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STATE OF COLORADO
DEPARTMENT OF LAW
Consumer Protection Section

Ralph L. Carr
Colorado Judicial Center
1300 Broadway, 7th Floor
Denver, Colorado 80203
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Bond No. _____

HEALTH CLUB SURETY BOND

KNOW ALL PEOPLE BY THIS DOCUMENT, that we _____
_____, as Principal, doing business at _____
_____ and _____,
as Surety authorized to transact business in Colorado, are held and firmly bound unto the
ATTORNEY GENERAL in the STATE OF COLORADO, for the use and benefit of all persons
establishing legal rights hereunder, in the amount of _____, to the
payment of which we hereby bind ourselves, our heirs, administrators, executors, representatives,
successors and assign, firmly by this document.

WHEREAS, Colorado Revised Statutes § 6-1-105(1)(t)(VI), requires a business
engaged in the advertisement or sale of a health club membership contract which has an actual or
financial duration, including any option to renew, which is longer than 24 months but not longer
than 36 months with a buyer's option to renew annually thereafter, to be bonded for restitution or
other financial loss to any buyer injured in the event the principal goes out of business prior to the
expiration of the buyer's membership contract, in the amount of _____,
and whereas such bond must be filed with and drawn in favor of the Attorney General of the State
of Colorado.

NOW, THEREFORE, the condition of this obligation is such that if the above-
named principal continues to provide its health contracts, and continues to operate in accordance
with the specific provisions of C.R.S. § 6-1-105(1)(t), this obligation is void; HOWEVER, if the
Principal breaches its contract or otherwise ceases to operate its health club due to bankruptcy,
business closure or other circumstances covered by C.R.S. § 6-1-105(1)(t)(III)(C), (D) and (E),
and any members suffer losses or are injured as a result of such conduct by the Principal, this
obligation remains in full force and effect.

This bond shall become effective on the _____ day of _____,
_____, and if these spaces are not completed, the date of execution shall be the effective date of
the Bond.

IN ORDER to draw funds on this Bond, the State of Colorado through the Colorado Attorney General, shall first give the Surety written notice by certified mail or principal's failure to make restitution to buyers or members who are injured as a result of the Principal's bankruptcy, business closure or other breaches of health club contracts as described herein, and shall demand payment or satisfaction of such restitution obligations. In the event the Surety fails to perform its obligation under this Bond within 30 days after said notice, the Colorado Attorney General may commence appropriate legal action against Surety to recover the consumer restitution plus interest, costs, and attorney fees.

THE SURETY shall have the right to terminate its liability hereunder only after a) giving the principal and the Colorado Attorney General written notice forty-five (45) days in advance of such termination and b) receiving the Attorney General's written consent to such termination. Notice shall be mailed by certified mail addressed to the Colorado Attorney General, Consumer Protection Section, Ralph L. Carr Colorado Judicial Center, 1300 Broadway, 7th Floor, Denver, Colorado 80203. Such termination shall not release Surety from any liability existing under this Bond at the time of the effective date of termination.

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)

(Authorized Signature)

NOTARY PUBLIC

My Commission Expires: _____

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

(Surety)

(Authorized Signature)

NOTARY PUBLIC

My Commission Expires: _____