

**State of Nevada
Department of Business and Industry
Nevada Consumer Affairs Unit**

**Application for Registration
Instructions**

(Health Club Owner Registration)

Determine whether you are subject to the health club registration requirements.

Review NRS Chapter 598.940 – 598.966. NRS 598.9415 defines “Health club.” If a Health club offers contracts or memberships that fall within the scope of NRS 598.942, it must register with the Nevada Consumer Affairs Unit and comply with NRS Chapter 598.940 – 598.966 and any other statutes and regulations applicable to their business. The statutes and regulations referenced herein can be found at www.leg.state.nv.us.

Complete the Application for Registration and have your signature on the Sworn Declaration notarized.

Complete the Application for Registration. Be sure to have your signature on the Sworn Declaration notarized.

If additional space is required to answer any question in the Application for Registration or Business Practices Questionnaire, please provide the information on a separate 8 ½ x 11 blank sheet of paper, indicating the form to which it relates, and the number of the question being continued.

Complete the Business Practices Questionnaire

Complete the Business Questionnaire. Be sure to have your signature on the Sworn Declaration notarized.

Check or Money Order for the Administrative Fee

Per NRS 598.947(2), at the time of application for registration, the applicant must, among other things, pay an administrative fee of \$25. The fee may be paid by check or money order payable to the Nevada Consumer Affairs Unit.

Obtain the required Security.

Health club owners who are required to register must deposit security with the Nevada Consumer Affairs Unit. NRS 598.946 and 598.9472, among other things, describe the conditions under which the security must be posted and the amount and form of the security. NRS 598.9474 describes the rights and remedies of injured consumers and claims against the security. NRS 598.9476 describes release of the security.

Obtain a copy of Business License and Certificate of Good Standing.

You will need to submit with the application documents, a copy of the business license for the Health Club. You will also need to submit to a Certificate of Good Standing from the Nevada Secretary of State for the organization that owns the Health club.

File the Nevada Consumer Affairs Unit

File the original Application for Registration with signed and notarized Sworn Declaration, Security document(s), Business Questionnaire with its signed and notarized Sworn Declaration, a copy of your business license and Certificate of Good Standing along with a check or money order for the required administrative fee made payable to the Nevada Consumer Affairs Unit. Mail the documents and check or money order to:

**Nevada Consumer Affairs Unit
2300 W. Sahara Ave., Ste 770
Las Vegas, NV 89102**

**State of Nevada
Department of Business and Industry
Nevada Consumer Affairs Unit**

**APPLICATION FOR REGISTRATION
HEALTH CLUBS**

If additional space is required to answer any question in the Application, please provide the information on a separate 8 ½ x 11 blank sheet of paper, indicating the number of the question being continued.

BUSINESS:

1. NAME OF BUSINESS: _____
2. DBA (if any): _____
3. BUSINESS ADDRESS: _____

OWNER(S):

For each owner, partner, member, director, officer, or manager provide the following information:

4. NAME: _____
5. HOME ADDRESS: _____
6. TELEPHONE #: _____
7. EMAIL ADDRESS: _____
8. OWNER'S DOB: _____ OWNER'S SS#: _____

DESCRIPTION OF BUSINESS:

9. LENGTH OF TIME IN BUSINESS: _____ YEARS _____ MONTHS
10. BRIEFLY DESCRIBE YOUR BUSINESS PRACTICES AS THEY PERTAIN TO SELLING MEMBERSHIP CONTRACTS AND/OR ACCESS TO YOUR HEALTH CLUB FACILITY:

11. HOW MANY MEMBERS DOES THE CLUB CURRENTLY HAVE? _____

MAIL FORMS TO: Nevada State Business Center, 2300 W. Sahara Ave., Suite 770, Las Vegas, Nevada 89102 - Telephone (702) 486-2750 - Fax (702) 486-2758
Carson City: 1830 College Parkway, Suite 100, Carson City, Nevada 89706 - Telephone (775) 684-1910 - Fax (775) 684-2998
www.consumeraffairs.nv.gov email: register@business.nv.gov

SECURITY

12. THE AMOUNT OF SECURITY POSTED IN CONNECTION WITH THE APPLICATION (**Please select the appropriate checkbox below**)

Pursuant to NRS 598.946, the amount of the security to be deposited must be:

- (a) Ten thousand dollars, if the health club has less than 400 members;
- (b) Fifteen thousand dollars, if the health club has 400 members or more but less than 800 members;
- (c) Twenty thousand dollars, if the health club has 800 members or more but less than 1,200 members;
- (d) Twenty-five thousand dollars, if the health club has 1,200 members or more but less than 1,500 members;
- (e) Thirty-five thousand dollars, if the health club has 1,500 members or more but less than 4,000 members;
- (f) Fifty thousand dollars, if the health club has 4,000 members or more but less than 25,000 members; and
- (g) Two hundred and fifty thousand dollars, if the health club has 25,000 or more members.

