

Contract # _____
Subscription # _____

Accepted by Authorized Agent _____

LAFAYETTE MUSIC LLC
1361 Forest Park Circle #106
Lafayette, CO 80026
Ph: 303.661.9335

MUSICAL INSTRUMENT INSTALLMENT SALE AGREEMENT

Instrument – Make _____ Model _____ Serial # _____ New/Used _____ Price _____
Case (guitars only) Model _____ Price _____
Installment Purchase Price _____

Credits -

Buydown credit - Cash amount _____ X 1.18 = _____
Exchange credit - Exchange Contract # _____ = _____
Trade-in credit - Make _____ Model _____ Ser # _____ = _____
Total credits _____
Net installment price _____

Purchaser's name and mailing address:

Name _____ Soc Sec # _____
Address _____ Driver's license # _____
City/State/Zip _____ Employer's name and address:
Phone _____ Name _____
e-mail address _____ Address _____
Student name _____ Wk Phone _____
School _____
Previous contract(Y/N) _____ Cust # _____
Credit card Number _____ Type _____ Exp _____ CR/DR
I authorize automatic monthly payment from the credit card information provided.
Print name on card _____ Signed _____

This Agreement constitutes an extension of credit by LAFAYETTE MUSIC, LLC, the creditor, and the Purchaser. The following information is provided under the Federal Truth in Lending Act:

FINANCE CHARGE _____ **APR*** _____
(Dollar amount credit will cost = .15 X net installment price) (Cost of credit at a yearly rate)
Amount Financed** _____ (= .85 X net installment price)
Base payment per month _____
CMRP*** _____ **Waived** _____
Sales tax _____
Total monthly payment _____ **Total number of payments** _____
Date due each month _____
Next payment due date _____
Total of payments _____ (= Net installment price)
Total monthly payments at signing _____
Total buydown/deposit _____
Total to be collected at signing _____

Purchaser signature _____ Date _____

*18 mos = 12%, 24 mos = 9%, 30 mos = 7.2%, 36 mos = 6%, 42 mos = 5.14%, 48 mos = 4.5%

**Instrument and case are the only items financed.

***CMRP is based on Installment Purchase Price: \$4.00 for \$150 - \$500, \$5.00 for \$501 - \$1,250, \$6.00 for \$1,251 - \$2,000, \$7.00 for > \$2,000.

****Monthly billing requires social security number, address verification and credit check.

Purchaser must agree to the terms and conditions on the following pages which contain additional information about nonpayment and default.

Initial _____

TERMS AND CONDITIONS

The party designated above ("Purchaser") agrees to the following terms and conditions as part of this Agreement:

