

552.5 Contract — statement of buyer’s rights — form.

1. A physical exercise club contract shall be in writing and signed by the buyer. The contract shall state in at least ten point boldface type “NOTICE TO BUYER: DO NOT SIGN THIS CONTRACT UNTIL YOU READ IT. DO NOT SIGN THIS CONTRACT IF IT CONTAINS BLANK SPACES.” A copy of the physical exercise club contract shall be delivered to the buyer at the time the contract is signed.

2. A physical exercise club contract shall designate the date on which the buyer actually signs the contract and shall contain a statement of the buyer’s rights which complies with this subsection. The statement shall appear in the contract under the conspicuous caption “BUYER’S RIGHT TO CANCEL”, and shall read as follows:

.....
(enter date of transaction)

You may cancel this transaction within three business days from the above date.

If you cancel, any payments made by you under the contract, less twenty dollars, and any negotiable instrument executed by you will be returned within forty-five days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled. After you cancel, the physical exercise club may request the return of all contracts, membership cards, and other documents or evidence of membership.

To cancel this transaction, send, or deliver a signed and dated copy of this cancellation notice or any other written notice by certified or registered mail to (name of seller), at (address of seller’s place of business) not later than midnight of (date).

I hereby cancel this transaction.

.....
(Date)

.....
(Buyer’s signature)

The full text of this statement shall be in ten point boldface type.
88 Acts, ch 1221, §5