



MUSIC INSTRUMENT LEASE SECURITY AGREEMENT

Lynch Music * P.O. Box 197 * Fairview, PA 16415 * 814-474-2027 * 814-474-2970

Date: _____

Social Sec. # (father) _____

C - L - CD - CB

New RR Used

Social Sec. # (mother) _____

Parents and Guardians

This is your application for our Music Beginner's Plan for your child. It contains the contract for the initial lease payment, lease period charges and disclosures required by law. Please be sure to read both sides carefully and sign at the bottom of this page. This form calls each person signing below "you" and Lynch Music "us". **You must have a home phone, home address, current employment, a valid credit card, and a Social Security number to qualify for credit under the terms of this agreement.**

Please print the following information:

Student's Name _____ School _____

Name (father) _____ Name (mother) _____

Address (house # required) _____

City: _____ State _____ Zip code _____

HOME Phone _____ Email address: _____

Employer (father) _____ Yrs. _____ Employer's phone _____

Employer (mother) _____ Yrs. _____ Employer's phone _____

Contract

This contract covers the rental period that follows. For complete details, please read the reverse side carefully. Instruments may be returned at any time. Any delinquent fees and monthly rent will be due at time of return.

<u>INSTRUMENT LEASED</u>		<u>DISCLOSURES</u>	
Instrument _____		<p><i>These disclosures apply to the lease after the initial lease payment and comply with the Federal Consumer Leasing Act.</i></p> <p>Lessor and Lessee. Lynch Music is the Lessor and you are the Lessee.</p> <p>Payment at Inception. Your initial nonrefundable payment of \$ _____, including tax, is payable now.</p> <p>Our Peace of Mind Program option, if accepted, covers all repairs, adjustments and service necessary to keep the instrument in proper playing condition. This cost will be included in your monthly payment. See the reverse side for more specific details</p>	
Make _____			
Model _____			
Serial number _____			
This instrument, case and mouthpiece will be the "instrument"			
Number of lease payments	Amount of each Monthly Payment, Including Sales Tax	MONTHLY PEACE OF MIND FEE: <input type="checkbox"/> Add	ITEMIZATION OF LEASE CHARGES
	\$ _____	Beginning _____,200	INSTRUMENT \$ _____
final buyout payment of \$		DUE DATE -	SALES TAX \$ _____
<p>Security Interest: You grant us a security interest in the instrument until you return it to us or until we receive payment in full of all your lease obligations.</p> <p>Late Charge: If a payment is more than 10 days late, you will be charged \$5.00 in addition to your regular payment.</p> <p>Warranties: If new, the instrument is covered by the standard manufacturer's warranty.</p>			TOTAL \$ _____
			NONREFUNDABLE FIRST PAYMENT . \$ _____
			INITIAL PEACE OF MIND FEE \$ _____
			TOTAL DUE AT SIGNING (d + f) \$ _____
			DATE PAYMENTS DUE EACH MONTH . _____
			Initial here to decline "Peace of Mind" _____

Early Termination or Default: You may terminate this agreement at any time without charge providing your payments are current and the instrument is returned in standard condition. See back for details.

- All payments are lease payments. If the instrument is returned to Lynch Music all lease payments will be considered rental fees. The final payment due is a purchase payment and title of the instrument transfers to lessor.
- You may pay the entire lease balance due at any time. A discount of _____ % of the total remaining lease balance will be deducted from the total buyout price.**

SECURITY AGREEMENT: SIGNATURES

DO NOT FORGET TO SIGN THIS AGREEMENT

X _____
X _____

Be sure to read the reverse side of this form for details of your contract and additional information about nonpayment, default and prepayments. By signing this form you agree to all of its provisions.

ADDITIONAL TERMS

Rental periods, charges, and interest fees.

The nonrefundable initial payment and any charge for a music book, music stand, *Peace of Mind Program*, or any other accessories must be paid when this agreement is signed. The lease term will then automatically begin. Lease payments are due at the beginning of each month. To return the instrument read and follow the Return Instructions which follow. Instruments may be returned in standard condition at any time with all current amounts due.

Standard Condition

Standard Condition means that the instrument is in typical condition for the period of use by a beginning student when maintained by us as promised in our Peace of Mind Program and without visible damage from causes not subject to repair under that Peace of Mind Program.

Rental Period

During the lease term, which is the period that the payments shown on the front are to be paid, you agree to pay the monthly lease payments. If you do not make a payment within thirty (30) days of when it is due, we may choose to terminate this lease. We can also terminate this lease if you move and do not provide us with a new address or if your child changes schools. If we do terminate this lease, you must return the instrument immediately in Standard Condition and we can take possession of it peacefully wherever we find it, at school or elsewhere. Upon our repossession of the property you are obligated to pay us **at once** all past due payments and a termination charge of \$25.00. Our plan ends when you discontinue making payments to us.

Month-to-Month

This lease will be binding and continue on a month-to-month basis at the same lease payments shown on the front until the lease ends when the instrument is purchased for the buyout amount shown on the other side of this page. You can end the month-to-month term and any additional obligations during the lease term if your monthly payments are current by following the "Return Instructions". Your final payment, shown on the front of this form, will be your purchase payment. Until that payment is received by Lynch Music, title and ownership of the instrument will remain entirely with Lynch Music. Upon receipt of the final payment title to the instrument described herein will transfer to the purchaser.

