

WOODSONGS RENTAL PURCHASE AGREEMENT

It is understood and agreed that:

1. Monthly Payments: The Renter will pay monthly payments payable in advance. The monthly payment will include a monthly rental fee, a Maintenance Plan charge if applicable, and all applicable sales taxes. The initial rental period is two months, for which a nonrefundable payment is due upon signing this agreement. For subsequent monthly payments due, the Renter agrees to make payment by credit card auto pay. The Renter will make a payment on or before the monthly Payment Day noted above. If payment is not received within 5 days of the due date, the account is past due, and a \$2.00 per month late fee will be assessed. Returned Checks are subject to a \$25.00 fee. Note: The Renter is responsible for monthly payments beginning on the date of this agreement even if the Renter does not receive a bill.

2. Ownership: The Renter will not permanently move the property from the address shown in this Agreement without written notification to H.B. Woodsongs (HBW), and will not sell, dispose or pledge this property as security while this Agreement is in effect. The Renter will not own the rented property until: the Renter has made the total number of payments and/or paid the entire Purchase Amount noted above. In case of bankruptcy, the instrument shall not be included in any bankruptcy estate unless all payments have been made.

3. Early Buyout Option: At any time after the first rental payment is made, the Renter may exercise the early buyout option described herein to acquire ownership of the property, provided that all payments required by the Agreement are current and the Agreement has not been terminated by default. The renter shall pay the balance of the Rent-To-Own price due, less 20%, and less the remaining optional maintenance plan fees.

4. Default: The Renter will be in default under this contract if the Renter fails to make his required payment within five (5) days of the due date, or if the Renter has failed to observe any other portion of this Agreement.

5. Remedies: In case of default, The Renter shall make payment of outstanding charges, and/or surrender the property to HBW within 10 days after receiving written notice from HBW of the default. The Renter understands that HBW may recover the property without legal process from the Lessee if he defaults. In the event of default, The Renter agrees to pay a reasonable Collection Agency Fee, which shall be 35% of the unpaid principal balance. If legal action is initiated, The Renter agrees to pay a reasonable Collection Agency Fee, which shall be 40% of the unpaid principal balance, and agrees to pay all reasonable Court Costs and Attorney Fees as a result of The Renter's default.

6. Reinstatement: The Renter who breaches this agreement has the right to reinstate the original agreement without losing any rights or options previously acquired under this agreement, if both of the following apply: a) The Renter has promptly surrendered the property to HBW subsequent to having failed to make a timely rental payment; and b) Not more than 60 days have passed since the Renter returned the property, or 120 days if the Renter has made more than 60% of the total number of payments required to acquire ownership. The Renter shall pay a \$5.00 reinstatement fee plus the outstanding balance of any accrued missed payments and late charges plus a \$10.00 new-contract administrative fee. HBW will provide the Renter with the same property if still available, or property of comparable quality and condition.

7. Return Privilege: The Renter may, at any time, return the property described above to HBW in good condition; and if not in default hereunder, The Renter will be released from any further liability under this agreement as to such property. In this case, HBW will retain all amounts The Renter has previously paid.

8. Exchanges: Exchanges may be made within like instrument groups. 100% of the rental fees paid to HBW (excluding optional fees, late fees, and taxes) will be credited towards the price of the second rental instrument, providing the amount does not exceed 50% of the price of the second instrument. The Renter will be required to enter into a new agreement, and pay additional rent as necessary.

9. Loss of Property: The Renter agrees to be responsible for the outstanding balance remaining of the fair market value (adjusted price above) of the property if, and as of the time it is lost, stolen, abandoned or destroyed.

10. Maintenance of Property: Property is rented in good and playable condition. Any and All work on the property must be performed by an HBW authorized technician. Unless the Renter has opted to purchase the Maintenance Plan, as acknowledged below, The Renter accepts total responsibility for the maintenance of the property.

11. Optional Maintenance Plan:

HBW will pay for maintenance of the rental property as described on the Maintenance Plan Terms & Conditions document. The maximum accrued total **HBW** will pay on this plan shall not exceed the lesser of \$500.00 or 50% of the total instrument price noted above. This agreement does not pay the cost of any:

- a) Replacement of expendable items such as reeds, oils, strings, drumsticks, etc.
- b) Restoration of instrument finish or removal of dents which do not affect the playability;
- c) Property other than described on the Rental/Purchase Agreement.

Any account that is more than Five (5) days late will void this Maintenance Plan.

NOTICE: THIS CONTRACT OFFERS, FOR AN ADDITIONAL CHARGE, A MAINTENANCE PLAN TO COVER YOUR RESPONSIBILITY FOR MAINTENANCE OF THE PROPERTY. THE PURCHASE OF THIS MAINTENANCE PLAN IS NOT MANDATORY, AND IF PURCHASED, MAY BE CANCELED WITHIN ONE MONTH OF THE DATE OF THIS AGREEMENT. THIS PLAN MAY NOT BE ADDED AFTER THE DATE OF THIS AGREEMENT. THIS IS NOT A LIABILITY DAMAGE WAIVER. YOU MAY WISH TO DETERMINE WHETHER YOUR OWN HOMEOWNERS OR CASUALTY INSURANCE AFFORDS YOU COVERAGE FOR LOSS OF THE RENTAL PROPERTY, AND THE AMOUNT OF THE DEDUCTIBLE UNDER YOUR OWN INSURANCE COVERAGE.

If the Renter accepts the Optional Maintenance Plan, The Renter acknowledges reading and accepts the Maintenance Plan Terms & Conditions document provided by a link in this online form, and The Renter wishes to Purchase the Maintenance Plan for the monthly charge on this agreement, which is automatically renewable after the initial period with each payment during the term of this rental agreement.

NOTICE TO RENTER: READ BEFORE SIGNING.

1) DO NOT SIGN THIS BEFORE YOU READ IT, EVEN IF OTHERWISE ADVISED.

2) YOU ARE ENTITLED TO AN EXACT COPY OF ANY AGREEMENT YOU SIGN.

3) YOU HAVE THE RIGHT TO EXERCISE AN EARLY-BUYOUT OPTION AS PROVIDED IN THIS AGREEMENT. EXERCISE OF THIS OPTION MAY RESULT IN A REDUCTION OF YOUR TOTAL COST TO ACQUIRE OWNERSHIP UNDER THIS AGREEMENT.