

**DISCOUNT BUYING CLUB SURETY BOND**

Bond No. \_\_\_\_\_

\_\_\_\_\_ (Discount Buying Club)  
of \_\_\_\_\_ (address), a corporation  
incorporated under the laws of the State of \_\_\_\_\_ and authorized by the Secretary of  
State of the State of North Carolina to transact business in North Carolina, as Principal, and  
\_\_\_\_\_ (Surety) of incorporated  
under the laws of the State of \_\_\_\_\_ and duly licensed to transact a surety business in the State  
of North Carolina, as Surety, hereby bind ourselves to the Attorney General of the State of North Carolina  
under Chapter 66, Article 22 of the North Carolina General Statutes titled Discount Buying Clubs in the sum of  
\_\_\_\_\_, for the payment of which, we bind ourselves, our legal representatives and  
successors.

The conditions of this obligation are:

(1) The principal desires, under the provisions of N.C.G.S. § 66-135, to obtain and maintain a bond from a surety company licensed to do business in North Carolina in order to conduct business in North Carolina as a discount buying club as defined in N.C.G.S. § 66-131.

(2) The Surety shall pay all damages sustained by any person who has entered into a contract for membership in a buying club or service occasioned by reason of any violation of Chapter 66, Article 22 or reason of any breach of contract by the buying club or service and brings an action against the bond, provided the aggregate liability of the surety shall not exceed the amount of the bond.

(3) If the principal and its agents shall faithfully comply with all provisions of Chapter 66, Article 22 of the North Carolina General Statutes, titled Discount Buying Clubs, and shall indemnify any person who suffers loss as a result of noncompliance or failure of the principal to perform his duties as required by law, then this obligation shall be void, but otherwise shall be of full force and effect.

This bond is effective on and after the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ and shall remain in full force and effect unless terminated or canceled in the manner provided herein. Surety may cancel this bond and be relieved of further liability by giving ninety (90) days written notice to the North Carolina Attorney General at P.O. Box 629, Raleigh, North Carolina 27602, but such cancellation shall not operate to relieve, release or discharge the surety from any violation or breach during the effective period of the bond.

IN WITNESS WHEREOF, the above bound parties execute this instrument this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_. The name and corporate seal of each party below is of a duly authorized representative. Attached is a copy of Power of Attorney for Surety.

PRINCIPAL

SURETY

\_\_\_\_\_  
Principal by

\_\_\_\_\_  
Surety by