1. Purchase. Purchaser purchases the Instrument upon the terms set forth herein. Purchaser, given the choice of paying for the Instrument immediately in full or paying the time price in installments as set forth above ("Monthly Payments"), agrees to pay the latter to Lafayette Music ("LM") or its assigns at its offices at the address shown above or at any other address which LM may direct in writing delivered to Purchaser. It is agreed that as long as Purchaser has not paid all Monthly Installments, this Agreement shall remain in full force and effect unless terminated under Section 3 below, that LM's security interest in the goods sold under this Agreement shall remain perfected, and Purchaser shall make Monthly Payments in the amount and for the period set forth above until all Monthly Installments have been remitted or Purchaser has exercised the early payoff option under Section 5.
2. Title. Title to the Instrument does not pass to the Purchaser until all Monthly Payments have been made under this Agreement. Purchaser is responsible for maintaining the Instrument and insuring the Instrument unless he or she chooses the Optional Insurance. In the event the Instrument is damaged beyond repair or stolen, Purchaser is still responsible for making all Monthly Payments under this Agreement.
3. Return Option. This Agreement may be terminated at any time by Purchaser upon returning the Instrument to LM. Any Monthly Payments past due must be paid upon return, otherwise Purchaser shall be considered in Default under Section 9.
4. Exchange Options. If the Purchaser is current on all Monthly Payments and has made the equivalent of at least three (3) Monthly Payments either in cash or exchange or trade-in credit, then Purchaser shall have the option to apply all amounts paid under this Agreement other than for sales tax, CMRP, the standard cleaning fee if applicable, and the costs of any repairs not covered by CMRP ("Amount Paid") towards a new instrument subject to the following rules:
 - a. 100% of the Amount Paid may be applied towards another orchestral instrument (violin, viola, cello or string bass) of the same type as the Instrument but of a larger size.
 - b. 90% of the Amount Paid may be applied to the installment purchase price of any other band, orchestral or educational percussion instrument offered by LM under a similar installment purchase agreement or outright purchase.
 - c. 80% of the Amount Paid may be applied to the installment purchase price of any instrument other than a band, orchestral or educational percussion instrument or donated to an organization registered with Lafayette Music under its Instrument Exchange Program.
5. Early Payoff. The balance due under this Agreement may be paid off at any time for eighty-five percent (85%) of the balance due.
6. No Prepayment Penalty. There shall be no prepayment penalty if the Instrument is paid off early.
7. Optional Comprehensive Maintenance and Replacement Program. If the Purchaser has not waived above, nor stopped paying thereafter, the monthly fee for the Comprehensive Maintenance and Replacement Program ("CMRP"), LM will:
 - a. waive the standard cleaning fee when the instrument is returned;
 - b. repair any damage to the Instrument that is not the result, in LM's sole discretion, of negligence or intentional misconduct;
 - c. in the event of accidental loss or theft or in the event that the cost of repairing the Instrument is greater than the retail value of the Instrument, replace the Instrument, subject to the Purchaser paying fifty percent (50%) of the original cash price of the Instrument, less any amount already paid for the instrument, in a timely manner and upon reasonable proof that the loss was not the result of careless use or storage of the Instrument. In the event of theft, Purchaser must provide LM with a copy of a police report indicating that the Instrument was stolen and Purchaser has the option of paying in cash or adding the balance owed to the installment price of a replacement instrument;
 - d. replace broken mouthpieces, ligatures, and broken bridges upon presentation to LM of the broken items, as long as the damage is not the result of negligence or intentional misconduct; and
 - e. supply a loaner instrument, in substantially similar condition and subject to availability, while the Instrument is being repaired. If the loaner instrument is not returned within 30 days of notification by LM that the repair has been completed, LM shall have the option, at its sole discretion, of replacing the original contract with the loaner instrument allowing full credit for the amount paid on the original instrument that is in the possession of LM and adjusting the monthly payment if necessary.

The CMRP does not cover the restoration of finish, repairs for intentional damage, damage due to careless handling or cleaning, or the replacement of worn out accessories such as ligatures, mouthpieces, mouthpiece caps, reeds, oil, swabs, strings, rosin, drum heads, or drum sticks.

8. Default. The occurrence of any of the following shall constitute a default under this Agreement: (1) failure of Purchaser to perform any obligation specified in this Agreement; (2) the death of Purchaser; (3) the institution of any proceeding in bankruptcy, receivership or insolvency against Purchaser; (4) the issuance of execution process against any property of Purchaser, or the entry of any judgment against Purchaser, or any assignment for the benefit of creditors or similar action adversely involving Purchaser; (5) any condemnation, levy, forfeiture or similar action against the Instrument; (6) when LM shall in good faith and upon reasonable grounds believe that the prospect of performance of any obligation of Purchaser under this Agreement is materially diminished and/or insecure; or when the Purchaser fails to make a Monthly Payment within ten (10) business days of the due date.
9. Remedies on Default. In the event of a Default LM shall have the right to: (1) obtain judgment for the amount of any delinquent Monthly Payments due under this Agreement plus interest at 12% on such delinquent Monthly Payments from the due date, reasonable attorney's fees and collection costs without prejudicing LM's right to subsequently obtain judgment for additional, or the balance of, the Monthly Payments or to exercise other rights contained in this Agreement or at its option, declare all unpaid Monthly Payments immediately due and payable and to obtain judgment for the total amount of unpaid Monthly Installments due plus interest of 12% on delinquent Monthly Payments from due date, reasonable attorney's fees and collection costs; (2) enter any premises and without breach of the peace take possession of the Instrument; (3) exercise the rights on default of a secured party under the Uniform Commercial Code as codified in Colorado; and (4) assign the account for collections. LM may require Purchaser to make the Instrument available to LM at a place to be designated by LM which is reasonably convenient to LM and Purchaser. LM shall have the right to take immediate possession of the Instrument wherever found, with or without legal process, and to sell or otherwise dispose of the Instrument. LM will give Purchaser reasonable notice of the time and place of any public sale of the Instrument or the time after which any private sale or other intended disposition is to be made. The requirements of reasonable notice shall be met if such notice is

