



Bond No. _____

STATE OF NORTH CAROLINA
COUNTY OF
GUARANTY BOND

KNOW ALL PERSONS BY THESE PRESENTS THAT:

WHEREAS, _____

a barber school or barber college seeks from the State Board of Barber Examiners licensure to conduct post-secondary educational instruction activity under North Carolina General Statutes Section (G.S.) § 86A-22; and

WHEREAS, the State Board of Barber Examiners, under the authority delegated to it under G.S. § 86A-22, has established policy of requiring among its minimum standards for licensure that an institution which may apply to the said Board for a license to conduct post-secondary educational instruction activity in this State have adequate resources to provide quality education, financial soundness, ability to fulfill commitments to students, and a fair and equitable student refund policy; and

WHEREAS, the State Board of Barber Examiners has established the policy that an institution seeking such licensure at least partially manifest its satisfaction of the aforesaid minimum standards by executing a bond of amount specified by the State Board of Barber Examiners under an announced formula;

NOW, THEREFORE, _____
(institution)

hereinafter called "Principal," and _____, hereinafter called "Guarantor," a corporation duly organized and existing under and by virtue of the laws of the State of _____ and authorized to transact business in the State of North Carolina, are held and firmly bound in the aggregated guaranty sum of _____

dollars (_____) unto certain persons called "students" (or unto such other persons or agents as shall be legally or equitably entitled to the refunds herein contemplated), for the payment of a refund of all tuition, fees or parts thereof paid in advance by students to Principal as consideration for instruction, academic services, or other goods and services relative to course enrollment for which such students have contracted with Principal but not received nor been reimbursed by Principal. (For the purpose of this Guaranty Bond, the term "student" shall mean any person who has contracted with Principal for

participation in educational instruction activity provided by Principal in North Carolina, or his parent or guardian.) THE CONDITIONS of this bond are:

1. Payments by students to Principal contemplated under this bond are all charges or fees that are institutionally required by Principal and prepaid by students as anticipatory compensation to Principal for providing to students instruction, academic services, and other goods and services related to course enrollment. Such payments include, but are not limited to, tuition, instructional materials fee, laboratory fee, library fee, and book fee.
2. If Principal shall well and faithfully perform its obligations to students by tending and providing the instruction, academic services, and other goods, and services related to course enrollment for which the respective students have contracted with Principal and for which advance payment has been made, then in respect to each such student, this bond shall be null and void, otherwise to remain in full force and effect.
3. Whenever a student shall fail to receive the instruction, academic services, and other goods and services related to course enrollment for which advance payment has been made and for which such student has contracted with Principal, by reason of the failure of Principal to offer or complete such instruction, academic services, or other goods and services related to course enrollment for any reason (including the suspension, revocation, or nonrenewal or Principal's license to conduct educational instruction activity, bankruptcy, foreclosure, or the school ceasing to operate), the student, or such other persons or agents as are legally or equitably entitled to the student's refunds herein contemplated, shall as condition precedent to claim under this bond make written demand of Principal for reimbursement pro tanto to advance tuition or other fees paid for such unreceived instruction, academic services, or other goods and services related to course enrollment; provided, that no claim under this bond nor any demand of Guarantor under this bond shall be made with respect to the quality of instruction, academic services, or other goods and services related to course enrollment that Principal may actually have provided.
4. If, after such written demand under Condition 3, hereinabove, Principal neglects or refuses to pay such refund for a period of 30 days, the student, or such other persons or agents as are legally or equitably entitled to said refund, may make written demand for said refund of Guarantor; and said Guarantor does hereby undertake to indemnify and to reimburse said student or such other person or agent legally or equitably entitled to such indemnity or refund.
5. If, after such written demand under Condition 4 hereinabove, Guarantor neglects or refuses to pay such refund for a period of 60 days, the student, or such other person or agent legally or equitably entitled to said refund may commence and maintain a civil action against Principal and Guarantor on this bond for recovery of the amount paid by but not refunded to the student as hereinbefore described, together with court costs, including a reasonable attorney's fee fixed by the

court; but the liability of Principal and Guarantor together to each claimant hereunder shall not exceed the total of the claimant's prepaid fee plus court costs, including reasonable attorney fees, incident to any civil action for reimbursement, to which the respective claimant may be legally or equitably entitled.

6. The aggregate liability of Guarantor as respects any and all claimants under this bond, inclusive of any court costs, shall in no event exceed the aggregate guaranty sum of this bond.

7. With respect to written demands made pursuant to Condition 4 hereinabove, Guarantor shall satisfy demands in the order that written demands received by Guarantor on the same be deemed of equal priority.

8. When used in this bond, the term "written demand" shall mean writing that includes at least: (1) the identity of the student with respect to whom the demand is made; (2) an itemization of the instruction, academic services, and other goods and services related to course enrollment that were contracted but not received by the student with respect to whom written demand is made; and (4) if claim is made by other than the enrolled student, documentation of legal or equitable entitlement to the student's claim for refund.

9. Guarantor agrees promptly to notify Principal of any written demand made against Guarantor under this bond; but presentation to Guarantor of written demand of Principal that has continued to be unsatisfied for 30 days shall be prima facie a valid claim under this bond that, nothing else appearing, Guarantor shall not be held liable to Principal.

10. With respect to civil actions for refunds pursuant to Condition 5 hereinabove that are reduced to judgment, the priority of such judgments shall be determined under the laws of North Carolina concerning priority of judgments.

11. In the event that Guarantor is required to indemnify any claimants hereunder, Guarantor shall be subrogated to all rights which would be otherwise accrue to Principal in respect thereto if paid by Principal.

12. The term of this bond shall begin _____ day of _____, _____ at noon, but shall be continued for annual periods upon payment of the premium required by the Guarantor.

13. The liability of Guarantor shall be subject to termination by Guarantor at any time by giving 30 days written notice thereof currently to both Principal and to the State Board of Barber Examiners by means of certified mail. Such notice shall state the date of intended cancellation; and Guarantor so filing such notice shall not be discharged from any liability already accrued under this bond or which may accrue hereunder before the expiration of the 30 days immediately preceding a proper and effective cancellation of this bond.

14. This bond shall be filed by Principal and with the Clerk of Superior Court of the county in which Principal's institution is located.

AFFIDAVIT AND ACKNOWLEDGMENT OF PRINCIPAL

I, _____, a Notary Public of _____
County, North Carolina, hereby certify that _____
personally appeared before me and solemnly affirm that he/she is the duly authorized agent of Principal

for the purpose of executing this bond and acknowledged his/her signature hereinabove.

Sworn to and subscribed before me, this the _____ day of _____, _____.

My Commission Expires _____, _____.

(Seal)

Notary Public

AFFIDAVIT AND ACKNOWLEDGMENT OF GUARANTOR

I, _____, a Notary Public of _____
County, North Carolina, hereby certify that _____
personally appeared before me and solemnly affirmed that he/she is the duly authorized agent of Guarantor
for the purpose of executing this bond, the said Guarantor is duly authorized to do business in the State of
north Carolina, and that all representations regarding Guarantor made in this bond has acknowledged
his/her signature hereinabove.

Sworn to and subscribed before me, this the _____ day of _____, _____.

My Commission Expires _____.

(Seal)

Notary Public