

GENERAL TERMS AND CONDITIONS

The Lessee desires to lease the instrument described on the reverse side at the leasing cost and term contained therein. At the end of the initial lease term, and upon the return of the instrument to the Lessor this agreement shall terminate. If the instrument is not promptly returned, then the Lessee agrees that this agreement shall automatically continue and extend on a month-to-month basis until the instrument is returned at the end of any subsequent monthly extension.

At any time after the end of the initial lease term, the Lessee may exercise its option to purchase under the formula contained on the reverse side. It is understood that the Lessee's option to purchase shall not release the Lessee from the obligations of this agreement until the instrument is properly returned to the Lessor and all amounts due are paid, nor shall the purchase option be effective unless and until all lease obligations are fully paid. If the instrument is returned after the initial lease term, no credit will be given for any unused portion of any extended lease month.

It is understood that the instrument shall at all times be the property of the Lessor and that the Lessee is responsible for the proper and appropriate care of the instrument. The Lessee shall not sell, assign, sublet or hypothecate the instrument or this agreement. The Lessee shall not be responsible for any damage to the instrument or necessary repairs, including but not limited to any mysterious disappearance, negligence, restoration of finishes, cleaning, dents, strings, lost parts or accessories, case and any other related type damage. Willful damage is excluded from this disclaimer of responsibility.

In the event that the instrument is damaged in a fire or stolen, the Lessee shall not be responsible for any repair or replacement cost provided that the Lessee immediately reports any such occurrence to the Lessor and the Lessee's respective police department and supplies a copy of said report to the lessor immediately.

In the event the Lessee fails to pay when due any of the lease payments or other payments provided for in this agreement, or fails to promptly keep and perform any other covenant in this agreement, the Lessor may at its sole right and option declare this agreement to be in default by sending notice via regular mail to the Lessee, and the Lessee shall immediately become liable for the aggregate sum of the following; (1) Any and all lease payments that are due to the Lessor; (2) A late fee of \$5.00 per month on any and all outstanding balances until paid; (3) Any and all court costs, attorneys fees or other related costs incurred by Lessor in the collection of the Lessee's liability. All of the above being agreed upon as liquidated damages. The Lessee agrees and fully understands that if at any time after a default on the part of the Lessee, should the Lessee return the instrument to the Lessor, such acceptance by the Lessor of the instrument shall in no way act as a waiver of the default nor of any of the Lessee's financial obligation described herein.

Lessee gives PM Music Center the right to contact them using the information provided on the reverse side of the contract for reasons including, but not limited to, statements, notices, and special promotions.

The Lessee agrees to maintain the rental instruments at the location identified on the reverse side of this agreement, subject to reasonable transportation to and use at school for music instruction purposes. The Lessee shall immediately notify Lessor of any address change during the lease term.

All business transactions by and between the Lessor and the Lessee, whether lease transactions and/or purchase transactions shall be deemed to take place at Lessor's principal place of business as identified on the reverse side of this agreement. All payments are deemed paid and settled at the Lessor's principal place of business in the State of Illinois. All business transactions by and between the Lessor and the Lessee are deemed to take place within the state of Illinois, notwithstanding the geographical location of any Lessee. All use and/or sales taxes are the sole responsibility of the Lessee.

The substantive laws of the State of Illinois shall govern the terms and conditions of the agreements by and between the Lessor and the Lessee.