If a health club conducts any pre-sale of the use of facilities or other services, the amount of the security required by this section is \$100,000 unless a greater amount is required pursuant to paragraph (g) of subsection 2. Does the health club conduct pre-sales: **YES** **NO**

NOTE: PURSUANT TO NRS 598.946(4), A HEALTH CLUB IS REQUIRED TO REPORT TO THE UNIT ON A QUARTERLY BASIS THE SIZE OF ITS MEMBERSHIP AND SHALL, ON THE BASIS OF ANY CHANGE IN THE SIZE OF THAT MEMBERSHIP, ADJUST ACCORDINGLY THE AMOUNT OF THE SECURITY DEPOSITED WITH THE UNIT.

13. Does the security comply with the requirements set forth in NRS 598.9472: **YES** **NO**

14. Provide the following with respect to the security posted by the applicant:

Surety Bond # _____ **Amount of Bond \$** _____ **Beneficiary: State of NV**

Name and address of the corporate surety issuing the bond:

Letter of Credit # _____ **Amount \$** _____ **Beneficiary: State of NV**

Issuing Bank: _____
Name Address

Certificate of Deposit # _____ **Date:** _____

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www.consumeraffairs.nv.gov email: register@business.nv.gov

Principal Amount \$ _____ Beneficiary: State of NV Term: _____

Issuing Institution: _____
Name Address

REGISTERED AGENT

15. The applicant designates the following member of its governing body who lives in the county where the club is located as its registered agent for service of legal process in the State of Nevada.

Name of Registered Agent: _____

Address of Registered Agent: _____
Street Address City State Zip

Registered Agent's Telephone No.: _____ Registered Agent's Fax No.: _____

Registered Agent's E-Mail: _____

The health club applicant acknowledges that it will continuously maintain a registered agent in the State of Nevada for service of legal process for as long as it is doing business in the state.

ADMINISTRATIVE FEE

16. Administrative Fee. A \$25 administrative fee must accompany the Application for Registration. Payment may be made by check or money order payable to the Nevada Consumer Affairs Unit. The Administrative Fee is non-refundable.

INCOMPLETE APPLICATIONS WILL NOT BE PROCESSED

CERTIFICATES OF REGISTRATION MUST BE RENEWED BY THE REGISTRANT BEFORE THE CERTIFICATE EXPIRES BY SUBMITTING AN APPLICATION FOR THE RENEWAL OF THE CERTIFICATE

MAIL FORMS TO: Nevada State Business Center, 2300 W. Sahara Ave., Suite 770, Las Vegas, Nevada 89102 - Telephone (702) 486-2750 - Fax (702) 486-2758
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www.consumeraffairs.nv.gov email: register@business.nv.gov

SWORN DECLARATION

I, _____ (print name), being duly sworn, depose and say that I have read the foregoing Application for Registration and know the contents thereof; that the statements contained therein are true and correct and contain a full and true account of the information requested; and that I am executing this statement with the knowledge that misrepresentation or failure to reveal information requested may be deemed sufficient cause for denial or revocation of a registration. I am authorized to sign the Application for Registration on behalf of _____ (print applicant's name).

I hereby authorize the Nevada Consumer Affairs Unit to investigate the information provided in the foregoing Application for Registration and I expressly waive, release and forever discharge from liability and promise to hold harmless under any and all causes of action, the State of Nevada, Consumer Affairs Unit, its agents and employees in connection with any such investigation.

Name of Applicant: _____

By: _____
(Authorized Signatory) / (Owner)

Printed Name: _____

Title: _____

Date: _____

NOTARY

State of _____

County of _____

Subscribed and sworn to before me on the _____ day of _____, 20____

by _____
(Name of person making statement)

Name of Notary Official: _____

Signature of Notary Official: _____

My commission expires: _____

Notary Stamp

**STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
NEVADA CONSUMER AFFAIRS UNIT**

**BUSINESS PRACTICES QUESTIONNAIRE
HEALTH CLUBS**

This Business Practices Questionnaire must be typed or printed clearly in ink. If additional space is required to answer any questions in this Business Practices Questionnaire, please continue on a blank 8 ½ X 11" sheet of paper and begin each carryover answer with the number of the question being answered.

