FRANCHISE DISCLOSURE DOCUMENT

SNAP FITNESS, INC.
a Minnesota corporation
2411 Galpin Court, Suite 110
Chanhassen, MN 55317
(952) 474-5422
info@snapfitness.com
www.snapfitness.com

The franchise offered is a SNAP FITNESS® Club ("Club") featuring state-of-the-art exercise equipment and 24-hour keycard access for members.

The total investment necessary to begin operation of a single Club ranges from $76,113 to $361,695. This includes $50,810 to $79,295 that must be paid to the franchisor or an affiliate.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive the disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Gary Findley at Snap Fitness, Inc., 2411 Galpin Court, Suite 110, Chanhassen, Minnesota 55317, (952) 474-5422 or at gfindley@snapfitness.com.

The terms of your contract will govern your franchise relationship. Don't rely upon the disclosure document alone to understand your contract. Read your entire contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "*A Consumer's Guide to Buying a Franchise*" which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: March 9, 2011

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit A for information about the franchisor, about other franchisors, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

Risk Factors:

1. THE FRANCHISE AGREEMENT PERMITS YOU TO SUE OR ARBITRATE WITH US ONLY IN MINNESOTA. OUT OF STATE LITIGATION OR ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO SUE OR ARBITRATE WITH US IN MINNESOTA THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT STATES THAT MINNESOTA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. YOUR FRANCHISE AGREEMENT MAY BE TERMINATED IF AN AUTHORIZED LOCATION IS NOT DESIGNATED WITHIN 90 DAYS FROM THE DATE OF THE AGREEMENT OR YOUR CLUB IS NOT OPERATING WITHIN 90 DAYS OF THE DATE THE FRANCHISE AGREEMENT WAS SIGNED OR WHEN THE AUTHORIZED LOCATION IS DESIGNATED, WHICHEVER OCCURS LATER.
4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Effective Date: See State Effective Dates Page

STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This Franchise Disclosure Document is registered, on file, or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

State	Effective Date
California	March 9, 2011
Hawaii	Pending
Illinois	March 9, 2011
Indiana	March 9, 2011
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	March 9, 2011
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

In all other states, the effective date of this Franchise Disclosure Document is the issuance date of March 9, 2011.

NOTICE REQUIRED
BY
STATE OF MICHIGAN

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.

(i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

Any questions regarding this notice should be directed to the Department of Attorney General, State of Michigan, 670 Williams Building, Lansing, Michigan, 48913, telephone (517) 373-7117.

THIS MICHIGAN NOTICE ONLY APPLIES TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.

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ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this disclosure document, "we" or "us" means Snap Fitness, Inc., the franchisor. "You" means the person or entity that buys the franchise. If the franchisee is a corporation, partnership or other entity, "you" does not include the franchisee's owners unless otherwise stated. Certain provisions of the Franchise Agreement will apply to your owners and will be noted in this Disclosure Document.

The Franchisor, its Parent and Affiliates

We are a Minnesota corporation incorporated on October 9, 2003. We initially were formed under the name AFC24 Hour Fitness, Inc., and changed our name to Snap Fitness, Inc. We currently do business only under our corporate name and under the trade name SNAP FITNESS®. Our principal place of business is 2411 Galpin Court, Suite 110, Chanhassen, MN 55317. Our agents for service of process are disclosed in Exhibit A to this Disclosure Document. We have been offering franchises described in this disclosure document since March 2004. We have never offered franchises in any other line of business.

We have no predecessor. We are partly owned by Summit Partners, L.P., a Delaware limited partnership, which may be considered our parent. Summit Partners maintains its principal business address at 222 Berkeley Street, 18th Floor, Boston, MA 02116. Summit Partners has never offered franchises in any line of business.

Our wholly owned subsidiary, Snap Security Systems, Inc. (formerly known as Superior Security Systems, Inc.) ("Snap Security"), a Minnesota corporation, provides security equipment, installation support, and security services for Snap Fitness clubs. Our wholly-owned subsidiary, Snap Fitness Finance, LLC ("Snap Finance"), a Minnesota limited liability company, provides financing programs and services to our franchisees. See Item 10 for additional financing information. SAP Insurance Inc. ("SAP Insurance"), a Utah corporation and licensed insurance company facilitates the SAPP insurance program (see Item 11 for additional information about insurance). Other affiliates that may provide services or sell products to our franchisees in the future include SFI Digital Media, LLC ("SFI Digital Media") and GoFit, LLC ("GoFit"), both Nevada limited liability companies.

Snap Security, SAP Insurance, Snap Finance, SFI Digital Media and GoFit each maintain their principal business address at 2411 Galpin Court, Suite 110, Chanhassen, MN 55317. Snap Security, SAP Insurance, Snap Finance, SFI Digital Media and GoFit have never offered franchises in any line of business.

We have wholly-owned foreign subsidiaries that grant franchises and provide franchise support to our franchisees outside the United States. As of the date of this Disclosure Document, these are:

- *Snap Fitness of Canada, Inc.* ("Snap Canada"), a Canadian corporation. Snap Canada has offered franchises in Canada since April 2008. Snap Canada's address is Suite 2300, Bentall 5, 550 Burrard Street, Box 30, Vancouver, BC V6C 2B5, Canada.
- *Snap Fitness (India) Private Limited* ("Snap India"), an Indian private limited company. Snap India has offered franchises in India since January 2009. Snap India's address is #41/A FF B.D.A, Complex, H.S.R. Layout, 4th Sector, Bangalore, Karnataka 5601102, India.
- *Snap Fitness Mexico S. de R.L. de C.V.* ("Snap Mexico"), a Mexico limited liability entity. Since January 2009, we have offered franchises directly in Mexico, but are in the process of assigning our Mexico franchise operations to Snap Mexico. Snap Mexico's address is at Iglesia 2 Torre E 1204 Tizapan San Angel, 01090, Federal District, Mexico.
- *Snap Fitness (Australia) Pty Ltd.* ("Snap Australia"), an Australian proprietary limited company. From June 2009 to April 2010, we directly offered franchises in Australia and since April 2010 Snap Australia has offered franchises in Australia. Snap Australia's address is 315 Ferntree Gully Road, Mount Waverley, VIC 3149.

- *Snap Fitness New Zealand Limited* ("Snap New Zealand"), a New Zealand limited company. Snap New Zealand has offered franchises in New Zealand since November 2009. Snap New Zealand's address is Ground Floor, Princes Court, 2 Princes Street, Auckland 1010.
- *Snap Fitness UK Limited* ("Snap UK"), a UK limited company. Snap UK has offered franchises in the UK since October 2009. Snap UK's address is 120 Edmund Street, Birmingham, B3 2ES.

None of Summit, Snap Security, Snap Canada, Snap Australia, Snap New Zealand, Snap Mexico or Snap UK has ever operated a business of the type described in this Disclosure Document. While we do not directly operate a business of the type described in this Disclosure Document, we have several subsidiaries that do operate Snap Fitness clubs (see Item 20 for the U.S. locations). Outside the U.S., Snap India has operated a SNAP FITNESS business since February 2010 and SFA Development Pty Ltd, an Australian proprietary limited company and our affiliate, has operated SNAP FITNESS clubs since December 2009. We anticipate that SFM Nogales S. de R.L. de C.V., a Mexican limited liability entity and an affiliate, will open a club in Mexico in 2011.

The Franchise Offered

We have developed a proprietary business format and system ("System") for operating a fitness and workout club ("Club") featuring state-of-the-art exercise equipment; 24-hour personal keycard access for members (except as restricted by law); online training tools; automated member billing and collection procedures and services; and use of our proprietary and confidential information. Our System includes a distinct interior layout, design, décor, color scheme, graphics, fixtures and furnishings, operating and customer service standards and procedures, advertising and marketing specifications and requirements, and other standards, specifications, techniques and procedures that we designate (collectively, the "Standards"). Clubs operating under the System are identified by the trade name and service mark "SNAP FITNESS" and other trademarks, service marks and trade identifiers that we designate (the "Marks"). For an additional monthly fee, you may offer Fitness on Demand, an automated group fitness class system that we intend to make available in 2011.

We grant qualified candidates the right to operate one or more SNAP FITNESS® Clubs according to our Franchise Agreement (see Exhibit C) and our Standards which will be communicated to you via our confidential operations manuals (the "Manual") (see Item 11).

Market Accelerator Program

We grant qualified candidates the right to develop three Clubs for a reduced initial franchise fee of $40,000 total (a discount of $5,000) according to our Market Accelerator Program. If we grant you franchise rights according to our Market Accelerator Program, you will sign three Franchise Agreements at the same time, and commit to opening the first Club within six months after the Franchise Agreements are signed, the second Club within one year after the Franchise Agreements are signed, and the third Club within 18 months after the Franchise Agreements are signed. During the development period, we will neither develop nor license anyone else the right to develop a Club physically located in the preliminary designated area noted on your franchise agreement (or the preliminary designated area as changed or added under our then-current site selection policy). See the Market Accelerator Program Addendum attached as Attachment H to the Franchise Agreement.

The Market and Competition

The market for fitness and workout clubs is well developed and very competitive. You will compete with other fitness clubs offering similar services, including national franchise systems and other regional or local chains. You also will compete to a certain extent with public recreation centers and not-for-profit community organizations, such as the YMCA. Before selecting a site for your Club, you should survey the area for existing competitors and, in new or undeveloped areas, be aware that a competitor may enter the market at any time.

Typically our services are sold to individuals and are not seasonal, although you may experience peak months and membership fluctuations. For example, January is typically a busier month for health clubs.

Industry Specific Laws and Regulations

In addition to laws and regulations that apply to businesses generally, your Club will be subject to various federal, state and local government regulations, including those relating to site location and building construction, such as the Americans with Disabilities Act.

The physical fitness industry, particularly providing services through for profit clubs, is subject to extensive regulation at the local, state and federal levels. Many states have enacted specific laws ***(1)*** regulating membership contract length and terms, advertising and limitations on pre-opening sales, and ***(2)*** requiring bonding, buyer's remorse cancellation rights for limited periods (usually three days after sale), and cancellation and partial refund rights for medical or relocation reasons. At the federal level, health clubs who sell memberships on credit may be subject to the federal Truth-In-Lending Act and Regulation Z and various other credit-related statutes like the Equal Credit Act and Fair Debt Collection Practices Act.

Some states have laws that require and regulate the content of service contracts and/or that require the presence of at least one person trained in administering CPR and/or to use an external defibrillator. Many states also require that certain types of fitness centers be equipped with working defibrillators.

You may also choose to offer tanning and some states and municipalities also have laws or regulations specific to tanning services. The state tanning laws include regulations requiring trained operators present during tanning, specific operating procedures and recordkeeping, registration and other requirements. In addition, under the Health Care Reform Bill, effective July 1, 2010, you are required to collect sales tax on tanning services and remit those taxes to the Internal Revenue Service.

It is solely your responsibility to comply with all applicable laws and regulations and to obtain and keep in force all necessary licenses and permits required by public authorities. Before purchasing the franchise we strongly urge you to hire an attorney to review local, state and federal laws that may affect your operations or impact your operating costs.

ITEM 2
BUSINESS EXPERIENCE

Peter Taunton – Director and President/CEO

Peter is our founder and has served as our President/CEO and Director since our inception in October 2003. He has been an owner and operator of health clubs for over 25 years and currently serves as the President of PDJ Fitness, Inc. and Sunny Day Fitness, Inc. located in Chanhassen, MN (see Items 1, 19 and 20) which operate or used to operate SNAP FITNESS Clubs in Alabama, Ohio, Pennsylvania and Minnesota. Peter also founded America's Fitness Clubs, Inc. in Chanhassen, Minnesota and served as its President from prior to May 2003 until January of 2006.

Gary A. Findley – Director and Chief Operating Officer

Gary has served on our Board of Directors since May 23, 2008. Gary joined us as our Sr. Vice President in October 2008 and was promoted to the position of Chief Operating Officer in December 2009. From 1996 through July 2004, Gary served as President of Curves, International, a national health and fitness club franchisor located in Waco, Texas. From July 2004 to October 2008, Gary served as President of the Findley Group in Waco, Texas.

Wesley W. Winnekins – Chief Financial Officer

Wes joined us in February 2011 and serves as our Chief Financial Officer. From February 2001 to December 2010, Wes served as Chief Financial Officer of Health Fitness Corporation, a provider of corporate fitness and wellness services based in Minneapolis, MN.

Bill Rodriguez – Vice President, Marketing

Bill joined us in January 2007, and currently oversees strategic marketing initiatives, including franchisee marketing and member retention support, internal and external communications and support for franchise sales. From May 2003 to April 2005, Bill was Marketing Director, Lifetouch National School Studios, located in Minneapolis, Minnesota, and from April 2005 to January 2007, Bill was Senior Director, Strategic Marketing and Communications, at HealthPartners, located in Minneapolis, Minnesota.

Steve Lundquist – VP Controller

Steve joined us in December of 2007 and serves as our VP Controller. From 2006 until December 2007, Steve served as CFO-Controller of Money Club, Inc., a Minnesota corporation based in Minneapolis. From 2003 through 2006, Steve was a business consultant for Strategic Management Consulting in Minneapolis, Minnesota.

Alison McElroy – General Counsel

Ali joined us in June 2009 as our General Counsel. From October 2005 to May 2009, Ali was an attorney with the law firm of Faegre & Benson, LLP in Minneapolis, MN advising clients on franchise, corporate and international law.

Sonya Tarnow Brown – Director

Sonya has served on our Board of Directors since May 23, 2008, and has been at Summit Partners since August 2002. Her current and past board directorships during the last five years, include Airborne Health (May 2005 – September 2008), Physicians Formula Holdings, Inc. (November 3, 2003 – April 2009), Aramsco, Inc. (April 1, 2005 – present), and Sparta Systems, Inc. (April 11, 2006 – present).

Peter L. Rottier – Director

Peter has served on our Board of Directors since May 23, 2008. He joined Summit Partners in July 2006, and currently serves as a Vice President. He also serves on the boards of directors of ISH, Inc. and Tivoli Audio, LLC. From June 2005 to September 2005, he was an Associate at KSL Capital, LLC in La Quinta, CA.

Kevin Roberg – Director

Kevin has served on our Board of Directors since May 23, 2008. From before 2003 through the present, Kevin has been a General Partner of Delphi V Management Partners, a Menlo Park, California healthcare venture capital fund. During this same period, Kevin has been the principal of Kelsey Capital Mgt., a Pequot Lakes, Minnesota company which focuses on investing in a variety of public and private corporations. From October 2007 to December 2008, Kevin also served as CEO and President of ProStaff, Inc., a professional staffing and administrative services company based in Minneapolis, Minnesota.

ITEM 3
LITIGATION

Michael Fields v. Snap Fitness, Inc., in the Superior Court of the State of California, County of Santa Clara (Case Number: 1-09-CV-132226). In January 2009, our former franchisee filed suit against us claiming that he had rescinded his franchise agreement and demanding return of his initial franchise fee. Our motion to compel arbitration pursuant to the terms of the Franchise Agreement was granted on April 7, 2009. The case was dismissed on December 8, 2010 at the franchisee's request and we were awarded our court costs.

Meredith Tuntland v. Snap Fitness, Inc., American Arbitration Association, Case No. 65 114 Y 00088 10, Minneapolis, MN. On February 9, 2010, Meredith Tuntland, a franchisee, filed a demand for arbitration

("Demand") against us seeking damages of $514,244 and other unspecified relief. In the Demand, Ms. Tuntland alleged claims for fraudulent misrepresentation, breach of contract, interference with contractual and prospective contractual relations, fraud, and violation of the Minnesota Franchises Act, all in connection with a dispute over the designated area of a franchise she purchased from previous owners. On January 4, 2011, an arbitrator issued a final award to Ms. Tuntland for breach of contract and awarded a total of $ $305,453.63 in damages, fees and expenses.

In 2010, we initiated the following lawsuits against franchisees:

Snap Fitness, Inc. v. Park's Martial Arts Group Inc., Eric E. Park, Joong S. Park, Hennepin County District Court, File No. 27-CV-10-21120, filed August 30, 2010. We filed this claim for payment of past due amounts by a former franchisee and the personal guarantors. A judgment against the franchisee and personal guarantors in the amount of $39,411.34 was entered on September 22, 2010.

Snap Fitness, Inc. v. Fantastic Fitness, LLC and Tad Honeycutt, American Arbitration Association, Case No. 65 114 E 00213 10, filed August 26, 2010. In August 2010, we filed this claim for damages resulting from a former franchisee's breach of contract after the franchisee transferred two clubs to a third party who continued operating fitness clubs at the locations under a different name. On December 14, 2010, an arbitrator awarded us damages and lost future profits of $57,859.65, plus interest, fees and costs.

Other than the above four actions, no litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Initial Franchise Fee

You will pay us an initial franchise fee when you sign a Franchise Agreement. If you are acquiring franchise rights for a single Club, the initial franchise fee will be $15,000. If you are acquiring franchise rights for three Clubs according to our Market Accelerator Program (see Item 1), the total initial franchise fee is $40,000.

The initial franchise fee is payable in full when the Franchise Agreement is signed, and is considered fully earned and nonrefundable upon payment. Although the initial franchise fee is uniform for all franchisees, in the past, we have negotiated the initial franchise fee in very limited circumstances where we felt the situation was appropriate. In 2010, the initial franchise fee varied from $0 to $15,000.

We currently participate in the IFA's VetFran program and offer a $5,000 discount off the initial franchise fee for qualified veterans. If you qualify for this program, the initial franchise fee for one club is $10,000 and the initial fee for three Clubs under the Market Accelerator Program is $35,000.

GO FAST™ KIT

Before opening, you will purchase from us our GO FAST™ kit which includes marketing and promotional materials, personal training supplies and free weights, an initial inventory of access cards, and certain fixtures including cabinets and cubbies. The current purchase price for the standard GO FAST™ kit is $17,560, which includes shipping, and is payable in full before the Club opens. If you choose to add items to the GO FAST kit (for example, easyFIT devices, tanning or additional weights or cubbies), the purchase price will generally range from $17,560 to $31,000.

In 2010, the amounts paid by franchisees opening new SNAP FITNESS clubs for the GO FAST kit ranged from $17,560 to $34,920 (plus tax). The GO FAST kit price is payable in full in advance and is nonrefundable upon payment.

Door Access, Security and Surveillance System

You will pay Snap Security for door access, security and surveillance equipment and installation support before your Club opens. The standard door access, security and surveillance system includes door access components, panic system, camera and surveillance equipment, televisions and related items. The price for the standard security and surveillance system ranges from $18,000 to $25,000, which includes installation.

In 2010, the payments for these products and services ranged from $13,589 to $21,986 (plus tax). The amount you pay will depend on the square footage of the club, the number of doors and whether you purchase certain optional components (such as TVs) from Snap Security or another vendor that meets our specifications.

Fitness on Demand

If you choose to offer the Fitness on Demand program at your club, you will pay Snap Security for the equipment and installation before your Club opens. The price for the standard Fitness on Demand system installed at the same time as the door access, security and surveillance system is $7,495, which includes installation.

Snap Asset Protection Plan

We have established an insurance plan for the benefit of our franchisees called the Snap Asset Protection Plan (SAPP). You must have insurance from the date you sign your lease. The insurance premium is collected by us as the billing administrator and forwarded to the insurance providers. We estimate the amount you pay for this insurance prior to opening will be $250-$800. See Item 8 for additional information about insurance.

ITEM 6
OTHER FEES

Type of Fee (Note 1)	Amount	Due Date	Remarks
Continuing Fee	$449.00	Monthly	Subject to increase by an amount not to exceed the increase in Consumer Price Index.
National Marketing Fee	$75.00	Monthly	Subject to increase by an amount not to exceed the increase in the Consumer Price Index.
Local Marketing Fund or Cooperative Advertising Contribution	Greater of $200.00 per month or an amount up to 3% of Gross Revenue (Note 2)	Monthly	See Item 11 for more information about our right to set up and require participation in a Local Marketing Fund or an Advertising Cooperative.
Member Service Fees	Currently, one-time $1.00 online services fee for each new member (Note 3)	Monthly	Note 3.

Type of Fee (Note 1)	Amount	Due Date	Remarks
Website Fee	$25.00 per month per Club	Monthly	Subject to increase by an amount not to exceed the increase in the Consumer Price Index.
Membership Processing Fees and Cost	One-time fee of $5.00 for each new membership agreement; continuing $.50 fee per month membership maintenance fee for each membership enrolled at your Club. Then-current price for door access cards (currently $5.00).	One-time fees – at enrollment by electronic funds transfer. Ongoing maintenance fee for each membership enrolled at your Club, transferred every 5th day of the month for which the fee is due.	Subject to increase by an amount not to exceed the increase in the Consumer Price Index. (Note 4)
Fitware	$69 per month	Monthly	We intend to launch a new club management and billing software system licensed from our affiliate GoFit, LLC. Once launched, you will pay the monthly license fee for the software.
Fitness on Demand (optional)	$149.99 per month per Club	Monthly	If you choose to install the Fitness On Demand automated group fitness class system in your club, you will pay the monthly fee for access to the programmed classes.
Audits	Cost of audit plus interest at the maximum rate allowable by law	Immediately upon receipt of bill.	You pay for cost of audit only if it shows an understatement of Memberships or revenue.
Transfer Fee	$2,500 if transferee is an existing SNAP FITNESS® franchisee. If the transferee is new to the system, the transfer fee is equal to the then-current Initial Franchise Fee.	Upon application for consent to transfer.	Payable when you transfer your franchise. See Item 17 for additional information on transfers.
Costs and Attorneys' Fees	Will vary under circumstances.	As incurred	Payable only if your non-compliance with the Franchise Agreement causes us to incur legal expenses.
Insurance	$250 - $400 monthly.	As incurred	See Item 8 for more information on the SAPP insurance program.
Interest	18% per annum.	Upon demand	Payable only if you fail to pay amounts owed to us when due.

Type of Fee (Note 1)	Amount	Due Date	Remarks
Indemnification	Will vary under the circumstances.	As incurred	You must reimburse us if we are held liable for claims arising out of your franchise operations.
Supplier Review Fee	Our costs and expenses, which are currently expected to range between $1,000 and $3,000, although costs could exceed those amounts depending on the product.	As incurred	See Item 8 for more information on approved suppliers.
Modernization and Maintenance Costs	Our reasonable costs and expenses which will vary.	Upon demand	You must maintain the franchise according to our system standards and modernize the Club after five years. If you fail to maintain or modernize your club according to our standards, we may complete these for you and you must pay us our reasonable costs.
Securities Offering Costs	Will vary under the circumstances.	Upon demand	If you engage in a private offering of securities, we must review the prospectus or other offering documents and you will pay our costs for that review.

Notes

(1) All fees are imposed by, payable to, and collected by us unless otherwise noted. All fees are imposed uniformly and are non-refundable upon payment. As noted in the chart above, several fees paid to us are subject to adjustment over the ten-year agreement term based on increases in the Consumer Price Index. Adjustments based on the Consumer Price Index will be made no more than once per year.

(2) "Gross Revenues" means the aggregate of: (1) all revenues derived from membership fees and from the sale of products and services, whether made for cash, on credit or otherwise, without reserve or deduction for inability or failure to collect, that you in the normal and customary course of your operations would credit or attribute to the operation of a SNAP FITNESS® Club. Gross Revenues do not include revenues received from: (1) returns to shippers, vendors, or manufacturers; (2) sales of fixtures, furniture or equipment after being used in the conduct of the Club; (3) insurance proceeds; or (4) the amount of any city, county, state or federal sales, luxury or excise tax on sales that is both (A) added to the selling price or absorbed therein and (B) paid to the taxing authority by you.

Each local advertising cooperative may elect to increase the monthly contribution if approved by a two-thirds majority of the members and the minimum contribution is subject to adjustment by an amount not to exceed the increase in the Consumer Price Index – ("CPI"). Clubs owned by us and our affiliates are also members of their respective local Cooperative and each company-owned club has the same voting rights as the franchised locations within the Cooperative. If our company-owned clubs comprise the majority of a given Cooperative the maximum and minimum fees for that Cooperative will be consistent with the range stated in this Item 6 (subject to adjustment for increases in the CPI.

(3) The current member service fees are for the exercise and nutrition tools available to your members through their personal webpage at mysnapfitness.com. These services are free to members. As technology and member demands change, we anticipate providing different or additional services available to members. Some of these services may include different or additional member service fees and you agree to participate in our future member service initiatives and pay the applicable fees.

(4) All door access/membership cards and/or member ID cards are in a numeral sequence and must be purchased through us. Each door access/membership card costs $5.00. For each new membership agreement you must pay us a one-time $5.00 enrollment fee. In addition to the fees noted above, you will pay us a monthly membership maintenance fee equal to $.50 per active membership.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is to Be Made
Initial Franchise Fee [(2)]	$15,000	Lump Sum	Upon Signing of Franchise Agreement.	Us
GO FAST™ Kit [(3)]	$1,250 to $31,000	Lump Sum	Upon receipt of invoice	Us
Fitness and Weight Equipment[(4)]	$5,700 to $135,000	As Arranged	As Arranged	Approved suppliers
Freight and Installation[(4)]	$9,000 to $16,000	As Arranged	As Arranged	Approved supplier
Exterior Signage[(4)]	$500 to $10,000	As Arranged	As Arranged	Approved supplier
Door Access, Security and Surveillance System[(4)]	$1,300 to $25,000	Lump Sum	Prior to installation	Snap Security
Mirrors[(4)]	$150 to $4,000	As Arranged	As Arranged	Approved supplier
Fitness on Demand System[(5)]	$7,495 to $8,495	Lump Sum	Prior to installation	Us
Leasehold Improvements (not including flooring)[(6)]	$7,500 to $50,000	As Arranged	As Arranged	Contractors
Flooring (and Installation)[(6)]	$850 to $18,000	As Arranged	Prior to installation	Approved supplier
Rent[(7)]	$3,600 to $16,500	As Arranged	As Arranged	Landlord

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is to Be Made
Lease and Utility Security Deposits[8]	$1,500 to $5,800	As Arranged	Before Opening	Landlord and utility companies
Insurance [9]	$768-$900	As Arranged	As Arranged	Insurer
Training Expenses[10]	$500 - $2,000	As Arranged	As Arranged	Hotels, restaurants, transportation providers.
Professional Fees[11]	$1,000 to $4,000	As Arranged	As Arranged	Your attorneys and other professionals
Additional Funds[12] (3-month period)	$20,000	As Arranged	As Incurred	Employees, suppliers
TOTAL[13]	$76,113 to $361,695			

The expenses in Item 7 are estimates of your initial investment for one location prior to commencing operations and for the first three months thereafter. We cannot guarantee that you will not have additional expenses starting the business. Your costs will depend on how closely you follow the Snap Fitness system standards, your management skill, experience and business acumen, local economic conditions, acceptance by local consumers of our approved services, prevailing wage rates, competition and other factors. If you purchase a three-pack under our Market Accelerator Program, you will incur these expenses for each of the three clubs. In preparing your budget you also should consider the potential effect of inflation on future costs.

Notes

(1) All payments are nonrefundable unless otherwise permitted by a third party supplier.

(2) See Item 5 for a description of the Initial Franchise Fee and available discount according to our Market Accelerator Program and the VetFran program.

(3) See Item 5 for more information about the contents of GO FAST™ kit. As noted in Item 5, if you choose to add items to the standard GO FAST kit or you choose to purchase a tanning bed, you may spend more.

(4) The ranges in the chart for fitness and weight equipment, freight and installation, exterior signage, security and surveillance system and mirrors assumes you will purchase the recommended equipment for a standard sized club (2,500 to 4,000 square feet). The low end of the range is based on the lease costs before opening and for the first three months (including a 20% down payment and the equivalent of four monthly payments). Depending on your financing, you may be required to pay your first and last monthly lease payment in advance or pay a percentage of the total cost as a down payment (typically 20%). See Item 8 for more information about supplier sourcing. See also Item 10 for available financing and Item 11 for additional information on the door access and technology system. If you have a larger club or choose to purchase additional equipment, your costs may be higher.

(5) FitnessOnDemand is an optional automated group fitness class system we intend to begin offering in 2011. If you choose to install FitnessOnDemand, you will pay $7,495 (if installed at the same time as the door access and surveillance system) to $8,495 (if installed separately) for installation and an

additional monthly license fee. If you plan to offer the Fitness on Demand System, you should allow an additional 300-900 square feet in a separate room.

(6) The costs of construction and leasehold improvements depend upon the size and condition of the Club premises, the nature and extent of leasehold improvements required, the local cost of contract work and the location of your Club. In some cases, your landlord may agree to pay for some or all of the leasehold improvements as part of your lease negotiations. The flooring (including installation) must be installed by our approved vendor.

(7) The figures in the chart represent estimated three months' rent, exclusive of monthly operating expenses. The rental expense may vary widely based on geographic location, size of the Club, local rental rates and other factors. A typical Club occupies from 2,500 to 4,000 square feet of commercial space; we recommend acquiring 2,500 to 3,500 square feet of commercial space. If you plan to offer the Fitness on Demand System, you should allow an additional 300-900 square feet in a separate room

(8) Landlords may require a security deposit, and utility companies may require that you place a deposit prior to installing telephone, gas, and electricity and related utility services. A typical utility security deposit is one month's expense. A typical lease deposit will be an amount equal to one month's rent. These deposits may be refundable according to the agreements made with the utility companies and landlord.

