

SAMPLE FORM

HEALTH CLUB SURETY BOND

BOND NO. _____

STATE OF _____

COUNTY / CITY OF _____

KNOW ALL PEOPLE BY THIS DOCUMENT: That (Name) _____,

as principal, with principal office and place of business located at _____ (Address) and operating a health club located at (Address) _____ and (Name of Surety Company) _____, a (State of Incorporation) _____ corporation authorized or admitted to do business in New Jersey, are held and firmly bound unto the State of New Jersey, for the use and benefit of all persons establishing legal rights hereunder, in the amount of (Amount in Words) _____ DOLLARS AND _____ CENTS,

(Amount in Figures) _____, to the payment of which we hereby bind ourselves, our heirs, administrators, executors, successors and assigns firmly by this document.

WHEREAS, P.L. 1987, c. 238, approved August 12, 1987, requires health clubs to register with the Division of Consumer Affairs, and, unless exempt by virtue of contract terms, to deposit bond or other security in the amount specified in the Act.

NOW, THEREFORE, the condition of this obligation is such that if the above-named principal shall faithful and truly fulfill all of its health club services contracts, and not file for bankruptcy or for similar protection under law, then this obligation shall be void; otherwise it remains in full force and effect as security for the use of any person who, after entering into a health club services contract, with the above-named principal, is damaged or suffers a loss by reason of breach of contract or bankruptcy by this principal, a seller of health club services.

This bond shall become effective on the _____ day of _____, _____, at twelve and one minute o'clock A.M. Eastern _____ Time, and continues in effect until the Surety withdraws from this bond by giving 10 days advance written notice by registered mail to the Director of the Division of Consumer Affairs, P.O. Box 45028, Newark NJ 07101. The 10 days shall begin to run on the day following the Director's receipt of notice.

In order to draw funds on this bond, the Director shall present the following document to the Surety:

AFFIDAVIT SWORN TO AND SIGNED BY THE DIRECTOR OF THE DIVISION OF CONSUMER AFFAIRS
OF THE STATE OF NEW JERSEY, STATING THAT (Applicant)

_____ HAS NOT SATISFACTORILY PERFORMED ITS OBLIGATIONS TO A PERSON WHO, AFTER ENTERING INTO A HEALTH CLUB SERVICES CONTRACT HAS BEEN DAMAGED OR SUFFERED A LOSS BY REASON OF BREACH OF CONTRACT OR BANKRUPTCY BY THIS APPLICANT, A SELLER OF HEALTH CLUB SERVICES SUBJECT TO THE PROVISIONS OF THE NEW JERSEY HEALTH CLUB ACT, P. L. 1987, c. 238, EFFECTIVE DECEMBER 10, 1987.

In no event shall the aggregate liability of the surety for all claims under this bond exceed the amount of this bond.

Signed, sealed, and dated this _____ day of _____, _____.

Principal _____ (SEAL) Surety _____ (SEAL)

Address of Surety _____

By: _____ By: _____

Signed and acknowledged by Surety's agent _____

before me this _____ day of _____, _____

My Commission expires _____ Notary _____

Surety Solutions, LLC