QUESTIONS	ANSWERS
1. Business Name:	
2. Set forth the complete street address of each location, from which the business will be doing business.	
3. The business' mailing address is:	
4. Briefly describe the goods and/or services the business sells.	
5. List all telephone numbers used/to be used by the business with the physical location where each telephone using these numbers will be located.	
6. The business' facsimile numbers and e-mail addresses.	

7. What is your business type?	Corporation Limited Liability Company General Partnership Limited Partnership Sole Proprietorship Other-Please Specify
8. Provide the following information for each principal officer, director, trustee, shareholder, owner and partner of the business, and of each person responsible for the management of the business. (Attach a separate sheet if needed.) Name: Current Home Address: Home Phone Number: Date of Birth: Social Security Number:	
9. Has any person in question 8 been convicted of racketeering or any offense involving fraud, theft, embezzlement, fraudulent conversion or misappropriation of property or any other felony?	_____ YES _____ NO If yes, identify the court rendering the conviction; provide the docket number of the matter, the date of the conviction, and the name of the governmental agency that brought the action resulting in the conviction.

<p>10. Has any person listed in question 8 been an owner, officer or director of a health club that has had its license or registration suspended or revoked or been fined.</p>	<p>___ YES ___ NO If yes, identify the court or administrative agency and case #; and briefly describe the matter.</p>
<p>11. Is any person listed in question 8 subject to any currently effective injunction or restrictive court order relating to any business activity as the result of any action brought by a federal, state or local agency? This includes any action affecting any license or registration authorizing the person to do business or practice an occupation or trade.</p>	<p>___ YES ___ NO If yes, identify the court or administrative agency issuing the order against the person; provide the case number, the date of the order, the and briefly describe the matter.</p>
<p>12. Has the health club or its owner filed bankruptcy, been adjudged bankrupt or been reorganized because of insolvency during the previous seven years?</p>	<p>___ YES ___ NO If yes, provide the name and address of the person filing in bankruptcy, adjudged bankrupt or reorganized because of insolvency, the date of the action, the court which exercised jurisdiction and the docket number of the matter.</p>
<p>13. In which state was the business organized, formed or incorporated? Provide a copy of the document showing the creation of the business.</p>	
<p>14. When did the business first begin to operate in Nevada?</p>	<p>Month Day Year</p>
<p>15. Does the business use any assumed or fictitious names to conduct business?</p>	<p>___ YES ___ NO If yes, provide all such names:</p>

<p>16. Is there a parent company of the business or franchiser?</p>	<p><input type="checkbox"/> YES <input type="checkbox"/> NO If yes, provide all such names:</p>
<p>17. Are there any companies affiliated with the business that will accept responsibility for any statement or act of the business as it relates to any sale solicited by the business?</p>	<p><input type="checkbox"/> YES <input type="checkbox"/> NO If yes, provide: Name: Address:</p>
<p>18. Does the business have a Business License:</p>	<p><input type="checkbox"/> YES <input type="checkbox"/> NO</p>
<p>19. Is the business a non-profit public or private school, college or university?</p>	<p><input type="checkbox"/> YES <input type="checkbox"/> NO</p>
<p>20. If the business a state or political subdivision?</p>	<p><input type="checkbox"/> YES <input type="checkbox"/> NO</p>
<p>21. Is the business a non-profit religious or ethnic organization or a non-profit organization for the benefit of the community or its members?</p>	<p><input type="checkbox"/> YES <input type="checkbox"/> NO</p>
<p>22. Is the business an enterprise that offers the use of its facilities for the maintenance of or development of physical fitness or the control of weight?</p>	<p><input type="checkbox"/> YES <input type="checkbox"/> NO</p>
<p>23. Does the business sell or engage in the sale of the use of facilities or other services by a health club before all amenities, facilities, or benefits identified in the contract or sales presentation are available to the buyer?</p>	<p><input type="checkbox"/> YES <input type="checkbox"/> NO</p>

