



Finance Department

2100 Thousand Oaks Boulevard • Thousand Oaks, CA 91362
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SURETY BONDS FORM

Bond No. _____

Premium _____

WHEREAS **CITY OF THOUSAND OAKS**, (hereinafter referred to as “City” and/or “Obligee”), has established, at Title 5, Chapter 22, of the Thousand Oaks Municipal Code (hereinafter “TOMC”), certain surety bond requirements in relation to the operation of fitness/health clubs within the City; and

WHEREAS the aforementioned bond requirements were adopted by City to protect fitness/health clubs members by requiring the owner/operator of such businesses to provide a surety bond, as a condition precedent to the issuance of a business license certificate, that will insure health club members are refunded their prepaid membership fees when those health clubs close/cease operating; and

WHEREAS _____, (hereinafter “Principal” and/or “Obligor”), is the owner/operator of a fitness/health club facility in the City that is subject to the aforementioned TOMC bond requirements; and

WHEREAS Principal agrees to furnish City a surety bond as required under Section 5-22.03 of the TOMC in the amount of Seventy-five Thousand and no/100ths (\$75,000.00) Dollars or five (5%) percent of the health club’s previous fiscal year’s gross, whichever is greater; and

WHEREAS Principal understands and agrees that he/she/it shall be afforded thirty (30) days from the date of said fitness/health club closure to refund affected consumers prior to the City taking action to enforce the refund provisions set forth in Sections 5-22.03 and 5-22.04 of the TOMC; and

WHEREAS Principal understands and agrees that the bond shall be called upon or be enforceable upon the failure of Principal to provide City written proof that full refunds of prepaid dues or fees have been made to affected consumers of the fitness/health club within thirty (30) days of the date of the closure of said fitness/health club; and

WHEREAS the surety bond shall provide for payment of administrative costs to City in an amount equal to ten (10%) percent of the total monies called upon for City processing any refund to health club consumers.

NOW, THEREFORE, Principal and _____ as Surety, are held and firmly bound unto Obligee in the penal sum of **Seventy Five Thousand** dollars (**\$75,000.00**) lawful money of the United States for the payment of which sum well and truly to be made. Principal and Surety bind themselves, their heirs, successors, executors and administrators, jointly and severally firmly by these presents.

This obligation shall remain in full force and effect until _____, 20__, provided, however, that if said Principal shall faithfully perform the duties and in all things comply with the laws and ordinances, including all amendments thereto, appertaining to the license or permit applied for, then this obligation shall be void.

Principal and Surety understand and agree that, as part of the obligations secured hereby and in addition to the face amount specified therefore, there shall be included as costs and reasonable expenses, including reasonable attorney's fees, incurred by Obligee in successfully enforcing such obligations, all to be taxed as costs and included in any judgment rendered.

PROVIDED HOWEVER, this bond is issued subject to the following express conditions:

1. This bond shall be deemed continuous in form and shall remain in full force and effect for the term of the initial bond and all subsequent riders, for all liabilities, acts, omissions, or causes arising after this bond becomes effective and before the cancellation or withdraw of the Surety from the bond.
2. This bond may be cancelled by the Surety in accordance with the provisions of Sections 996.310 et seq. of the Code of Civil Procedure.
 - a. The liability of the Surety hereunder maybe terminated by giving thirty (30) days' written notice to the Principal and Obligee, and upon giving such notice, the Surety shall be discharged from all liability under this bond for any act or omission of the Principal occurring after the expiration of thirty dates from the date of the receipt of such notice.
 - b. In accordance with the provisions of Code of Civil Procedure Section 996.340, if Principal fails to obtain a new bond within the above referenced thirty (30) day period, the Business License shall be suspended until a new bond is acquired.

Principal and Surety understand and agree that no future change, alteration or amendment of Title 5, Chapter 22, of the TOMC shall in any wise affect their obligations on this bond and they does hereby waive notice of any such change, alteration or amendment to Title 5, Chapter 22, of the TOMC.

THE UNDERSIGNED HAVE READ AND UNDERSTAND THE FOREGOING.

IN WITNESS WHEREOF, this instrument has been duly executed by the above-named Principal and the above-named Surety.

DATED: _____

By: _____
PRINCIPAL

DATED: _____

By _____
SURETY

DATED: _____

By _____
ATTORNEY-IN-FACT