Initial _____

mailed, postage prepaid, to the address of the Purchaser shown at the beginning of this contract or such other address of Purchaser as may from time to time be shown on LM's records, at least five days prior to such action. Purchaser will pay any deficiency that may remain after exercise of such rights plus expenses of retaking, holding, preparing for sale, selling or the like, including LM 's reasonable attorney's fees and court costs. All of LM's rights under this Agreement are cumulative and no waiver of any default shall affect any later default.

10. Late Payments. If any Monthly Payment is late by more than ten (10) days, a late fee of \$5.00 shall apply.
11. Returned Checks and Chargebacks. A \$25.00 fee will apply for any check returned for any reason or for any valid credit card charge that is charged back.
12. Attorney's Fees. The prevailing party in any action brought arising under this Agreement shall be entitled to all costs and attorney's fees arising therefrom.
13. Security Interest. The transaction underlying this Agreement gives rise to a purchase money security interest under C.R.S. 4-9-103. Until all Monthly Payments, and all other amounts due under this Agreement, have been paid, LM shall retain a security interest in the Instrument and any and all equipment, parts, accessories, instrument cases, attachments, and additions, and all replacements of them, installed in, affixed to or used in connection with the Instrument and, if Purchaser sells or otherwise disposes of the Instrument in violation of the terms of this Agreement, in the proceeds of such sale or disposition. Purchaser will keep the Instrument in good condition and free from liens and other security interests, will pay promptly all taxes and assessments upon it or with respect to its use, and will not dispose of or encumber said Instrument.
14. Warranties. NO REPRESENTATION OR STATEMENTS HAVE BEEN MADE BY LM CONCERNING THE INSTRUMENT EXCEPT AS STATED IN THIS AGREEMENT, AND NO WARRANTY, EXPRESS OR IMPLIED, BY LM, ARISES APART FROM THIS WRITING.
15. Automatic Payments. By initialing the appropriate line on the first page of this Agreement and providing a credit card, the Purchaser authorizes LM to automatically debit the Monthly Payments against the credit card listed. It is the sole responsibility of Purchaser to ensure that the credit card is current and inform LM of any changes that might resulting in the inability of LM to process an automatic payment. Purchaser is responsible for all charges under this Agreement as a result of the inability to process an automatic payment, and this inability will be no excuse for Default under this Agreement. If for any reason the scheduled Monthly Payment is rejected by the credit card issuer, LM will notify the Purchaser of the rejected transaction. Upon notification, the Purchaser agrees to provide LM with a valid credit card to which the current and future payments may be charged. If after ten (10) days of a scheduled Monthly Payment, LM is unable to process a valid credit card transaction with regard to this account and the Purchaser refuses to make immediate payment, the Purchaser shall be in Default. Upon notification of the default, the Purchaser agrees to promptly return the Instrument, and pay all past due balances. Upon return of the Instrument and payment of all unpaid amounts, this Agreement shall be terminated, and the Purchaser shall have no further obligation.
16. Case. Any case provided to the Purchaser is included in the sale price and every instrument purchased under the installment plan must be in a case at the time it leaves the store. Any damage resulting from failure to store the Instrument in the case at all times when not in use may void the CMRP at the discretion of LM.
17. Assignment. Purchaser may not assign this Agreement without the express written consent of LM. Any such attempted assignment shall be void. This Agreement is assignable by LM without the consent of the Purchaser.
18. Installment Sale. This Agreement constitutes an installment sale, and not a lease transaction.
19. Choice of Law. This Agreement is governed by the laws of the state of Colorado
20. Severability. In the event that any of the provisions, or portions thereof, of this Agreement are held to be unenforceable or invalid by any court or tribunal of competent jurisdiction, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby and effect shall be given to the intent manifested by the provisions, or portions thereof, held to be enforceable and valid.
21. Integration. This Agreement constitutes the entire agreement between LM and the Purchaser and a complete merger of all prior negotiations and agreements.

-----End of Terms and Conditions-----

Initial _____