(9) See Item 8 for more information about our insurance requirements and our SAPP insurance program. This estimate includes premium for three months of our SAPP insurance plan. If you need additional insurance for your club (for example, state workers' compensation or a surety bond), you may have additional costs. A surety bond may range from $100 to $500, depending on the state. Workers' compensation coverage may range from $450 to $1,000, but may be more depending on the number of employees and your state requirements.

(10) There is no separate training fee payable to us, as it is included in the Initial Franchise Fee. You must make arrangements and pay the expenses for you and your General Manager to attend our training program, including transportation, lodging, meals and wages. See Item 11 for more information on training. The amount expended will depend, in part, on the distance you must travel and the type of accommodations you choose. The estimate provided contemplates initial training of two people for four days, including travel, lodging, food and miscellaneous expenses associated with two people traveling to our headquarters for training.

(11) We recommend that you hire your own attorney to help you evaluate this franchise offering, to identify the laws and regulations that may apply to your Club, to help you set up a business entity, to review and negotiate your lease(s), to assist you in adapting the Membership Agreement to laws and regulations in your state or locality, and for whatever other purpose you deem appropriate.

(12) The figures in the chart represent the estimated amount of working capital you will need to cover other initial operating expenses for a period of three months. These figures are estimates, and we cannot guarantee you will not have additional expenses starting the business. Expenses not included are hourly labor costs and rent (beyond the rent estimate noted above in Note 7). Some states may have staffing requirements that may increase this number significantly.

(13) To compile these estimates, we relied on our affiliates' experience in operating similar businesses and our experience in franchising the operation of SNAP FITNESS® Clubs. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. Your costs will depend on factors such as: how closely you follow our recommended System; your management skill, experience and business acumen; local economic conditions; the time of year; the local market for our services; competition; and the sales level reached during the initial period.

You should also allow for inflation, discretionary expenditures, fluctuating interest rates and other costs of financing, and local market conditions, which can be highly variable and can result in substantial, rapid and unpredictable increases in costs.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To help ensure a uniform image and uniform quality of products and services throughout the SNAP FITNESS System, you must maintain and comply with our quality standards. Any required standards exist to protect our interest in the System and the Marks and not for the purpose of establishing any control, or the duty to take control, over those matters that clearly are reserved to you.

Site Selection

You must operate the Club at a location that meets our site selection requirements and that we have approved. If you lease the location, you and the landlord must execute the standard form of lease addendum (attached to the Franchise Agreement as Attachment E).

You must construct and equip your Club according to our approved design, specifications and standards. In addition to meeting our design specifications and standards, it is your responsibility to insure that your building plans comply with the Americans with Disabilities Act and all other federal, state and local laws. You also must use equipment (including hardware and software for the Technology System, as further described in Item 11), signage, fixtures, furnishings, products, supplies and marketing materials that meet our specifications and standards.

Approved and Designated Suppliers

We will provide you with a list of approved manufacturers, suppliers and distributors ("Approved Suppliers List") and approved equipment, signs, stationery, supplies and other items or services necessary to operate the Facility ("Approved Supplies List"). From time to time we, an affiliate or a third party vendor or supplier, may be the only approved supplier for certain products. The Supplies List also may include other specific products without reference to a particular manufacturer, or they may designate the specifications and/or standards for other approved products. We may revise the Approved Suppliers List and Approved Supplies List. We give you the approved lists as we deem advisable.

You must purchase from us our GO FAST™ kit containing marketing and promotional materials, personal training supplies and free weights, an initial inventory of access cards, and certain fixtures including cabinets and cubbies (see Item 5). You may use in the operation of the Club only the proprietary or non-proprietary equipment that we specify, and must purchase and lease all equipment that we designate (including the security system, computer system and Fitness on Demand system) from our approved suppliers. Snap Security currently is the only approved supplier for the door access and security system and we are the only approved supplier for the GO FAST kit, in-club digital media, easyFIT and Fitness on Demand. In the future, we or an affiliate may also be the sole supplier for Club management software. Except for these items and the insurance, described below, neither we nor our affiliates currently are approved suppliers for any products or services. None of our officers hold an interest in any of our suppliers.

Except for instances where we designate a single source supplier, if you wish to purchase any products or services for which we have established approved suppliers from an unapproved supplier, you may request our consent in writing. If we request, you must submit samples and other information as we require for testing or to otherwise determine whether the product, material or supply, or the proposed supplier meets our specifications and quality and safety standards. We generally will notify you of supplier approval or disapproval within 30 days of our receipt of all the information and samples we request. You must pay the reasonable cost of the inspection and evaluation and the actual cost of the test. The supplier also may be required to sign a supplier agreement. We may re-inspect the facilities and products of any supplier of an

approved supplier or item and revoke our approval of any supplier or item that fails to continue to meet any of our criteria. We will send written notice of any revocation of an approved supplier or item.

We apply the following general criteria in approving a proposed supplier: *(1)* ability to make product in conformity with our specifications; *(2)* reputation and integrity of supplier; *(3)* financial condition and insurance coverage of the supplier; and *(4)* system uniformity.

Insurance

You must participate in the SAPP insurance program unless we approve otherwise and you provide proof of insurance meeting our minimum limits outlined in the Franchise Agreement. The SAPP insurance program includes property, crime, general liability and hired and owned auto written by Mt. Hawley Insurance Company, headquartered in Peoria, Illinois. The commercial umbrella liability is written by Great American E&S Company, headquartered in Cincinnati, Ohio. This policy provides the following coverages:

Type of Insurance	Amount
Commercial General Liability	1,000,000 per occurrence; $2,000,000 in the aggregate
Products/Completed Operations Aggregate	$2,000,000
Personal and Advertising Injury Liability	$1,000,000
Fire Legal Liability: Damages to Club premises	$500,000
Medical Expenses	$1,000
Professional liability (for owners and employees)	Included
Hired and Nonowned Auto Liability	$1,000,000
Property – Special Form	$300,000
Improvements and Betterments	Included
Business Income (12 months)	Actual loss sustained
Crime	$5,000
Deductible	$1,000
Defense Costs	In addition to policy limits

In addition to participation in the insurance program, you must carry workers' compensation and employer liability coverage as required by the jurisdiction in which you operate the Club.

All required insurance not included in the SAPP insurance program must be obtained from a responsible carrier or carriers acceptable to us (generally an AM Best rating of A- or better). All of the policies must name us and anyone else we designate with an insurable interest as additional insured and must include a waiver of subrogation in favor of each additional named insured.

Marketing and Promotional Materials

You may use only marketing and promotional materials that meet our standards (see Item 11 for more information on advertising and marketing).

Revenue Derived from Franchisee Purchases and Leases

We and our affiliates derive revenue from franchisee purchases and leases to the extent that you purchase products or services directly from us or our affiliates. We and our affiliates also have arrangements with certain suppliers whereby we or our affiliate receive rebates from franchisee purchases or leases, which may be a fixed amount per transaction or percentage and could range from 2% to 60%.

During our fiscal year ended December 31, 2010, we derived approximately $5,175,749 million in revenue from the sale of goods or services to our franchisees, which amount represented 29% of our total revenues for that period. During the same period, Snap Security derived approximately $2,222,515 in revenue from the sale of goods or services to our franchisees; Snap Finance derived approximately $203,344 in revenue on account of franchisee purchases and leases; SAP Corp. derived approximately $1,137,471 in revenue, and SAP Insurance derived approximately $241,991 in revenue from the sale of goods or services to our franchisees. These figures were taken from our December 31, 2010 audited consolidated financial statements.

Estimated Proportion of Required Purchases and Leases to all Purchases and Leases

We estimate that your required purchases will represent approximately 95% of your total purchases in connection with establishing the franchised business (excluding the franchise fee and other non-goods expenditures), and over 90% of the ongoing costs that you will need to operate the business (excluding franchise fees and royalties and other non-goods expenditures).

Description of Purchasing Cooperatives; Purchasing Arrangements

We negotiate purchase arrangements for the benefit of the System but not on behalf of individual franchisees. This does not guarantee that the price for these products or services will be lower than other products or services on the market. We are not aware of any purchasing or distribution cooperatives in the System as of the date of this Disclosure Document. We do not provide you any material benefits (such as renewal rights or the right to acquire additional franchises) based on your purchases from approved or designated suppliers.

ITEM 9
FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items in the Disclosure Document.

	Obligation	Section in Franchise Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	Sections 2B, 2C and 5A	Items 7 and 11
b.	Pre-opening purchases/leases	Sections 5A, 5B, 5C, 6A and 6C	Items 5, 6, 7 and 8
c.	Site development and other pre-opening requirements	Sections 2B, 2C, 5A, 5B and 5C	Items 7, 8 and 11
d.	Initial and ongoing training	Sections 7B and 7C	Items 5, 6 and 11

Obligation		Section in Franchise Agreement	Disclosure Document Item
e.	Opening	Section 5D	Items 5 and 11
f.	Fees	Sections 6K, 7C, 8, 9, 11C.9 and 11H	Items 5, 6 and 7
g.	Compliance with standards and policies/Operations Manual	Section 6	Items 6, 7, 8, 11, 14 and 16
h.	Trademarks and proprietary information	Sections 6H, 10E and 10F	Items 13 and 14
i.	Restrictions on products/services offered	Section 6	Items 6, 7, 8, 11, and 16
j.	Warranty and customer services requirements	None for warranty. Customer services, see Sections 6 and 9D	Items 6 and 11
k.	Territorial development and sales quotas	Sections 2B and 2C and Attachment B	Item 12
l.	Ongoing product/service purchases	Section 6	Items 6, 7 and 8
m.	Maintenance, appearance, modernization and remodeling requirements	Section 5	Items 8 and 11
n.	Insurance	Section 10C	Items 6, 7 and 8
o.	Advertising	Section 8	Items 6, 7 and 11
p.	Indemnification	Section 10B	None
q.	Owner's participation/ management/staffing	Sections 7 and 15F	Item 15
r.	Records/reports	Sections 6D, 9I and 9J	None
s.	Inspections/audits	Sections 5C, 6E and 9J	Items 6 and 11
t.	Transfer	Section 11	Items 6 and 17
u.	Renewal	Section 4	Item 17
v.	Post-termination obligations	Sections 10D and 14	Item 17
w.	Non-competition covenants	Section 10D	Item 17
x.	Dispute resolution	Section 12	Item 17

ITEM 10
FINANCING

We offer, directly or through a preferred financing vendor, the financing programs described below.

Lease Servicing Center (LSC)/Matrix Vendor Program

This program is meant for new franchisees opening their first Club or existing franchisees opening an additional Club. The Lease Servicing Center/Matrix Vendor Program offers lease financing for the equipment you will need to open a new Club. The standard equipment package includes exercise equipment, the security and media package, GO FAST kit, flooring, external signage, tanning unit (optional), FitnessOnDemand (optional) and mirrors. This program is only available if you purchase Matrix fitness equipment.

If you qualify for this program, you will sign an equipment lease agreement or equipment finance agreement directly with Lease Servicing Center. The details of the agreement are included in the chart below.

Snap Fitness In-House Program

Existing Franchisees. If you are an existing Snap Fitness franchisee whose Clubs have a demonstrated record of success and you meet other credit qualifications, you may qualify for our in-house program to finance equipment to open your next Snap Fitness location. Factors considered in qualifying applicants for this program include the number of memberships at existing Clubs, whether existing Club operations generate adequate cash flow to support the new Club operations during the ramp up period, personal credit profile and other factors.

Executive. In very limited circumstances we may provide a new franchisee with equipment financing through our in-house program. Generally, a candidate for the executive program will have fitness or franchise experience and have $50,000 to $75,000 in verifiable, up front cash to put toward the initial investment. The maximum amount financed will typically be two times the up front cash amount (up to $150,000). Qualification will also depend on the personal credit profile and other factors.

The Snap Fitness In-House Programs are offered through our Snap Finance affiliate and the details are outlined below.

Re-Snap Program

If you are an existing Snap Fitness franchisee renewing your agreement for a second term, you qualify for the Re-Snap Program for financing the upgrades and modernization of your Club in connection with the renewal. The financing is provided by Lease Servicing Center and coordinated by Snap Finance and backed by Snap Fitness. The details of the program are outlined below.

Financing Program Details

Financing Program	Item Financed	Source of Financing	Down Payment	Amount Financed	Term	APR %	Monthly Payment	Pre-payment Penalty	Security Required	Liability Upon Default
Lease Servicing Center/Matrix Vendor Program Note 7	Standard Equipment Package Note 1	Lease Servicing Center	Note 2	$80,000 to $200,000	60-mos.	13.0%	$1,782 to $4,455	Discounted present value of payments (discount rate of 4%	Security Interest in Assets; Personal Guarantee; Assignment	Note 4

Financing Program	Item Financed	Source of Financing	Down Payment	Amount Financed	Term	APR %	Monthly Payment	Pre-payment Penalty	Security Required	Liability Upon Default
								per year)	of Club Note 3	
Snap Fitness In-House Program (existing franchisees) Note 8	Standard Equipment Package Note 1	Snap Fitness Finance, LLC	Note 2	$80,000 to $200,000	60-mos.	13.0%	$1,782 to $4,455	None	Security Interest in Assets; Personal Guarantee; Assignments of existing and new Clubs Note 3	Note 5
Snap Fitness In-House Program (executive) Note 8	Standard Equipment Package Note 1	Snap Fitness Finance, LLC	Note 2	$80,000 to $150,000	60-months	13.0%	$1,742 to $3,341	None	Security Interest in Assets; Personal Guarantee; Assignment of Club Note 3	Note 5
Re-Snap Program Note 7	Club Upgrade Package Note 1	Lease Servicing Center	Note 2	$15,000 to $70,000	36-mos.	13.0%	$495 to $2,309	Discounted present value of payments (discount rate of 4% per year)	Security Interest in Assets; Personal Guarantee Note 3	Note 6

Notes:

(1) The standard equipment package includes exercise equipment, the security and media package, GO FAST kit, flooring, external signage, tanning unit (optional), FitnessOnDemand (optional) and mirrors. The Club upgrade package includes the equipment and fixtures to meet the renewal modernization requirements.

(2) Under all four financing programs, you generally will make two payments in advance and pay a documentation fee of $500. Depending on credit criteria, you may also be required to make a 10-20% down payment or a security deposit.

(3) All four financing programs require that the franchise owner(s) sign a personal guaranty and give the lender a security interest in the assets acquired. In addition, you will execute conditional assignments of the Franchise Agreement, lease, membership agreements, telephone and utilities for the Club. For the Snap Fitness In-House Program (existing franchisees), the assignment will be of all your existing Clubs.

(4) If you default under the terms of the agreement with LSC, you will pay a late charge of 15% of the payment (or the maximum allowed by law, if less). LSC may also terminate or cancel the agreement and require that you pay the unpaid balance, discounted to present value at 4%, or require that you return the equipment to LSC. LSC may sell the equipment and you may be required to pay any deficiency remaining after that sale and for the costs related to the sale, attorneys' fees and court costs or other obligations to LSC. LSC may also exercise their assignment of the Franchise Agreement, lease, membership agreements and telephone and utilities. Finally, we have a written agreement with LSC to buy back equipment if you default on your equipment lease with them. Because we provide this guarantee of your obligations, your default under the financing program with LSC is a default under the Franchise Agreement and may lead to termination of your franchise rights. You waive all rights to sue LSC for consequential or incidental damages.

(5) If you default under the in-house program agreement, Snap Finance may accelerate and declare due the unpaid balance (discounted to present value at 5.5% per year), collect related attorneys' fees, collection costs and expenses, enter the Club or owner's premises to take possession of the equipment, exercise the assignment of the franchise rights or use any other remedy available at law. Any late payment is subject to interest at 1 ½% per month (or the maximum permitted by law). Your default under the agreement with Snap Finance is also a default under your Franchise Agreement and may lead to termination of your franchise rights. You waive all rights to sue Snap Fitness Finance, LLC for indirect, punitive, special or consequential damages.

(6) If you default under the Re-Snap Program, you will pay a late charge of 15% of the payment (or the maximum allowed by law, if less). LSC may also terminate or cancel the agreement and require that you pay the unpaid balance, discounted to present value at 4%, or require that you return the equipment to LSC. LSC may sell the equipment and you may be required to pay any deficiency remaining after that sale and for the costs related to the sale, attorneys' fees and court costs or other obligations to LSC. In addition, because we guarantee your performance under the financing agreement, your default under the agreement with LSC is a default under your Franchise Agreement and may lead to termination of your franchise rights. You waive all rights to sue LSC for consequential or incidental damages.

(7) Sample forms of the agreements with LSC for the Lease Servicing Center (LSC)/Matrix Vendor Program and the Re-Snap Program are attached to this Disclosure Document as Exhibit H. LSC has the right to sell, assign or discount your agreement to a third party and, if LSC transfers the lease, the transferee will not have to perform any of LSC's obligations and the rights of the transferee will not be subject to any claims, defenses, or setoffs that you have against Lease Servicing Center.

(8) A sample form agreement for the Snap Fitness In-House Program is attached to this Disclosure Document as Exhibit H.

We have no past practice of selling, assigning or discounting franchisees' financing arrangements to a third party; however, we reserve the right to do so in the future. We do not receive payments or other consideration from any person for the placement of financing with the lenders of the programs described above.

The Snap Fitness franchise program is also pre-approved for SBA loan programs through our listing with the SBA Franchise Registry. You apply for an SBA loan through a private sector lender and the lender will determine the amount, terms, interest rate and duration of any financing they choose to offer.

In addition to the programs mentioned, we may periodically arrange with third party finance companies or banks to make financing programs available to franchisees. These arrangements ordinarily involve no

more than arranging to put franchisees in contact with sources of financing available to individual franchisees. There is no assurance that financing will be offered in any particular instance. If financing is offered, the financial institution independently establishes the amount, terms, interest rate and duration. Neither we nor any of our affiliates receive any payments in exchange for such referrals or the placement of any financing. It is solely your responsibility to locate and obtain, on whatever terms you can arrange, any required financing for the establishment of your Club.

Except as described above, as of the date of this Disclosure Document we do not offer direct or indirect financing and we do not guarantee your note, lease or obligation.

ITEM 11
FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

Except as listed below, we are not required to provide you with any assistance:

Pre-Opening Obligations

Before you open your Club, we will:

1. Provide you with site selection criteria and general design requirements for your Club (Franchise Agreement, Sections 5A and 5C).
2. Provide you with the Approved Suppliers and Approved Supplies Lists (Franchise Agreement, Section 6C).
3. Provide you with access to an electronic version of the manual through a select portal controlled by the franchisor, that detail the specifications and procedures incidental to the operation of the Club (Franchise Agreement, Section 6G).
4. Provide the training programs described below (Franchise Agreement, Sections 7B and 7C).
5. Provide grand opening promotional materials and assistance (Franchise Agreement, Section 8B).

Ongoing Obligations

During the operation of your Club, we will:

1. Provide you with Membership services, including administering certain aspects of reciprocity and membership billing (Franchise Agreement, Section 6B and 6O).
2. Provide updates to the Approved Suppliers and Approved Supplies Lists (Franchise Agreement, Section 6C).
3. Evaluate your business and provide ongoing support and service as we determine necessary (Franchise Agreement, Section 6E).
4. Provide refresher training courses as we determine necessary (Franchise Agreement, Section 7C).

Advertising and Marketing

You must use your best efforts to aggressively promote and advertise the Club in your local area and participate in any local promotional programs that we establish. We recommend that you spend money every month on local advertising and require that you spend a minimum of $4,800 per year (an average of $400 per month) on advertising, which may be more during peak months and less during non-peak months. The Snap Fitness advertising program for the products and services offered by SNAP FITNESS® Clubs currently consists of print, direct mail, digital advertising and special promotions designed for use by franchisees in their local markets. Our advertising materials currently are created in-house. We are not required to spend any amount on advertising in the area or territory where your franchise is located.

Any marketing material not designed or provided by us must be pre-approved; you must submit your marketing materials to us for approval prior to using (print, electronic or other forms of media) and actively promote your Club and the system through use of approved local marketing and marketing materials. We will not unreasonably withhold approval of your marketing materials if they are factually accurate and current, dignified, up-to-date, and in good condition, and accurately depict the SNAP FITNESS Marks. The marketing materials will be deemed approved if we do not disapprove or comment within 10 business days of receipt.

Local Marketing Fund or Cooperative

We have the right to designate, in our discretion, any geographical area in which at least two SNAP FITNESS® franchises are located as a "designated advertising area" for the purposes of establishing a Local Marketing Fund that we control ("Local Marketing Fund") or local or regional advertising cooperative controlled by its members ("Cooperative"). If a Local Marketing Fund or Cooperative is established in your market, you will be required to participate and contribute. Any amount contributed to a Local Marketing Fund or Advertising Co-op will be in addition to, and not in lieu of, the National Marketing Fee. We have the right to determine the amount of contribution, in our sole judgment, provided that aggregate monthly contributions will not exceed 3% of Gross Revenues or $200 per month (which ever amount is more). This amount is subject to adjustment for increases in the Consumer Price Index. Any contributions you make to a Local Marketing Fund or Cooperative will count toward the minimum local advertising expenditure noted above. "Gross Revenues" means the aggregate of: *(1)* all revenues derived from membership fees and from the sale of products and services, whether made for cash, on credit or otherwise, without reserve or deduction for inability or failure to collect, that you in the normal and customary course of your operations would credit or attribute to the operation of a SNAP FITNESS® Club. Gross Revenues do not include revenues received from: *(1)* returns to shippers, vendors, or manufacturers; *(2)* sales of fixtures, furniture or equipment after being used in the conduct of the Club; *(3)* insurance proceeds; and *(4)* the amount of any city, county, state or federal sales, luxury or excise tax on such sales that is both *(A)* added to the selling price or absorbed therein and *(B)* paid to the taxing authority by you.

As of the date of this Disclosure Document, we have established Cooperatives for the following markets (each defined according the Nielsen Market Research designated marketing area (DMAs): Minneapolis-St. Paul, Fargo-Grand Forks, Des Moines-Ames, Erie, Milwaukee, Grand Rapids-Kalamazoo-Battle Creek, New Orleans, and Baton Rouge. We plan to establish Cooperatives in additional markets. If we have established a Cooperative in your area, you must participate in the Cooperative and its programs, execute any participating documents we require and abide by its bylaws. A Cooperative may vote to increase the required contribution amount referenced above if approved by members representing at least two-thirds of the Clubs in the Cooperative. Each Club in the Cooperative will have one vote. Clubs owned by us and our affiliates will be a member of the Cooperative and will make the same contribution and have the same voting rights as franchised locations. Each Cooperative will be required to adopt governing bylaws that meet our approval and that we may require the Cooperative to amend from time to time. We will provide the Cooperative with a sample form of bylaws that the Cooperative must use and we must approve, containing certain terms and conditions that we require, although the bylaws will not modify the voting structure described in this paragraph. The Cooperatives must submit to us its meeting minutes on our request. All advertising cooperatives must obtain our written approval of all promotional and advertising materials, creative execution and media schedules prior to their implementation. Each Cooperative must use only the approved media buyer and advertising agency. The members of each Cooperative and their elected officers will be responsible for the administration of the Cooperative. If you wish to obtain an accounting of your local Cooperative you may do so by submitting your request in writing to the officers of the Cooperative. We reserve the right to administer the Cooperatives' funds and will require payment from its members via electronic funds transfer. The governing documents are available for review upon reasonable request. We reserve the right to require advertising and marketing cooperatives to be formed, changed, dissolved or merged.

Advisory Committee

In 2007, we established a Snap Fitness Franchisee Advisory Committee which consists of several franchisees who will provide advice and counsel to us on promotional, advertising and operational issues. Members are selected for regional representation by a combination of nomination and election by franchisee peers and appointment by us. We have the power to change or dissolve this body and we reserve the right to form, change or dissolve any other franchisee advisory committee in the future.

Technology System and Video Surveillance Equipment

You must acquire and use all computer hardware and related accessories and peripheral equipment, including security, door access, phone and digital media equipment (collectively, the "Technology System") that we prescribe for use by the Club, and may not use any cash registers or computer hardware, accessories or peripheral equipment that we have not approved for use. Requirements for use may include, among other things, connection to remote servers, off-site electronic repositories, and high speed Internet connections, and establishment of one or more e-mail accounts.

You must: *(i)* use any proprietary software programs, system documentation manuals, and other proprietary materials that we provide to you in connection with your operation of the Club; *(ii)* input and maintain in your computer such data and information as we prescribe in the Manual and other written directives; *(iii)* purchase new or upgraded software programs, system documentation manuals, and other proprietary materials at then-current prices whenever we adopt such new or upgraded programs, manuals, and materials system-wide. You must enter into all software license agreements, "terms of use" agreements, and software maintenance agreements, in the form and manner we prescribe, and pay all fees imposed by us or any third party software and software service providers hereunder. As technology or software is developed in the future, we may, in our sole discretion, require you to: *(i)* add to your Technology System memory, ports, and other accessories or peripheral equipment or additional, new, or substitute software; and *(ii)* replace or upgrade your Technology System and software as we prescribe.

The Technology System will collect and compile customer identification data, other membership data, and door entry data. We may independently access form a remote location, at any time, all information (including member information) input to and compiled by your Technology System (including video surveillance equipment) or an off-site server.

We estimate the purchase price for the Technology System, including video surveillance equipment, to be approximately $18,000 to $25,000. The estimated annual cost of any optional or required maintenance, updating, upgrading or support for the Technology System is estimated to be approximately $500 to $1,500 per year over the ten-year term of the initial Franchise Agreement.

Site Selection

You will select the site for the Club within the Preliminary Designated Area that will be identified in the Summary Pages when you sign the Franchise Agreement. You will identify a site within the Preliminary Designated Area (or if no sites are available in the Preliminary Designated Area, in proximity to it) for our approval. In evaluating the site, we will consider the following factors: demographics, visibility, ability to reflect image to be portrayed by SNAP FITNESS® businesses, access and parking, and market type (rural, suburban, and urban). Within 15 days after you have submitted all requested information concerning the site, we will notify you whether or not the site is approved. You must acquire a site for the Club within 90 days after the Franchise Agreement is signed.

Typical Length of Time Before You Open Your Club

The typical length of time between the signing of the Franchise Agreement, or the first payment of any consideration for the franchise, and the opening of your business is approximately three to five months from the execution of the Franchise Agreement. Factors that may impact this length of time may include whether you have a site selected upon execution of the Franchise Agreement, your ability to obtain a site,

prepare a site survey, arrange leasing and financing, make leasehold improvements, install equipment and signs, decorate the Club, meet local requirements and other similar factors.

You must acquire a site for the Club location no later than 90 days after the Franchise Agreement is signed, and must open the Club for business no later than 180 days after the Franchise Agreement is signed. If you purchased three Franchise Agreements as part of our Market Accelerator Program, the opening deadline for the second Club is one year after the Franchise Agreement is signed and for the third Club will be 18 months after the Franchise Agreement is signed. If you fail to acquire an acceptable site or begin operations within the required time periods, we may terminate the Franchise Agreement or, at our election, may cancel any designated area protection afforded in the Franchise Agreement (Franchise Agreement, Sections 2B, 2C and 13D).

Manual

The Table of Contents for the Operating Manual, including number of pages on each subject and total number of pages, is included herein as Exhibit E. In addition to the Operating Manual, we also communicate operations information to franchisees through system bulletins and our online franchisee portal.

INITIAL TRAINING PROGRAM

We will provide the following initial training to at least two people in your organization (including your general manager), which the attendees must complete to our satisfaction. Our training program is four days and includes:

Subject	Hours of Classroom Training	Hours of On-the-job Training	Location	Instructor
Marketing/Sales/ Customer Service	13	-	Chanhassen, Minnesota	See Note (1)
Store Operations	5	-	Chanhassen, Minnesota	See Note (1)
Software and Billing	4	-	Chanhassen, Minnesota	See Note (1)
Personal Training	8	-	Chanhassen, Minnesota	See Note (1)
TOTAL	30	-		See Note (1)

Note (1).

Initial training will be conducted by our training staff, supervised by Gary Findley, our Chief Operating Officer (whose experience with us is described in Item 2 above) and led by John Voskamp. John joined Snap Fitness, Inc. in June 2010 and has more than 18 years of experience in the fitness industry.

Other training staff includes Chad Vinson-Ruf (personal training), Jessica Mustful (marketing), Jennifer Hansen (operations, software and billing). Chad joined us in 2011 with experience working for several health club companies and is responsible for our personal training program. Jessica Mustful joined us in 2007 as a marketing manager and focuses on member-facing programs. Jessica has a B.A. in advertising and public relations and a MBA with a concentration

in sports management. Jennifer joined us in October 2009. Jennifer is a former franchisee and currently is one of our franchise account managers. In that role, Jennifer supports Clubs as their primary contact in the corporate office and assist the Clubs with everything from software and billing issues to sales and marketing initiatives.

