begin date) and continue on a monthly basis until the instrument is returned.
3. **RENTAL PAYMENTS:** Renter agrees to pay to Company as rent for the Equipment the amount for the full Rental Term designated on the submitted order ("Rent"). Company is hereby authorized to charge the credit card provided by Renter for such rent payment.
4. **SECURITY:** Prior to taking possession of the Equipment, Renter shall provide a valid credit card as security for the performance by Renter of the terms under this Agreement and for any damages caused by Renter or Renter's agents to the Equipment during the Rental Term. Renter agrees to pay full replacement cost of any equipment lost, stolen, damaged or destroyed, and Company is hereby authorized to charge the same to Renter's credit card, unless the damage protection fee was purchase in which case only the replacement cost will be charged in the event any equipment is stolen, lost, destroyed or damaged beyond repair.
5. **DEFAULTS:** If Renter fails to perform or fulfill any obligation under this Agreement, Renter shall be in default of this Agreement. Subject to any statute, ordinance or law to the contrary, Renter shall have seven (7) days from the date of notice of default by Company to cure the default. In the event Renter does not cure a default, Company may at Company's option (a) cure such default and the cost of such action may be added to Renter's financial obligations under this Agreement; or (b) declare Renter in default of the Agreement. If Renter shall become insolvent, or if a petition has been filed by or against Renter under the Bankruptcy Act or similar federal or state statute or if charges to Renter's credit card shall be declined by the issuer, Company may immediately declare Renter in default of this Agreement. In the event of default, Company may, as permitted by law, re-take possession of the Equipment. Company may, at its option, hold Renter liable for any difference between the Rent that would have been payable under this Agreement during the balance of the unexpired term and any rent paid by any successive Renter if the Equipment is re-let minus the cost and expenses of such re-letting. In the event Company is unable to re-let the Equipment during any remaining term of this Agreement, after default by Renter, Company may at its option hold Renter liable for the balance of the unpaid rent under this Agreement if this Agreement had continued in force.
6. **POSSESSION AND SURRENDER OF EQUIPMENT:** Renter shall be entitled to possession of the Equipment on the first day of the Rental Term. At the expiration of the Rental Term, Renter shall surrender the Equipment to Company by delivering the Equipment to Company or Company's agent in good condition and working order, ordinary wear and tear excepted, as it was at the commencement of the Agreement. Renter may surrender the Equipment to Company prior to the end of the Rental Term, however Company's acceptance of such surrender shall not entitle the Renter to any refund or credit.
7. **USE OF EQUIPMENT:** Renter shall only use the Equipment in a careful and proper manner and only for its intended purpose. Renter will comply with all laws, rules, ordinances, statutes and orders regarding the use, maintenance and storage of the Equipment.
8. **CONDITION OF EQUIPMENT:** Equipment is in good playing order when shipped to Renter. Upon receipt of the Equipment, Renter shall inspect the same. Renter shall be deemed to have inspected the Equipment and acknowledged that the Equipment is in good and acceptable condition, unless Company shall have received written notice of any defect or damage immediately following receipt of the Equipment.
9. **MAINTENANCE and DAMAGE PROTECTION:**

- a) Renter shall at all times be liable to Company for the full replacement cost of the equipment leased hereunder and agrees to remit the same within 5 business days of any loss or damage to said equipment, whether by fire, theft, burglary, fraud, mysterious disappearance, water, or casualty of any nature. Renter will, at Renter's sole expense, keep and maintain the Equipment clean and in good working order and repair during the Rental Term. In the event the Equipment is lost or damaged beyond repair, Renter shall pay to Company the replacement cost of the Equipment; in addition, the obligations of this Agreement shall continue in full force and effect through the Rental Term. Company is hereby authorized to charge Renter's credit card for any such repair or replacement charges.
- b) **Damage Protection:** If Renter has elected to pay the supplemental Damage Protection fee, then in the event of damage to the Equipment during the Term of this Agreement, and not caused by Renter's gross negligence or willful act, then Seller shall, at Seller's sole discretion, repair or replace such damaged equipment at no cost to Renter. Renter is responsible for replacement of broken strings and reeds, which are NOT covered by this Damage Protection.

10. COMPANY'S REPRESENTATIONS: Company represents and warrants only as follows:

- a) That it has the right to Rent the Equipment as provided in this Agreement;
- b) That Renter shall be entitled to quietly hold and possess the Equipment;
- c) Company will not interfere with that right as long as Renter performs its obligations under this Agreement;
- d) Company makes no representation with regard to the particular brand or manufacturer of the Equipment rented hereunder;
- e) Company makes no warranty or representation with respect to the Equipment's merchantability or fitness for a particular purpose.

