

Health Club Contract Requirements

All health club contracts must be in writing.

The following disclosures **MUST** be on the face of the contract, in their entirety, pursuant to the Virginia Health Club Act:

1. The health club contract must state the starting and ending dates of the initial term of membership.
2. The health club contract must disclose the Name and Physical Address of the health club.
3. The health club contract must separately identify any initiation fee.
4. Either in the health club contract itself or in a separate notice provided to the buyer at the time the contract is executed, notify each buyer that the buyer should attempt to resolve with the health club any complaint the buyer has with the health club, and that the Virginia Department of Agriculture and Consumer Services regulates health clubs in the Commonwealth pursuant to the provisions of the Virginia Health Club Act.
5. The health club contract must contain a notice with a conspicuous caption "**BUYER'S RIGHT TO CANCEL**" that shall read as follows:

"If you wish to cancel this contract, you may cancel by making or delivering written notice to this health club. The notice must say that you do not wish to be bound by the contract and must be delivered or mailed before midnight of the third business day after you sign this contract. The notice must be delivered or mailed to: (*insert Health club name and mailing address*). If canceled within three business days, you will be entitled to a refund of all monies paid. You may also cancel this contract if this club goes out of business or relocates and fails to provide comparable alternate facilities within five driving miles of the location designated in this contract. You may also cancel if you become physically unable to use a substantial portion of the health club services for 30 or more consecutive days, and your estate may cancel in the event of your death. You must prove you are unable to use a substantial portion of the health club services by a doctor's, physician's assistant or nurse practitioner's certificate, and the health club may also require that you submit to a physical examination, within 30 days of the notice of cancellation, by a doctor, physician's assistant or nurse practitioner agreeable to you and the health club (cost to be borne by the health club). If you cancel after the three business days, the health club may retain or collect a portion of the contract price equal to the proportionate value of the services or use of facilities you have already received. Any refund due to you shall be paid within 30 days of the effective date of cancellation."

6. All health club contracts and any promissory note executed by the buyer in connection therewith shall contain the following provision on the face thereof in at least **ten-point, boldface type**:

NOTICE

ANY HOLDER OF THIS CONTRACT OR NOTE IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR HEREUNDER.

7. If surety has not been posted with this office, the following disclosure must be printed on the face of every health club contract, in **ten-point boldfaced type** or larger:

THIS CLUB IS NOT PERMITTED, PURSUANT TO THE VIRGINIA HEALTH CLUB ACT, TO ACCEPT ANY INITIATION FEE IN EXCESS OF \$125 OR ANY PAYMENT FOR MORE THAN THE PRORATED MONTHLY FEE FOR THE MONTH WHEN THE CONTRACT IS INITIALLY EXECUTED PLUS ONE FULL MONTH IN ADVANCE.

The following items regarding contracts are for your information:

1. Every health club contract must have the signature of the buyer and the date the contract was executed.
2. A copy of the health club contract must be delivered to the buyer at the time of execution.
3. No health club contract shall have a duration for a period longer than thirty-six months, including any renewal period; however, a health club contract may exceed thirty-six months provided that:
 - A. Any initiation fee does not exceed ten times the initial monthly fee;
 - B. All payments for health club services, other than the initiation fee, are collected as monthly fees on a monthly basis;
 - C. After an initial term of not more than twelve months, either party may cancel the health club contract upon not more than thirty days' notice; and
 - D. The monthly fee is never reduced below eighty percent of the monthly fee at the time the contract is initially executed.
4. The health club must make a refund owed to the buyer within thirty (30) days of the effective date of cancellation.
5. Unless it so discloses fully in ten-point bold-faced type or larger on the face of each health club contract, no health club shall sell any health club contract if any owner of the club, regardless of the extent of his ownership, previously owned in whole or in part a health club that closed for business and failed to:
 - A. Refund all moneys due to holders of health club contracts; or
 - B. Provide comparable alternate facilities at another health club that agreed in writing to honor all provisions of the health club contracts.

Any health club that does not comply with the applicable provisions of the Virginia Health Club Act (VHCA) shall be voidable at the option of the buyer.

Any violation of the provisions of the VHCA shall constitute a prohibited practice pursuant to the provisions of §59.1-200 and shall be subject to any and all of the enforcement provisions of the Virginia Consumer Protection Act (§59.1-196 et seq.)

Because of the severity of the penalties provided by law for non-compliant health club contracts, it is highly recommended that you consult with your legal counsel regarding requirements for compliance of your health club contract.