Unless we agree in writing that you may designate someone else to attend training, you must complete to our satisfaction this training program within 30 days of signing your location lease. If you have a general manager at the time you begin operations, he or she also must complete training to our satisfaction. The program lasts approximately four days. We do not charge for this training, but you must pay the travel and living expenses and supply costs for you and your employees. Training will occur at our headquarters in Chanhassen, Minnesota, prior to opening.

The training is subject to change and may be offered by any of these personnel or by such individuals as we may designate from time to time who have experience related to specialized services or products that may be offered as part of the franchised business.

Periodically, we may offer additional training programs and we may charge a fee for attending these training programs. You must also pay the travel and living expenses and supply costs for you and your employees. If you designate a new general manager after the initial training program, the new general manager must complete the training to our satisfaction. We reserve the right to charge a fee to train any replacement general manager. In addition, we may hold and require that your Principal Owner (this is, a person who owns a 25% or greater interest in the franchisee entity) and general manager or other designated employees attend, at your expense, any conference, meeting, convention or seminar to present new methods and programs for operation, training, management, sales or marketing.

ITEM 12
TERRITORY

When the Franchise Agreement is signed, you will select a general geographic area in which you intend to operate your Club ("Preliminary Designated Area"). We generally will approve your selection unless we determine, in our sole judgment, that it may negatively affect the interest of another SNAP FITNESS® franchisee or is otherwise unavailable for development under our current policies.

Your Preliminary Designated Area will be identified on the Summary Pages of the Franchise Agreement. Within 90 days after the Franchise Agreement is signed, you must acquire a site for the Club within the Preliminary Designated Area; provided that, if no sites are available in the Preliminary Designated Area, we generally will approve a site in proximity to the Preliminary Designated Area. Once you have acquired the site, we will complete the Franchise Agreement to reflect the site (which will become the Club's "Authorized Location") and to define your "Designated Area" around the Authorized Location. If the site you acquire is within the Preliminary Designated Area, your Designated Area will be substantially the same as your Preliminary Designated Area in terms of size, shape or demographics. Once defined in Attachment B, your Designated Area will remain constant throughout the initial term of the franchise.

A minimum Designated Area will consist of one city block and, in suburban and rural areas, may be as large as a three-mile driving distance from the anticipated location. The actual size and boundaries of your Designated Area will depend upon a variety of factors, including the population base; density of population; growth trends of population; the density of residential and business entities; and major topographical features which clearly define contiguous areas, like rivers, mountains, major freeways, and underdeveloped land areas.

Unless approved by us, all membership sales must be made face-to-face, although you may solicit membership sales ***within*** your Designated Area by mail, telemarketing (so long as you abide by the no-

call lists) or other non-face-to-face basis. You may solicit, advertise and accept memberships online or outside your Designated Area only with our prior approval or according to our then-current policies. There are no other restrictions on your right to solicit or accept memberships inside or outside of your Designated Area. You may not sell merchandise or services through other channels of distribution such as the Internet, catalog sales, telemarketing or other direct marketing.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets we own, or from other channels of distribution or competitive brands that we control. During the term of this Agreement, however, neither we nor our affiliates will develop or operate, or grant to anyone else the right to develop or operate, a SNAP FITNESS® Club physically located in the Designated Area. We and our affiliates have the right to develop and operate and grant others the right to develop and operate SNAP FITNESS® Clubs outside the Designated Area, regardless of their proximity to the Designated Area or any negative impact they may have on your Club. We also have the right to develop and operate, and grant others the right to develop and operate, fitness clubs and other businesses under a different trademark within and outside the Designated Area, which may be similar to or competitive with SNAP FITNESS® Clubs, although neither we nor our affiliates have any present plans to do so.

Certain locations are by their nature unique and separate in character from sites generally developed as SNAP FITNESS® Clubs ("Special Sites"). These Special Sites are excluded from the Designated Area and we have the right to develop, license or franchise Clubs at these locations within or outside your Designated Area: (1) military bases; (2) public transportation facilities, including, without limitation, airports and other transportation terminals; (3) sports facilities, including race tracks; (4) student unions or other similar buildings on college or university campuses; (5) hotels, resorts or similar short-term lodging; (6) apartment or condominium complex; and (7) corporate office buildings or office parks.

We reserve to ourselves all other rights to use the System and Marks anywhere and in any manner including, without limitation, the right to offer, sell or distribute items such as training videos, equipment, athletic gear, etc., associated with the System (now or in the future) or identified by the Marks, or any other trademarks, service marks or trade names, through any distribution channels or methods, without compensation to any franchisee. These distribution channels or methods may include, without limitation, retail stores, mail order, wholesale or the internet (or any other existing or future form of electronic commerce). For instance, we currently offer online enrollment through www.snapfitness.com. There are no restrictions on our rights to solicit or accept orders in or outside of your Designated Area. We are not required to compensate you for soliciting or accepting orders in the Designated Area.

Except for the territorial protections described above, you may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Continuation of your Designated Area does not depend on the achievement of a certain sales volume, market penetration or other contingency. You do not have any right to sublicense or sub-franchise within or outside of the Designated Area. You do not receive the right to acquire additional franchises within or outside of your Designated Area (although we may allow you to open another club if you sign another Franchise Agreement with us and meet our requirements).

If you fail to acquire a site for the Club within 90 days after the Franchise Agreement is signed, instead of terminating this Agreement, we may eliminate the Designated Area protection and open that area for development by us or another franchisee. If you participate in the Market Accelerator Program and fail to meet the deadlines for one or more Clubs, we may eliminate the Designated Area protection for the remaining Franchise Agreements for Clubs yet to be developed (but not for any Club that is already open). We also may unilaterally modify your Designated Area upon renewal or if you transfer your franchise rights (see Item 17). Other than described above, we have no right to modify your territorial rights except by mutual written consent of the parties.

You may relocate your Club under certain circumstances and subject to our approval, as is stated in Section 5.G of the Franchise Agreement.

ITEM 13
TRADEMARKS

The Franchise Agreement licenses you to use the "Snap Fitness" service mark, as well as other trademarks, service marks, trade names and commercial symbols. We own and have registered the following principal Marks on the Principal Register of the U.S. Patent and Trademark Office and have filed all required affidavits.

Trademark	Register	Registration Date	Registration Number
*SNAP FITNESS	Principal	June 20, 2006	3107672
*SNAP FITNESS FAST-CONVENIENT-AFFORDABLE	Principal	April 25, 2006	3084847

We also claim common law rights to our SNAP FITNESS-24/7 FAST-CONVENIENT-AFFORDABLE logo and other supplementary marks used from time to time in the operation of the franchise. We do not have a federal registration for the "24/7" logo. Therefore, these trademarks do not have many legal benefits and rights as a federally registered trademark. If our right to use our trademark is challenged, you may have to change to an alternative Mark, which may increase your expenses.

Your use of the Marks and any goodwill is to our and our Affiliate's exclusive benefit and you retain no rights in the Marks. You are not permitted to make any changes or substitutions of any kind in or to the use of the Marks unless we direct in writing. We may change the System presently identified by the Marks including the adoption of new Marks, new program offerings, new equipment or new techniques and you must adopt the changes in the System, as if they were part of the Franchise Agreement at the time of its execution. You must comply, at your cost, within a reasonable time if we notify you to discontinue or modify your use of any Mark. We will have no liability or obligation as to your modification or discontinuance of any Mark.

There are currently no effective material determinations by the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, or any pending infringement, opposition or cancellation proceeding, or any pending material litigation, involving the Marks. There are currently no agreements in effect that significantly limit our rights to use or license the use of any Marks in any manner material to the franchise. There are no infringing uses actually known to us that could materially affect your use of the Marks.

If there is any infringement of, or challenge to, your use of the Marks, you must immediately notify us, and we will take action that we deem appropriate. We have the right to control all administrative proceedings and litigation involving the Marks. The Franchise Agreement does not require us to take affirmative action if notified of the claim. The Franchise Agreement also does not require us to participate in your defense or to indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding based on your use of the Marks, or if the proceeding is resolved unfavorably to you. If we determine that a trademark infringement action requires changes or substitutions to the Marks, you must make the changes or substitutions at your own expense.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents or copyrights currently registered that are material to the franchise, although we do claim copyright ownership and protection for the design elements of our Marks, and the content of our Manual, training materials, web site, and promotional and other materials.

There are currently no effective determinations of the Copyright Office (Library of Congress), United States Patent and Trademark Office, Board of Patent Appeals and Interferences, or any court, or any pending infringement, opposition or cancellation proceeding or any pending material litigation involving any patents or copyrights. There are currently no agreements in effect that significantly limit our rights to use or license the use of any patents or copyrights in any manner material to the franchise. There are no infringing uses actually known to us that could materially affect your use of the patents or copyrights.

We are not obligated to protect you against infringement or unfair competition claims arising out of your use of any patents or copyrights, or to participate in your defense or indemnify you. We reserve the right to control any litigation related to any patents and copyrights and we have the sole right to decide to pursue or settle any infringement actions related to the patents or copyrights. You must notify us promptly of any infringement or unauthorized use of the patents or copyrights of which you become aware.

You must keep confidential during and after the term of the Franchise Agreement all proprietary information, including but not limited to the manuals. Upon termination of your Franchise Agreement, you must return to us all proprietary information, including but not limited to the manuals and all other copyright material. You must notify us immediately if you learn about an unauthorized use of proprietary information. We are not obligated to take any action and we have the sole right to decide the appropriate response to any unauthorized use of proprietary information. You must comply with all changes to the manuals at your cost.

ITEM 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

During the term of the Franchise Agreement, you (if franchisee is an individual) or your general manager must devote sufficient time and best efforts to the management of the Club. You are expected to stay informed about our organizational plans, initiatives and direction by regular review of communications sent to you electronically or otherwise.

You or your general manager must provide direct on-premises supervision to the Club. The general manager must complete our training course. He or she need not have any equity interest in the franchisee or the business entity that owns or operates the franchise. If he or she fails to satisfactorily complete the training program, you may designate a different individual and you must notify us immediately. We may request that you are present at the Club for any inspection or evaluation we conduct.

All officers, directors, members and all managers, instructors and other employees having access to our proprietary information must execute non-disclosure agreements in a form we accept. If we so require, your managers, instructors and other employees receiving training from us must execute covenants not to compete in a form that we approve.

Any individual or entity that holds, directly or indirectly, a 25% or greater equity interest in the franchisee must sign a personal guaranty.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer at the Club all of the products, equipment and services that we periodically require and you may not offer at the Club any unapproved products or use the premises for any purpose other than the operation of the Club. We have the unlimited right to change the types of authorized services you may offer.

If permitted by state and local law, you must be open for business every day of the week for 24 hours. You may solicit and accept Memberships within your Designated Area. We may periodically negotiate contracts with corporations, affinity groups and insurance plans that will require that certain terms or

discounts be offered to members of that corporation, affinity group or insurance plan by all franchisees at all locations ("**National Accounts**"). You must provide the special terms and/or discounts to these National Accounts. You are not otherwise limited in the customers to whom you may sell products or services.

You may not install or maintain on the Club premises any gaming, entertainment or vending machine without our prior written approval and you must agree to participate in any vending or media program we establish for the system.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

	Provision	Section in Franchise or Other Agreement	Summary
a.	Length of the franchise term	Section 4A	Term is 10 years
b.	Renewal or extension	Section 4B	Renewal for unlimited additional 10-year terms
c.	Requirements for franchisee to renew or extend	Section 4B	You must give us written notice of your decision to renew at least six months but not more than 12 months before the end of the expiring term; you must sign our then-current form of Franchise Agreement, the terms and conditions of which may be materially different than the terms and conditions of our current Franchise Agreement and which may contain terms less favorable to you, including different fees and a different Designated Area; you have complied with the modernization requirements for your Club; you are not in default and have satisfied your obligations on a timely basis; if leasing, you have written proof of your ability to remain in possession of the Club premises throughout the renewal term and provide any then-required lease addendum; you comply with our training requirements; and you sign a release (provided that any release will not be inconsistent with any state law regulating franchising).
d.	Termination by franchisee	Section 13C	You may terminate the Franchise Agreement only for a material breach by us, provided you give us written notice of the breach and allow at least 60 days notice and opportunity to cure such breach and, if not cured, wait 90 days from the original notice of breach before terminating the Franchise Agreement.
e.	Termination by franchisor without cause	None	

	Provision	Section in Franchise or Other Agreement	Summary
f.	Termination by franchisor with cause	Sections 13A and B	We can terminate the Franchise Agreement only if you default or fail to comply with your obligations.
g.	"Cause" defined – curable defaults	Sections 13A and B	You have 10 days to cure the non-submission of reports and non-payment of amounts due and owing; and 30 days to cure defaults for the failure to abide by our standards and requirements in connection with the operation of your business, or failure to meet any requirements or specifications established by us, and any other default not listed in h below.
h.	"Cause" defined – non-curable defaults	Sections 13A and B	Non-curable defaults include: failure to acquire a site for the Club within 90 days after the Franchise Agreement is signed, or to open the Club for business within 180 days after the Franchise Agreement is signed, abandonment, loss of lease, the failure to timely cure a default under the lease, the loss of your right of possession or failure to relocate, closing of Club, insolvency, unapproved assignments or transfers, convictions, intentionally understating or underreporting Memberships or fees, multiple defaults, or failure to cure within 24 hours of notice a default which materially impairs the goodwill associated with any of our Marks.
i.	Franchisee's obligations on termination/non-renewal	Sections 10D and 14A-C	Obligations include complete de-identification and payment of amounts due, assignment of your lease to us upon our demand, assignment to us of your telephone numbers, return of manuals and proprietary materials, refunding members, and our right to purchase assets of the Club (also see o and r below).
j.	Assignment of contract by franchisor	Section 11F	No restriction on our right to assign.
k.	"Transfer" by franchisee – defined	Section 11A	Includes any transfer of your interest in the Franchise Agreement or in the business or any ownership change listed in Section 11A of the Franchise Agreement.
l.	Franchisor approval of transfer by franchisee	Section 11B	We have the right to approve all transfers but will not unreasonably withhold approval.
m.	Conditions for franchisor approval of transfer	Sections 11B-D	Transferee meets all of our then-current requirements for one of the franchise development programs then being offered, transferee must sign our then-current form of Franchise Agreement, the terms and conditions of which may be materially different than the terms and conditions of our current Franchise Agreement and which may contain terms less favorable to the transferee,

	Provision	Section in Franchise or Other Agreement	Summary
			including different fees and a different Designated Area; applicable transfer fee paid, all amounts owed by prior franchisee paid, required modernization is completed, training completed, required guarantees signed, necessary financial reports and other data on franchise business is prepared, and release signed by you (provided release will not be inconsistent with any state law regulating franchising (also see r below).
n.	Franchisor's right of first refusal to acquire franchisee's business	Section 11E	We can match any offer for your Club assets and, in the case of a proposed stock sale, we can purchase your Club assets at a price determined by an appraiser, unless you and we agree otherwise.
o.	Franchisor's option to purchase franchisee's business	Section 14B	Upon expiration or termination, we have the right to assume your lease for the Club premises, to assume all membership contracts, to assume all telephone numbers used in connection with the operation of your Club, and to purchase or designate a third party that will purchase all or any portion of the assets of your Club, including the equipment, fixtures, signs, furnishings, supplies, leasehold improvements and inventory. Qualified appraiser(s) will determine price as described in the Franchise Agreement.
p.	Death or disability of franchisee	Section 11D	You can transfer your franchise right to your heir or successor in interest like any other transfer, but if assignee is an existing franchisee, your spouse or your child, no transfer fee is required.
q.	Non-competition covenants during the term of the franchise	Section 10D	No direct or indirect involvement in the operation of any fitness business other than one authorized in the Franchise Agreement.
r.	Non-competition covenants after the franchise is terminated or expires	Section 10D	No direct or indirect involvement in a competing business for two years at the premises of the former Club; within 10 miles of the former Club; within any other franchisee's Designated Area; or within 10 miles of any other business or Club using the System.
s.	Modification of agreement	Section 15B	No modifications generally, but we have the right to change Manual and the list of authorized trademarks. We also have the right to define your Designated Area once you have acquired a site for the Club.
t.	Integration/merger clause	Section 15B	Only the terms of the Franchise Agreement are binding (subject to state law). We do not disclaim any representations made in this Franchise Disclosure Document.

	Provision	Section in Franchise or Other Agreement	Summary
u.	Dispute resolution by arbitration or mediation	Section 12	Except for certain claims, all disputes must first be submitted to mediation and, if not resolved by mediation, must be arbitrated in Minneapolis, Minnesota (subject to state law).
v.	Choice of forum	Section 15I	Litigation must be in Minneapolis, Minnesota, except as restricted or prohibited by applicable state law regulating franchising.
w.	Choice of law	Section 15H	Minnesota law governs construction of the Franchise Agreement and the parties' relationship, except as restricted or prohibited by applicable state law regulating franchising.

ITEM 18
PUBLIC FIGURES

We do not use any public figure to promote our franchise.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised or franchisor-owned outlets, if there is a reasonable basis for the information and if the information is included in the Disclosure Document. Financial performance information that differs from that included in Item 19 may be given only if *(1)* a franchisor provides the actual records of an existing outlet you are considering buying; or *(2)* a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

Historic Member Numbers at Clubs

The chart below shows the average number of members for the 773 SNAP FITNESS® Clubs that operated for a full 24 months as of December 31, 2010, including 15 corporate and 758 franchised locations. The average is based on the average members per month from January to December 2010.

	Average Members
Top Third (258 clubs)	740 members
Middle Third (258 clubs)	469 members
Bottom Third (257 clubs)	305 members

Notes:

Of the 773 clubs, 97 (13%) exceeded the average of 740 members for the top third; 387 (50%) exceeded the average of 469 members for the middle third and 523 (68%) exceeded the average of 305 members for the bottom third.

Some outlets attained these results. Your individual results may differ. There is no assurance that you will earn as much.

Projected Monthly Cash Flows

Statement of Bases and Material Assumptions

The following chart reflects a franchisee's projected revenues based on 400 members, 600 members and 800 members. We based the revenue and expense projections on our experience with affiliate and corporate SNAP FITNESS Clubs and the information we obtain from our designated billing provider. In preparing these projections, we assumed that market conditions will stabilize or improve and that unemployment rates will remain stable or decrease.

	400 Members	**600 Members**	**800 Members**
Annual Membership Operating Revenue[(1)]	$134,400	$201,500	$268,700
Enrollment Cards/ Access Fees Collected [(2)]	$7,000	$10,500	$14,000
Miscellaneous Revenue (Vending Machine Sales)[(3)]	$600	$600	$600
Personal Training Revenue[(4)]	$20,200	$30,200	$40,300
Total Annual Operating Revenue	**$162,200**	**$242,800**	**$323,600**
Occupancy[(5)]	$48,000	$48,000	$48,000
Equipment Lease[(6)]	$41,100	$41,100	$41,100
Personal Training Commissions[(4)]	$13,500	$20,100	$26,900
Continuing Fee	$5,388	$5,388	$5,388
Web Hosting Fee	$300	$300	$300
National Marketing Fee	$900	$900	$900
Enrollment/Access/Ongoing Membership Maintenance Fees [(7)]	$8,200	$12,000	$15,800
Utilities/TV/Phone/Internet [(8)]	$13,800	$16,200	$17,400
Insurance [(9)]	$3,072	$3,072	$3,072
Office Supplies, Repairs and Maintenance, Miscellaneous	$7,200	$9,600	$12,000
Advertising and Marketing [(10)]	$6,700	$10,100	$13,400
Total Annual Operating Expenses	**$148,160**	**$166,760**	**$184,260**
Gross Annual Operating Cash Flow (before wages and taxes)	**$14,040**	**$76,040**	**$139,340**
Wages and Payroll Expenses[(11)]	$25,000	$25,000	$25,000
Membership Sales Commissions[(11)]	$2,800	$4,200	$5,600

These figures are only estimates of what we think you may earn. Your individual results may differ. There is no assurance that you'll earn as much.

Notes. We rounded all revenues and expenses to the nearest $100 (except amounts you pay to us and our affiliates).

Note 1. Based on membership data from our authorized billing software, a club will generally have 70% as many memberships as members. In other words, if you have 600 members, on average, you could expect to have approximately 420 memberships. Typical membership fees are $34.95 for a single membership and $49.95 for a joint membership and $69.95 for a family membership. You set your own membership prices. Membership rates vary between clubs. For example, you may offer discounts on membership pricing for pre-paid memberships, corporate discount programs and other special promotions. If you offer tanning, you may also offer tanning memberships. Under the Franchise Agreement, we have the right in the future to establish maximum or minimum membership rates, subject to applicable law. The numbers in the chart reflect an average membership rate of $39.99 per month, which is the average amount of membership dues for the 773 clubs whose average members are included above based on the information entered into the billing system.

Note 2. You will also charge enrollment and access fees for new memberships. The figures in the chart assume that you would collect $50 for a new membership and a 50% attrition rate. This amount will vary depending on how many new members join the Club and whether the enrollment and access fees are reduced or waived.

Note 3. We must approve all vending machines and you must participate in our system-wide vending program and use our approved vendor.

Note 4. The figure in the chart assumes that you offer personal training in your club and that personal training revenue is approximately 15% of your monthly membership revenue. The estimate of personal training commissions assumes your personal trainer receives 2/3 of the personal training fees as commission. Personal training revenue varies greatly by club depending on the strength of your personal training program.

Note 5. The recommended size of a club is 2,500 to 3,500 square feet. Our projection is based on a 3000 square foot club with gross rent of $16.00 per square foot. If your rent is higher or you choose to lease a larger space, your costs will be higher.

Note 6. This amount assumes an equipment package of $180,000 and that you lease the equipment under a 60-month lease agreement with a 13% interest rate and that you paid in advance a 20% down payment and taxes, shipping and installation.

Note 7. This amount is based on a $45.00 vendor software fee, 3% transaction fees, the $0.50 monthly per membership maintenance fee, $5.00 per membership for the membership agreement fee, $5.00 per member for an access card and $1.00 per member for the online services fee.

Note 8. These amounts are based on our experience with our corporate and affiliate Clubs and may vary depending on your location and operations.

Note 9. The insurance cost is based on participation in the SAPP insurance program (see Item 8).

Note 10. The amount for advertising and marketing is based on spending 5% of revenue on marketing activities. This amount would include local ad coop contributions in markets where an ad coop has been established (see Item 11 for additional information on ad coops). We generally recommend spending 4-6% of revenue on marketing.

Note 11. If you manage the club, you will not have wage or payroll expense (except the amount you pay or distribute to yourself). The estimate of wages, payroll expense and commissions assumes you would have one club manager who works 30 to 35 hours per week at the club. Your payroll expenses will vary depending on the payroll taxes, workers compensation expense in your state and any benefits you provide to your manager. If you are an absentee-owner or operate in a state that requires additional staffing, your wage and payroll expenses could be significantly higher.

Written substantiation for the financial performance representation will be made available to you upon reasonable request.

Except for the information presented above, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised Clubs. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of future income, you should report it to the franchisor's management by contacting Gary Findley, Chief Operating Officer, Snap Fitness, Inc., 2411 Galpin Court, Suite 110, Chanhassen, MN 55317, 952-474-5422, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary for Years 2008 to 2010

Outlet Type	Year	Outlets at the Start Of the Year	Outlets at the End Of the Year	Net Change
Franchised Outlets	2008	497	831	+334
	2009	831	945	+114
	2010	945	998	+53
Company Owned	2008	11	12	+1
	2009	12	16	+4
	2010	16	27	+11
Total Outlets	2008	508	843	+335
	2009	843	961	+118
	2010	961	1025	+64

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than Franchisor) for Years 2008 to 2010

State	Year	Number of Transfers
Arizona	2008	0
	2009	1
	2010	2
California	2008	0
	2009	0
	2010	1
Colorado	2008	1
	2009	6
	2010	0
Florida	2008	0
	2009	1
	2010	1

State	Year	Number of Transfers
Idaho	2008	0
	2009	0
	2010	1
Iowa	2008	0
	2009	3
	2010	4
Illinois	2008	1
	2009	3
	2010	0
Indiana (1)	2008	0
	2009	1
	2010	7
Kansas	2008	0
	2009	1
	2010	2
Kentucky	2008	0
	2009	1
	2010	1
Louisiana	2008	3
	2009	0
	2010	2
Maryland	2008	0
	2009	1
	2010	0
Michigan	2008	0
	2009	2
	2010	3
Minnesota	2008	12
	2009	8
	2010	10
Mississippi	2008	1
	2009	0
	2010	1
Missouri	2008	0
	2009	2
	2010	1

State	Year	Number of Transfers
Nebraska	2008	0
	2009	0
	2010	4
New Jersey	2008	0
	2009	0
	2010	2
New York	2008	1
	2009	0
	2010	0
North Carolina	2008	0
	2009	1
	2010	0
North Dakota	2008	0
	2009	1
	2010	0
Oregon	2008	1
	2009	0
	2010	1
Pennsylvania	2008	1
	2009	0
	2010	1
South Carolina	2008	0
	2009	1
	2010	0
South Dakota	2008	0
	2009	0
	2010	3
Tennessee	2008	0
	2009	0
	2010	1
Texas	2008	2
	2009	2
	2010	3
Utah	2008	0
	2009	1
	2010	0

State	Year	Number of Transfers
Virginia	2008	0
	2009	1
	2010	1
Washington	2008	0
	2009	0
	2010	4
Wisconsin	2008	4
	2009	1
	2010	6
Total	2008	27
	2009	39
	2010	61

Note 1: One location in Indiana was transferred twice in 2010 and is counted as two transfers in the table.

Table No. 3
Status of Franchised Outlets
for Years 2008 to 2010

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Alabama	2008	2	3	0	0	0	0	5
	2009	5	5	0	0	0	0	10
	2010	10	1	0	0	0	0	11
Arizona (1)	2008	10	8	1	0	0	1	16
	2009	16	5	1	0	0	0	20
	2010	20	2	0	0	0	0	22
Arkansas	2008	1	1	0	0	0	0	2
	2009	2	0	0	0	0	0	2
	2010	2	1	0	0	0	0	3
California	2008	18	10	3	0	0	0	25
	2009	25	5	2	0	0	1	27
	2010	27	4	1	0	0	3	27
Colorado	2008	21	3	4	0	0	0	20
	2009	20	0	0	0	0	1	19
	2010	19	1	0	0	0	3	17
Connecticut	2008	0	2	0	0	0	0	2

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
	2009	2	3	0	0	0	0	5
	2010	5	1	0	0	0	0	6
Delaware	2008	1	0	0	0	0	0	1
	2009	1	3	0	0	0	0	4
	2010	4	2	0	0	0	0	6
Florida	2008	8	18	1	0	0	0	25
	2009	25	6	1	0	0	1	29
	2010	29	4	0	0	0	1	32
Georgia	2008	9	12	1	0	0	0	20
	2009	20	3	1	0	0	1	21
	2010	21	5	3	0	0	2	21
Idaho	2008	2	2	0	0	0	0	4
	2009	4	0	0	0	0	0	4
	2010	4	0	0	0	0	1	3
Illinois (2)	2008	19	14	0	0	0	0	33
	2009	33	6	0	0	0	1	38
	2010	38	3	0	0	0	1	39
Indiana	2008	5	2	0	0	0	0	7
	2009	7	4	1	0	0	0	10
	2010	10	1	0	0	0	0	11
Iowa	2008	17	8	0	0	0	0	25
	2009	25	2	0	0	0	0	27
	2010	27	0	0	0	0	0	27
Kansas	2008	3	6	0	0	0	0	9
	2009	9	2	0	0	0	0	11
	2010	11	1	0	0	0	1	11
Kentucky	2008	7	7	0	0	0	0	14
	2009	14	4	0	0	0	0	18
	2010	18	2	0	0	0	0	20
Louisiana	2008	24	16	0	0	0	0	40
	2009	40	6	0	0	3	1	42
	2010	42	4	2	0	0	0	44
Maine	2008	3	1	0	0	0	0	4
	2009	4	0	0	0	0	0	4
	2010	4	0	0	0	0	0	4

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Maryland	2008	5	6	0	0	0	0	11
	2009	11	2	1	0	0	0	12
	2010	12	0	0	0	0	1	11
Massachusetts	2008	3	1	0	0	0	0	4
	2009	4	0	1	0	0	0	3
	2010	3	0	0	0	0	0	3
Michigan (3)	2008	18	30	0	0	0	0	48
	2009	48	10	0	0	0	0	58
	2010	58	15	0	0	0	4	69
Minnesota (4)	2008	119	21	0	0	0	0	140
	2009	140	8	1	0	0	0	147
	2010	147	3	0	0	1	2	147
Mississippi	2008	4	12	0	0	0	0	16
	2009	16	4	1	0	0	0	19
	2010	19	1	0	0	0	1	19
Missouri	2008	14	11	1	0	0	0	24
	2009	24	0	1	0	0	0	23
	2010	23	0	0	0	0	0	23
Montana	2008	4	2	0	0	0	0	6
	2009	6	1	0	0	0	0	7
	2010	7	0	0	0	0	0	7
Nebraska	2008	9	4	1	0	0	0	12
	2009	12	0	1	0	0	1	10
	2010	10	1	0	0	0	0	11
Nevada	2008	3	2	0	0	0	0	5
	2009	5	1	0	0	0	0	6
	2010	6	1	0	0	0	0	7
New Jersey	2008	6	13	0	0	0	0	19
	2009	19	5	1	0	0	0	23
	2010	23	1	0	0	0	1	23
New Mexico	2008	0	3	0	0	0	0	3
	2009	3	1	0	0	0	0	4
	2010	4	0	0	0	0	0	4

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
New York	2008	5	10	0	0	0	0	15
	2009	15	4	0	0	0	0	19
	2010	19	4	0	0	0	1	22
North Carolina	2008	10	7	0	0	0	0	17
	2009	17	6	0	0	0	0	23
	2010	23	6	0	0	0	4	25
North Dakota	2008	9	2	0	0	0	0	11
	2009	11	1	0	0	0	0	12
	2010	12	0	0	0	0	1	11
Ohio	2008	6	13	0	0	0	0	19
	2009	19	4	0	0	0	0	23
	2010	23	7	0	0	0	0	30
Oklahoma	2008	0	0	0	0	0	0	0
	2009	0	1	0	0	0	0	1
	2010	1	1	0	0	0	0	2
Oregon	2008	6	5	0	0	0	0	11
	2009	11	3	0	0	0	1	13
	2010	13	4	0	0	0	0	17
Pennsylvania	2008	6	19	0	0	0	0	25
	2009	25	6	0	0	0	0	31
	2010	32	5	0	0	1	0	36
South Carolina	2008	0	2	0	0	0	0	2
	2009	2	1	0	0	0	0	3
	2010	3	0	0	0	0	0	3
South Dakota	2008	6	1	0	0	0	0	7
	2009	7	0	1	0	0	0	6
	2010	6	2	0	0	0	0	8
Tennessee	2008	8	8	0	0	0	0	16
	2009	16	2	0	0	0	0	18
	2010	18	1	0	0	0	0	19
Texas	2008	13	16	1	0	0	0	28
	2009	28	8	0	0	0	0	36
	2010	36	6	1	0	0	1	40

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Utah	2008	3	5	0	0	0	0	8
	2009	8	2	0	0	0	2	8
	2010	8	0	0	0	0	0	8
Vermont	2008	1	1	0	0	0	0	2
	2009	2	1	0	0	0	0	3
	2010	3	1	0	0	0	0	4
Virginia	2008	6	8	0	0	0	0	14
	2009	14	8	3	0	0	0	19
	2010	19	3	0	0	0	1	21
Washington	2008	4	7	0	0	0	0	11
	2009	11	5	0	0	0	0	16
	2010	16	3	1	0	0	1	17
Wisconsin	2008	78	24	0	0	0	0	102
	2009	102	6	0	0	0	0	108
	2010	108	3	5	0	0	1	105
Wyoming	2008	1	0	0	0	0	0	1
	2009	1	1	0	0	0	0	2
	2010	2	0	0	0	0	0	2
Total	2008	497	348	13	0	0	1	831
	2009	831	145	16	0	3	9	945
	2010	945	100	13	0	2	31	998

Notes:

(1) In 2009, one club in Arizona closed, the franchise agreement was terminated and a new franchisee opened in the same location.

