

THE RECORDS DESCRIBED IN PARAGRAPHS (1) AND (2) OF THIS SECTION SUBSECTION.

(H) (1) EACH PERSON WHO SELLS HEALTH CLUB SERVICES TO BE OFFERED AT A PLANNED FACILITY OR A FACILITY UNDER CONSTRUCTION SHALL:

(I) REGISTER UNDER SUBSECTION (A) OF THIS SECTION BEFORE CONDUCTING ANY SALES ACTIVITIES; AND

(II) MAINTAIN A SURETY BOND IN AN AMOUNT NOT LESS THAN \$50,000 UNTIL THE VALUE OF OBLIGATIONS TO CONSUMERS EXCEEDS THAT AMOUNT.

(2) UNTIL THE TIME A PERSON OPENS A HEALTH CLUB SERVICES FACILITY, THE AMOUNT OF THE BOND SHALL BE INCREASED AS NECESSARY TO TAKE INTO ACCOUNT INCREASES IN THE PERSON'S OUTSTANDING LIABILITIES WITH A FINAL ADJUSTMENT TO BE MADE AT THE TIME OF OPENING.

(3) UPON OPENING THE FACILITY, THE PERSON IS SUBJECT TO THE PROVISIONS OF SUBSECTIONS (A) THROUGH (E) OF THIS SECTION.

(I) FOR PURPOSES OF SUBSECTIONS (E) AND (F) OF THIS SECTION, ANY INITIATION FEE, OR OTHER FEE, THAT EXCEEDS \$50 \$200 AND THAT IS NOT IDENTIFIED AS A PAYMENT FOR SPECIFIC FUTURE SERVICES WILL BE DEEMED TO BE A PAYMENT FOR SERVICES TO BE DELIVERED DURING THE INITIAL 2 YEARS OF THE BUYER'S MEMBERSHIP TERM.

14-12B-03.

(A) THERE IS A HEALTH CLUB ADMINISTRATION FUND WHICH IS ESTABLISHED FOR THE PURPOSE OF PAYING THE EXPENSES INCURRED IN THE ADMINISTRATION AND ENFORCEMENT OF THE HEALTH CLUB SERVICES ACT.

(B) THE FUND SHALL BE ADMINISTERED BY THE DIVISION.

[14-12B-03.] 14-12B-04.

(a) {1} If a buyer described in § 14-12B-01(b)(1)(i) of this subtitle becomes disabled during the membership term, the buyer is entitled to extend the membership contract for a period equal to the duration of the disability.

~~{2}--IN--CASES--OF--PERMANENT--DISABILITY,--THE--BUYER--MAY--CANCEL--THE--MEMBERSHIP--CONTRACT--AND--RECEIVE--A--PRO--RATA--REFUND--OF--ANY--MONEY--PAID--FOR--SERVICES--THAT--HAD--NOT--BEEN--DELIVERED.~~

(b) The provisions of subsection (a) of this section do not apply unless the disability is confirmed by a physician and is for a period longer than 3 months.