

San Mateo Piano is pleased to have you as customer.

Your acceptance and use of the Instrument described on your Invoice (herein the Piano) indicates your agreement to all of these Terms and Conditions of Lease, including, without limitation, payment of rent at the rental rate shown on your Invoice (herein the Monthly Rate). Please contact us if you have any questions about these Terms and Conditions.

1. **RENT PAYMENTS.** SMP requires payment, before the delivery date of the Piano, of the initial 3 months, the Delivery Fee described below. After delivery, you agree to pay the Monthly Rate amount on or before the same day of each subsequent calendar month for as long as you rent the Piano from SMP and until the Piano is returned to SMP. For example, if your Piano was delivered on the 15th day of the month, your Monthly Rate payment will be due thereafter on the 15th day of each successive calendar month until the lease is terminated and SMP has picked up the Piano. Your Monthly Rate amount includes your rent payment and any applicable taxes. **YOUR RENTAL AGREEMENT IS NOT A PURCHASE AGREEMENT. YOU WILL NOT BECOME THE OWNER OF THE PIANO NO MATTER HOW LONG YOU PAY RENT TO SMP. THE PIANO IS OWNED BY SMP AND MUST BE RETURNED WHEN YOU CANCEL THE LEASE OR AFTER YOUR DEFAULT. YOU AGREE NOT TO REMOVE OR DEFACE THE STICKER ON THE PIANO SHOWING THAT SMP OWNS THE PIANO. (SMP will allow a credit for up to one year of rental fees towards the purchase of another piano. This is offer cannot be combine with other offers or discounts available at SMP).**

2. **RENTAL TERM.** The date the Piano is delivered to the address shown on your initial Invoice is the date your rental term begins. SMP requires payment of rent for a minimum period of 90 days (three Monthly Rate payments) after the date you receive delivery of the Piano. After 90 days, you may continue to rent the Piano on a month-to-month basis at your option until the earlier of (a) the date you notify SMP that you want to terminate the lease or (b) the date SMP cancels your lease in accordance with these Terms and Conditions. You agree that your final Monthly Rate payment will not be prorated. If you notify SMP that you want to terminate the lease, you agree to continue paying rent at the Monthly Rate amount until SMP receives delivery of the Piano from you.

3. **FEES AND CHARGES.** You may make your payments by automatic recurring debit or credit card transaction. SMP at its home office no later than the due date. In addition to the Monthly Rate payment, you agree to pay the following fees: Delivery and pick up in advance. Additional charges for steps (\$8 each steps inside or outside your home).

4. **LOSS DAMAGE WAIVER.** SMP offers an optional Loss Damage Waiver (LDW) for an additional monthly recurring charge of \$3.49 per customer. Subject to the terms hereof, the LDW is paid in consideration for SMP waiving its right to recover damages against you in the event the Piano suffers incidental physical damage such as scratches, dents, dings, or broken knobs. LDW coverage is void and of no effect if you are not in compliance with your obligations under the terms of the rental agreement or these Terms and Conditions, or if physical damage to the Piano or loss is caused by vandalism, theft, or intentional abuse or damage. You are not required to purchase LDW coverage.

5. **USE AND RETURN OF PIANO.** You agree to use the Piano only for your personal use at the address and Home shown on your Invoice.

You agree that you will not move the Piano to another address or unit either within or outside your Home If you plan to move and would like to continue renting the Piano, you agree to contact SMP to determine if the Piano can be moved to your new place of residence. SMP must move the Piano for you, and you agree to pay the applicable Move Fee for the removal and reinstallation of your Piano. SMP allows use of the Piano only at Home communities it serves and may refuse to allow the Piano to be moved in its sole discretion of SMP.

6. LIMITED WARRANTY; REMEDY FOR DEFECTS. SMP UNDERTAKES NO RESPONSIBILITY FOR THE QUALITY OF THE PIANO EXCEPT AS PROVIDED IN THIS AGREEMENT. SMP ASSUMES NO RESPONSIBILITY THAT THE PIANO WILL BE FIT FOR ANY PARTICULAR PURPOSE FOR WHICH YOU MAY BE LEASING THE PIANO. ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE ARE EXPRESSLY EXCLUDED.

When the Piano is delivered, you agree to inspect it and report any damage or defects to SMP. If you discover a mechanical problem resulting from a defect in the manufacturing of the Piano, you agree to notify SMP promptly. SMP will repair or replace the Piano at its option without charge to you, and this remedy shall be your exclusive remedy. You agree that you will not attempt to repair the Piano yourself or allow anyone other than SMP or its contractors to repair the Piano. You will be responsible for any damage to the Piano resulting from any faulty repair work done by you or others.