(2) In 2010, one club in Illinois closed, the franchise agreement was terminated and a new franchisee opened in the same location.

(3) In 2010, one club in Michigan closed, the franchise agreement was terminated and a new franchisee opened in the same location.

(4) In 2010, one club in Minnesota was reacquired from a franchisee and subsequently sold to another franchisee.

Table No. 4
Status of Company-Owned Outlets
for Years 2008 to 2010

State	Year	Outlets at Start of Year	Outlets Opened	Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Alabama	2008	4	0	0	0	0	4
	2009	4	0	0	0	0	4
	2010	4	3	0	0	0	7
Connecticut	2008	0	0	0	0	0	0
	2009	0	0	0	0	0	0
	2010	0	3	0	0	0	3
Kentucky	2008	0	0	0	0	0	0
	2009	0	0	0	0	0	0
	2010	0	1	0	0	0	1
Louisiana	2008	0	0	0	0	0	0
	2009	0	0	3	0	0	3
	2010	3	0	0	0	0	3
Minnesota (Note 1)	2008	4	2	0	0	2	4
	2009	4	0	0	0	0	4
	2010	4	0	1	0	1	5
Ohio	2008	1	0	0	0	0	1
	2009	1	0	0	0	0	1
	2010	1	0	0	0	0	1
Pennsylvania	2008	2	1	0	0	0	3
	2009	3	1	0	0	0	4
	2010	4	0	1	0	0	5
Texas	2008	0	0	0	0	0	0
	2009	0	0	0	0	0	0
	2010	0	2	0	0	0	2
Total	2008	11	3	0	0	2	12
	2009	12	1	3	0	0	16
	2010	16	9	2	0	1	27

Note 1: In 2010, one location in Minnesota was purchased from one franchisee and subsequently sold to another franchisee.

Table No. 5
Projected Openings for Upcoming Fiscal Year as of 12/31/2010

State	Franchise Agreements Signed But Outlet Not Opened (Note 1)	Projected New Franchised Outlets in The Next Fiscal Year	Projected New Company-Owned Outlets in the Current Fiscal Year
Alabama	14	2	2
Alaska	0	0	0
Arizona	14	2	0
Arkansas	4	2	2
California	38	2	0
Colorado	24	1	0
Connecticut	12	3	2
Delaware	0	0	0
District of Columbia	1	0	0
Florida	37	5	1
Georgia	14	5	0
Hawaii	0	0	0
Idaho	5	1	0
Illinois	19	3	0
Indiana	18	2	0
Iowa	8	1	0
Kansas	7	1	0
Kentucky	9	2	2
Louisiana	18	2	1
Maine	1	1	0
Maryland	12	2	0
Massachusetts	10	1	0
Michigan	45	3	0
Minnesota	47	3	2
Mississippi	9	2	0
Missouri	11	2	0
Montana	9	1	0
Nebraska	5	1	0
Nevada	9	2	0
New Hampshire	1	0	0
New Jersey	24	2	0
New Mexico	2	2	2
New York	22	2	0

State	Franchise Agreements Signed But Outlet Not Opened (Note 1)	Projected New Franchised Outlets in The Next Fiscal Year	Projected New Company-Owned Outlets in the Current Fiscal Year
North Carolina	17	1	0
North Dakota	5	0	0
Ohio	28	2	1
Oklahoma	0	2	2
Oregon	23	1	0
Pennsylvania	39	3	2
Rhode Island	0	0	0
South Carolina	2	1	0
South Dakota	2	1	0
Tennessee	11	2	0
Texas	43	3	2
Utah	7	1	0
Vermont	4	1	0
Virginia	20	1	0
Washington	15	2	0
West Virginia	2	1	0
Wisconsin	26	3	0
Wyoming	3	0	0
Total	696	83	21

Attached at Exhibit D is a list of SNAP FITNESS® Clubs open as of December 31, 2010, and a list of franchisees who are in the process of opening Clubs. Exhibit D also includes a list of franchisees who have left the system within the last fiscal year or who have not communicated with us within 10 weeks of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other potential franchisees of Snap Fitness when you leave the Snap Fitness system.

In some instances, current and former franchisees sign confidentiality provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

Except for the franchisee advisory committee and local advertising cooperatives listed below, we have not created, sponsored or endorsed any franchisee association, and we are not aware of any independent trademark-specific franchisee associations in existence for the system.

As of December 31, 2010, the local advertising cooperatives including the following:

- SF MSP Marketing Group, Inc., local advertising cooperative for the Minneapolis-St. Paul DMA;
- SF Des Moines Marketing Group, Inc., local advertising cooperative for the Des-Moines- Ames DMA;
- SF Fargo-Grand Forks Marketing Group, Inc., local advertising cooperative for the Fargo-Grand Forks DMA;

- SF Erie Marketing Group, Inc., local advertising cooperative for the Erie DMA;
- SF Milwaukee Marketing Group, Inc., local advertising cooperative for the Milwaukee DMA;
- SF GR-K-BC Marketing Group, Inc., local advertising cooperative for the Grand Rapids, Kalamazoo and Battle Creek, Michigan DMA;
- SF New Orleans Marketing Group, Inc., local advertising cooperative for the New Orleans, Louisiana DMA; and
- SF Baton Rouge Marketing Group, Inc., local advertising cooperative for the Baton Rouge, Louisiana DMA.

As noted in Item 11, we anticipate creating additional local advertising cooperatives in 2011.

ITEM 21
FINANCIAL STATEMENTS

Attached as Exhibit B is the audited consolidated balance sheet of Snap Fitness, Inc. and subsidiaries as of December 31, 2010, and the related consolidated statements of earnings, stockholders' equity and cash flows for the year then ended. Also attached as Exhibit B are the audited balance sheets of Snap Fitness, Inc. and subsidiaries as of December 31, 2008 and December 31, 2009, and the related statements of earnings, stockholders' equity and cash flows for the years then ended.

ITEM 22
CONTRACTS

This Disclosure Document includes a sample of the following contracts:

Exhibit C - Franchise Agreement and State Specific Addenda

Exhibit F - Sample Membership Agreement

Exhibit G - Sample Form of Release Document

Exhibit H - Sample Financing Documents

Exhibit I - Sample Franchise Agreement Renewal Addendum

Exhibit J - Sample Fitness on Demand License Agreement

ITEM 23
RECEIPTS

Attached to this Disclosure Document in Exhibit K are two detachable acknowledgments of receipt.

STATE APPENDIX TO DISCLOSURE DOCUMENT

FOR THE STATE OF CALIFORNIA

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

Item 17 of the Disclosure Document is supplemented by the following:

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The Franchise Agreement requires binding arbitration. The arbitration will occur at Minneapolis, Minnesota. This provision may not be enforceable under California law.

The Franchise Agreement requires application of the laws of Minnesota. This provision may not be enforceable under California law.

Our website can be found at www.snapfitness.com. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF CORPORATIONS AT www.corp.ca.gov.

FOR THE STATE OF ILLINOIS

The Illinois Franchise Disclosure Act and the Rules and Regulations promulgated thereunder dictate that "any provision in the Franchise Agreement which designates jurisdiction or venue in a forum outside of this State is void with respect to any cause of action which otherwise is enforceable in this State, provided that a Franchise Agreement may provide for arbitration in a forum outside of this State."

Nothing in the Franchise Disclosure Document or the Franchise Agreement (or the attachments thereto) may require franchisees covered by the Illinois Franchise Disclosure Act to waive compliance with Illinois law. Any provision in the Franchise Agreement (including but not limited to any choice of law provision) that may be read as calling for application of a state law other than Illinois law is hereby deleted and franchisees covered by the Illinois Franchise Disclosure Act are entitled to the protections of Illinois law, notwithstanding any such provision.

Item 1 of the Disclosure Document is supplemented by the following paragraphs:

The Illinois Physical Fitness Service Act requires that every contract for physical fitness services must be in writing and its contents must conform to the Act's requirements (including price restrictions). The Act provides for contract execution, records maintenance, cancellation and refund, and staffing requirements. Other provisions apply. See 815 ILCS 645 *et seq.*

The Illinois Physical Fitness Facility Medical Emergency Preparedness Act requires that a physical fitness facility (which excludes any facility serving less than 100 individuals or that does not employ any persons to provide instruction, training, or assistance for persons using the

facility) have at least one automated external defibrillator (AED) and ensure that there is a trained AED user on staff and present during all staffed hours. Other provisions apply. See 815 ILCS 74 *et seq*.

The Illinois Dance Studio Act (which applies to any person or business entity which contract with members of the general public to provide dance studio services, including instruction, training or assistance in dancing, the use of studio facilities, membership in any group formed by a dance studio, and participation in dance competitions or showcases) requires that every contract for dance studio services be in writing and its contents must conform to the Act's requirements. The Act provides for contract execution, cancellation and refund. Other provisions apply. See 815 ILCS 610 *et seq.*

Compliance with these requirements may cause you to incur additional expenses.

FOR THE STATE OF MARYLAND

Item 17 of the Disclosure Document is supplemented by the following:

(a) Any release or waiver provision contained in the Franchise Agreement or any release required as a condition of the sale, renewal, and/or assignment/transfer of the franchise shall not apply to any liability incurred under the Maryland Franchise Registration and Disclosure Law (the "Maryland Franchise Law").

(b) Any claims arising under the Maryland Franchise Law must be brought within three years after the grant of the franchise;

(c) Subject to your arbitration obligations, any provision in the Franchise Agreement requiring litigation in a forum outside the State of Maryland will not limit any rights you may have under the Maryland Franchise Law to bring suit in the State of Maryland.

FOR THE STATE OF MINNESOTA

Item 13 of the Disclosure Document is supplemented by the following:

The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols ("Marks") or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), we will reimburse you for any costs incurred that you incur in the defense of your right to use the Marks, so long as you were using the Marks in the manner that we authorized, and so long as we are timely notified of the claim and given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

Item 17 of the Disclosure Document is supplemented by the following:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that (1) a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

Item 17 does not provide for a prospective general release of any claims against us which may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of your rights as provided for in Minnesota Statutes, Chapter 80C, or (2) your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction. Minn. Rules 2860.4400J states that you cannot consent to us obtaining injunctive relief. However, we may seek injunctive relief and a court will determine if a bond is required.

Minn. Statutes, Section 80C.17, Subd. 5, provides that no action may be commenced thereunder more than 3 years after the cause of action accrues.

FOR THE STATE OF NEW YORK

Item 3 of the Disclosure Document is supplemented by the following:

None of the persons identified in Item 2:

Has had an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations including pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

Has been convicted of a felony or pleaded *nolo contendere* to a felony charge or, within the ten-year period immediately preceding the application for registration, has been convicted of or pleaded *nolo contendere* to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law; fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

Is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order or any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

Item 4 of the Disclosure Document is supplemented by the following:

Neither the franchisor nor its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of this Disclosure Document has a) filed as a debtor or had filed against it a petition to star An action under the U.S. Bankruptcy Code; b) obtained a discharge of its debts under the bankruptcy code; or c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or filed against it) a petition to start an action under the U.S. Bankruptcy Code or during or within one year after the officer or general partner of the franchisor held this position in the company or partnership.

FOR THE STATE OF NORTH DAKOTA

1. The State of North Dakota has determined that the following types of provisions are deemed to be contrary to North Dakota law:

(a) A provision requiring a North Dakota franchisee to sign a general release upon renewal of the Franchise Agreement;

(b) A provision requiring a North Dakota franchisee to consent to termination penalties or liquidated damages;

(c) A provision requiring a North Dakota franchisee to consent to the jurisdiction of courts outside the state of North Dakota;

(d) A provision restricting the time in which a North Dakota franchisee may make a claim to less than the applicable North Dakota statute of limitations;

(e) A provision calling for the waiver by a North Dakota franchisee of the right to trial by jury;

(f) A provision requiring a North Dakota franchisee to consent to a waiver of exemplary and punitive damages.

Any and all provisions in the Franchise Agreement that are in violation of Paragraphs 5 (a-f) are deleted.

2. North Dakota Century Code Section 9-08-06 subjects covenants not to compete to the provisions of that statute. The covenants not to compete contained within the Franchise Agreement are subject to Section 9-08-06 and may be unenforceable under North Dakota law.

3. The site of any mediation or arbitration of the parties' disputes shall be at a site mutually agreeable to all parties. If all parties cannot agree upon a location, the arbitration or mediation shall be Fargo, North Dakota.

FOR THE STATE OF RHODE ISLAND

Section 19-28.1-14 of the Rhode Island Franchise Act provides that "A provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

FOR THE COMMONWEALTH OF VIRGINIA

Pursuant to subsections D and E of Rule 21 VAC 5-110-55, the 7th paragraph of the FTC cover page is amended as follows:

> "This Disclosure Document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale or grant. If Snap Fitness, Inc. offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale or grant. **Note, however, that no government agency has verified the information contained in this document."**

Item 1 of the Disclosure Document is supplemented by the following:

Health spas in Virginia are regulated by the Department of Agriculture, Office of Consumer Affairs who can be reached at (804)786-1343.

The first sentence of the 2nd paragraph of each Item 23 Receipt Page is deleted in its entirety and replaced by the following:

"If Snap Fitness, Inc. offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale or grant, or sooner if required by applicable state law."

FOR THE STATE OF WASHINGTON

The state of Washington has a statute, RCW 19.100.180 which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel.

Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

FOR THE STATE OF WISCONSIN

Item 17 of the Disclosure Document is supplemented by the following:

For franchisees subject to the Wisconsin Fair Dealership Law, Ch. 135, Stats., provisions in the Fair Dealership Law supersede any inconsistent provisions o the Franchise Agreement or a related contract.

EXHIBIT A
LIST OF STATE ADMINISTRATORS
LIST OF AGENTS FOR SERVICE OF PROCESS

LIST OF STATE ADMINISTRATORS

California
Department of Corporations
320 West 4th Street, Suite 750
Los Angeles, California 90013
(213) 576-7500

Hawaii
Securities Examiner
335 Merchant Street
Honolulu, Hawaii 96813
(808) 586-2722

Illinois
Office of Attorney General
500 S. Second Street
Springfield, Illinois 62706
(217) 782-4465

Indiana
Franchise Section, Securities Division
302 W. Washington St., Room E-111
Indianapolis, Indiana 46204
(317) 232-6681

Maryland
Office of Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202
(410) 576-7042

Michigan
Department of Attorney General
525 W. Ottawa St
Lansing, Michigan 48909
(517) 373-7117

Minnesota
Department of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101-2198
(651) 296-4026

New York
Bureau of Investor Protection and Securities
120 Broadway, 23rd Floor
New York, New York 10271
(212) 416-8211

North Dakota
Office of Securities Commissioner
600 East Blvd., Fifth Floor
Bismarck, North Dakota 58505
(701) 328-4712

Oregon
Division of Consumer and Business Services
350 Winter St. N.E. Labor & Industries Bldg, Rm 21
Salem, Oregon 97310
(503) 378-4387

Rhode Island
Securities Division
1511 Pontiac Avenue
John O. Pastore Complex – Building 69-1
Cranston, RI 02920
(401) 222-3048

South Dakota
Division of Securities
445 E. Capitol Ave.
Pierre, South Dakota 57501
(605) 773-4823

Virginia
State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
(804) 371-9051

Washington
Department of Financial Institutions, Securities Div.
P.O. Box 9033
Olympia, Washington 98507-9033
(360) 902-8760

Wisconsin
Division of Securities
Department of Financial Institutions
P.O. Box 1768
Madison, Wisconsin 53701 or
345 W. Washington, 4th Floor Madison, WI 53703
(608) 266-8559

LIST OF AGENTS FOR SERVICE OF PROCESS

California
Commissioner of Corporations
320 West 4th Street, Suite 750
Los Angeles, California 90013

Illinois
Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706

Indiana
Indiana Secretary of State
302 W. Washington St., Room E-111
Indianapolis, Indiana 46204

Maryland
Maryland Securities Commissioner
Office of the Attorney General
200 St. Paul Place
Baltimore, Maryland 21202-2020

Michigan
Michigan Department of Commerce
Corporations and Securities Bureau
670 Law Building
Lansing, Michigan 48913

Minnesota
Commissioner of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101-2198

New York
Secretary of State of The State of New York
41 State Street
Albany, New York 11231

North Dakota
Securities Commissioner
600 East Boulevard, 5th Floor
Bismarck, North Dakota 58507

Oregon
Director
Department of Consumer and Business Services
Division of Finance and Corporate Securities
Labor and Industries Building
Salem, Oregon 97310

Rhode Island
Director of Department of Business Regulation
Suite 232
233 Richmond Street
Providence, Rhode Island 02903-4232

South Dakota
Director
Division of Securities
445 East Capitol Avenue
Pierre, South Dakota 57501-5750

Virginia
Clerk of the State Corporation Commission
1300 East Main Street
Richmond, Virginia 23219

Washington
Director of Financial Institutions
Securities Division
210 - 11th Street SW
3rd Floor West
Olympia, Washington 98504

Wisconsin
Commissioner of Securities
Fourth Floor
345 West Washington Avenue
Madison, Wisconsin 53703

EXHIBIT B
FINANCIAL STATEMENTS

Consolidated Financial Statements and Report of Independent Certified Public Accountants

Snap Fitness, Inc.

December 31, 2010 and 2009

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Audit • Tax • Advisory

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Minneapolis, MN 55402-1459

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Report of Independent Certified Public Accountants

Board of Directors
Snap Fitness, Inc.

We have audited the accompanying consolidated balance sheets of Snap Fitness, Inc. (a Minnesota Corporation) and subsidiaries (the Company) as of December 31, 2010 and 2009 and the related consolidated statements of earnings, stockholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Snap Fitness, Inc. and subsidiaries as of December 31, 2010 and 2009, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

Minneapolis, Minnesota
March 4, 2011

CONSOLIDATED FINANCIAL STATEMENTS

Snap Fitness, Inc.

CONSOLIDATED BALANCE SHEETS

December 31, 2010 and 2009

ASSETS	2010	2009
CURRENT ASSETS		
Cash and cash equivalents	$ 7,468,000	$ 9,143,000
Financing receivables, net	433,000	207,000
Accounts receivable:		
Franchise, net	1,945,000	1,456,000
Reinsurance premium receivable	1,238,000	-
Co-op rebate	227,000	188,000
Related parties	61,000	51,000
Other	81,000	161,000
Inventories	2,028,000	1,135,000
Prepaid expenses	1,096,000	822,000
Note receivable	29,000	-
Income tax receivable	320,000	-
Deferred income taxes	577,000	696,000
Total current assets	15,503,000	13,859,000
PROPERTY AND EQUIPMENT – AT COST		
Equipment and leasehold improvements	6,338,000	3,290,000
Equipment under construction	500,000	-
Less accumulated depreciation	1,885,000	732,000
	4,953,000	2,558,000
OTHER ASSETS		
Financing receivables, net of current portion	1,370,000	886,000
Reacquired franchise rights, net	1,301,000	1,895,000
Restricted cash	3,847,000	819,000
Investment in affiliates	5,000	255,000
Note receivable, net of current portion	196,000	-
	6,719,000	3,855,000
	$ 27,175,000	$ 20,272,000

The accompanying notes are an integral part of these consolidated financial statements.

Snap Fitness, Inc.

CONSOLIDATED BALANCE SHEETS - CONTINUED

December 31, 2010 and 2009

LIABILITIES AND STOCKHOLERS' EQUITY	2010	2009
CURRENT LIABILITIES		
Current portion of capital lease obligations	$ 307,000	$ 183,000
Accounts payable	1,801,000	826,000
Accrued expenses	1,626,000	1,126,000
Deferred franchise fees	2,774,000	2,867,000
Unearned premiums	1,050,000	-
Customer deposits	476,000	329,000
Note payable to stockholder	99,000	92,000
Income taxes payable	-	120,000
Total current liabilities	8,133,000	5,543,000
CAPITAL LEASE OBLIGATIONS, less current portion	187,000	234,000
NOTE PAYABLE TO STOCKHOLDER, less current portion	1,690,000	1,816,000
DEFERRED INCOME TAXES	477,000	214,000
Total liabilities	10,487,000	7,807,000
COMMITMENTS AND CONTINGENCIES	-	-
STOCKHOLDERS' EQUITY		
Series A preferred stock – 100,000,000 shares of no par value authorized; 40,800,000 shares issued and outstanding as of December 31, 2010 and 2009	-	-
Common stock – authorized 400,000,000 shares of no par value and 1,000,000 shares of $.01 par value as of December 31, 2010 and 2009; 61,200,000 shares issued and outstanding as of December 31, 2010 and 2009	-	-
Additional paid-in capital	931,000	840,000
Retained earnings	15,686,000	11,588,000
Accumulated other comprehensive income (loss)	71,000	(11,000)
Non-controlling interest	-	48,000
	16,688,000	12,465,000
	$ 27,175,000	$ 20,272,000

The accompanying notes are an integral part of these consolidated financial statements.

Snap Fitness, Inc.

CONSOLIDATED STATEMENTS OF EARNINGS

Years ended December 31, 2010 and 2009

	2010	2009
Revenues, net		
Franchising	$ 27,364,000	$ 25,581,000
Insurance	1,380,000	834,000
Leasing	221,000	41,000
Total revenues, net	28,965,000	26,456,000
Cost of revenues	13,015,000	10,946,000
Gross profit	15,950,000	15,510,000
Operating expenses	9,477,000	6,335,000
Operating profit	6,473,000	9,175,000
Other income (expense)		
Interest income	20,000	32,000
Interest expense	(154,000)	(55,000)
Other	77,000	81,000
	(57,000)	58,000
Income before income taxes and non-controlling interest	6,416,000	9,233,000
Income tax expense	2,401,000	2,994,000
Net income	4,015,000	6,239,000
Loss attributable to non-controlling interest	83,000	5,000
NET INCOME ATTRIBUTABLE TO SNAP FITNESS, INC.	$ 4,098,000	$ 6,244,000

The accompanying notes are an integral part of these consolidated financial statements.

Snap Fitness, Inc.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

Years ended December 31, 2010 and 2009

	Series A Redeemable Preferred Stock		Common stock		Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Non-controlling interest	Total
	Shares	Par value	Shares	Par value					
Balance at December 31, 2008	40,800,000	$ -	61,200,000	$ -	$ 840,000	$ 5,714,000	$ (31,000)	$ -	$ 6,523,000
Non-controlling interest	-	-	-	-	-	-	-	53,000	53,000
Stockholder distributions	-	-	-	-	-	(370,000)	-	-	(370,000)
Comprehensive income:									
Net income	-	-	-	-	-	6,244,000	-	(5,000)	6,239,000
Foreign currency adjustment	-	-	-	-	-	-	20,000	-	20,000
Total comprehensive income									6,259,000
Balance at December 31, 2009	40,800,000	-	61,200,000	-	840,000	11,588,000	(11,000)	48,000	12,465,000
Purchase of non-controlling interests	-	-	-	-	91,000	-	-	35,000	126,000
Comprehensive income:									
Net income	-	-	-	-	-	4,098,000	-	(83,000)	4,015,000
Foreign currency adjustment	-	-	-	-	-	-	82,000	-	82,000
Total comprehensive income									4,097,000
Balance at December 31, 2010	40,800,000	$ -	61,200,000	$ -	$ 931,000	$ 15,686,000	$ 71,000	$ -	$ 16,688,000

The accompanying notes are an integral part of these consolidated financial statements.

Snap Fitness, Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31, 2010 and 2009

	2010	2009
Cash flows from operating activities:		
Net income	$ 4,098,000	$ 6,244,000
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,891,000	631,000
Deferred income taxes	382,000	562,000
Deferred rent	114,000	-
Impairment on property and equipment	75,000	-
Gain on disposal of property and equipment	(22,000)	(4,000)
Non-controlling interest	(83,000)	48,000
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	(630,000)	226,000
Inventories	(890,000)	278,000
Restricted cash	(3,028,000)	(794,000)
Prepaid expenses	(258,000)	(556,000)
Accounts payable	979,000	(81,000)
Customer deposits	115,000	(27,000)
Accrued expenses	378,000	739,000
Deferred franchise fees	50,000	(1,815,000)
Income taxes payable	(450,000)	(105,000)
Net cash provided by operating activities	2,721,000	5,346,000
Cash flows from investing activities:		
Purchase of property and equipment	(3,397,000)	(1,029,000)
Proceeds from sale of property and equipment	-	7,000
Purchase of equipment for lease contracts with franchisees	(793,000)	(1,046,000)
Issuance of notes receivable to franchisees	(239,000)	(171,000)
Principal collections on lease contracts and note receivables	331,000	125,000
Proceeds from the sale of marketable securities	-	2,256,000
Investment in affiliate	-	(255,000)
Acquisitions, net of cash acquired	(170,000)	(1,014,000)
Net cash used in investing activities	(4,268,000)	(1,127,000)

Snap Fitness, Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS – CONTINUED

Years ended December 31, 2010 and 2009

	2010	2009
Cash flows from financing activities		
Payments on capital leases	$ (291,000)	$ (189,000)
Proceeds from issuance of capital lease obligation	368,000	-
Payments on acquisition note	(94,000)	(37,000)
Purchase of non-controlling interests	(154,000)	-
Stockholder distributions	-	(370,000)
Issuance of note payable	-	27,000
Net cash used in financing activities	(171,000)	(569,000)
Effect of exchange rate changes on cash and cash equivalents	43,000	88,000
NET INCREASE (DECREASE) IN CASH EQUIVALENTS	(1,675,000)	3,738,000
Cash and cash equivalents at beginning of year	9,143,000	5,405,000
Cash and cash equivalents at end of year	$ 7,468,000	$ 9,143,000
Supplemental disclosures of cash flow information:		
Cash paid for:		
Taxes	$ 2,388,000	$ 2,661,000
Interest	$ 159,000	$ 55,000
Supplemental disclosure of non-cash investing and financing activities:		
Property and equipment additions through capital lease obligations	$ -	$ 208,000
Unearned insurance premiums	$ 1,050,000	$ -
Note receivable for sale of property and equipment	$ 225,000	$ -

The accompanying notes are an integral part of these consolidated financial statements.