11. OWNERSHIP: The Equipment is and shall at all times remain the exclusive property of Company.

12. ENCUMBRANCES, TAXES AND OTHER LAWS: Renter shall keep the Equipment free and clear of any liens or other encumbrances, and shall not permit any act where Company's title or rights may be negatively affected. Renter shall be responsible for complying with and conforming to all laws and regulations relating to the possession, use or maintenance of the Equipment. Furthermore, Renter shall promptly pay all taxes, fees, licenses and governmental charges, together with any penalties or interest thereon, relating to the possession, use or maintenance of the Equipment.

13. SEVERABILITY: If any part or parts of this Agreement shall be held unenforceable for any reason, the remainder of this Agreement shall continue in full force and effect. If any provision of this Agreement is deemed invalid or unenforceable by any court of competent jurisdiction, and if limiting such provision would make the provision valid, then such provision shall be deemed to be construed as so limited.

14. ASSIGNMENT: Neither this Agreement nor Renter's rights hereunder are assignable except with Company's prior, written consent. Renter shall not assign, transfer or sublet its rights under this Rental, shall not pledge, mortgage or encumber the leased equipment, or its rights hereunder and Renter shall not permit the equipment or rights hereunder to be subject to any lien, charge or encumbrance

15. BINDING EFFECT: The covenants and conditions contained in the Agreement shall apply to and bind the Parties and the heirs, legal representatives, successors and permitted assigns of the Parties.

16. **DISPUTE RESOLUTION:** This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona. The parties hereby submit to the jurisdiction of the Arizona courts at Phoenix, Arizona for resolution of any matter or controversy arising out of this Agreement, and a judgment by a Arizona court may be entered and enforced by any court in any jurisdiction where either the Renter or the Equipment may be located. In the event of legal action to enforce the provisions of this Rental Contract, the prevailing party shall be entitled to interest and attorneys' fees in addition to compensatory, consequential and incidental damages.
17. **NOTICE:** Any notice required or otherwise given pursuant to this Agreement shall be in writing and mailed certified return receipt requested, postage prepaid, or delivered by overnight delivery service to the parties' addresses as specified in this Agreement. Either party may change such addresses from time to time by providing notice as set forth above.
18. **ENTIRE AGREEMENT:** This Agreement constitutes the entire agreement between the Parties and supersedes any prior understanding or representation of any kind preceding the date of this Agreement. There are no other promises, conditions, understandings or other agreements, whether oral or written, relating to the subject matter of this Agreement. This Agreement may be modified in writing and must be signed by both Company and Renter.
19. **CUMULATIVE RIGHTS:** Company's and Renter's rights under this Agreement are cumulative, and shall not be construed as exclusive of each other unless otherwise required by law.
20. **WAIVER:** The failure of either party to enforce any provisions of this Agreement shall not be deemed a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement. The acceptance of rent by Company does not waive Company's right to enforce any provisions of this Agreement.
21. **INDEMNIFICATION:** Except for damages, claims or losses due to Company's acts or negligence, Renter, to the extent permitted by law, will indemnify and hold Company and Company's property, free and harmless from any liability for losses, claims, injury to or death of any person, including Renter, or for damage to property arising from Renter using and possessing the Equipment or from the acts or omissions of any person or persons, including Renter, using or possessing the Equipment with Renter's express or implied consent.
22. **PURCHASE:** This is not a rent-to-own contract. However, Up to 12 months of rental payments may be applied to an instrument purchase if the account is in good standing. (**See Attached *Rental Credit Policy***) Once the instrument has been returned, this option is terminated and any accrued equity is forfeited.
23. **EXCHANGE:** You may exchange the instrument you are renting for a different instrument, or for the next size instrument, if your account is in good standing. Any changes in rental rates will apply and the original signed agreement will remain in full effect.



MUSICAL INSTRUMENT RENTAL CONTRACT

Printed Name: _____

Student's Name: _____

Renter's Signature _____

Date _____

Rhapsody Representative _____

Date _____

RENTAL CREDIT PROGRAM INFO

IMPORTANT INFORMATION

This is NOT a rent to own program

****We DO NOT sell our rental instruments****

RENTAL CREDIT OPTION – Utilize ‘12’ months rental credit towards the purchase of A **NEW** instrument in the same rental category or higher

VALUE ADD PACKAGE

With the purchase/upgrade from your rental instrument, Rhapsody Music will include the following:

- 1 month FREE Music Lessons
- FREE instrument stand
- FREE instrument care kit
- FREE loaner instrument in the event of any needed repair/maintenance.

Approx \$200 value