<p>24. Is membership intended for use by the buyer and members of his family?</p>	<p>___ YES ___ NO</p>
<p>25. Does the buyer or purchaser become obligated to purchase the use of facilities or other services for more than 3 months and does the business require the payment of any fee or dues 3 months in advance?</p>	<p>___ YES ___ NO</p>
<p>26. Does the business require the payment of a fee for initiation or membership in an amount greater than \$75.00?</p>	<p>___ YES ___ NO</p>
<p>27. Does the business accept from a buyer more than \$100.00 at any one time for the use of facilities or other services?</p>	<p>___ YES ___ NO</p>
<p>28. How many members does the health club have?</p>	<p>1. ___ 0 to 399 members 2. ___ 400 to 799 members 3. ___ 800 to 1,199 members 4. ___ 1,200 to 1,499 members 5. ___ 1,500 to 3,999 members 6. ___ 4,000 to 24,999 members 7. ___ over 25,000 members</p>

SWORN DECLARATION

I, _____ (print name), being duly sworn, depose and say that I have read the foregoing Business Questionnaire and know the contents thereof; that the statements contained therein are true and correct and contain a full and true account of the information requested; and that I am executing this statement with the knowledge that misrepresentation or failure to reveal information requested may be deemed sufficient cause for denial or revocation of a registration. I am authorized to sign this Business Questionnaire on behalf of _____ (print applicant's name).

I hereby authorize the Nevada Consumer Affairs Unit to investigate the information provided in the foregoing Business Questionnaire and I expressly waive, release and forever discharge from liability and promise to hold harmless under any and all causes of action, the State of Nevada, Consumer Affairs Unit, its agents and employees in connection with any such investigation.

Name of Applicant: _____

By: _____
(Authorized Signatory) / (Owner)

Printed Name: _____

Title: _____

Date: _____

NOTARY

State of _____

County of _____

Subscribed and sworn to before me on the _____ day of _____, 20 _____

by _____
(Name of person making statement)

Name of Notary Official: _____

Signature of Notary Official: _____

My commission expires: _____

Notary Stamp

State of Nevada
Department of Business and Industry
Nevada Consumer Affairs Unit

APPLICATION FOR REGISTRATION
(Health Clubs)

Required Items – Checklist: PLEASE CHECK ✓ EACH BOX

- Complete Application for Registration with signed and notarized Sworn Declaration
- Surety bond, letter of credit or certificate of deposit in the appropriate amount made payable to the State of Nevada
- Complete Business Questionnaire with signed and notarized Sworn Declaration
- \$25 Administrative Fee
- Copy of the organization’s Nevada business license or authorization to do business as a foreign entity
- Copy of the organization’s Certificate of Good Standing

MAIL FORMS TO: Nevada State Business Center, 2300 W. Sahara Ave., Suite 770, Las Vegas, Nevada 89102 - Telephone (702) 486-2750 - Fax (702) 486-2758
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State of Nevada
Department of Business and Industry
Nevada Consumer Affairs Unit

2300 W. SAHARA AVENUE, SUITE 770
LAS VEGAS, NV 89102
(702) 486-2750

REGISTER@BUSINESS.NV.GOV

HEALTH CLUB
CERTIFICATE OF DEPOSIT

Name of Financial Institution: _____

Address: _____

City: _____ State: _____ Zip: _____

Name of Applicant/Registrant: _____

Address: _____

City: _____ State: _____ Zip: _____

CERTIFICATE OF DEPOSIT NO.: _____

Date: _____

To Beneficiary: Nevada Consumer Affairs Unit
2300 W. Sahara Avenue, Suite 770
Las Vegas, NV 89102
Attn: Commissioner of Consumer Affairs

1. The above named Financial Institution issued a Certificate of Deposit on the above date to the above named Applicant/Registrant in the principal sum of \$_____. A true and correct copy of the Certificate of Deposit is attached as Attachment A.
2. This Certificate of Deposit is and has been established for the sole benefit of the Nevada Consumer Affairs Unit (hereinafter "Consumer Affairs Unit") pursuant to the terms of NRS 598.946 and NRS 598.9472 which require the posting of security in connection with the initial and renewal application filed by the Applicant/Registrant to obtain a certificate of registration to own a health club in the State of Nevada.
3. This Certificate of Deposit is intended by the parties to serve as a security for consumers injured by the Registrant's: a) bankruptcy; and b) breach of any agreement entered into in his, her or its capacity as a registrant under NRS 598.940 to 598.966, inclusive; and/or c) non-compliance with the provisions of NRS 598.940 to 598.966, inclusive.