Early Return Right

Return Procedure: Contact us by phone or mail to request a return authorization form. Then return the instrument to your music teacher or the store per instructions. You agree to pay us the reasonable cost of restoring the instrument to Standard Condition if that is necessary upon return. To receive credit for a return: Do not return the instrument to anyone without contacting us and getting return authorization. Teachers are requested not to accept an instrument without prior approval. If the instrument is returned to the school or left anywhere without prior instruction you will be liable for all obligations remaining under this agreement. You will be responsible for all damage, loss, or theft of the instrument and lease obligations will continue without interruption. **DO NOT LEAVE INSTRUMENT IN SCHOOL. CALL FOR RETURN AUTHORIZATION.**

Lynch Music "Peace of Mind Program"

Our *Peace of Mind Program* charge for the lease period is shown on the front. The initial peace of mind fee must be paid when this Agreement is signed. The charge for the lease term is added to the total amount of each monthly payment. Under the Plan we will make whatever adjustments and repairs as are necessary to keep the instrument in proper playing condition. This does not include restoration of the finish or replacement of wear parts, such as reeds, drum sticks, strings, mouthpieces, drum heads etc. We will also repair any damage to the instrument, caused by unintentional acts or accidents, necessary to restore it to proper playing condition. Damage, that in our judgment could only have been caused intentionally, is not covered. The *Peace of Mind Program* rate for your instrument is shown on the front of this agreement. **Lynch Music will not be responsible for repairs done by unauthorized agents or damage done by same.** The Peace of Mind Program becomes void when account becomes 30 days past due. The Peace of Mind Program may be terminated by discontinuing monthly agreement fee and sending written notice to Lynch Music. The Agreement may not be renewed once terminated.

Switching Instruments

If you wish to switch to another instrument during the first three months of the lease term, you may do so at no additional cost one time. All fees paid on the first instrument will apply toward the price of the second instrument. Lease fees and lease prices may vary when switching from one instrument to another. In all cases, the replacement instrument will be a previously rented instrument.

Security Agreement

You grant us a security interest in the instrument for payment of all amounts due at the time and in the amounts scheduled on the front. Until the final purchase payment is received by Lynch Music title to the instrument will be held exclusively and solely by Lynch Music.

General

This Agreement contains the entire understanding between us. The only way it can be changed is by a new lease signed by you that we accept. Our signature is not required to make the contract enforceable.

It is agreed and understood that I/we may also continue to rent the instrument at the monthly rate and purchase of same will be upon payment in full. This Agreement is conditioned upon prompt payment of rental when due and upon return of the instrument in good condition at the termination of the lease term or within thirty (30) days after default in payment of rent. Ownership of the instrument remains with the Lessor during the entire lease term and until fully paid if the Purchaser exercises the option to purchase.

This Agreement is conditioned upon the prompt payment of charges due as set forth herein and upon return of the instrument in good condition upon termination of the rental or at any time thereafter.

This Agreement may be terminated by the Lessor *and return of the instrument required* upon any of the following events:

1. Lessee fails to pay the monthly rental charges within the time specified herein. Payments must be received before 30 days after due date.
2. If Lessee breaches or defaults in the Agreement in any manner.
3. If Lessee becomes bankrupt, insolvent, makes an assignment for the benefit of Creditors.
4. Lessee discontinues use, abandons or permits the musical instrument to be subjected to unreasonable use or hazards.

Termination of this Agreement shall not prevent the Lessor from taking possession of the instrument nor shall it deprive the Lessor of any rights, remedies or actions against the Lessee for rents, damages, or fees incurred in the collection of amounts owed. Upon termination of the Agreement for whatever reason, the Lessee agrees that the Lessor may immediately repossess the musical instrument covered hereby and peacefully retrieve it from the Lessee at any location without the necessity of resorting to any legal process. Furthermore the Lessee hereby agrees that any additional charges for the use of the musical instrument computed in accordance with this Agreement shall remain due and owing thereby. In the event that the Lessee desires to terminate this Agreement during the rental period after the original lease date, the Lessee must provide written notice of the termination at least ten (10) days prior to the end of the given month or call Lynch Music. Lessee must then return possession of the instrument prior to the end of the month. In the event that Lessee does not give proper notice or does not turn over the instrument by the end of the month the rental agreement shall continue in full force and effect until such time as notice and possession is given to the Lessor. Lessee is at all times responsible for payment of the monthly charge for the entire month and any other charges that may be due until possession is obtained and there shall be no proration of rental payment.

Collection Procedures and Civil Action for Repossession of the Musical Instrument

In the event that this account becomes more than thirty (30) days past due, Lynch Music may initiate legal proceedings for its damages to recover, at the option of Lynch music: **a.** Unpaid lease amounts and fees plus the return of the instrument in Standard Condition. **b.** The fair market value of the unreturned instrument. In addition to either option all court costs, legal fees and collection fees as are permitted by law for such recovery will be owed by the Lessee.

Notice to Lessee

(1) Do not sign this Agreement before you read it or if it contains any blank spaces. (2) You are entitled to a completely filled in copy of this Agreement. (3) Under the law, you have the right to pay off in advance the full amount due.

ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR SHALL ASSERT AGAINST THE LESSOR. RECOVERY HEREUNDER SHALL NOT EXCEED THE AMOUNTS OWED BY THE DEBTOR HEREUNDER PLUS ATTORNEY, CIVIL AND COLLECTION FEES INCURRED BY THE LESSOR IN THE COLLECTION OF THIS DEBT