Snap Fitness, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2010 and 2009

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Snap Fitness, Inc. (the "Company"), with headquarters in Chanhassen, Minnesota, sells franchises to operate 24-hour fitness centers under the name "Snap Fitness," and provides services to its franchisees. At December 31, 2010 and 2009, the Company had 1,185 and 1,016 franchises opened throughout the United States, Canada, Australia, India and Mexico. An additional 829 and 840 franchise agreements were signed for locations not opened as of December 31, 2010 and 2009. The Company also operates 27 company-owned clubs at December 31, 2010.

A summary of significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements follows:

Principles of Consolidation

The consolidated financial statements included the accounts of Snap Fitness, Inc. and its wholly-owned subsidiaries:

Snap Fitness of Canada Inc.
Snap Fitness (India) Pvt. Ltd.
Snap Fitness Mexico SA de RL de CV
Snap Fitness Australia Pty. Ltd.
Snap Fitness New Zealand Limited
Snap Fitness UK Limited
Snap Security Systems, Inc.
Snap Fitness Finance, LLC
SAP Corp.
Snap Fitness Development, LLC
Snap Fitness Properties, LLC
SAP Insurance, Inc.

In 2009, Snap Fitness Australia Pty. Ltd. made an investment in SFA Development Pty. Ltd. (75% owned) which was consolidated. In 2010, the Company acquired the 25% non-controlling interest in SFA Development Pty. Ltd. for $84,000 which resulted in 100% ownership by the Company. A loss of $11,000 resulted from the transaction which has been recorded to the additional paid-in-capital in accordance with ASC 810, *Consolidation*.

In 2009, the Company made an investment in SFI Digital Media, LLC (51% owned) and GoFit, LLC (50% owned). These entities had not commenced significant operations as of December 31, 2009. GoFit, LLC has not commenced significant operations as of December 31, 2010.

In 2010, the Company acquired the 49% non-controlling interest in SFI Digital Media, LLC for $70,000 which resulted in 100% ownership by the Company. A gain of $102,000 resulted from the transaction which has been recorded to the additional paid-in-capital in accordance with ASC 810, *Consolidation*.

All significant intercompany accounts and transactions have been eliminated in the consolidation.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Cash and Cash Equivalents

The Company considers highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. The Company maintains bank accounts in the United States of America, Canada, India and Australia. At times, the bank balances may be in excess of insured limits. As of December 31, 2010 and 2009, the Company had $1,784,000 and $1,811,000 of cash located in foreign banks. The Company has not experienced any losses associated with these deposits.

Accounts Receivable

Accounts receivable consist of amounts due for continuing franchise fees and sales and services. Additionally, it includes rebates received from vendors on the sale of equipment to franchisees and other miscellaneous amounts. Accounts outstanding longer then the contractual payment terms are considered past due. The Company provides an allowance for doubtful accounts based upon prior experience and management's assessment of the collectability of existing accounts. The company writes off accounts receivable when they become uncollectible, and payments subsequently received on such receivables are credited to the allowance for doubtful accounts. The allowance for doubtful accounts was $95,000 and $127,000 at December 31, 2010 and 2009.

Inventories

Inventories consist principally of fitness and exercise equipment and related supplies which are held for sale and are stated at the lower of cost or market. Cost is determined using the first-in, first-out (FIFO) method.

Property and Equipment

Property and equipment, which consists primarily of office equipment and leasehold improvements, are stated at cost. Depreciation is being provided using the straight-line method over the estimated useful lives of the related assets, which is three to seven years. Leasehold improvements are amortized over the estimated service life of the asset or the term of the related lease, whichever is shorter.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Reacquired Franchise Rights

In accordance with ASC 805, *Business Combinations*, the Company accounts for franchise rights acquired from franchisee location purchases at fair value upon acquisition and amortizes this intangible asset on a straight-line basis over the term of the franchise agreements. The Company determined the fair value of these rights using a multi-period excess earnings method. The reacquired franchise rights will be amortized over a weighted average life of approximately 3.3 years. The reacquired franchise rights before accumulated amortization was $2,234,000 and $2,123,000 at December 31, 2010 and 2009. Amortization expense was $705,000 and $228,000 for the years ended December 31, 2010 and 2009. Future amortization is as follows for the years ended December 31:

Year ending	Amount
2011	$674,000
2012	441,000
2013	132,000
2014	54,000

Revenue Recognition

The Company derives all of its revenues from the sale of franchises and related services to franchisees. The Company receives initial franchise fees, royalties and revenues from providing product and services to franchisees, and rebates from certain vendors.

Franchising – Initial franchise fees, which are non-refundable, typically are $15,000 per store or $40,000 for three stores. A portion of the fee is recognized immediately when a franchise agreement is signed, reflecting the commission earned related to the sale. The remaining fees are included in deferred franchise fees and are recognized as revenues when the Company has performed substantially all services, which is generally when the franchisee store commences operations or the franchisees' designated area reservation agreement is terminated. During the years ended December 31, 2010 and 2009, the Company recognized $281,000 and $1,899,000 of franchising revenue due to terminated franchisees' designated area reservation agreements.

Pursuant to the franchise agreement, franchisees are required to pay a continuing fee of $349 – $449 per month which is recognized monthly, beginning when the franchise operations commence.

The Company sells equipment and furniture to franchisees prior to the store opening. Sales are recognized when the products are installed. Membership processing services and internet hosting services are provided monthly to franchisees and revenue is recognized when received. The Company receives rebates from certain vendors used by the franchisee that are recorded as service and sales revenue when franchisees purchase equipment and the related equipment is delivered to the franchisee. Franchisees contribute $75 per month to an advertising fund which the Company, at its discretion, may spend for advertising and marketing initiatives. Advertising fees collected were approximately $996,000 and $837,000 for the years ended December 31, 2010 and 2009, and are included in service and sales revenues.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Insurance – The Company administers a commercial property, crime and general liability insurance program for certain of its franchisees through its subsidies, SAP Corp. and SAP Insurance, Inc. for covered claims up to $5 million and $10 million per incident. SAP Corp. obtains reinsurance to cover claims between $250,000 and $5 million and SAP Insurance, Inc. $250,000 and $10 million per incident. Premiums are paid at the time the policy is executed by the franchisee and is amortized to revenue over the policy period, generally one year. Costs to obtain reinsurance are reflected as "premiums ceded".

Leasing – The Company leases fitness equipment to certain franchisees, generally over a term of five years. The leases contain a bargain purchase option and otherwise meet the criteria for a direct financing lease as outlined in ASC 840, *Leases*. Financing income is recorded over the lease term to produce a constant periodic rate of return on the net investment in the lease. Amounts due from franchisees under these arrangements are reflected as franchise receivables on the consolidated balance sheet.

Advertising

Advertising costs are charged to cost of revenues and operating expense as incurred. Advertising costs charged to cost of revenues totaled $1,399,000 and $2,045,000 at December 31, 2010 and 2009 and charged to operating expenses totaled $117,000 and $181,000 at December 31, 2010 and 2009. Costs charged to cost of revenue include cost of advertising materials sold to newly opened clubs and design costs and ad materials for the advertising fund discussed above.

Foreign Currency Translation

Snap Fitness of Canada Inc. utilizes the Canadian dollar as its functional currency, Snap Fitness (India) utilizes the Indian Ruppe as its functional currency, Snap Fitness (Australia) utilizes the Australian dollar as their functional currency, Snap Fitness New Zealand utilizes the New Zealand dollar for its functional currency, Snap Fitness UK utilizes the British Pound as its functional currency and Snap Fitness Mexico utilizes the Mexican Peso for its functional currency. Accordingly, assets and liabilities denominated in foreign currencies are translated using the exchange rate in effect at the balance sheet date and revenues and expenses are translated at the average foreign exchange rates in effect for the period. Translation gains and losses relating to the foreign currencies are reflected as a component of accumulated other comprehensive income in stockholders' equity in the consolidated balance sheet.

Income Taxes

The Company provides for income taxes utilizing the liability method recognizing taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequences of events that have been recognized in the Company's financial statements or tax returns.

Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period when the new rate is enacted.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Use of Estimates

Preparing consolidated financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The Company has evaluated all subsequent events through March 4, 2011 to ensure that these financial statements and footnotes include appropriate disclosures.

Recent Accounting Developments

Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities (VIEs)
In June 2009, the Financial Accounting Standards Board (FASB) issued authoritative guidance changing the approach to determine a VIE's primary beneficiary and requiring ongoing assessments of whether an enterprise is the primary beneficiary of a VIE. This guidance also requires additional disclosures about a company's involvement with VIEs and any significant changes in risk exposure due to that involvement. This guidance was adopted January 1, 2010, and did not have an impact on the combined financial position, results of operations or cash flows.

Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses
In July 2010, the FASB issued an accounting standards update requiring expanded disclosures on allowances for credit losses and the credit quality of the financing receivables of an entity. This guidance also requires a roll forward schedule of the allowance for credit losses for each reporting period. The guidance for greater transparency was adopted December 31, 2010, and did not have an impact on the combined financial position, results of operations or cash flows. The guidance for the roll forward requirement is effective January 1, 2011, and is not expected to have an impact on the combined financial position, results of operations or cash flows as the amended guidance provides only disclosure requirements.

NOTE B – ACQUISITIONS

Franchise Acquisition

During 2010 and 2009, the Company acquired the assets of two and three Snap Fitness franchises. The acquisitions were made to expand the Company's portfolio of corporate-owned stores and were accounted for using the purchase method of accounting. The consideration transferred is outlined as follows:

	2010	2009
Cash paid	$170,000	$ -
Lease assumed	-	208,000
Liabilities of the seller paid at closing	-	136,000
Total consideration transferred	$170,000	$344,000

In 2009, the Company assumed two equipment leases with an outstanding balance of $207,940 in conjunction with the transactions. The leases contain a bargain purchase option so they are being accounted for as capital leases.

The fair value of the assets acquired resulted in the following initial purchase price allocation, which is subject to change for one year:

Purchase Price Allocation	2010	2009
Property and equipment	$ 75,000	$273,000
Reacquired franchise rights	89,000	71,000
Deposits	6,000	-
	$170,000	$344,000

Related Party Franchise Acquisition

Effective January 1, 2009 and September 1, 2009, the Company acquired the assets of one and ten Snap Fitness franchises owned by the Company's President (the "seller"). The acquisitions were made to expand the Company's portfolio of corporate-owned stores and were accounted for using the purchase method of accounting. The consideration transferred is outlined as follows:

	January 1, 2009	September 1, 2009
Cash paid	$72,000	$ 867,000
Cash acquired	-	(61,000)
Net cash	72,000	806,000
Promissory note	-	1,919,000
Total consideration transferred	$72,000	$2,725,000

NOTE B – ACQUISITIONS

In accordance with the promissory note, the Company will pay to the seller $1,919,352 with monthly payments, including interest of 6%, over 107 months using a 287-month amortization table and a balloon payment in the 107th month (July 2018).

The fair value of the assets acquired resulted in the following initial purchase price allocation, which is subject to change for one year:

Purchase Price Allocation	January 1, 2009	September 1, 2009
Property and equipment	$57,000	$ 658,000
Deposits	-	30,000
Reacquired franchise rights	15,000	2,037,000
	$72,000	$2,725,000

NOTE C – EQUITY TRANSACTIONS AND BUSINESS COMBINATION

Prior to May 2008, the Company's President was the sole stockholder, holding 5,000 shares of common stock, of which 1,000,000 shares were authorized. In May 2008, the Company effected an equity recapitalization whereby the authorized number of common stock was increased to 400,000,000 shares, no par value, and 100,000,000 shares of Series A Preferred Stock, no par value (Series A Preferred). The 5,000 shares of common stock issued and outstanding was cancelled. In consideration for such cancellation, the Company issued 61,200,000 shares of common stock and 40,000,000 shares of Series A Preferred to the Company's President.

In May 2008, several investment funds sponsored by Summit Partners acquired shares of the outstanding Series A Preferred from the Company's President, as well as 650,000 additional Series A Preferred shares from the Company. An additional 150,000 shares of the Series A Preferred were acquired from the Company by another unrelated investor. Total proceeds to the Company for the 800,000 shares of Series A Preferred sold was $800,000.

The Series A Preferred provide preferences for payment of dividends and with respect to liquidation or dissolution of the Company. The Series A Preferred shares are convertible at any time, at the option of the holder, into shares of common stock. The conversion rate is adjusted periodically upon additional sales of common stock or issuance of options, warrants, and other rights to common stock. Upon a liquidation event, as defined, the holders of the Series A Preferred are entitled to be paid out of the assets of the Company an amount equal to the original purchase price of the outstanding Series A Preferred before any distribution may be made with respect to the common stock or any other class of capital stock. After such amount is paid to the Series A Preferred holders, they will participate with holders of the common stock on a pro-rata basis as if they had converted their shares prior to the liquidation event.

NOTE C – EQUITY TRANSACTIONS AND BUSINESS COMBINATION – Continued

Additionally, in May 2008, the Company's wholly-owned subsidiary, Snap Security Systems, Inc., acquired the outstanding stock of Superior Holdings, Inc. (Superior) for $513,000 in cash. Superior was owned by the Company's President and provides member security and other services for the franchisees. Due to the common control between the Company and Superior, the operations of Superior have been included with those of the Company since inception of the Companies.

Stock Options

The Company's 2008 Stock Option Plan has 5,368,421 shares of common stock available for issuance. Under its terms, employees and directors of the Company are eligible to receive non-qualified and incentive stock options. All outstanding options vest upon a liquidity event, as defined by the Plan. As of December 31, 2010 and 2009, a liquidity event has not occurred, and thus no compensation expense has been recorded. The options have a contractual life of 10 years.

A summary of the Company's stock option activity is presented below:

	Available for grant	Number of shares	Weighted-average exercise price	Weighted-average remaining contractual life
Outstanding at January 1, 2009	4,055,921	1,312,500	$1.00	7.79
Granted	(85,000)	85,000	$1.00	8.60
Forfeited	20,000	(20,000)	$1.00	8.57
Outstanding at December 31, 2009	3,990,921	1,377,500	$1.00	7.83
Granted	(510,000)	510,000	$1.00	9.89
Forfeited	25,000	(25,000)	$1.00	9.90
Outstanding at December 31, 2010	3,505,921	1,862,500	$1.00	8.37
Exercisable at December 31, 2010		-	$1.00	

NOTE D – RELATED PARTY TRANSACTIONS

The Company sold franchise locations to the Company's President and majority stockholder (see Note C) and to members of the President's family. The Company also sold products and provided services to these related franchisees, and purchased merchandise and professional services from a company owned by a member of the President's family. A summary of these transactions are as follows:

	2010	2009
Continuing franchise fees	$ 53,000	$ 53,000
Merchandise purchased	586,000	1,093,000
Amounts due to related parties included in accounts payable	42,000	193,000
Print rebates	115,000	103,000

The Company paid dividends in 2009 to its president and majority stockholder in the amount of $370,000 resulting from the equity transaction discussed in Note C.

The Company leases its corporate office from an entity owned by the Company's President (see Note G).

The Company purchased 11 franchise locations from the Company's President in 2009 (see Note B).

The Company has a payable balance of $42,000 and $193,000 as of December 31, 2010 and 2009 to a related party that provides print materials used for advertising.

NOTE E - INSURANCE ACTIVITIES

Insurance revenue is comprised of the following for the year ended December 31:

	2010	2009
Insurance premiums earned from franchisees	$ 2,846,000	$1,705,000
Insurance premiums ceded	(1,466,000)	(871,000)
Insurance revenues, net	$ 1,380,000	$ 834,000

The liability for insurance claims as of December 31, 2010 and 2009 was $696,000 and $457,000 and is included as a component of accrued expenses.

NOTE F – FINANCING RECEIVABLES

Financing receivables represent direct financing leases resulting from the Company financing equipment for certain franchisees. These receivables are typically paid over five years and are usually collateralized by a security interest in the underlying assets. The Company also advances funds to their franchisees as notes receivable that are typically paid between one and four years. The components of net financing receivables are as follows:

	2010	2009
Minimum lease payments receivable	$2,038,000	$1,289,000
Note receivable	326,000	147,000
Unearned income	(561,000)	(343,000)
Financing receivables, net	1,803,000	1,093,000
Less current portion	(433,000)	(207,000)
Long-term financing receivables, net of current portion	$1,370,000	$ 886,000

As of December 31, 2010, scheduled maturities of the minimum lease payments receivable are as follows for the years ended December 31:

Year ending	Amount
2011	$433,000
2012	440,000
2013	445,000
2014	369,000
2015	116,000

NOTE G – COMMITMENTS AND CONTINGENCIES

Capital Leases

The Company has four capital leases for equipment which expire in 2013. The following is a schedule of approximate minimum payments required under capital leases:

Year ending	Amount
2011	$ 330,000
2012	176,000
2013	22,000
Total minimum lease payments	528,000
Less: amounts representing interest	34,000
Present value of future minimum lease payments	494,000
Less: current portion	(307,000)
Capital lease obligations, net of current portion	$ 187,000

NOTE G – COMMITMENTS AND CONTINGENCIES – Continued

Equipment includes $873,000 and $530,000 of assets under capital lease with accumulated amortization of $332,000 and $61,000 at December 31, 2010 and 2009. One lease, which began in 2008, is personally guaranteed by the President.

Operating Leases

The Company leases its office space from a related entity, with the lease expiring in 2018. Previously, the Company leased office space from unrelated parties with leases expiring in 2008 and 2009. The current lease agreement calls for minimum base rent, including escalating payments as well as association dues and real estate taxes. The Company accounts for rent payments on a straight-line basis over the term of the lease. Two leases, which began in 2009, are personally guaranteed by the President.

Estimated future minimum rental payments plus common area charges are as follows:

Year ending	Amount
2011	$1,466,000
2012	1,374,000
2013	1,164,000
2014	1,145,000
2015	911,000
Thereafter	1,436,000

Total rent expense for the years ended December 31, 2010 and 2009 was $1,483,000 and $502,000.

Litigation

The Company is involved in legal proceedings arising in the ordinary course of business. Although the outcome of these proceedings cannot presently be determined, in the opinion of management, disposition of these proceedings will not have a material adverse effect on the financial position or results of operations of the Company.

NOTE G – COMMITMENTS AND CONTINGENCIES – Continued

Franchisee Equipment Guarantee

On September 25, 2009, the Company, in an effort to increase sales of new franchise locations, established a franchise financing program with a third party lender. As of December 31, 2010, the Company has guarantees of certain franchisee's loans relating to equipment used within their Snap Fitness club. The term of the agreement is ongoing unless suspended by another agreement or terminated by both parties. If the franchisee remains delinquent on payments for 65 consecutive days, the Company is required to cure the payment defaults under the applicable lease or buy back the equipment subject to the lease. The guarantee buyback is 45% or 65% of the depreciated value of the removable assets included in the standard Snap Fitness equipment packaged based on a 20% per year depreciation rate. The estimated maximum potential future payments as of December 31, 2010 are $840,000. The Company currently has no liability recorded in its consolidated financial statements for the guarantor's obligation under the guarantees.

Insurance and Claims

Effective November 1, 2010, the Company formed a wholly-owned captive insurance company that is used for the franchisee insurance program described in Note A. Insurance coverage is maintained for per-incident and cumulative liability losses in amounts the Company considers sufficient based upon ongoing review. The Company provides currently for its share of estimated losses. In connection with insurance carriers and regulatory authorities, the Company maintains $250,000 in letters of credit and $3,847,000 in restricted cash to guarantee settlement of claims. Should the Captive experience losses greater than expected over an extended period, they could have an adverse impact on the operating results of the Company.

NOTE H – INCOME TAXES

During 2007, the Company filed an election to be treated as a Small Business Corporation (Subchapter S) whereby income taxes on Company earnings would be payable personally by the stockholder. This election was approved by the IRS during 2008, after the completion of the Company's 2007 financial statements, and the Company filed its 2007 income tax returns in accordance with the provisions of Subchapter S. In connection with the equity transactions described in Note C, the Company's election under Subchapter S was terminated effective May 23, 2008, and the Company began again to provide for income tax expense in its financial statements. As a result, the Company's income tax provision in 2008 reflects the reversal of current and deferred income taxes recorded previously in 2007, and also reflects income taxes provided between May 24, 2008 and December 31, 2008 including the re-establishment of deferred income taxes as of May 24, 2008. Consolidated income before taxes for the period from May 24, 2008 through December 31, 2008 was approximately $6,100,000.

NOTE H – INCOME TAXES – Continued

The following table shows the components of deferred tax assets and liabilities as of December 31:

	2010	2009
Deferred tax assets		
Deferred revenue	$680,000	$565,000
Accruals and reserves	14,000	201,000
Total deferred tax assets	$694,000	$766,000
Deferred tax liability		
Depreciation and amortization	$430,000	$189,000
Prepaid expenses	111,000	69,000
Other	53,000	26,000
Total deferred tax liability	594,000	284,000
Total net deferred tax asset	$100,000	$482,000

Income taxes consists of the following for the years ended December 31:

	2010	2009
Current income tax expense	$2,019,000	$2,503,000
Deferred income tax expense	382,000	491,000
Income tax expense	$2,401,000	$2,994,000

The Company's effective income tax rate does not materially differ from the statutory income tax rate.

The impact of an uncertain tax position taken or expected to be taken on an income tax return is recognized in the financial statements at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant taxing authority. An uncertain income tax position will not be recognized in the financial statements unless it is more likely than not of being sustained. The Company will elect to recognize interest and penalties related to unrecognized tax benefits in the provision for income taxes.

The total amount of unrecognized tax benefits and related penalties and interest is not material as of December 31, 2010. Therefore no amounts related to uncertain tax positions, penalties or interest have been recorded on the financial statements. The Company does not have any current audits in process. The Company is currently open to audit under the statute of limitations by the Internal Revenue Service and the appropriate state income taxing authorities from 2006 to 2009.

NOTE I – SUBSEQUENT EVENT

The Company entered into a term note in February 2011 for a principal amount of $968,213 to finance equipment of corporate-owned stores. The note is secured by the equipment. The maturity date of the note is April 1, 2015. The note carries an interest rate equal to 4.0%. The note requires monthly installments of principal plus interest commencing April 1, 2011.

Consolidated Financial Statements and Report of Independent Certified Public Accountants

Snap Fitness, Inc.

December 31, 2009 and 2008

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Report of Independent Certified Public Accountants

Board of Directors
Snap Fitness, Inc.

We have audited the accompanying consolidated balance sheets of Snap Fitness, Inc. (the Company, a Minnesota Corporation) and subsidiaries as of December 31, 2009 and 2008 and the related consolidated statements of earnings, stockholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Snap Fitness, Inc. and subsidiaries as of December 31, 2009 and 2008, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

Minneapolis, Minnesota
February 26, 2010

CONSOLIDATED FINANCIAL STATEMENTS

Snap Fitness, Inc.

CONSOLIDATED BALANCE SHEETS

December 31, 2009 and 2008

ASSETS	2009	2008
CURRENT ASSETS		
Cash and cash equivalents	$ 9,143,000	$ 5,405,000
Marketable securities	-	2,256,000
Financing receivables, net	207,000	-
Accounts receivable:		
Franchise, net of allowance for doubtful accounts of $127,000 and $150,000 in 2009 and 2008	1,456,000	1,781,000
Co-op rebate	188,000	197,000
Related parties	51,000	231,000
Other	161,000	11,000
Inventories	1,135,000	1,409,000
Prepaid expenses	822,000	236,000
Deferred income taxes	696,000	1,261,000
Total current assets	13,859,000	12,787,000
PROPERTY AND EQUIPMENT – AT COST		
Equipment and leasehold improvements	3,290,000	1,305,000
Less accumulated depreciation	732,000	349,000
	2,558,000	956,000
OTHER ASSETS		
Financing receivables, net less current portion	886,000	-
Reacquired franchise rights, net	1,895,000	-
Restricted cash	819,000	25,000
Investment in affiliates	255,000	-
Other	-	26,000
	3,855,000	51,000
	$ 20,272,000	$ 13,794,000

The accompanying notes are an integral part of these financial statements.

LIABILITIES AND STOCKHOLDERS' EQUITY	2009	2008
CURRENT LIABILITIES		
Current portion of capital lease obligations	$ 183,000	$ 183,000
Accounts payable	826,000	1,079,000
Accrued expenses	1,126,000	384,000
Deferred franchise fees	2,867,000	4,622,000
Customer deposits	329,000	353,000
Note payable to stockholder	92,000	-
Income taxes payable	120,000	218,000
Total current liabilities	5,543,000	6,839,000
CAPITAL LEASE OBLIGATIONS, less current portion	234,000	215,000
NOTE PAYABLE TO STOCKHOLDER, less current portion	1,816,000	-
DEFERRED INCOME TAXES	214,000	217,000
Total liabilities	7,807,000	7,271,000
COMMITMENTS AND CONTINGENCIES	-	-
MINORITY INTEREST	48,000	-
STOCKHOLDERS' EQUITY		
Series A preferred stock – 100,000,000 shares of no par value authorized; 40,800,000 shares issued and outstanding as of December 31, 2009 and 2008	-	-
Common stock – authorized 400,000,000 shares of no par value and 1,000,000 shares of $.01 par value as of December 31, 2009 and 2008; 61,200,000 shares issued and outstanding as of December 31, 2009 and 2008	-	-
Additional paid-in capital	840,000	840,000
Retained earnings	11,588,000	5,714,000
Accumulated other comprehensive loss	(11,000)	(31,000)
	12,417,000	6,523,000
	$ 20,272,000	$ 13,794,000

Snap Fitness, Inc.

CONSOLIDATED STATEMENTS OF EARNINGS

Years ended December 31, 2009 and 2008

	2009	2008
Revenues, net		
Franchising	$ 25,581,000	$ 31,716,000
Insurance	834,000	-
Leasing	41,000	-
Total revenues, net	26,456,000	31,716,000
Cost of revenues	10,946,000	16,503,000
Gross profit	15,510,000	15,213,000
Operating expenses	6,335,000	5,106,000
Operating profit	9,175,000	10,107,000
Other income (expense)		
Interest income	32,000	84,000
Interest expense	(55,000)	(15,000)
Other	81,000	(5,000)
	58,000	64,000
Income before income taxes and minority interest	9,233,000	10,171,000
Income tax expense	2,994,000	35,000
Minority interest	5,000	-
NET INCOME	$ 6,244,000	$ 10,136,000

The accompanying notes are an integral part of these financial statements.

Snap Fitness, Inc.

CONSOLDIATED STATEMENTS OF STOCKHOLDERS' EQUITY

Years ended December 31, 2009 and 2008

	Series A Redeemable Preferred Stock		Common stock		Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Total
	Shares	Par value	Shares	Par value				
Balance at December 31, 2007	-	$ -	5,000	$ -	$ 40,000	$ 4,460,000	$ -	$ 4,500,000
Cancellation of common stock (Note C)	-	-	(5,000)	-	-	-	-	-
Issuance of common stock and Series A preferred stock (Note C)	40,000,000	-	61,200,000	-	-	-	-	-
Issuance of Series A preferred stock	800,000	-	-	-	800,000	-	-	800,000
Stockholder distributions	-	-	-	-	-	(8,882,000)	-	(8,882,000)
Comprehensive income:								
Net income	-	-	-	-	-	10,136,000	-	10,136,000
Foreign currency adjustment	-	-	-	-	-	-	(31,000)	(31,000)
Total comprehensive income								10,105,000
Balance at December 31, 2008	40,800,000	-	61,200,000	-	840,000	5,714,000	(31,000)	6,523,000
Stockholder distributions	-	-	-	-	-	(370,000)		(370,000)
Comprehensive income:								
Net income	-	-	-	-	-	6,244,000	-	6,244,000
Foreign currency adjustment	-	-	-	-	-	-	20,000	20,000
Total comprehensive income								6,264,000
Balance at December 31, 2009	40,800,000	$ -	61,200,000	$ -	$ 840,000	$ 11,588,000	$ (11,000)	$ 12,417,000

The accompanying notes are an integral part of these financial statements.

Snap Fitness, Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31, 2009 and 2008

	2009	2008
Cash flows from operating activities:		
Net income	$ 6,244,000	$ 10,136,000
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	631,000	172,000
Deferred income taxes	562,000	722,000
Gain on disposal of property and equipment	(4,000)	-
Minority interest	48,000	-
Changes in operating assets and liabilities, net of acquisition:		
Accounts receivable	226,000	(843,000)
Inventories	278,000	(1,023,000)
Restricted Cash	(794,000)	(25,000)
Prepaid expenses	(556,000)	(205,000)
Accounts payable	(81,000)	108,000
Customer deposits	(27,000)	353,000
Accrued expenses	739,000	161,000
Deferred franchise fees	(1,815,000)	171,000
Income taxes payable	(105,000)	(3,422,000)
Net cash provided by operating activities	5,346,000	6,305,000
Cash flows from investing activities:		
Purchase of property and equipment	(1,029,000)	(310,000)
Proceeds from sale of property and equipment	7,000	-
Purchase of equipment for lease contracts with franchisees	(1,046,000)	-
Issuance of notes receivable to franchisees	(171,000)	-
Principal collections on lease contracts and note receivables	125,000	-
Proceeds from the marketable securities	-	(2,256,000)
Proceeds from the sale of marketable securities	2,256,000	-
Investment in affiliate	(255,000)	-
Purchase of affiliate from stockholder	-	(513,000)
Acquisitions, net of cash acquired	(1,014,000)	-
Net cash used in investing activities	(1,127,000)	(3,079,000)

Snap Fitness, Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS – CONTINUED

Years ended December 31, 2009 and 2008

	2009	2008
Cash flows from financing activities		
Payments on capital leases	$ (189,000)	$ (115,000)
Payments on note payable	-	(10,000)
Payments on acquisition note	(37,000)	-
Stockholder distributions	(370,000)	(3,321,000)
Issuance of note payable	27,000	-
Issuance of preferred stock	-	800,000
Net cash used in financing activities	(569,000)	(2,646,000)
Effect of exchange rate changes on cash and cash equivalents	88,000	(27,000)
NET INCREASE IN CASH	3,650,000	580,000
Cash and cash equivalents at beginning of year	5,405,000	4,852,000
Cash and cash equivalents at end of year	$ 9,143,000	$ 5,405,000
Supplemental disclosures of cash flow information:		
Cash paid for:		
Taxes	$ 2,661,000	$ 2,813,000
Interest	$ 55,000	$ 15,000
Supplemental disclosure of non-cash investing and financing activities:		
Property and equipment additions through capital lease obligations	$ 208,000	322,000
As part of the May 2008 equity transactions and business combination, the Company recorded non-cash distributions to the stockholder previously reported as follows:		
Accounts receivable – stockholder		$ 2,158,000
Due from stockholder		4,177,000
Note payable to stockholder		(1,287,000)
		$ 5,048,000

The accompanying notes are an integral part of these financial statements.