Certificate of Deposit – Page 2

4. Upon Registrant's a) bankruptcy; b) breach of any agreement entered into in his, her or its capacity as a registrant; and/or c) non-compliance with the provisions of NRS 598.940 to 598.966, inclusive, the Commissioner of Consumer Affairs ("Commissioner") or his designee shall be entitled to draw upon this Certificate of Deposit by presentation of a duly executed Certificate of Drawing in substantially the same form as Attachment B, attached hereto, at our office located at the address above.
5. The Certificate of Drawing shall be completed and signed by the Commissioner or his designee. Presentation by the Commissioner or his designee of a completed Certificate of Drawing may be made in person or by registered mail, return receipt requested.
6. Upon presentation of a duly executed Certificate for Drawing as above provided, payment shall be made to the Commissioner or his designee, to an account designated by the Commissioner, in immediately available funds, at such time and place as the Commissioner or his designee shall specify.
7. Funds may be drawn in one or more drawings not to exceed the principal sum.
8. If demand for payment does not conform to the terms of this document, the Financial Institution shall give the Commissioner prompt notice that the demand for payment was not effected in accordance with the terms of this document, state the reasons therefore, and await further instructions.
9. Upon being notified that the demand for payment was not effected in conformity with this document, the Commissioner may correct any such non-conforming demand for payment.
10. All drawings from the Certificate of Deposit under this document shall be paid with the Financial Institution's funds. Each drawing honored by the Financial Institution hereunder shall reduce, *pro tanto*, the principal sum. By paying to the Commissioner an amount demanded in accordance herewith, the Financial Institution makes no representations as to the correctness of the amount demanded.
11. The Certificate of Deposit will be cancelled in whole or in part only upon receipt by the Financial Institution of a Certificate of Cancellation which shall be in the form of Attachment C, attached hereto and shall be completed and signed by the Commissioner.
12. Communications with respect to the Certificate of Deposit shall be in writing and addressed to the Financial Institution at the address above and shall specifically refer to this Certificate of Deposit by the number above.
13. This Certificate of Deposit may not be transferred or assigned, either in whole or in part.
14. All interest accrued under the Certificate of Deposit shall not be considered to be part of the principal sum and shall be considered to belong to Applicant/Licensee, although the Licensee/Applicant cannot withdraw any of the accrued interest without first receiving written approval from the Commissioner for such withdrawal.
15. This document shall be deemed a contract made under the laws of State of Nevada, and any action related to this Certificate of Deposit shall be filed in the State of Nevada and shall be subject to the laws of the of the State of Nevada.

Certificate of Deposit – Page 3

16. This document shall be perpetual until it is cancelled as provided herein. If the Certificate of Deposit expires by its own terms, it shall be renewed or replaced with another Certificate of Deposit that will also be subject to the terms and conditions of this document.

THEREFORE, the above-named Financial Institution and Applicant/Registrant have executed and delivered this Certificate of Deposit form to the Commissioner as of the _____ day of ____, 20__.

FINANCIAL INSTITUTION

APPLICANT/REGISTRANT

By: _____
(Signature)

By: _____
(Signature)

Name: _____
(Print Name)

Name: _____
(Print Name)

Title: _____

Title: _____

Attachment A

Copy of Certificate of Deposit

Certificate of Deposit – Page 4

MAIL FORMS TO: Nevada State Business Center, 2300 W. Sahara Ave., Suite 770, Las Vegas, Nevada 89102 - Telephone (702) 486-2750 - Fax (702) 486-2758
Carson City: 1830 College Parkway, Suite 100, Carson City, Nevada 89706 - Telephone (775) 684-1910 - Fax (775) 684-2998

www.consumeraffairs.nv.gov email: register@business.nv.gov

Attachment B

State of Nevada
Department of Business and Industry
Nevada Consumer Affairs Unit

CERTIFICATE FOR DRAWING

Name of Financial Institution(Issuer): _____

Address: _____

City: _____ State: _____ Zip: _____

Name of Applicant/Registrant: _____

Address: _____

City: _____ State: _____ Zip: _____

CERTIFICATE OF DEPOSIT NO.: _____

To Beneficiary: Nevada Consumer Affairs Unit
2300 W. Sahara Avenue, Suite 770
Las Vegas, NV 89102
Attn: Commissioner of Consumer Affairs