1. PIANO DAMAGE OR MALFUNCTION RESULTING FROM ABUSE. You agree to use the Piano only in accordance with manufacturer's instructions. Piano. You also agree not to cause or allow others to cause any damage to the Piano through negligence, misuse or abuse. You agree to be solely responsible and liable to SMP for any damage to the Piano and the cost of any repairs caused by the negligence, misuse or abuse of the Piano, whether caused by you or anyone else.

2. INDEMNIFICATION. YOU AGREE TO RELEASE, INDEMNIFY AND HOLD SMP AND ITS AGENTS HARMLESS FROM ANY LIABILITY OR DAMAGES ARISING FROM NEGLIGENCE, MISUSE OR ABUSE OF THE PIANO DURING THE TIME THE PIANO IS IN YOUR POSSESSION WHICH WAS CAUSED BY YOU, ANY UNIT CO-RENTER, FAMILY MEMBER, GUESTS, OR INVITEES.

4. DEFAULT. You will be in default under your lease and these Terms and Conditions if any of the following should occur: (a) you fail to pay the full Monthly Rate payment or any other applicable fees, charges or damages when due; (b) you breach any of the terms of your lease agreement or these Terms and Conditions; or (c) SMP in good faith believes the prospect of payment or performance is impaired. You agree to waive any requirement that SMP provide you with notice of default.

5. REMEDIES. If an event of default occurs, SMP may exercise one or more of the following remedies: (a) cancel your lease; (b) take possession of the Piano with or without judicial process, but any non-judicial repossession in your absence from your Home may only be pursued without breach of the peace in accordance with Paragraph 9 above; (c) recover any unpaid Monthly Rate payments owed through the date the Piano is picked up by SMP; (d) cancel the lease and collect unpaid Monthly Rate payments through the date of cancellation plus an amount equal to the original cost of the Piano plus 10% of that amount if the Piano has been lost, stolen, or cannot be picked up by SMP; (d) recover all reasonable collection costs incurred by SMP including reasonable fees paid to third party collectors and/or attorneys to the extent allowed by applicable SMP; and/or (e) pursue any other rights or remedies allowed by applicable SMP. You agree to pay all of SMP's expenses and costs of enforcing these Terms and Conditions, including reasonable attorney's fees and expenses, as allowed by applicable SMP, whether or not a SMP suit is filed. SMP reserves right to report you to credit bureaus if you do not pay all amounts owed by you under these Terms and Conditions and you hereby authorize SMP to file such reports.

6. ARBITRATION. You and SMP agree that any disputes between us, at the request of either party made at any time, including without limitation any claims, controversies or disputes that have already been initiated in any court or that could or would otherwise be subject to class actions (the Dispute), shall be subject to binding arbitration subject to the Federal Arbitration Act, common SMP principles, the due process standards of the Consumer Due Process Protocol of the American Arbitration Association (AAA), and the terms of this section, unless otherwise

agreed. Each Dispute shall be decided as an individual case, on its own merits, and no claims may be consolidated. Judgment upon any SMP rendered in arbitration may be entered in any court having jurisdiction. Arbitration shall utilize only one arbitrator selected by the parties who shall be a licensed, practicing attorney who is knowledgeable in the subject matter of the Dispute. Each party agrees to pay half the arbitrators fee, but if you can demonstrate that you cannot afford the arbitrators fee, SMP will pay the entire fee. ARBITRATION OF A DISPUTE SHALL BE MANDATORY FOR BOTH PARTIES UPON THE ELECTION BY EITHER PARTY TO ARBITRATE, REGARDLESS OF WHEN SUCH ELECTION IS MADE (INCLUDING ELECTIONS MADE AFTER THE INITIATION OF A LSMP SUIT OR COUNTER-SUIT IN ANY COURT OR TRIBUNAL OF COMPETENT JURISDICTION). IF ARBITRATION IS SELECTED BY EITHER PARTY AT ANY TIME, THEN YOU AND SMP AGREE THAT SUCH ELECTION WILL PRECLUDE EITHER PARTY FROM HAVING THE DISPUTE HEARD OR DECIDED BEFORE A JURY OR COURT OF LSMP. You may obtain information regarding the arbitration process, including basic distinctions between arbitration and court proceedings and related costs, at the AAA.

□ The Limited Damage Waiver (LDW) option covers you on incidental damages and is an inexpensive way to ensure you're not charged for things like scratches, dents, dings, broken knobs, etc. With some exclusions, the LDW option means peace of mind while you rent the equipment.

\$3.49/month