

KENTUCKY HEALTH SPA BOND
(Corporate surety)

COMMONWEALTH OF KENTUCKY)
COUNTY OF _____)
BOND NUMBER _____

KNOW ALL PERSONS BY THIS DOCUMENT:

That I (we) _____
(Name of Health Spa Operator)

of _____
(Complete Address of Operator)

as PRINCIPAL, operating a health spa, as defined in the Kentucky Revised Statutes 367.900, by the
name of _____ and located at
(Complete Name of Health Spa)

(Complete Address of Health Spa)

and _____ located at
(Name of Surety)

(Complete Address of Surety)

as SURETY, organized under the laws of the State of _____ and authorized to do business
in the Commonwealth of Kentucky, are held and firmly bound unto the COMMONWEALTH OF
KENTUCKY for the use and benefit of every person establishing legal rights hereunder, in the full
penal sum of _____ THOUSAND and NO/100 DOLLARS, \$ _____
(Amount in words) (Amt. in figures)

money of the United States of America, to the payment of which we bind ourselves, our heirs,
executors, administrators, successors and assigns, jointly and severally, firmly by this document.

(continued)

WHEREAS, by Sections 367.905 and 367.906 of the Kentucky Revised Statutes, health spas are required to post a surety bond with, and in a form prescribed by, the Attorney General's Division of Consumer Protection prior to the sale of any membership in the Commonwealth of Kentucky, to be held for the benefit of any member who suffers loss of money paid pursuant to a contract due to the insolvency of the health spa, cessation of operation of the health spa, or failure of the health spa to open for business within ninety (90) days from the sale of the first contract;

NOW, THEREFORE, the condition of this obligation is such that if the above-named principal shall faithfully and honestly fulfill all of its obligations to its health spa members in accordance with the provisions of its membership contracts and KRS 367.900 to 367.930, and if no member suffers loss of money paid pursuant to a membership contract as a result of the insolvency of the health spa, cessation of operation of the health spa, or failure of the health spa to open for business within ninety (90) days from the sale of the first contract, then this obligation shall be void, otherwise to remain in full force and effect. Principal's provision of alternate facilities, except as permitted under Subsection 4(c) of KRS 367.910, shall not be sufficient to meet the criteria established by this provision for finding the obligation void.

THE TERM of this bond is continuous; however, the surety shall have the right to cancel this bond at any time by a written notice stating when the cancellation shall take effect and served upon or sent by certified mail to the Office of the Attorney General, Division of Consumer Protection, 1024 Capital Center Drive, Frankfort, Kentucky 40601-8204, at least sixty (60) days prior to the effective date of the cancellation, provided such cancellation shall not release said surety from any liability existing hereunder at the time of the said cancellation.

MORE PARTICULARLY, all unexpired membership contracts existing on the effective date of Surety's cancellation shall continue to be protected by this bond, even though no cause of action has accrued at the time of the cancellation.

Regardless of the number of years this bond may remain in force, the liability of the surety shall not be cumulative, and the aggregate liability of the surety for any and all claims, suits or actions under this bond shall not exceed the sum stated above.

Signed, sealed and dated this _____ day of _____, 20____.

_____(SEAL) _____(SEAL)
Principal Surety

By: _____ By: _____

Signed and acknowledged by Surety's agent, _____
before me this _____ day of _____, 20____

Notary Public

My Commission expires _____.