The undersigned, the Commissioner of Consumer Affairs ("Commissioner") or his designee hereby certifies to the Issuer that:

1. One or more of the following events has occurred: a) Registrant's bankruptcy; b) Registrant's breach of an agreement entered into in his, her or its capacity as a registrant under NRS 588.940 to 598.966, inclusive; and/or c) Registrant's non-compliance with the provisions of NRS 598.940 to 598.966, inclusive; and thus, the Commissioner or his designee is entitled to draw against Certificate of Deposit No. _____ ("CD").
2. The undersigned is authorized under the terms of the Certificate of Deposit form to present this Certificate for Drawing as the sole means for demanding payment on the CD.
3. The Commissioner or his designee is therefore making a drawing under the CD in the amount of \$ _____.
4. The amount of drawing requested shall be payable to the Nevada Consumer Affairs Unit in lawful, immediately available funds to be received by the Commissioner or his designee at the above address no later than 5:00 PM Pacific time on the _____ day of _____, 20____.

THEREFORE, the undersigned has executed and delivered this Certificate for Drawing on this ___ day of _____, 20_____.

NEVADA CONSUMER AFFAIRS UNIT

By: _____
Commissioner of Consumer Affairs or his designee

Attachment C

**State of Nevada
Department of Business and Industry
Nevada Consumer Affairs Unit**

CERTIFICATE FOR CANCELLATION

Name of Financial Institution(Issuer): _____

Address: _____

City: _____ State: _____ Zip: _____

Name of Applicant/Licensee: _____

Address: _____

City: _____ State: _____ Zip: _____

CERTIFICATE OF DEPOSIT NO.: _____

To Beneficiary: Nevada Consumer Affairs Unit
2300 W. Sahara Avenue, Suite 770
Las Vegas, NV 89102
Attn: Commissioner of Consumer Affairs

The undersigned, the Commissioner of the Nevada Consumer Affairs Unit ("Commissioner") or his designee hereby certifies to the Issuer that:

1. The certificate of registration for which the Certificate of Deposit was issued has expired, been revoked, been cancelled, or otherwise is no longer in effect, thereby making the cancellation of the Certificate of Deposit form appropriate.
2. The Commissioner therefore requests the cancellation of the above-referenced Certificate of Deposit form and that the Certificate of Deposit incident thereto be returned to the control and ownership of the Applicant/Registrant.

THEREFORE, the undersigned has executed and delivered this Certificate of Cancellation on this _____ day of _____, 20_____.

NEVADA CONSUMER AFFAIRS UNIT

By: _____
Commissioner of Consumer Affairs or his designee

**State of Nevada
Department of Business and Industry
Nevada Consumer Affairs Unit**

**HEALTH CLUBS
IRREVOCABLE STANDBY LETTER OF CREDIT**

Name of Issuing Financial Institution/Bank

Address

City/State/Zip

Number of the Letter of Credit: _____

Applicant (called "Registrant" hereinafter)

City/State/Zip

Beneficiary:

State of Nevada, Department of Business and Industry, Consumer Affairs Unit
2300 West Sahara Avenue, Suite 770
Las Vegas, NV 89102

Amount: _____ Thousand Dollars U.S. (\$1 _____ .00)

Expiration Date: _____

Gentlemen, we hereby establish, pursuant to NRS 598.946 and NRS 598.9472, our IRREVOCABLE STANDBY LETTER OF CREDIT ("Letter of Credit") in Beneficiary's favor available by Beneficiary's drafts drawn at sight on us accompanied by, and conditioned upon, the following documents:

A statement signed by the Commissioner of Consumer Affairs, Department of Business and Industry, State of Nevada, or his authorized designee (hereinafter "Commissioner"), which provides that the Commissioner has conducted a hearing to determine the distribution of the proceeds of this Letter of Credit or has made the determination to interplead the proceeds of the Letter of Credit into a court of competent jurisdiction, and that the proceeds drawn hereby will be held by the Consumer Affairs Unit pending such a final distribution or interpleading.

SPECIAL CONDITIONS

1. Registrant is required by the provisions of NRS 598.946 to 598.9472 to establish this Letter of Credit on the terms and conditions set forth in NRS 598.940 to 598.966, inclusive, and Issuing Bank shall indemnify beneficiary hereunder against all liability or loss caused by, resulting from, or connected with Registrant's: a) bankruptcy; b) breach of any agreement entered into with a consumer or entered into in his, her or its capacity as registrant; c) Registrant's non-compliance with the provisions of NRS 598.940 to 598.966, inclusive; and/or d) any other terms contained in this Letter of Credit.

