

367.910 Written contract -- Contents.

- (1) A fully completed copy of each contract shall be delivered to the buyer at the time the contract is signed. Every contract must constitute the entire agreement between the seller and the buyer, must be in writing, and must be signed by the member.
- (2) Each contract shall state in at least ten (10) point bold faced type the following:
"NOTICE TO BUYER: DO NOT SIGN THIS CONTRACT UNTIL YOU HAVE READ ALL OF IT. ALSO, DO NOT SIGN THIS CONTRACT IF IT CONTAINS ANY BLANK SPACES."
- (3) Every purchaser of a membership shall be entitled to cancel his or her contract within three (3) business days by notifying the health spa in writing by midnight of the third business day following the date of purchase of the membership contract. Written notification is deemed given if mailed or delivered by midnight of the third business day. All money collected pursuant to the contract shall be refunded to the purchaser exercising the right to cancel.
- (4) In addition to the cancellation rights stated in subsection (3) of this section, a member shall be entitled to cancellation and to a full or partial refund of the contract price as follows:
 - (a) A member shall be entitled to cancel if, because of death or medical disability, the member becomes unable to use a substantial portion of the facilities or services for thirty (30) or more consecutive days. Upon receipt of written notice from the member, or from the representative of the member's estate, the health spa shall pay a refund in an amount computed by dividing the contract price by the number of weeks in the contract term and multiplying the result by the number of weeks remaining in the contract term. Members shall only receive refunds of money actually paid to the spa by them, or on their behalf. In the case of medical disability, the health spa may require the member to submit to an examination by a medical doctor agreeable to both the member and the health spa. The cost of the examination shall be borne by the health spa.
 - (b) A member shall be entitled to cancel if the health spa relocates more than five (5) miles from the location designated in the health spa contract. Upon receipt of written notice from the member, the health spa shall pay a refund to the member in an amount computed as provided in subsection (4)(a) of this section.
 - (c) A member shall be entitled to cancel if the member relocates twenty-five (25) miles or more from the residence stated in the contract, and the spa cannot provide comparable alternative facilities and services within five (5) miles of the member's new residence. Upon written notice from the member, the health spa shall pay a refund in an amount computed as provided in subsection (4)(a) of this section. The health spa may require written verification of the new residence, such as a lease, deed, or utility bill.
 - (d) If the health spa fails to open for business within ninety (90) days from the sale of the first contract, becomes insolvent, or ceases operation, all membership contracts shall be deemed canceled and the spa shall pay

refunds to its members. No notification from any member shall be required. Refunds shall be given in an amount computed as provided in subsection (4)(a) of this section.

- (5) If written notice of cancellation is required in subsection (4) of this section, the member shall notify the health spa in writing, by certified mail, return receipt requested, or by personal delivery, to the address stated in the health spa contract. All moneys to be refunded shall be paid within thirty (30) days of receipt of the cancellation notice.
- (6) If a refund is required by this section and the member has executed any credit or loan agreement with the health spa to pay for use of all or part of the facilities and services, that agreement shall be canceled and returned within the same time period as required for the refund.
- (7) Each contract shall contain the following notice in at least ten (10) point bold faced type:

"IF WITHIN THREE (3) BUSINESS DAYS YOU DECIDE YOU DO NOT WISH TO REMAIN A MEMBER OF THIS HEALTH SPA, YOU MAY CANCEL THIS AGREEMENT BY MAILING A NOTICE TO THE HEALTH SPA BY MIDNIGHT OF THE THIRD BUSINESS DAY FOLLOWING YOUR PURCHASE OF THE CONTRACT STATING YOUR DESIRE TO CANCEL THIS CONTRACT. THE WRITTEN NOTICE SHOULD BE MAILED TO THE FOLLOWING ADDRESS:"

(address of the health spa)

"ADDITIONAL CANCELLATION RIGHTS:

You may also cancel this contract if any of the following occur:

- (a) You may cancel if, because of death or medical disability, you become unable to use a substantial portion of the spa's facilities or services for thirty (30) or more days. In the event of medical disability, you must provide the spa with a doctor's statement. In addition, the spa may require you to submit to a physical examination by a mutually agreeable medical doctor, at its cost. Your estate may cancel in the event of your death.
- (b) You may cancel if the spa relocates more than five (5) miles from the location stated in the contract.
- (c) You may cancel if you relocate more than twenty-five (25) miles from your residence as stated in the contract, and the spa cannot provide comparable facilities and services within five (5) miles of your new residence. The spa may require written verification of your new residence, such as a lease, deed or utility bill.

IN ORDER TO EXERCISE THESE ADDITIONAL CANCELLATION RIGHTS, YOU MUST NOTIFY THE SPA IN WRITING, BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, OR BY PERSONAL DELIVERY, TO THE ADDRESS STATED ABOVE. ALL MONEYS TO BE REFUNDED SHALL BE PAID TO YOU WITHIN THIRTY (30) DAYS AFTER THE SPA'S RECEIPT OF THE CANCELLATION NOTICE."

Effective: July 15, 1988

History: Amended 1988 Ky. Acts ch. 367, sec. 7, effective July 15, 1988. -- Created 1982 Ky. Acts ch. 298, sec. 3, effective July 15, 1982.