

Bond No.: \_\_\_\_\_

## **Health Club Surety Bond**

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 (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, (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 faithfully and truly fulfill all of its health club services contracts, and not file for bankruptcy or for similar protection under law, then its 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 any loss by reason of breach of contract or bankruptcy by this principal, a seller of health club services.

This bond shall become effective of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, at twelve and one minute o'clock a.m., Eastern \_\_\_\_\_ Time, and continues in effect until the surety withdraws from the 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 \_\_\_\_\_.

(Observed instructions on attached page for execution.)

Principal \_\_\_\_\_ (SEAL)      Surety \_\_\_\_\_ (SEAL)

By: \_\_\_\_\_ By: \_\_\_\_\_

Signed and acknowledged by Surety's agent \_\_\_\_\_ before me

this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

My Commission expires \_\_\_\_\_ Notary \_\_\_\_\_

**Note: This form of bond is furnished to you only for your information and convenience. The form may be changed provided that:**

1. The purpose remains to provide security for the use of any person who, after entering into a health club contract, is damaged or suffers any loss by reason of breach of contract or bankruptcy by the seller of the health club services.
2. It is executed to the State of New Jersey.
3. It is for the amount required by law (see P.L. 1987, c.238).
4. It provides for ten days' advance notice to the director of the Division of Consumer Affairs of surety withdrawal from this bond.

#### **I. Information for the preparation and execution of this bond**

- A. The legal name of the principal on the bond should be fully and correctly stated and should precisely agree with the name of the applicant on its local business license or articles of incorporation. (Any material variation may delay acceptance of the bond.)
- B. The name in which business is conducted should follow the name or names of the principal where the applicant does business under a fictitious name.

##### **Examples:**

Individual operating in own name: "John Doe"

Individual owner operating by another name: "John Doe d/b/a Super Spa"

Partners operating by another name: "John Doe, Richard Doe, and Mary Doe d/b/a Super Spa"

Corporation operating by own name: "Doe Company" (a corporation)

Corporation operating by another name: "John Doe Enterprises, Inc. d/b/a Superior Health Center"

- C. A separate bond must be filed with the Division of Consumer Affairs for each physically separate location at which the principal does business as a health club.

#### **II. Execution by principal**

If the principal of this bond is:

1. An individual; this bond must be signed by the principal.
2. A partnership; this bond must be executed in the name of the partnership, and must be signed by at least one of the partners.
3. A corporation; this bond must be executed in the name of the corporation, by its president or vice president, with impression of corporate seal affixed, and attested by secretary or assistant secretary of the corporation.

#### **III. Execution by surety**

- A. This bond must be executed by a properly authorized person, whose title should be shown, with an impression of the corporate seal affixed; and
- B. Attach the original or a certified copy of the Power of Attorney authorizing said execution.