2. If Issuing Bank shall not incur any liability or loss caused by, resulting from, or connected with Registrant's: a) bankruptcy; b) breach of any agreement entered into with a consumer or entered into in his, her or its capacity as registrant; c) Registrant's non-compliance with the provisions of NRS 598.940 to 598.966, inclusive; and/or d) any other terms contained in this Letter of Credit, then this obligation shall be null and void. Otherwise, this obligation shall remain in full force and effect.

3. The total aggregate liability of Issuing Bank for all claims under this Letter of Credit shall be limited to the face amount of this Letter of Credit irrespective of the number of years this Letter of Credit is in force, the number of claims filed, or the aggregate amount claimed. A right of action under this Letter of Credit shall be deemed to have accrued immediately upon Registrant's: a) bankruptcy; b) breach of any agreement entered into with a consumer or entered into in his, her or its capacity as registrant; c) Registrant's non-compliance with the provisions of NRS 598.940 to 598.966, inclusive; and/or d) any other terms contained in this Letter of Credit, Issuing Bank shall deposit the amount of this Letter of Credit with Beneficiary, and Issuing Bank will have no further liability under this Letter of Credit.

4. The expiration date of this Letter of Credit will be automatically extended, without any other change, amendment, modification or waiver to this Letter of Credit, for additional periods of one (1) year from the initial expiration date listed above, or the expiration date of any extension of this Letter of Credit, as applicable, unless Issuing Bank notifies Beneficiary by certified mail, return receipt requested, postage prepaid, at least sixty (60) days prior to the impending expiration date that issuing Bank elects to not extend this Letter of Credit for an additional period. Following receipt by Beneficiary of such notice not to extend, Beneficiary may draw upon this Letter of Credit without providing either of the statements outlined above.

5. This Letter of Credit shall be deemed continuous in form and shall remain in full force and effect unless terminated or cancelled as provided in this paragraph. Beneficiary, acting through its Commissioner, may terminate this letter of Credit at any time by delivering written notice of such termination to issuing Bank by certified mail, return receipt requested, postage prepaid. Such termination shall become effective twenty (20) days after such notice of termination was properly mailed to Issuing Bank as provided in this paragraph. Issuing Bank may terminate this Letter of Credit and be relieved of all future liability hereunder by delivering written notice of such termination to beneficiary by certified mail, return receipt requested, postage prepaid. Such termination shall become effective sixty (60) days after such notice of termination was properly mailed to Beneficiary as provided in this paragraph. Notwithstanding anything to the contrary contained herein, no termination of the Letter of Credit shall terminate the liability of Registrant and Issuing Bank hereunder, if any, which has, prior to the termination of this Letter of Credit, already accrued or been incurred.

6. Notwithstanding anything to the contrary contained in the Letter of Credit, the Letter of Credit may not, under any circumstances or by anyone, be withdrawn or redeemed, and this institution will not allow the withdrawal or redemption of the Letter of Credit, without the signature of, or written notification from, the Commissioner authorizing

such withdrawal or redemption. Notwithstanding anything to the contrary contained in the Letter of Credit, the Letter of Credit may, however, be withdrawn or redeemed by, and Issuing Bank will allow the withdrawal or redemption of the Letter of Credit by the Commissioner, either in whole or in part, solely upon the signature of, or written notification from, via certified mail, return receipt requested, postage prepaid, the Commissioner authorizing such withdrawal or redemption.

7. The terms of this Letter of Credit shall not be changed, amended, modified or waived, as applicable, without the express written consent of the Commissioner.

8. In the event that Registrant and/or Issuing Bank is served with notice of any action brought against Registrant or Issuing Bank under, as a result of, or in connection with, this Letter of Credit, Registrant and/or Issuing Bank as applicable, shall forthwith deliver a copy of such notice to Beneficiary by certified mail, return receipt requested, postage prepaid.

9. The premium for this Letter of Credit is _____ Dollars U.S. (\$ _____) and shall be paid to Issuing Bank by Registrant.