Snap Fitness, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2009 and 2008

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Snap Fitness, Inc. (the "Company"), with headquarters in Chanhassen, Minnesota, sells franchises to operate 24-hour fitness centers under the name "Snap Fitness," and provides services to its franchisees. At December 31, 2009 and 2008, the Company had 1,016 and 866 franchises opened throughout the United States, Canada, Australia, India and Mexico. Additional 840 and 787 franchise agreements were signed for locations not opened as of December 31, 2009 and 2008.

A summary of significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements follows:

Principles of Consolidation

The consolidated financial statements included the accounts of Snap Fitness, Inc. and its wholly-owned subsidiaries:

Snap Fitness of Canada Inc.
Snap Fitness (India) Pvt. Ltd.
Snap Fitness Mexico SA de RL de CV
Snap Fitness Australia Pty. Ltd.
Snap Security Systems, Inc.
Snap Fitness Finance, LLC
SAP Corp.
Snap Fitness Development, LLC
Snap Fitness Property, LLC

Snap Fitness Australia Pty. Ltd. owns a 75% interest in SFA Development Pty. Ltd. which is consolidated.

In addition, the Company made an investment in SFI Digital Media, LLC (51% owned) and GoFit, LLC (50% owned). These entities have not commenced significant operations as of December 31, 2009. All significant intercompany accounts and transactions have been eliminated in the consolidation.

Cash and Cash Equivalents

The Company considers highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. The Company maintains bank accounts in the United States of America, Canada, India and Australia. At times, the bank balances may be in excess of insured limits. As of December 31, 2009 and 2008, the Company had $1,810,000 and $589,000 of cash located in foreign banks. The Company has not experienced any losses associated with these deposits.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Accounts Receivable

Accounts receivable consist of amounts due for continuing franchise fees and sales and services. Additionally, it includes rebates received from vendors on the sale of equipment to franchisees and other miscellaneous amounts. Accounts outstanding longer then the contractual payment terms are considered past due. The Company provides an allowance for doubtful accounts based upon prior experience and management's assessment of the collectability of existing accounts. The company writes off accounts receivable when they become uncollectible, and payments subsequently received on such receivables are credited to the allowance for doubtful accounts.

Marketable Securities

Marketable securities, which consist primarily of governmental and corporate bonds, are classified as held-to-maturity investments and are reported at amortized cost based on the Company's intent and ability to hold these securities to maturity. At December 31, 2008, the Company held investments with a carrying value of $2,256,000 which approximated fair value. All realized gains and losses on the Company's held-to-maturity investment are included in current year earnings.

Inventories

Inventories consist principally of fitness and exercise equipment and related supplies which are held for sale and are stated at the lower of cost or market. Cost is determined using the first-in, first-out (FIFO) method.

Property and Equipment

Property and equipment, which consists primarily of office equipment and leasehold improvements, are stated at cost. Depreciation is being provided using the straight-line method over the estimated useful lives of the related assets, which is three to seven years. Leasehold improvements are amortized over the estimated service life of the asset or the term of the related lease, whichever is shorter.

Reacquired Franchise Rights

In accordance with ASC 805, *Business Combinations*, the Company accounts for franchise rights acquired from franchisee location purchases at fair value upon acquisition and amortizes this intangible asset on a straight-line basis over the term of the franchise agreements. The reacquired franchise rights before accumulated amortization was $2,123,000 at December 31, 2009. Amortization expense was $228,000 for the year ended December 31, 2009. Future amortization is as follows for the years ended December 31:

2010	$682,000
2011	655,000
2012	422,000
2013	136,000

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Revenue Recognition

The Company derives all of its revenues from the sales of franchises and related services to franchisees. The Company receives initial franchise fees, royalties and revenues from providing product and services to franchisees, and rebates from certain vendors.

Franchising – Initial franchise fees, which are non-refundable, typically are $15,000 per store or $40,000 for three stores. A portion of the fee is recognized immediately when a franchise agreement is signed, reflecting the commission earned related to the sale. The remaining fees are included in deferred franchise fees and are recognized as revenues when the Company has performed substantially all services, which is generally when the franchisee store commences operations or the franchisees' designated area reservation agreement is terminated. During the years ended December 31, 2009 and 2008, the Company recognized $1,899,000 of franchising revenue due to terminated franchisees' designated area reservation agreements.

Pursuant to the franchise agreement, franchisees are required to pay a continuing fee of $349 – $449 per month which is recognized monthly, beginning when the franchise operations commence.

The Company sells equipment and furniture to franchisees prior to the store opening. Sales are recognized when the products are installed. Membership processing services and internet hosting services are provided monthly to franchisees and revenue is recognized when received. The Company receives rebates from certain vendors used by the franchisee that are recorded as service and sales revenue when franchisees purchase equipment and the related equipment is delivered to the franchisee. Franchisees contribute $75 per month to an advertising fund which the Company, at its discretion, may spend for advertising and marketing initiatives. Advertising fees collected were approximately $824,000 and $584,000 for the years ending December 31, 2009 and 2008, and are included in service and sales revenues.

Insurance – The Company provides commercial property, crime and general liability insurance to certain of its franchisees through its subsidiary, SAP Corp. for covered claims up to $5 million per incident. The Company obtains reinsurance to cover claims between $250,000 and $5 million per incident. Premiums are paid at the time the policy is executed by the franchisee and is amortized to revenue over the policy period, generally one year. Costs to obtain reinsurance are reflected as "premiums ceded".

Leasing – The Company leases fitness equipment to certain franchisees, generally over a term of five years. The leases contain a bargain purchase option and otherwise meet the criteria for a direct financing lease as outlined in ASC 840, *Leases*. Financing income is recorded over the lease term to produce a constant periodic rate of return on the net investment in the lease. Amounts due from franchisees under these arrangements are reflected as franchise receivables on the consolidated balance sheet.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Advertising

Advertising costs are charged to cost of revenues and operating expense as incurred. Advertising costs charged to cost of revenues totaled $2,045,000 and $3,485,000 at December 31, 2009 and 2008 and charged to operating expenses totaled $181,000 and $222,000 at December 31, 2009 and 2008. Costs charged to cost of revenue include cost of advertising materials sold to newly opened clubs and design costs and ad materials for the advertising fund discussed above.

Foreign Currency Translation

Snap Fitness of Canada Inc. utilizes the Canadian dollar as its functional currency, Snap Fitness (India) utilizes the Indian Ruppe as its functional currency and Snap Fitness (Australia) utilizes the Australian dollar as its functional currency. Accordingly, assets and liabilities denominated in foreign currencies are translated using the exchange rate in effect at the balance sheet date and revenues and expenses are translated at the average foreign exchange rates in effect for the period. Translation gains and losses relating to the foreign currencies are reflected as a component of accumulated other comprehensive income in stockholders' equity in the consolidated balance sheet.

Income Taxes

The Company provides for income taxes utilizing the liability method recognizing taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequences of events that have been recognized in the Company's financial statements or tax returns.

Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period when the new rate is enacted.

Use of Estimates

Preparing consolidated financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain amounts in the fiscal year 2008 consolidated financial statements have been reclassified to conform with the fiscal year 2009 presentation. These reclassifications had no effect on net income as previously reported.

Subsequent Events

The Company has evaluated all subsequent events through February 26, 2010 to ensure that these financial statements and footnotes include appropriate disclosures.

NOTE B – ACQUISITIONS

ASC 805, *Business Combinations,* requires that certain reacquired rights, including the rights to the Company's trade name under a franchise agreement, be recognized at fair value as an intangible asset apart from goodwill. The Company determined the fair value of these rights using a multi-period excess earnings method. The reacquired franchise rights will be amortized over a weighted average life of approximately 3.3 years.

Franchise Acquisition

Effective January 1, 2009 and September 1, 2009, the Company acquired the assets of 1 and 10 Snap Fitness franchises owned by the Company's President (the "seller"). The acquisitions were accounted for using the purchase method of accounting. The purchase price is outlined as follows:

	January 1, 2009	September 1, 2009
Cash paid	$72,000	$ 867,330
Cash acquired	-	(61,682)
Net cash	72,000	805,648
Promissory note	-	1,919,352
Total purchase price	$72,000	$2,725,000

In accordance with the promissory note, the Company will pay to the seller $1,919,352 with monthly payments, including interest of 6%, over 107 months using a 287-month amortization table and a balloon payment in the 107th month (July 2018).

The fair value of the assets acquired resulted in the following initial purchase price allocation, which is subject to change for one year:

	January 1, 2009	September 1, 2009
Purchase Price Allocation		
Property and equipment	$57,000	$ 658,000
Deposits	-	30,000
Reacquired franchise rights	15,000	2,037,000
	$72,000	$2,725,000

NOTE B – ACQUISITIONS – Continued

Louisiana Franchise Acquisition

Effective November 18, 2009, the Company acquired the assets of three Snap Fitness franchises located in Louisiana that are owned by Snap Hammond, LLC, Snap Laplace, LLC, Snap Ponchatoula, LLC and Fun-N-Fitness, LLC (the "seller"). The acquisition was accounted for using the purchase method of accounting. The purchase price is outlined as follows:

Lease assumed	$208,000
Liabilities of the seller paid at closing	136,000
Total purchase price	$344,000

The Company assumed two equipment leases with an outstanding balance of $207,940 in conjunction with the transactions. The leases contain a bargain purchase option so they are being accounted for as capital leases.

The fair value of the assets acquired resulted in the following initial purchase price allocation, which is subject to change for one year:

Purchase Price Allocation	
Property and equipment	$273,000
Reacquired franchise rights	71,000
	$344,000

NOTE C – EQUITY TRANSACTIONS AND BUSINESS COMBINATION

Prior to May 2008, the Company's President was the sole stockholder, holding 5,000 shares of common stock, of which 1,000,000 shares were authorized. In May 2008, the Company effected an equity recapitalization whereby the authorized number of common stock was increased to 400,000,000 shares, no par value, and 100,000,000 shares of Series A Preferred Stock, no par value (Series A Preferred). The 5,000 shares of common stock issued and outstanding was cancelled. In consideration for such cancellation, the Company issued 61,200,000 shares of common stock and 40,000,000 shares of Series A Preferred to the Company's President.

In May 2008, several investment funds sponsored by Summit Partners acquired shares of the outstanding Series A Preferred from the Company's President, as well as 650,000 additional Series A Preferred shares from the Company. An additional 150,000 shares of the Series A Preferred were acquired from the Company by another unrelated investor. Total proceeds to the Company for the 800,000 shares of Series A Preferred sold was $800,000.

NOTE C – EQUITY TRANSACTIONS AND BUSINESS COMBINATION – Continued

The Series A Preferred provide preferences for payment of dividends and with respect to liquidation or dissolution of the Company. The Series A Preferred shares are convertible at any time, at the option of the holder, into shares of common stock. The conversion rate is adjusted periodically upon additional sales of common stock or issuance of options, warrants, and other rights to common stock. Upon a liquidation event, as defined, the holders of the Series A Preferred are entitled to be paid out of the assets of the Company an amount equal to the original purchase price of the outstanding Series A Preferred before any distribution may be made with respect to the common stock or any other class of capital stock. After such amount is paid to the Series A Preferred holders, they will participate with holders of the common stock on a pro-rata basis as if they had converted their shares prior to the liquidation event.

Additionally, in May 2008, the Company's wholly-owned subsidiary, Snap Security Systems, Inc., acquired the outstanding stock of Superior Holdings, Inc. (Superior) for $513,000 in cash. Superior was owned by the Company's President and provides member security and other services for the franchisees. Due to the common control between the Company and Superior, the operations of Superior have been included with those of the Company since inception of the Companies.

Stock Options

The Company's 2008 Stock Option Plan has 5,368,421 shares of common stock available for issuance. Under its terms, employees and directors of the Company are eligible to receive non-qualified and incentive stock options. All outstanding options vest upon a liquidity event, as defined by the Plan. As of December 31, 2009 and 2008, a liquidity event has not occurred, and thus no compensation expense has been recorded. The options have a contractual life of 10 years.

A summary of the Company's stock option activity is presented below:

	Available for grant	Number of shares	Weighted-average exercise price	Weighted-average remaining contractual life
Outstanding, December 31, 2007	-	-	$ -	
Authorized	5,368,421	-	-	
Granted	(652,500)	652,500	$1.00	9.96
Forfeited	30,000	(30,000)	$1.00	9.20
Outstanding, December 31, 2008	4,745,921	622,500	$1.00	9.96
Granted	(85,000)	85,000	$1.00	9.56
Outstanding, December 31, 2009	4,660,921	707,500	$1.00	9.15
Exercisable at December 31, 2009		-	$1.00	

NOTE D – RELATED PARTY TRANSACTIONS

The Company sold franchise locations to the Company's President and majority stockholder (see Note C) and to members of the President's family. The Company also sold products and provided services to these related franchisees, and purchased merchandise and professional services from a company owned by a member of the President's family. A summary of these transactions are as follows:

	2009	2008
Franchise locations sold	-	2
Revenues recognized:		
Initial franchise fees	$ -	$ 30,000
Continuing franchise fees	-	45,000
Merchandise purchased	1,093,000	2,048,000
Amounts due to related parties included in accounts payable	193,000	316,000

The Company did not charge initial franchise fees for one location sold in 2008. The Company paid dividends in 2009 and 2008 to its president and majority stockholder in the amount of $370,000 and $3,321,000 resulting from the equity transaction discussed in Note C.

The Company leases its corporate office from an entity owned by the Company's President (see Note G).

The Company purchased 11 franchise locations from the Company's President in 2009 (see Note B).

The Company has a receivable balance of $193,000 and $8,000 as of December 31, 2009 and 2008 to a related party that provides print materials used for advertising.

NOTE E - INSURANCE ACTIVITIES

Insurance revenue is comprised of the following for the year ended December 31, 2009:

Insurance premiums earned from franchisees	$1,705,000
Insurance premiums ceded	(871,000)
Insurance revenue, net	$ 834,000

The liquidity for insurance claims as of December 31, 2009 was $457,000 included as a component of accrued expenses.

NOTE F – FINANCING RECEIVABLES

Financing receivables represent direct financing leases resulting from the Company financing equipment for certain franchisees. These receivables are typically paid over five years and are usually collateralized by a security interest in the underlying assets. The Company also advances funds to their franchisees as notes receivable that are typically paid between one and four years. The components of net financing receivables are as follows for the year ended December 31, 2009:

Minimum lease payments receivable	$1,289,000
Note receivable	147,000
Unearned income	(343,000)
Financing receivables, net	1,093,000
Less current portion	(207,000)
Long-term financing receivables, net	$ 886,000

As of December 31, 2009, scheduled maturities of the minimum lease payments receivable are as follows for the years ended December 31:

	Amount
2010	$207,000
2011	224,000
2012	234,000
2013	244,000
2014	184,000

NOTE G – COMMITMENTS AND CONTINGENCIES

Capital Leases

The Company has four capital leases for equipment which expire in 2012. The following is a schedule of approximate minimum payments required under capital leases:

Year ending December 31	
2010	$209,000
2011	205,000
2012	43,000
Total minimum lease payments	457,000
Less: amounts representing interest	40,000
Present value of future minimum lease payments	417,000
Less current portion	183,000
Capital lease obligations, net of current portion	$234,000

NOTE G – COMMITMENTS AND CONTINGENCIES – Continued

Equipment includes $530,000 and $615,000 of assets under capital lease with accumulated amortization of $61,000 and $130,000 at December 31, 2009 and 2008. One lease, which began in 2008, is personally guaranteed by the President.

Operating Leases

Effective December 2008, the Company leases its office space from a related entity, with the lease expiring in 2018. Previously, the Company leased office space from unrelated parties with leases expiring in 2008 and 2009. The current lease agreement calls for minimum base rent, including escalating payments as well as association dues and real estate taxes. The Company accounts for rent payments on a straight-line basis over the term of the lease. Two leases, which began in 2009, are personally guaranteed by the President.

Estimated future minimum rental payments plus common area charges are as follows:

Year ending	Amount
2010	$1,082,000
2011	1,143,000
2012	1,035,000
2013	827,000
2014	790,000
Thereafter	1,947,000

Total rent expense for the years ended December 31, 2009 and 2008 was $502,000 and $213,000.

Litigation

The Company is involved in legal proceedings arising in the ordinary course of business. Although the outcome of these proceedings cannot presently be determined, in the opinion of management, disposition of these proceedings will not have a material adverse effect on the financial position or results of operations of the Company.

NOTE H – INCOME TAXES

During 2007, the Company filed an election to be treated as a Small Business Corporation (Subchapter S) whereby income taxes on Company earnings would be payable personally by the stockholder. This election was approved by the IRS during 2008, after the completion of the Company's 2007 financial statements, and the Company filed its 2007 income tax returns in accordance with the provisions of Subchapter S. In connection with the equity transactions described in Note C, the Company's election under Subchapter S was terminated effective May 23, 2008, and the Company began again to provide for income tax expense in its financial statements. As a result, the Company's income tax provision in 2008 reflects the reversal of current and deferred income taxes recorded previously in 2007, and also reflects income taxes provided between May 24, 2008 and December 31, 2008 including the re-establishment of deferred income taxes as of May 24, 2008. Consolidated income before taxes for the period from May 24, 2008 through December 31, 2008 was approximately $6,100,000.

The following table shows the components of deferred tax assets and liabilities as of December 31:

	2009	2008
Deferred tax assets		
Deferred revenue	$565,000	$1,199,000
Accruals and reserves	201,000	10,000
Other	-	52,000
Total deferred tax assets	$766,000	$1,261,000
Deferred tax liability		
Depreciation and amortization	$189,000	$ 217,000
Prepaid Expenses	69,000	-
Other	26,000	-
Total deferred tax liability	284,000	217,000
Total net deferred tax asset	$482,000	$1,044,000

Income taxes consists of the following for the years ended December 31:

	2009	2008
Current income tax expense	$2,503,000	$ 2,394,000
Deferred income tax expense	491,000	46,000
Income tax expense	2,994,000	2,440,000
Re-establish deferred income taxes at May 24, 2008	-	(1,090,000)
Reversal of:		
Current income tax expense – 2007	-	(3,081,000)
Deferred income taxes at December 31, 2007	-	1,766,000
Total income tax expense	$2,994000	$ 35,000

NOTE H – INCOME TAXES – Continued

The Company's effective income tax rate does not materially differ from the statutory income tax rate.

In June 2006, the Financial Accounting Standards Board (FASB) issued ASC 740-10, *Accounting for Uncertainty in Income Taxes – An interpretation of ASC 740*. The Interpretation clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements and prescribes a recognition threshold and measurement attributes of income tax positions taken or expected to be taken on a tax return. Under FASB ASC 740-10, the impact of an uncertain tax position taken or expected to be taken on an income tax return must be recognized in the financial statements at the largest amount that is more-likely-than- not to be sustained upon audit by the relevant taxing authority. An uncertain income tax position will not be recognized in the financial statements unless it is more likely than not of being sustained. The interpretation was effective for fiscal years beginning after December 15, 2007 for privately held companies.

During 2008, the Company elected to defer this application of FASB ASC 740-10 under FASB ASC 740-10-65 until the fiscal year ending December 31, 2009. The Company adopted the provisions of FIN 48 as of January 1, 2009.

The total amount of unrecognized tax benefits and related penalties and interest is not material as of December 31, 2009. Therefore no amounts related to uncertain tax positions, penalties or interest have been recorded on the financial statements. The Company does not have any current audits in process. The Company is currently open to audit under the statute of limitations by the Internal Revenue Service and the appropriate state income taxing authorities from 2006 to 2009. The Company will elect to recognize interest and penalties related to unrecognized tax benefit in tax the provision for income taxes.

EXHIBIT C

FRANCHISE AGREEMENT AND STATE ADDENDA

Franchise Agreement Summary Page

Franchisee Information:

Complete Business Name: _____

Principal Owner(s): _____ %
(25% or more ownership, direct or indirect) Full Name Percentage Interest

_____ %
Full Name Percentage Interest

_____ %
Full Name Percentage Interest

_____ %
Full Name Percentage Interest

Additional Owners: _____ %
(less than 25% ownership) Full Name Percentage Interest

_____ %
Full Name Percentage Interest

Address for Notices (not a P.O. Box): _____

Telephone No.: _____

Facsimile No.: _____

Mobile Phone: _____

Email Address: _____

Preliminary Designated Area: Up to __ driving miles from the Authorized Location

Initial Franchise Fee: $15,000

Continuing Fee: $449 per month*

National Marketing Fee: $75 per month*

Website Fee: $75 per month*

*Subject to increase in accordance with increases in the Consumer Price Index.

See Section 9 for additional fee information.

To be completed by us:

Effective Date: _____

Authorized Location: _____

_____

Franchise Number: _____

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SNAP FITNESS® FRANCHISE AGREEMENT

This Franchise Agreement is made between Snap Fitness, Inc., a Minnesota corporation with its principal business located at 2411 Galpin Ct, Suite 110, Chanhassen, MN 55317 ("**we**" or "**us**"), and the Franchisee identified in the Summary Pages ("**you**"), to be effective on the Effective Date identified in the Summary Pages.

RECITALS

A. We have developed a proprietary business format and system ("**System**") for operating a fitness club ("**Club**") featuring state-of-the-art exercise equipment; 24-hour personal keyless access for members (excepted as restricted by law); online training tools; automated member billing and collection procedures and services; and use of our proprietary and confidential information;

B. The System includes a distinct interior layout, design, décor, color scheme, graphics, fixtures and furnishings, operating and customer service standards and procedures, advertising and marketing specifications and requirements, and other standards, specifications, techniques and procedures that we designate (collectively, the "**Standards**").

C. Clubs operating under the System are identified by the trade name and service mark "SNAP FITNESS" and other trademarks, service marks and trade identifiers that we designate to identify businesses operating under the System (the "**Marks**").

D. You have applied for the right to operate a club using the System and Marks, and we have approved your application in reliance on the representations contained therein, including those concerning your financial resources, your business experience and interests, and the manner in which the Club will be owned and operated.

In consideration of the foregoing and the mutual covenants and consideration below, you and we agree as follows:

DEFINITIONS

1. For purposes of this Agreement:

A. "**Principal Owner**" means any person who directly or indirectly owns a 25% or greater interest in the franchisee when the franchisee is a corporation, limited liability company or a similar entity other than a partnership entity. If the franchisee is a partnership entity, then each general partner is a Principal Owner, regardless of the percentage ownership interest. If the franchisee is one or more individuals, each individual is a Principal Owner of the franchisee. Each franchisee must have at least one Principal Owner.

B. **"Owner**" means any person who directly or indirectly owns and interest in the franchise, including the Principal Owner(s).

C. All capitalized terms not defined in this Section or the Recitals have the meaning given in the text of this Agreement.

GRANT OF LICENSE

2. The following provisions control with respect to the license granted hereunder:

A. Grant of License. We hereby grant you the right and license, and you undertake the obligation, subject to the terms and conditions of this Agreement ***(i)*** to operate a single SNAP FITNESS® Club, ***(ii)*** to sell at retail authorized products and services at and from the Club premises, ***(iii)*** to use the Marks in connection with operating and promoting the Club, and ***(iv)*** the right to solicit memberships in the Designated Area. You may not solicit memberships online, in person or through advertising or other direct marketing method outside your Designated Area, except with our prior written approval and in strict accordance with our then-current policies and restrictions (which may include membership assignment policies).

The license granted by this Agreement does not include ***(i)*** any right to sell services and products identified by the Marks at any location other than the Authorized Location, or through any other channels or methods of distribution, including the internet (or any other existing or future form of electronic commerce), catalog sales, telemarketing or other direct marketing ***(ii)*** any right to sell services and products identified by the Marks to any person or entity for resale or further distribution, or ***(iii)*** except for the designated area protection described in Section 2.C., any right to exclude, control or impose conditions on our development of future franchised, company or affiliate owned clubs at any time or at any location.

B. Authorized Location. You must operate the Club only at the location identified, or to be identified on the Summary Page (the "**Authorized Location**"). If the Authorized Location is not known at the time this Agreement is signed, you must acquire an acceptable site for the Club premises no later than 90 days from the Effective Date of this Agreement, at which time you authorize us to insert the Authorized Location on the Summary Page. You must identify a site for the Club that meets our site selection criteria and that is located within the Preliminary Designated Area identified in the Summary Page (see Section 5.A). You may not use the Club premises or Authorized Location for any purpose other than the operation of a SNAP FITNESS® Club during the term of this Agreement.

C. Designated Area. The Preliminary Designated Area identified on the Summary Page, if any, is the general location where you intend to secure a site for the Club. If a Preliminary Designated Area is specified on the Summary Page, we will not grant anyone else the right to develop or operate a Club in the Preliminary Designated Area for 90 days from the Effective Date of this Agreement. Once the Authorized Location has been identified, you hereby authorize us to define in Attachment B a "**Designated Area**" around the Authorized Location; provided that such Designated Area will be substantially the same as the Preliminary Designated Area in terms of size, shape or demographics. If the Authorized Location is not within the Preliminary Designated Area, the Designated Area will be defined by us based on our current criteria for size, demographics and topographical features. Once defined in Attachment B, your Designated Area will remain constant throughout the initial term of this Agreement. During the term of this Agreement, neither we nor our affiliates will develop or operate, or grant to anyone else the right to develop or operate a SNAP FITNESS® Club that is physically located in the Designated Area (other than at Special Sites, as described in Section 2.D). You acknowledge and agree that we and our affiliates have the right to develop and operate and grant others the right to develop and operate SNAP FITNESS® Clubs outside the Designated Area, regardless of their proximity to the Designated Area or any negative impact they may have on your Club. We also have the right to develop and operate and grant others the right to develop and operate fitness clubs and other businesses under a different trademark within and outside the Designated Area which may be similar to or competitive with SNAP FITNESS® Clubs. You do not have any right to sublicense or sub-franchise within or outside of the Designated Area and under this Agreement you do not have the right to operate more than one Club within the Designated Area without our prior written approval and must sign a separate Franchise Agreement for the second Club.

D. Reserved Rights. We reserve to ourselves all other rights to use the System and Marks anywhere and in any manner including, without limitation, the right to offer, sell or distribute items such as training videos, equipment, athletic gear, etc., associated with the System (now or in the future) or identified by the Marks, or any other trademarks, service marks or trade names, through any distribution channels or methods, without compensation to any franchisee. These distribution channels or methods may include, without limitation, retail stores, mail order, wholesale or the internet (or any other existing or future form of electronic commerce).

You acknowledge and agree that certain locations within and outside the Designated Area are by their nature unique and separate in character from sites generally developed as SNAP FITNESS® Clubs. As a result, you agree that the following locations ("**Special Sites**") are excluded from the Designated Area and we have the right to develop, license or franchise Clubs within such locations: (1) military bases; (2) public transportation facilities, including, without limitation, airports and other transportation terminals;

(3) sports facilities, including race tracks; (4) student unions or other similar buildings on college or university campuses; (5) hotels, resorts or similar short-term lodging; (6) apartment or condominium complex; and (7) corporate office buildings or office parks.

TRADEMARK STANDARDS AND REQUIREMENTS

3. You acknowledge and agree that the Marks are our property. You further acknowledge that your right to use the Marks is specifically conditioned upon the following:

A. Ownership of the Marks. The Marks are our valuable property, and we are the owner of all right, title and interest in and to the Marks and all past, present or future goodwill of the Club and of the business conducted at the Authorized Location that is associated with or attributable to the Marks. Your use of the Marks will inure to our benefit. You may not, during or after the term of this Agreement, engage in any conduct directly or indirectly that would infringe upon, harm or contest our rights in any of the Marks or the goodwill associated with the Marks, including any use of the Marks in a derogatory, negative, or other inappropriate manner in any media, including but not limited to print or electronic media.

