

LIABILITIES--ON--THE--AGREEMENTS OR--\$25,000,--WHICHEVER--IS GREATER.

(B)--(1)--DEPOSITS--TO--AND--WITHDRAWALS--FROM--THE--ESCROW ACCOUNT--MAY--BE--MADE--AS--ADDITIONAL--AGREEMENTS--ARE--ENTERED INTO--OR--AS--SERVICES--ARE--RENDERED--UNDER--THE--AGREEMENTS.

(2)--HOWEVER,--THE--ESCROW--ACCOUNT--MAY--NOT--CONTAIN LESS--THAN--10--PERCENT--OF--THE--TOTAL--OUTSTANDING--LIABILITIES OR \$25,000,--WHICHEVER--IS--GREATER.

14-12B-03-

(A)--ANY--PERSON--WHO--SELLS--FUTURE HEALTH--CLUB SERVICES AGREEMENTS--SHALL--MAINTAIN--AN--ACCURATE--RECORD--OF--THE--ESCROW ACCOUNT--ESTABLISHED--UNDER--§--14-12B-02--OF--THIS--SUBTITLE, INCLUDING-

(1)--A--RECORD--OF--ALL--DEPOSITS,--WITHDRAWALS,--AND THE--REMAINING--BALANCE,--AND

(2)--SUFFICIENT--BUSINESS--RECORDS--TO--DETERMINE--THE QUARTERLY OUTSTANDING--LIABILITIES--UNDER--THE--FUTURE HEALTH CLUB SERVICES--AGREEMENTS--AT--ANY--TIME.

(B)--A--BUYER--OF--HEALTH--CLUB--SERVICES--WHO--SUFFERS--OR SUSTAINS--ANY--LOSS--OR--DAMAGE--BY--REASON--OF--BREACH--OF--CONTRACT OR--BANKRUPTCY--BY--THE--SELLER--OF--THE--HEALTH--CLUB--AGREEMENT--MAY BRING--AN--ACTION--BASED--ON--THE--ESCROW--ACCOUNT--AND--RECOVERY SHALL--BE--ON--A--PRO-RATA--BASIS.

(B) (C) THE--RECORDS--REQUIRED--TO--BE--MAINTAINED--UNDER THIS--SECTION--SHALL--BE--OPEN--TO--INSPECTION--BY--THE--DIVISION--AT ANY--TIME--DURING--NORMAL--BUSINESS--HOURS.

14-12B-04-

(A)--(1)--IN--LIEU--OF--THE--ESCROW--ACCOUNT--REQUIRED--UNDER SECTION--14-12B-02--OF--THIS--SUBTITLE,--A--PERSON--WHO--SELLS FUTURE HEALTH--CLUB SERVICES--AGREEMENTS--MAY--PURCHASE--A SURETY--BOND--IN--AN--AMOUNT--NOT--LESS--THAN--10--PERCENT--OF THE TOTAL--OUTSTANDING--LIABILITIES--ON--THE--PERSON'S--FUTURE SERVICES--AGREEMENTS OR--\$25,000,--WHICHEVER--IS--GREATER.---THE AMOUNT--OF--THE--SURETY--BOND--SHALL--BE--ADJUSTED--SEMIANNUALLY.

(A) (1) A PERSON WHO SELLS HEALTH CLUB SERVICES AGREEMENTS SHALL PURCHASE A SURETY BOND IN AN AMOUNT NOT LESS THAN \$50,000, OR SHALL FILE WITH THE DIVISION AN IRREVOCABLE LETTER OF CREDIT OR OTHER EVIDENCE OF FINANCIAL RESPONSIBILITY SATISFACTORY TO THE DIVISION IN AN EQUIVALENT AMOUNT.

(2) A BUYER OF FUTURE HEALTH CLUB SERVICES WHO SUFFERS OR SUSTAINS ANY LOSS OR DAMAGE BY REASON OF BREACH OF CONTRACT OR BANKRUPTCY BY THE SELLER OF THE FUTURE HEALTH