10. This Letter of Credit shall become effective as of _____, 20 ____.

11. Multiple draws and partial payments under this Letter of Credit are permitted.

12. The original of this Letter of Credit must be submitted to us for endorsement with any draw hereunder.

All drafts drawn under and in compliance with the terms of the Letter of Credit will be duly honored if drawn and presented for payment at our address listed above on or before the expiration date of this Letter of Credit, as that date may be extended as provided herein.

I hereby certify on behalf of the institution that this institution’s deposits are insured by an agency of the United States Government.

Signature

Title

On this _____ day of _____, 20____, personally appeared before me, a notary public, _____, personally known or proven to me to be the person whose name is subscribed to the above instrument who acknowledged that he/she executed the instrument.

NOTARY PUBLIC in and for said State and
County

**State of Nevada
Department of Business and Industry
Nevada Consumer Affairs Unit**

**HEALTH CLUB
SURETY BOND FORM**

PLEASE RETURN A COPY OF THE SURETY BOND TO:

**State of Nevada Consumer Affairs Unit
2300 W. Sahara Avenue, Suite 770
Las Vegas, NV 89102**

SURETY BOND NUMBER:

SURETY BOND

AMOUNT: \$ _____

Bond No. _____

KNOW ALL PERSONS BY THESE PRESENTS:

That we, _____
of _____ (City and State), **as Principal,**
and _____, a corporation duly authorized to
do business in the State of Nevada, **as Surety,** are held and firmly bound unto the **State of Nevada,**
Consumer Affairs Unit, as Obligee, in the penal sum of _____ Thousand (\$ _____)
DOLLARS.

THE CONDITIONS OF THIS OBLIGATION ARE AS FOLLOWS:

1. Principal is required by the provisions of Nevada Revised Statutes (“NRS”) Chapter 598.946 and 598.9472, to deposit this Surety Bond (“Bond”) with the Obligee on the terms and conditions set forth in NRS 598.940 to 598.966, inclusive. The Surety shall indemnify the Obligee hereunder against all liability or loss caused by, resulting from, or connected with the Principal’s: (a) failure, after the effective date of this Bond, to comply with the provisions of NRS 598.940 to 598.966, inclusive, and/or any applicable regulations enacted pursuant thereto together with all amendments and supplements thereof now and hereafter enacted; (b) bankruptcy; (c) breach of any agreement entered into in his, her or its capacity as a registrant under NRS 598.940 to 598.966, inclusive; and (d) any other terms contained in this Bond.
2. The Surety understands and acknowledges that this Bond is intended to protect consumers injured by Principal’s: (a) bankruptcy; (b) breach of any agreement entered into in his, her, or its capacity as a registrant; and (c) non-compliance with the provisions of NRS 598.940 to 598.966, inclusive.

3. The Bond will be effective concurrently with the Principal's registration as a health club in the State of Nevada.
4. This Bond must be renewed each year as needed to keep it continuously in effect when the Principal's registration is renewed unless the Principal obtains alternative security which complies with all applicable provisions of NRS 598.940 to 598.966, inclusive.
5. The liability of the Surety under this Bond is not affected by any: (a) breach of contract, breach of warranty, failure to pay a premium or other act or omission of the Principal; or (b) insolvency or bankruptcy of the Principal.
6. Neither the Surety nor the Principal shall cancel or modify this Bond during the term for which it is issued unless the Surety or the Principal provides written notice to the Unit at least 30 days before the effective date of the cancellation or modification.
7. If this Bond is modified so as to make it not comply with the requirements of NRS 598.940 to 598.966, inclusive, or if the Bond is cancelled, the registration of the Principal automatically expires on the effective date of the modification or cancellation unless a new surety bond, letter of credit or certificate of deposit that complies with NRS 598.940 to 598.966, inclusive, is filed with the State of Nevada Consumer Affairs Unit on or before the effective date of the modification or cancellation.
8. A modification or cancellation of this Bond does not affect any liability of the bonded surety company incurred before the modification or cancellation of the Bond.
9. The aggregate liability of the Surety for claims under this Bond shall not exceed the penal sum of the Bond and no renewal or reinstatement shall increase the liability of the Surety.

IN WITNESS WHEREOF, Principal and Surety have executed this Bond as of _____, 20____.

SURETY:

PRINCIPAL:

Print Name and Type of Entity

Print Name and Type of Entity

By: _____
Signature

By: _____
Signature

Title: _____

Title: _____

Printed Name of Signatory

Printed Name of Signatory