B. Use of the Marks. You may not use, or permit the use of, any trademarks, trade names or service marks in connection with the Club except those listed in Attachment A or except as we otherwise direct in writing. You may use the Marks only in connection with such services and products as we specify and only in the form and manner we prescribe in writing. You must comply with all trademark, trade name and service mark notice marking requirements. You may use the Marks only in association with services and products approved by us and that meet our standards or requirements with respect to quality, safety and performance. Your use of the Marks on the internet is governed by Section 6.K below.

C. Club Identification. You must use the name "SNAP FITNESS" as the trade name of the Club and you may not use any other mark or words to identify the Club without our prior written consent. You may not use the words "SNAP" or "SNAP FITNESS" or any of the other Marks as part of the name of your corporation, partnership, limited liability company or other similar entity. You may use the Marks on various materials, such as business cards, stationery and checks, provided you ***(i)*** accurately depict the Marks on the materials, ***(ii)*** include a statement on the materials indicating that the business is independently owned and operated by you, ***(iii)*** do not use the Marks in connection with any other trademarks, trade names or service marks unless we specifically approve in writing prior to such use, and ***(iv)*** make available to us, upon our request, a copy of any materials depicting the Marks. You must post a prominent sign in the Club identifying you as a SNAP FITNESS® franchisee in a format we deem reasonably acceptable, including an acknowledgment that you independently own and operate the Club and that the SNAP FITNESS® Mark is owned by us and your use is under a license we have issued to you.

D. Litigation. In the event any person or entity improperly uses or infringes the Marks or challenges your use or our use or ownership of the Marks, we will control all litigation and we have the right to determine whether suit will be instituted, prosecuted or settled, the terms of settlement and whether any other action will be taken. You must promptly notify us of any such use or infringement of which you are aware or any challenge or claim arising out of your use of any Mark. You must take reasonable steps, without compensation, to assist us with any action we undertake. We will be responsible for our fees and expenses with any such action, unless the challenge or claim results from your misuse of the Marks in violation of this Agreement.

E. Changes. You may not make any changes or substitutions to the Marks unless we direct in writing. We reserve the right to change the Marks at any time. Upon receipt of our notice to change the Marks, you must cease using the former Marks and commence using the changed Marks, at your expense.

TERM AND RENEWAL

4. The following provisions control with respect to the term and renewal of this Agreement:

A. Term. The initial term of this Agreement will commence on the Effective Date and will expire at midnight on the day preceding the tenth anniversary of this Agreement unless this Agreement is sooner transferred in accordance with Section 11 or terminated in accordance with Section 13. Upon your written request, we may extend this initial term in writing for a limited period of time not to exceed six months to take into account the term of any applicable lease for the Authorized Location or to correspond with the end of a calendar month.

B. Renewal Term and Conditions of Renewal. You may renew your license for unlimited renewal terms (each renewal term is 10 years), provided that with respect to each renewal: ***(i)*** you have given us written notice of your decision to renew at least six months but not more than 12 months prior to the end of the expiring term; ***(ii)*** you sign, at our option either (a) our then-current form of franchise agreement, the terms and conditions of which may be materially different than the terms and conditions of our current franchise agreement and may reflect, among other things, different fees and advertising obligations and a modified Designated Area or (b) an instrument extending for the duration of the renewal term, all the covenants, conditions and provisions contained in this Agreement; ***(iii)*** you have complied with the provisions of Section 5.E regarding modernization and have agreed, in writing, to make such capital expenditures necessary to refurbish, replace and modernize your Club so that it will conform to our then-current standards for Clubs; ***(iv)*** you are not in default of this Agreement or any other agreement pertaining to the franchise, have satisfied all monetary and material obligations on a timely basis during the term and are in good standing; ***(v)*** if leasing the Club premises, you have renewed the lease and have provided written proof of your ability to remain in possession of the premises throughout the renewal period; ***(vi)*** you comply with our then-current training requirements; and ***(vii)*** you and your Principal Owners and guarantors execute a general release in a form we prescribe in favor of us and our affiliates and each company's respective present and former officers, directors, managers, and employees; provided, however, that such release will not be inconsistent with any state law regulating franchising. There is no renewal fee or initial franchise fee due in connection with any renewal term.

C. Interim Period. If you continue to accept the benefits of this Agreement after the expiration of the initial term but do not complete the requirements in Section 4.B, then at our sole option, this Agreement may be treated as ***(i)*** expired as of the date of the expiration and you will be operating without a franchise or license to do so and in violation of our rights to the Marks and System; or ***(ii)*** continued on a month-to-month basis (an "Interim Period") and all your obligations will remain in full force and effect during the Interim Period as if the Agreement had not expired. Each Interim Period expires at the end of each calendar month unless this Agreement is continued as provided in this Section. The Interim Period does not create any new franchise rights and upon expiration of the final Interim Period, you will be bound by all post-term obligations as provided in this Agreement.

CLUB STANDARDS AND MAINTENANCE

5. You acknowledge and agree that we have the right to establish, from time to time, quality standards regarding the business operations of SNAP FITNESS® clubs to protect the distinction, goodwill and uniformity symbolized by the Marks and the System. Accordingly, you agree to maintain and comply with our quality standards and agree to the following terms and conditions:

A. Site Selection. You must identify a site for the Club within the Preliminary Designated Area that meets our site selection criteria and that we have approved. You must provide us notice of the site you have selected and we have 15 days to accept or reject the site. If we do not reject the site within 15 days it will be deemed approved. **The parties acknowledge and agree that our site approval is not an assurance that the Club will achieve a certain sales volume or level of profitability; it means only that the proposed site meets our minimum site selection criteria. We assume no liability or responsibility for *(i)***

evaluation of the location's soil for hazardous substances; *(ii)* inspection of any structure for asbestos or other toxic or hazardous materials; *(iii)* compliance with the Americans with Disabilities Act ("ADA"); or (iv) compliance with any other applicable law. It is solely your responsibility to obtain satisfactory evidence and/or assurances that the Club premises (and any structures thereon) is free from environmental contamination and is in compliance with the requirements of the ADA and other applicable laws.

B. Lease. If you propose to occupy the Club premises pursuant to a lease or sublease ("**Lease**"), the Lease may not prevent you from performing your obligations under this Agreement, and must permit us to exercise our rights pursuant to this Agreement. We may condition our approval of a proposed site on the full execution of a Lease Amendment substantially in the form attached as Attachment E to this Agreement. You must deliver to us a fully executed copy of the Lease as amended by the Lease Addendum within 10 days after its execution. **The parties acknowledge and agree that our approval of a Lease does not mean that the economic terms of the Lease are favorable; it means only that the Lease contains the lease terms that we require.**

C. Construction; Future Alteration. You must construct and equip the Club in strict accordance with our current approved specifications and standards pertaining to equipment, signage, fixtures and design and layout of the building. You must purchase from us all items contained in our GO FAST™ kit, and pay us the then-current purchase price therefore in accordance with our then-current payment terms. You may not commence construction of the Club until you have received our written consent to your plans. Without limiting the generality of the foregoing, you must promptly after obtaining possession of the site for the Club ***(i)*** have prepared and submitted for our approval basic plans and specifications consistent with our general design and layout requirements as set forth from time to time in the manuals for a SNAP FITNESS® Club; ***(ii)*** purchase or lease and then use only the approved equipment, fixtures, furniture and signs; ***(iii)*** complete the equipment, fixtures, furniture and sign installation and decorating of the Club in full compliance with plans and specifications we approve and all applicable ordinances, building codes and permit requirements without any unauthorized alterations; ***(iv)*** obtain all necessary permits, licenses and architectural seals and comply with applicable legal requirements relating to the building, signs, equipment and premises, including, but not limited to, the Americans With Disabilities Act; and ***(vi)*** obtain and maintain all required zoning changes, building, utility, sign permits and licenses and any other required permits and licenses. It is your responsibility to comply with the foregoing conditions. Any change to the plans or any replacement, reconstruction, addition or modification in the premises, interior or exterior décor or image, equipment or signage of the Club made after our consent to the initial plans, whether at the request of you, us or a third party, may be made only with our prior written consent.

D. Opening. You must open the Club for business no later than 180 days from the Effective Date. You may not open your Club for business, however, until we have notified you in writing that you have satisfied your pre-opening obligations as identified in Sections 5.A and 5.B and we have approved your opening date. We are not responsible or liable for any of your pre-opening obligations, losses or expenses you might incur for your failure to comply with these obligations or your failure to open by a particular date. We also are entitled to injunctive relief or specific performance under Section 12.B for your failure to comply with your obligations. Further, if you fail to open the Club in the timeframe required by this Agreement, we may, in our sole and unilateral judgment, ***(i)*** exercise our termination rights in accordance with Section 13; or ***(ii)*** amend this Agreement to eliminate the Designated Area protection afforded by Sections 2.B and 2.C.

E. Maintenance. The building (exterior and interior), equipment, fixtures, signage and trade dress employed in the operation of your Club must be maintained and refreshed in accordance with our requirements established periodically and any of our reasonable schedules prepared based upon our periodic evaluations of the premises. Within a period of 30 days (as we determine depending on the work needed) after the receipt of any particular report prepared following such an evaluation, you must affect the items of maintenance we designate, including the repair of defective equipment and items such as carpet and/or the replacement of irreparable or obsolete items of equipment and signage. If, however, any condition presents a

threat to members or to public safety, you must affect the items of maintenance immediately, as further described in Section 6.E. If you fail to complete the required maintenance, we reserve the right (but no obligation) to do so on your behalf and you must reimburse us for our costs and expenses.

F. Modernization. From time to time as we require, you must modernize and/or replace items of the trade dress or equipment as may be necessary for your Club to conform to the standards for similarly situated new SNAP FITNESS clubs. For instance, we require that you modernize the club within five years of the Effective Date of this Agreement, which will include replacing cardio equipment and other updates and improvements. You may offer your old equipment to anyone, but we have the right of first refusal to buy the equipment on the same terms and conditions as any potential buyer. You must give us seven days' written notice of any potential sale of your old equipment and a reasonable opportunity to match any offer you have that you intend to accept. We are under no obligation to actually exercise our right of first refusal. A transfer of any interest in this Agreement or your business governed by Section 11 or renewal covered by Section 4 is expressly conditioned upon your (or the transferee, as applicable) modernizing the Club to meet to conform to the standards for new SNAP FITNESS Clubs. You acknowledge and agree that the requirements of this Section are both reasonable and necessary to ensure continued public acceptance and patronage of the Club and to avoid deterioration in connection with the operation of your Club. If you fail to make any improvement or perform the maintenance listed above, we may, in addition to our other rights under this Agreement, effect such improvement or maintenance on your behalf and you must reimburse us for the costs we incur.

G. Relocation. You may not relocate your Club without our prior written consent. If you need to relocate because of condemnation, destruction, or expiration or cancellation of your lease for reasons other than your breach, we will grant you authority to do so at a site acceptable to us that is within your Designated Area, is reasonably suited for a Club and does not infringe on the rights of any other Snap Fitness franchisee, provided that the new Club is open and operating within 60 days after you discontinue operation at the present Club, all in accordance with our then-current standards. If you voluntarily decide to relocate the Club, your right to relocate the Club will be void and your interest in this Agreement will be voluntarily abandoned, unless you have given us notice of your intent to relocate not less than 60 days prior to closing the Club, have procured a site within your Designated Area that we accept 15 days prior to such closure, have opened the new Club for business within 24 hours of such closure and complied with any other conditions that we reasonably require. You must pay the costs of any relocation, and we reserve the right to charge you for any reasonable costs that we incur. Upon relocation of your Club for any reason, we may modify your Designated Area, in our sole judgment, to take into account the designated areas of neighboring clubs and other factors.

In the event your Club is destroyed or damaged and you repair the Club at the Authorized Location (rather than relocate the Club), you must repair and reopen the Club at the Authorized Location in accordance with our then-current standards for the destroyed or damaged area within 20 days of the date of occurrence of the destruction or damage, or such longer time as we reasonably determine, in our sole judgment, is required given the nature and extent of the damage.

We have the right to refuse to consent to a relocation in the event you lose the right to occupy the Club premises because of the termination of your lease due to your breach. Further, the cancellation of your lease due to your breach is grounds for immediate termination under Section 13.B.2.

PRODUCTS AND OPERATIONS STANDARDS AND REQUIREMENTS

6. You must implement and abide by our requirements and recommendations directed to enhancing substantial System uniformity. The following provisions control with respect to products and operations:

A. Authorized Equipment. You must use in the operation of the Club only the proprietary or non-proprietary equipment that we specify in the Manuals or other written directives. You must purchase or lease all equipment we designate (including the security and door access system, digital media and

Technology System described below) from our approved suppliers. We will supply to you a copy of the current equipment list prior to opening of the Club. You acknowledge and agree that we may change the list periodically and that you are obligated to conform to the requirements. Prior to opening your Club to the public, you may seek our approval to add additional equipment at your location. We may approve or disapprove your request to add additional equipment in our sole judgment. You will not be allowed to open or operate the Club with any unapproved equipment.

B. Memberships. You must sell memberships ("**Memberships**") only on such terms and conditions as we specify periodically. All Memberships must be evidenced by a written or, if approved or required by us, electronic agreement ("**Membership Agreement**") and all member and billing information must be promptly and accurately entered into the approved system according to our then-current policies. You must use Membership Agreements that are based on our then-current standard form of Membership Agreement, with the exception, however, that there may be state and local laws that may require you to alter the membership agreement in the jurisdictions under which your club operates – you must abide by those laws. Any changes to the form document must be approved in writing by us. The Membership Agreement must include: ***(i)*** a reciprocity provision that permit members from your Club to use other SNAP FITNESS® Clubs and permits another SNAP FITNESS® Club Member to also use your club, ***(ii)*** a waiver and release of us and our affiliates and ***(iii)*** a statement identifying the Club as an independently-owned franchised location. You must permit members of other SNAP FITNESS® clubs to use your club under such terms and conditions as we may state in writing from time to time. All Membership Agreements and all billings of any type must be processed through us and our approved processing system (which is currently the Technology System described in Section 6.D).

You may only solicit memberships to persons residing or employed in your Designated Area. We or other franchisees may solicit memberships within your Designated Area (for example, if designated areas overlap). Unless approved in writing by us, all membership sales must be made face-to-face, although you may solicit membership sales by mail, telemarketing (so long as you abide by the no-call lists) or other non-face-to-face basis *within* your Designated Area. You may solicit, advertise and accept memberships online or outside your Designated Area only with our prior approval or in accordance with our then-current policies. We have the right to prohibit or cancel memberships you sell that will expire beyond the expiration date of your Term or any exercised renewal term. You are responsible for all refunds or liabilities to your members due to the cancelation of memberships as provided in this paragraph. You must execute the Membership Contract Assignment Agreement in the form attached at Attachment G.

C. Approved Supplies and Suppliers. We will furnish to you from time to time lists of approved supplies or approved suppliers. You must only use approved equipment, products, fixtures, signs, advertising materials, trademarked items and other items (collectively, "approved supplies") in the Club as listed in the approved supplies and approved suppliers lists, as we may amend from time to time. Although we do not do so for every item, we have the right to approve the manufacturer of approved supplies. You acknowledge and agree that certain approved supplies may only be available from one source, and we or our affiliates may be that source. You will pay the then-current price in effect for approved supplies you purchase from us or our affiliates. All inventories, products, operating forms, materials and other items and supplies used in the operation of the Club must be purchased from approved suppliers and any items not included on the approved supplies or approved suppliers list must conform to the specifications and standards we establish from time to time. ALTHOUGH APPROVED BY US, WE AND OUR AFFILIATES MAKE NO WARRANTY AND EXPRESSLY DISCLAIM ALL WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE, WITH RESPECT TO PRODUCTS, EQUIPMENT (INCLUDING WITHOUT LIMITATION AND ANY REQUIRED TECHNOLOGY SYSTEMS), SUPPLIES, FIXTURES, FURNISHINGS OR OTHER APPROVED ITEMS.

D. Technology System. You must purchase and use any technology system that we develop or select for the Club or System, including all future updates, supplements and modifications (the "**Technology System**"). The Technology System may include all hardware and software used in the

operation of the Club, including ***(i)*** all computer hardware and related accessories and peripheral equipment for video surveillance, door access, digital media and telephone systems and ***(ii)*** the billing, electronic point-of-sale cash registers, club management and back office programs used to record, analyze and report sales and Club operations. Requirements for use may include, among other things, connection to remote servers, off-site electronic repositories, and high speed Internet connections, and establishment of one or more e-mail accounts.

You must: ***(i)*** use any proprietary software programs, system documentation manuals, and other proprietary materials that we provide to you in connection with your operation of the Club; ***(ii)*** input and maintain in your computer such data and information as we prescribe in the Manual and other written directives; ***(iii)*** purchase new or upgraded software programs, system documentation manuals, and other proprietary materials at then-current prices whenever we adopt such new or upgraded programs, manuals, and materials system-wide. You must enter into all software license agreements, "terms of use" agreements, and software maintenance agreements, in the form and manner we prescribe, and pay all fees imposed by us or any third party software and software service providers there under.

You acknowledge that we may independently access from a remote location, at any time, all information input to and compiled by your Technology System (including video surveillance equipment) or an off-site server, including Member information.

You acknowledge that technology is ever changing and that, as technology or software is developed in the future, we may, in our sole discretion, require you to: ***(i)*** add to your Technology System memory, ports, and other accessories or peripheral equipment or additional, new, or substitute software; and ***(ii)*** replace or upgrade your Technology System and software as we prescribe.

We reserve the right to designate a single source from whom you must purchase the Technology System, including video surveillance equipment.

E. Evaluations. We or our authorized representative have the right to enter your Club at all reasonable times when the Club is open to the public for the purpose of making periodic evaluations and to ascertain if the provisions of this Agreement are being observed by you, to inspect and evaluate your premises, equipment and member satisfaction. Our inspections and evaluations may include a "mystery shopper" program. If we determine that any condition in the Club presents a threat to members or public health or safety, we may take whatever measures we deem necessary, including requiring you to immediately close the Club until the situation is remedied to our satisfaction.

F. Period of Operation. Subject to any contrary requirements of state or local law, your Club must be opened to the public and operated 24 hours each day of the year. Any variance from this provision must be authorized by us in writing. You acknowledge and agree that if your Club is closed for a period of two consecutive days or five or more days in any 12-month period without our prior written consent, such closure constitutes your voluntary abandonment of the franchise and business and we have the right, in addition to other remedies provided for herein, to terminate this Agreement.

G. Operating Procedures. You must adopt and use as your continuing operational routine the required standards, procedures, methods of operation and management and security systems described in our operations manual or other written directives, including, but not limited to, system newsletters or bulletins that may be sent to all franchisees from time to time (collectively, "**Manual**"). We will revise the Manual and these standards and systems periodically to meet changing conditions of operation and we will send out system newsletters and bulletins from time to time.

The Manual is currently available through electronic access on the franchisee portal we maintain. The Manual at all times is our sole property. You must at all times treat the Manual, and the information it contains, as secret and confidential, and must use all reasonable efforts to maintain such information as secret and confidential. You will be required to sign a confidentiality agreement at the time of access. We may from time to time revise the contents of the Manual and you expressly agree to comply with each new

or changed requirement. You acknowledge and agree that the Manual and other system communications may only be available on the Internet or other online or computer communications.

H. Confidential Information. You may not, during the term of this Agreement or thereafter, communicate, divulge or use for the benefit of any other person or entity any Confidential Information, except to such employees as must have access to it in order to operate the Club. For purposes of this Agreement, "**Confidential Information**" means and includes, without limitation, all member information and information concerning prospective and former members (collectively, "**Member Information**"), and all proprietary information contained in the Manual or otherwise communicated to you in writing, verbally or through the internet or other online or computer communications, and any other knowledge or know-how concerning the methods of operation of the Club. You hereby acknowledge and agree that all Confidential Information, including Member Information, belongs exclusively to us. You and each Principal Owner agree to maintain the confidentiality of all Confidential Information, including Member Information, not to duplicate any materials containing Confidential Information, including Member Information, and not to divulge any Confidential Information, except to other franchisees and to your employees and professional advisors on a need to know basis. You may use the Confidential Information, including Member Information, only for the purpose of operating the Club. This provision will survive expiration of this Agreement.

You must cause your general manager and any employee with access to Confidential Information, including Member Information, to sign a nondisclosure and confidentiality agreement in a form satisfactory to us. You must provide a copy of each such agreement to us to us upon our request.

I. Compliance with Standards and Specifications; Participation in Joint Advertising Campaigns and Endorsements. You further agree to comply with all System specifications, standards and operating procedures (whether contained in the Manual or any other written communication) relating to the appearance, function, cleanliness, operation and promotion of a SNAP FITNESS® Club including, without limitation ***(i)*** sales and marketing procedures and customer service; ***(ii)*** advertising and promotional programs; ***(iii)*** layout, décor and color scheme of the Club; ***(iv)*** appearance and dress of employees; ***(v)*** safety, maintenance, appearance, cleanliness, sanitation, standards of service, and operation of the Club; ***(vi)*** submission of requests for approval of brands of products, supplies and suppliers; ***(vii)*** use and illumination of signs, posters, displays, standard formats and similar items; ***(viii)*** use of audio equipment and type and decibel levels of music; ***(ix)*** use of video equipment and type and decibel level of television broadcasts (including closed captioning requirements); ***(x)*** types of fixtures, furnishings, and equipment; and ***(xi)*** the make, type, location and decibel level of any game, entertainment or vending machine (and restrictions against the use of gaming, entertainment or vending machines)**.**

From time to time, we and our affiliates also may participate in and require your participation in joint advertising campaigns and endorsement of third party products or services (which participation may include, among other things, broadcasting audio-visual advertising on in-Club televisions or computer monitors and/or placing promotional items at prescribed locations throughout the Club). You agree to participate in all such campaigns and endorsements according to our directives, provided that we will provide you all promotional items necessary for participation free of charge. You further acknowledge and agree that we or our affiliates may receive revenue, and may retain all revenue received, on account of your participation and other franchisee's participation in such campaigns and endorsements.

J. Compliance with Law; Licenses and Permits. You have an obligation, both prior to and after purchasing the franchise, to review the laws of the area in which you will be operating to determine what statutes, regulations, ordinances, or other laws may have an impact on your ability to operate the franchise. We are not responsible for reviewing the laws, and we make no representation or warranty (express or implied) that the System we have developed complies with the laws of your particular area. You represent and agree that you have conducted a review of the potentially-applicable laws and that you have provided to us, in writing, a statement of all legal issues that you feel may have a significant impact

on your ability to follow the system or to operate your business. You must at all times maintain your premises and conduct your Club operations in compliance with all applicable laws, regulations, codes and ordinances including, without limitation, ***(i)*** all governmental regulations relating to sales, advertising and membership cancellation rights of health club memberships, and all bonding requirements, ***(ii)*** all governmental regulations relating to tanning (where applicable), and ***(iii)*** all applicable laws pertaining to the privacy of consumer, employee and transactional information ("Privacy Laws"). If there is a conflict between our standards and policies and actual applicable law, you must comply with the requirements of applicable law, immediately give us notice of said conflict and promptly and fully cooperate with us and our counsel in determining the most effective way, if any, to meet our standards and policies within the bounds of applicable law. You must secure and maintain in force all required licenses, permits and certificates relating to your Club. You acknowledge that you are an independent business and responsible for control and management of your Club, including, but not limited to, the hiring and discharging of your employees and setting and paying wages and benefits of your employees. You acknowledge that we have no power, responsibility or liability in respect to the hiring, discharging, setting and paying of wages or related matters. You must not publish, disseminate, implement, revise or rescind a data privacy policy without our prior written consent. You must immediately notify us in writing of any claim, litigation, proceeding or complaint (whether from individuals or governmental agencies) that arises from or affects the operation or financial condition of your SNAP FITNESS® business or Club.

K. Participation in Internet Web Sites or Other Online Communications. You must, at your expense, participate in our SNAP FITNESS® web site, any intranet or extranet system we may develop or other online communications as we may require (the current website fee for the website and intranet use is listed on the Summary Page of this Agreement). We have the right to determine the content and use of our web site and any intranet or extranet system we may develop and will establish the rules under which franchisees may or must participate. You may not use the Marks or any part or derivative thereof on the internet, except as we expressly permit in writing. Without limiting the generality of the foregoing, you may not use the Marks or any part or derivative of the Marks as part of any URL or domain name, and may not register as part of any user name on any gaming website or social networking website (such as FACEBOOK, MYSPACE, or TWITTER) or as part of any unauthorized email address. You also may not display on any website (including commercial websites, gaming websites, and social networking websites) any of our copyrighted or proprietary works, which include the design portion of our Marks, or any collateral merchandise identified by the Marks. We retain all rights relating to our web site and any intranet or extranet system we may develop and may alter or terminate our web site, intranet or extranet system. Your general conduct on our web site, intranet and extranet system or other online communications and specifically your use of the Marks or any advertising is subject to the provisions of this Agreement. You acknowledge that certain information related to your participation in our web site, intranet or extranet system may be considered Confidential Information, including access codes and identification codes. Your right to participate in our web site, intranet and extranet system, or otherwise use the Marks or System on the internet or other online communications, will terminate when this Agreement expires or terminates.

L. System Modifications. You acknowledge and agree that we have the right to modify, add to or rescind any requirement, standard or specification that we prescribe under this Agreement to adapt the System to changing conditions, competitive circumstances, business strategies, business practices and other changes as we deem appropriate. This right includes, but is not limited to, the right to introduce new products and services. You must comply with these modifications, additions or rescissions at your expense, subject to the express limitations listed in this Agreement.

You must operate your Club in strict compliance with all applicable laws and with the standard procedures, policies, rules and regulations established by us and incorporated herein or in the Manual or in SNAP FITNESS® system bulletins or other publications that are distributed to franchisees from time to time. Such standard procedures, policies, rules and regulations established by us may be revised from time to time

as circumstances warrant, and you must comply with all such procedures as they exists from time to time as though they were specifically listed in this Agreement and when incorporated in a system bulletin or other written notice to franchisees, the same is incorporated herein by reference. These standard procedures, policies, rules, and regulations may include operational matters, advertising or marketing matters, employee matters, membership issues, relationships between you and other franchisees, accounting issues, and any other issues that we believe, in our business judgment, are required to generally benefit the SNAP FITNESS® System and its franchisees.

M. Suggested Pricing Policies. We reserve the right to establish prices for the products and services you sell, both minimum and maximum, subject to applicable law. Unless stated otherwise in writing, any list or schedule of prices we furnish you is a recommendation only and any decision you make to accept or reject the suggestion will not affect the relationship between us.

N. National Accounts. From time to time we will negotiate contracts with corporations, affinity groups and insurance plans that will require that certain terms and/or discounts be offered to members of that corporation, affinity group or insurance plan by all franchisees at all locations ("**National Accounts**"). You are required to provide the special terms and/or discounts to these National Accounts.

O. Member Administration and Mediation. We or an affiliate may from time to time engage in administrative tasks related to member administration such as administering the membership transfer and reciprocity programs. You agree that we may take those actions in accordance with our then-current policies, which may include transferring members to and from your club and providing on-line member enrollment. You agree that we may make such corrections as necessary, including that if a member is mistakenly transferred to the wrong club, we may issue credits and charges for the membership dues to the affected clubs. Any actions we take for member administration are for the benefit of the brand and uniformity in the System and not to exercise control over your business.

PERSONNEL AND SUPERVISION STANDARDS

7. The following provisions and conditions control with respect to personnel, training and supervision:

A. Supervision. You must insure that the Club is operated in accordance with the terms and conditions of this Agreement. If you employ a general manager, he or she must attend and successfully complete all required training, as listed in Sections 7.B and C.

B. Training. You must, at your expense, comply with all of the training requirements we prescribe for the Club to be developed under this Agreement. If you employ a general manager, he or she also must comply with all training requirements. Specifically, prior to opening, you must attend our initial training program and complete the training to our satisfaction. In the event you are given notice of default as described in Sections 13.A and B and the default relates, in whole or in part, to your failure to meet any operational standards, we have the right to require as a condition of curing the default that you, at your expense, comply with the additional training requirements we prescribe. Any new general manager must comply with our training requirements within a reasonable time as we specify. Under no circumstances may you permit management of the Club's operations on a regular basis by a person who has not successfully completed to our reasonable satisfaction all applicable training we require.

C. Ongoing Training. We may require you and other key employees of the Club to attend, at your expense, ongoing training at our training club, the Authorized Location or other location we designate. Beyond our initial training program, you must pay our then-current training fee for all training we conduct for you.

D. Staffing. No employee of yours will be deemed to be an employee of ours for any purpose whatsoever.

E. Attendance at Meetings. Unless we approve otherwise, you and your manager must attend all quarterly sales and operations meetings and annual franchise conventions we may hold or sponsor. If you are

not able to attend a meeting or convention, you must notify us prior to the meeting and we may mandate that you substitute a person acceptable to us to attend on your behalf.

ADVERTISING

8. You agree to actively promote your Club, to abide by all of our advertising requirements and to comply with the following provisions:

A. National Marketing Fee. You must pay us each month a National Marketing Fee in the amount set forth in the Summary Pages in consideration for the advertising and marketing services that we provide in our discretion.

B. Local Expenditures Approved Materials. You must use your best efforts to aggressively promote and advertise the Club in your local area, and participate in any local marketing and promotional programs that we establish from time to time (including but not limited to any in-club marketing or promotions we may choose to run). You must conduct an initial promotional campaign, using items contained in the GO FAST™ kit, in accordance with our standards and specifications. In addition to any National Marketing Fee payable to us, we recommend you spend money every month on approved local advertising and we require that over during each 12 month calendar year time period, you spend $4800 (an average of $400 per month and prorated for any partial year the Club is open). Upon our request, you must provide us with itemization and proof that you are conducting advertising and marketing and also provide an accounting of the monies that you have spent for approved local marketing. You must use only such marketing materials as we furnish, approve or make available, and the materials must be used only in a manner that we prescribe. Furthermore, any promotional activities you conduct in the Club or on its premises are subject to our approval. We will not unreasonably withhold approval of any sales promotion materials and activities; provided that they are current, in good condition, in good taste, dignified, and accurately depict the Marks (any use of the Marks, or a new variation you propose to the Marks, without our prior written approval is prohibited).

C. Local Marketing Fund and Advertising Co-ops.

1. In the future, we may also, at our option, designate any geographic area in which at least two SNAP FITNESS® franchises are located as a "designated advertising area" for the purposes of establishing a Local Marketing Fund that we control ("**Local Marketing Fund**") or local or regional advertising cooperative controlled by majority vote of its members ("**Cooperative**"). In the future, we may, at our option, require you to make a contribution to a Local Marketing Fund and/or an Advertising Cooperative, as provided in this paragraph. Any amount contributed to a Local Marketing Fund or Advertising Co-op will be in addition to, and not in lieu of, the Local Marketing Fee described above. We have the right to determine the amount of contribution, in our sole judgment, provided that aggregate monthly contributions will not exceed 3% of Gross Revenues or $200 per month (which ever amount is greater). If, however, a Cooperative chooses to contribute a greater amount and the amount is approved by a two-thirds majority of the clubs in the Cooperative, you must contribute such amount. Any contribution you make to a Local Marketing Fund or Cooperative will count towards the minimum local advertising expenditures outlined in Section 8.B. For purposes hereof, "**Gross Revenues**" means the aggregate of all revenues derived from membership fees and from the sale of products and services, whether made for cash, on credit or otherwise, without reserve or deduction for inability or failure to collect, that you in the normal and customary course of your operations would credit or attribute to the operation of a SNAP FITNESS® Club. Gross Revenues do not include revenues received from: ***(i)*** returns to shippers, vendors, or manufacturers; ***(ii)*** sales of fixtures, furniture or equipment after being used in the conduct of the Club; ***(iii)*** insurance proceeds; and ***(iv)*** the amount of any city, county, state or federal sales, luxury or excise tax on such sales that is both ***(A)*** added to the selling price or absorbed therein and ***(B)*** paid to the taxing authority by you.

2. If established, you must participate in any Local Marketing Fund and/or Cooperative formed to serve the geographic area in which the Club is located, and must promptly execute all participation

documents that we require. For Cooperatives only, each Club in the Cooperative will have one vote. Each Cooperative will be required to adopt governing bylaws that meet our approval. We will provide each Cooperative with a sample form of bylaws, containing certain terms and conditions that we require, although the bylaws cannot modify the voting structure set forth in this paragraph. We reserve the right to administer the Cooperatives' funds and require payment from its members via electronic funds transfer. The members of each Cooperative and their elected officers will be responsible for the administration of the Cooperative. We have the right to require Cooperatives to be formed, changed, dissolved or merged.

D. Sponsorships and Partnerships. You may not enter into any sponsorship agreements or arrangements or any marketing partnerships without our prior written consent.

FEES, REPORTING AND AUDIT RIGHTS

9. You must pay the fees described below and comply with the following provisions:

A. Initial Franchise Fee. Upon execution of this Agreement you must pay us an initial franchise fee in the amount set forth on the Summary Page. The initial franchise fee is deemed fully earned upon payment in consideration for our expenses incurred and services rendered in granting you the franchise and is non-refundable.

B. Membership Fees. You must pay a one time fee of $5.00 for each membership agreement to your Club and a monthly Billing Maintenance Fee of $.50 per each membership enrolled at your Club. You will also purchase the door access cards at the then-current price (currently, $5.00 per card).

C. Continuing Fee. In addition to the Initial Franchise Fee, in consideration of the rights granted to you, you must pay to us a Continuing Fee in the amount set forth in the Summary Pages. You must pay the Continuing Fee beginning the month that your Club opens and each following month through the term of this Agreement. You will pay the full Continuing Fee for any partial month.

D. Member Services. Currently, you must pay a $1 fee for each new member for online member services. Periodically, as technology and member demands evolve, we may change or provide additional member services. You agree to participate in our future member service initiatives and to pay the applicable fees at the then-current rates.

E. CPI Adjustment. All fees under this Agreement, including the Continuing Fee, Marketing Fee, Web Site Fee, Membership Fees and Local Marketing Fund or Cooperative Contribution (unless calculated as a percentage of sales), are subject to adjustment based on any increase in the Consumer Price Index (meaning the annual average of the Consumer Price Index for All Urban Consumers, Service Group Only, 1982-1984=100, published by the Bureau of Labor Statistics of the United States Department of Labor). If the Bureau of Labor Statistics ceases publishing the Consumer Price Index, then the successor or most nearly comparable index as we select will be used. Fees will be changed no more than once per year. The increase will be based on the increase in the Index from January 1 of any year to the previous CPI adjustment.

F. Computations and Remittances. The Continuing Fee, Marketing Fee, Website Fee, Local Marketing Fund or Cooperative contribution are due and owing on the first of the month. The Membership Fees and Member Services Fees are due and owing at the end of each month's operation. You must make all payments to us by the 5th of the month the fees are due (or such other day as we designate). You may not withhold payment of any amounts owed to use and hereby waive any and all existing and future claims and offsets against any amounts due under this Agreement. Notwithstanding any designation by you, we will be entitled to apply your payments against any amounts due to us. We also may set off any amounts that may be held by us or our affiliates on your behalf or owed to you by us or through our affiliates against amounts you owe to us or our affiliates.

G. Method of Payment. You must make payments to us and our affiliates by electronic funds transfer or such alternative methods as we may designate. You must execute and deliver to us, our bank and your bank, as necessary, all forms and documents that we request to permit us to use any payment method we designate,

including the electronic transfer of funds authorization attached as Attachment D. You must comply with all procedures we specify from time to time, and take such reasonable action as we request to assist in any of the payment methods. Specifically, you agree that upon notice by us, all payments to us and our affiliates may be deducted from the monies your billing and payment processor collects on your behalf and you hereby authorize the billing and payment processor to deduct such amounts and to pay those amounts to us on the due date of such amount. You must maintain a balance in your account sufficient to allow us and our affiliates to collect the amounts owed to us when due and must notify us at least 20 days before closing or changing the account against which such debits are to be made. You are responsible for any penalties, fines or other similar expenses associated with the transfer of funds described in this Section.

H. Interest Charges. Any and all amounts that you owe to us or to our affiliates will bear interest at the rate of 18% per annum or the maximum contract rate of interest permitted by governing law, whichever is less, from and after the date of accrual.

I. Financial Planning and Management. You are responsible for keeping your own general accounting books. We may periodically request financial information, including but not limited to, a monthly profit plan, monthly balance sheet and monthly statement of profit and loss, membership and purchase records, invoices, inventories, payroll records, cash disbursement journals and general ledger, all of which accurately reflect the operations and condition of your Club operations. You must allow us electronic and manual access to any and all records relating to your Club.

J. Reports and Audit. In the event of an audit, you must verify the accuracy of the membership numbers on the 5th day of each month for the preceding month. Within 10 days after the request, you must submit to us a report with respect to our request in the form and content as we periodically prescribe. The report must include, but not be limited to, the following information for the preceding month: (i) number of membership sales; and (ii) if we request, monthly sales summary and monthly balance sheet and statement of profit and loss, including a summary of your costs for utilities, labor, rent and other material cost items. We may also request, at your expense, that you submit to us within 90 days after the end of each fiscal year a detailed balance sheet, profit and loss statement and statement of cash flows for such fiscal year, including all adjustments necessary for fair presentation of the financial statements. You must certify all reports to be true and correct. You acknowledge and agree that we have the right to impose these requirements on you regardless of whether we impose the same requirements on our other franchisees. If any audit determines that you have understated your income or your membership level by more than 2%, you must pay us all costs of the audit plus interest on the amount due to us at 18% per annum or the highest rate allowed by law, whichever is less.

We or our authorized representative have the right at all times during the business day to enter the premises where your books and records relative to the Club are kept and to evaluate, copy and audit such books and records. In addition, upon our request, you must provide us the current information regarding the name and telephone number of the landlord, lender or vendors and suppliers for the Club. You agree that we have the right to communicate with the landlord, lender and other vendors related to your operation of the Club regarding the Club or any default by you under an agreement with the landlord, lender or vender. You hereby authorize the landlord, lender and any vendor associated with your club to communication with us and provide us information regarding the Club.

We will keep your financial books, records and reports confidential, unless the information is requested by tax authorities or used as part of a legal proceeding or in a manner as described in Section 11.C.8 or where your information is grouped with similar information from other clubs to produce shared results like high-low ranges or average gross sales or expenses on a system-wide or regional basis.

K. Attorneys' Fees and Costs. Should your non-compliance with the Franchise Agreement cause us to incur attorneys' fees and/or costs, you will be required to reimburse us for the attorneys' fees and costs incurred.

L. Taxes. If any taxes, fees, or assessments are imposed on Royalties by reason of us acting as franchisor or licensing the Marks or the System under this Agreement, you will reimburse us the amount of those taxes, fees, or assessments within 15 days after receipt of our written notice to you.

YOUR OTHER OBLIGATIONS; NON-COMPETE COVENANTS

10. You agree to comply with the following terms and conditions:

A. Payment of Debts. You agree to pay promptly when due: ***(i)*** all payments, obligations, assessments and taxes due and payable to us and our affiliates, suppliers, lessors, federal, state or local governments, or creditors in connection with your business; ***(ii)*** amounts related to all liens and encumbrances of every kind and character created or placed upon or against any of the property used in connection with the Club or business; and ***(iii)*** all accounts and other indebtedness of every kind incurred by you in the conduct of the Club or business. In the event you default in making any such payment, we are authorized, but not required, to pay the same on your behalf and you agree promptly to reimburse us on demand for any such payment.

B. Indemnification. You waive all claims against us for damages to property or injuries to persons arising out of the operation of your Club. You must fully protect, indemnify and hold us and our owners, directors, officers, successors and assigns and our affiliates harmless from and against any and all claims, demands, damages and liabilities of any nature whatsoever arising in any manner, directly or indirectly, out of or in connection with or incidental to the operation of your Club (regardless of cause or any concurrent or contributing fault or negligence of us or our affiliates) or any breach by you or your failure to comply with the terms and conditions of this Agreement. We also reserve the right to select our own legal counsel to represent our interests, and you must reimburse us for our costs and attorneys' fees immediately upon our request as they are incurred.

C. Insurance. You must maintain in full force and effect throughout the term of this Agreement that insurance which you determine is necessary or appropriate for liabilities caused by or occurring in connection with the development or operation of the Club. Such insurance must include, at a minimum: ***(i)*** special/causes of loss coverage forms (previously called "All Risk coverage") on the Club and all fixtures, equipment and other property used in the operation of the Club, for full repair and replacement value of the equipment and improvements; ***(ii)*** business interruption insurance covering a minimum 12 months loss of income, including coverage for our Continuing Fees with us named as a loss payee with respect to those fees; ***(iii)*** comprehensive general liability insurance with minimum limits of $1,000,000 per occurrence and $2,000,000 aggregate (including product liability and personal and advertising injury); ***(iv)*** "Per Location" aggregate limits when multiple club locations are insured under one comprehensive general liability policy; ***(v)*** automobile liability insurance, including owned, hired and non-owned vehicle coverage with a minimum combined single limit of $1,000,000 per claim; ***(vi)*** workers' compensation and employer's liability insurance covering all of your employees; ***(vii)*** professional liability insurance, including abuse and molestation with a minimum limit of $1,000,000 per occurrence; ***(viii)*** Commercial Umbrella Liability $5,000,000 per occurrence and $5,000,000 aggregate, ***(ix)*** Snap Fitness, Inc. and any entity with an insurable interest that we designate (the "**Additional Named Insureds**") must be an additional insured on all liability policies required by this subparagraph to the extent each has an insurable interest; ***(x)*** each policy of insurance maintained pursuant to this Agreement must contain a waiver of subrogation in favor of the Additional Name Insureds; and ***(xi)*** any other such insurance coverage's or amounts as required by law or other agreement related to the Club.

All insurance policies must be written by an insurance company or companies satisfactory to us (generally, companies with an AM Best rating of A- or better). You must participate in the current and any future insurance plan we establish for the benefit of the System and pay all required premiums due there under, unless we agree otherwise in writing.

The required insurance coverage must commence as of the date the building lease or building purchase agreement has been signed for your Authorized Location. You must deliver to us at commencement and thereafter annually or at our request a proper certificate evidencing the existence of such insurance coverage and your compliance with the provisions of this subparagraph. The insurance certificate must show all required Additional Named Insureds (as noted in (ix) and (x) above) and provide that we will be given 30 days' prior written notice of material change in or termination or cancellation of the policy. We also may request copies of all policies. We may modify the required minimum limits from time to time and by written notice to you, as conditions require, to reflect changes in relevant circumstances, industry standards, experiences in the SNAP FITNESS system, standards of liability and higher damage awards. If you do not procure and maintain the insurance coverage required by this Agreement, we have the right, but not the obligation, to procure insurance coverage and to charge same to you, together with a reasonable fee for the expenses we incur in doing so, payable by you immediately upon notice.

You acknowledge that the foregoing minimum insurance requirements do not constitute advice or a representation that such coverages are necessary or adequate to protect you from losses in connection with the Club. Nothing in this Agreement prevents or restricts you from acquiring and maintaining insurance with higher policy limits or lower deductibles than we require.

D. Non-compete Covenants. You agree that you will receive training and Confidential Information that you otherwise would not receive or have access to but for the rights licensed to you under this Agreement. You therefore agree to the following non-competition covenants:

1. Persons Bound. Unless otherwise specified, the term "Covered Person" as used in this Section 10.D includes, collectively and individually, the Principal Owner (including spouse) and all guarantors, officers, directors, members, managers, partners, as the case may be, and holders of any ownership interest in you. We may require you to obtain from your individuals identified in the preceding sentence a signed non-compete agreement in a form satisfactory to us that contains the non-compete provisions of this Section 10.D.

2. During Term. During the term of this Agreement, Covered Persons must not directly or indirectly, for themselves or through, on behalf of or in conjunction with any individual or business entity: ***(i)*** divert any Club member, potential Club member or former Club member to any fitness club except another SNAP FITNESS® Club; or ***(ii)*** own, operate, lease, franchise, engage in, be connected with, have any interest in, or assist any person or entity engaged in any other fitness club in the United States, except another SNAP FITNESS® Club pursuant to a valid franchise agreement with us.

3. After Termination. For a period of two years after the transfer, expiration or termination of this Agreement (and with respect to any Principal Owner, for a period of two years after such person ceases to be a Principal Owner, regardless of the reason), Covered Persons must not directly or indirectly, for themselves or through, on behalf of or in conjunction with any individual or business entity: ***(i)*** divert any Club member, potential Club member or former Club member to any fitness club except another SNAP FITNESS® Club; or ***(ii)*** own, operate, lease, franchise, engage in, be connected with, have any interest in, or assist any person or entity engaged in any other fitness club that is located at or within a 10-mile radius of the Authorized Location, that is located within a 10-mile radius of any other SNAP FITNESS® Club in operation or under construction, or that is located in the Designated Area of any other SNAP FITNESS® franchisee. The two year period described in this paragraph will be tolled during any period of noncompliance.

4. Reasonableness. You agree that the scope of the prohibitions stated in this Section 10.D is reasonable and necessary to protect us and the System (including other franchisees of the System). You agree that the prohibitions in this Section 10.D must be very broad in order to prevent you from taking information, materials and training we are providing to you on an ongoing basis and using them to either compete with us, or preempt or otherwise restrict our ability to enter new markets. You agree that the

time period and the scope of the prohibitions stated in this Section 10.D are the reasonable and necessary time and distance needed to protect us if this Agreement expires or is terminated for any reason. You also agree that you have many other opportunities available to earn a living, and that these restrictions will not preclude you from engaging in a lawful trade or business for which you otherwise are qualified.

5. Exception. The purchase of a publicly traded security of a corporation engaged in a competitive business or service will not in itself be deemed violative of this Section 10.D so long as you do not own, directly or indirectly, more than 5% of the securities of such corporation.

6. Reformation and Reduction of Scope of Covenants. If all or a portion of any covenant contained in this Section 10.D. is held to be unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which we are a party, you and each Covered Person will be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 10.D. Notwithstanding the foregoing, we have the unilateral right, in our sole discretion, to reduce the scope of any covenant set forth in Section 10.D, or any portion thereof, which reduction will be effective immediately upon delivery of notice of the reduction.

7. Injunctive Relief. You and each Covered Person agree that the violation of any covenant contained in this Section 10.D. would result in immediate and irreparable injury to us for which there is no adequate remedy at law. You and each Covered Person therefore agree that in case of an alleged breach or violation of this Section, we may seek injunctive relief, in addition to all other remedies that may be available to us at equity or law. We will not be required to post a bond or other security for any injunctive proceeding.

8. Severability. Each of the foregoing covenants will be construed as independent of any other covenant or provision of this Agreement.

E. Innovations. You agree to fully and promptly disclose to us all ideas, plans, improvements, concepts, methods and techniques relating to the development or operation (including marketing, advertising and promotions) of the Club or any similar aspect of the business conceived or developed by you, any Owner or your employees during the term of this Agreement ("**Innovations**"). We and our affiliates own and have the right to authorize other Clubs to use any Innovations without any compensation to you, any Owner, or your employees. Nothing in this Section modifies your obligations to comply with the System and the Manual.

F. Copyright. You hereby acknowledge and agree that the ownership of all printed, audio and visual material and any other material whatsoever (including all Confidential Information) being part of the Club or System (the "**work**") belongs to us or our affiliates and any copyright in respect to the work belongs to us. In addition, you acknowledge that you have no right to manufacture any component of the work or duplicate the work and agree to purchase all components of (or rights of access to) the work exclusively from us. You have no right to claim any proprietary interest in any of the work. You must immediately notify us of any known infringement to the work or to our copyright interest therein. We have the right to control any litigation related to our copyrights or the work. You agree to assist us, as directed by us, in any claim or action against the infringer.

TRANSFER OF FRANCHISE

11. You agree that the following provisions govern any transfer or proposed transfer:

A. Transfers. We have entered into this Agreement with specific reliance upon your financial qualifications, experience, skills and managerial qualifications as being essential to the satisfactory operation of the Club. Consequently, neither your interest in this Agreement nor in the Club may be transferred or assigned to or assumed by any other person or entity (the "assignee"), in whole or in part, unless you have first tendered to us the right of first refusal to acquire this Agreement in accordance with Section 11.E , and if

we do not exercise such right, unless our prior written consent is obtained, the transfer fee provided for in Section 11.C is paid, if applicable, and the transfer conditions described in Section 11.C are satisfied. Any sale (including installment sale), lease, pledge, management agreement, contract for deed, option agreement, assignment, bequest, gift or otherwise, or any arrangement pursuant to which you turn over all or part of the daily operation of the business to a person or entity who shares in the losses or profits of the business in a manner other than as an employee will be considered a transfer for purposes of this Agreement. Specifically, but without limiting the generality of the foregoing, the following events constitute a transfer and you must comply with the right of first refusal, consent, transfer fee, and other transfer conditions in this Section 11:

1. Any change in the percentage of the franchisee entity owned, directly or indirectly, by the Principal Owner (including any addition or deletion of any person or entity who qualifies as a Principal Owner) which results in the Principal Owner owning less than 51% ownership of the franchisee entity

2. Any change in the general partner of a franchisee that is a general, limited or other partnership entity; or

3. For purposes of this Section 11.A, a pledge or seizure of any ownership interests in you or in any Principal Owner that affects the ownership of 25% or more of you or Principal Owner, which we have not approved in advance in writing.

In the event of your insolvency or the filing of any petition by or against you under any provisions of any bankruptcy or insolvency law, if your legal representative, successor, receiver or trustee desires to succeed to your interest in this Agreement or the business conducted hereunder, such person first must notify us, tender the right of first refusal provided for in Section 11.F, and if we do not exercise such right, must apply for and obtain our consent to the transfer, pay the transfer fee provided for in Section 11.C, if applicable, and satisfy the transfer conditions described in Section 11.D. In addition, you or the assignee must pay the attorneys' fees and costs that we incur in any bankruptcy or insolvency proceeding pertaining to you.

You may not place in, on or upon the location of the Club, or in any communication media or any form of advertising, any information relating to the sale of the Club or the rights under this Agreement, without our President's prior written consent.

B. Consent to Transfer. We will not unreasonably withhold our consent to transfer, provided we determine that all of the conditions described in this Section 11 have been satisfied. Application for our consent to a transfer and tender of the right of first refusal provided for in Section 11.E must be made by submission of our form of application for consent to transfer, which must be accompanied by the documents (including a copy of the proposed purchase or other transfer agreement) or other required information. The application must indicate whether you or a Principal Owner proposes to retain a security interest in the property to be transferred. No security interest may be retained or created, however, without our President's prior written consent and except upon conditions acceptable to us. Any agreement used in connection with a transfer is subject to our President's prior written approval, which approval will not be withheld unreasonably. Any attempted transfer by you without our President's prior written consent or otherwise not in compliance with the terms of this Agreement will be void and will provide us with the right to elect either to default and terminate this Agreement or to collect from you and the guarantors a transfer fee equal to two times the transfer fee provided for in Section 11.C.

C. Conditions of Transfer. We condition our consent to any proposed transfer, whether to an individual, a corporation, a partnership or any other entity upon the following:

1. Assignee Qualifications. The assignee must meet all of our then-current requirements for the franchise we are offering at the time of the proposed transfer.

2. Payment of Amounts Owed. All amounts owed by you to us or any of our affiliates, your suppliers or any landlord for the Club premises and Authorized Location, or upon which we or any of our affiliates have any contingent liability must be paid in full.

3. Reports. You must have provided all required reports to us in accordance with Sections 9.I and J.

4. Modernization. You must have complied with the provisions of Section 5.F.

5. Guarantee. In the case of an installment sale for which we have consented to you or any Principal Owner retaining a security interest or other financial interest in this Agreement or the business operated hereunder, you or such Principal Owner, and the guarantors, are obligated to guarantee the performance under this Agreement until the final close of the installment sale or the termination of such interest, as the case may be.

6. Consent to Transfer; General Release. You, each Principal Owner and each guarantor must execute all transfer documents that we require and in the form we designate, which documents will include a general release of all claims arising out of or relating to this Agreement, your Club or the parties' business relationship; provided, however, that the release will not be inconsistent with any state law regulating franchising.

7. Training. The assignee must, at your or the assignee's expense, comply with the training requirements of Section 7.B.

8. Financial Reports and Data. We have the right to require you to prepare and furnish to assignee and/or us such financial reports and other data relating to the Club and its operations as we deem reasonably necessary or appropriate for assignee and/or us to evaluate the Club and the proposed transfer. You agree that we have the right to confer with proposed assignees and furnish them with information concerning the Club and proposed transfer without being held liable to you, except for intentional misstatements made to an assignee. Any information furnished by us to proposed assignees is for the sole purpose of permitting the assignees to evaluate the Club and proposed transfer and must not be construed in any manner or form whatsoever as earnings claims or claims of success or failure.

9. Transfer Fee. If the assignee is an existing SNAP FITNESS® franchisee, you must pay us a transfer fee equal to $2,500; if the assignee is not an existing SNAP FITNESS® franchisee, you must pay us a transfer fee equal to our then-current initial franchise fee.

10. New Franchise Agreement. The transferee executes our then-current form of franchise agreement (provided that no initial franchise fee will be due there under); and each of transferee's Principals executes our then-current form of personal guaranty and undertaking. The parties acknowledge and agree that our then-current form of franchise agreement may be materially different than this Agreement and may include, among other things, different fees. Additionally, in the event of a transfer, we have the unilateral right to change or modify the boundaries of the Designated Area under the new franchise agreement. The Designated Area modification, if any, will be noted in Attachment B of the new franchise agreement issued with respect to the transfer.

11. Other Conditions. You must have complied with any other conditions that we reasonably require from time to time as part of our transfer policies.

D. Death, Disability or Incapacity. If any individual who is a Principal Owner dies or becomes disabled or incapacitated and the decedent's or disabled or incapacitated person's heir or successor-in-interest wishes to continue as a Principal Owner, such person or entity must apply for our consent under Section 11.B, comply with the training requirements of Section 7.B, pay the transfer fee, if applicable, under Section 11.C, and satisfy the transfer conditions under Section 11.C, as in any other case of a proposed transfer, all within 180 days of the death or event of disability or incapacity. During any transition period to an heir or successor-in-interest, the Club still must be operated in accordance with the terms and conditions of this

Agreement. If the assignee of the decedent or disabled or incapacitated person is the spouse or child of such person, no transfer fee will be payable to us and we will not have a right of first refusal as stated in Section 11.E.

E. Right of First Refusal. If you propose to transfer or assign this Agreement or your interest herein or in the business, in whole or in part, to any third party, including, without limitation, any transfer contemplated by Section 11.D or any transfer described in Section 11.A, you first must offer to sell to us your interest. In the event of a bona fide offer from such third party, you must obtain from the third-party offeror and deliver to us a statement in writing, signed by the offeror and by you, of the terms of the offer. In the event the proposed transfer results from a change in control of the franchisee or a Principal Owner under Section 11.A.1 through 11.A.3, or your insolvency or the filing of any petition by or against you under any provisions of any bankruptcy or insolvency law, you first must offer to sell to us your interest in this Agreement and the land, building, equipment, furniture and fixtures, and any leasehold interest used in the operation of your Club. Unless otherwise agreed to in writing by our President and you, the purchase price for our purchase of assets in the event of a transfer that occurs by a change in control or insolvency or bankruptcy filing will be established by a qualified appraiser selected by the parties and in accordance with the price determination formula established in Section 14.B in connection with an asset purchase upon expiration. In addition, unless otherwise agreed to in writing by us and you, the transaction documents, which we will prepare, will be those customary for this type of transaction and will include representations and warranties then customary for this type of transaction. If the parties cannot agree upon the selection of such an appraiser, a Judge of the United States District Court for the District in which the Authorized Location is located will appoint one upon petition of either party.

You or your legal representative must deliver to us a statement in writing incorporating the appraiser's report and all other information we have requested. We then have 45 days from our receipt of the statement setting forth the third-party offer or the appraiser's report and other requested information to accept the offer by delivering written notice of acceptance to you. Our acceptance of any right of first refusal will be on the same price and terms listed in the statement delivered to us; provided, however, we have the right to substitute equivalent cash for any noncash consideration included in the offer. If we fail to accept the offer within the 45-day period, you will be free for 60 days after such period to effect the disposition described in the statement delivered to us provided such transfer is in accordance with this Section 11. You may effect no other sale or assignment of you, this Agreement or the business without first offering the same to us in accordance with this Section 11.E.

F. Transfer by Us. We have the right to sell or assign, in whole or in part, our interest in this Agreement and you hereby consent to any such sale or assignment.

G. Individual Franchisee. If you are in full compliance with this Agreement, you may transfer this Agreement to a corporate or other business entity ***(i)*** which conducts no business other than operating your Club (and if applicable other SNAP FITNESS Clubs), ***(ii)*** in which you maintain management control ***(iii)*** of which you own and control 100% of the equity and voting power of all issued and outstanding equity interests and ***(iv)*** further provided that all assets of the Club are owned, and the entire Club is conducted by a single business entity. Any transfer meeting the conditions in this Section 11.G will not be subject to the conditions in Section 11.C, however, the corporation or other similar entity must execute a document in a form approved by us in which it agrees to become a party to and be bound by all the provisions of this Agreement and the Principal Owners must agree to remain personally liable under this Agreement.

H. Securities Offerings.

1. No Public Offerings. Neither you nor any of your Owners may issue or sell your securities or the securities of any of your affiliates if: (a) such securities would be required to be registered pursuant to the Securities Act of 1933, as amended, or such securities would be owned by more than 35 persons; or (2) after the issuance or sale, you or such affiliate would be required to comply with the reporting and information requirements of the Securities Exchange Act of 1934, as amended.

2. Private Placements. You, your Owners and affiliates may offer securities or partnership interests, by private offering or otherwise, only with our prior written consent, which will not be unreasonably withheld (except for public offerings prohibited above). All materials required for such offering by federal or state law must be submitted to us for review prior to their being filed with any government agency; and any materials to be used in any exempt offering must be submitted to us for review prior to their use. No offering may imply (by use of the Marks or otherwise) that we are participating in the underwriting, issuance or offer of securities and our review of any offering will be limited solely to the subject of the relationship between you and us. In preparing a prospectus or other offering materials, you must make any changes and incorporate any disclaimers we require with respect to your relationship with us and your use of the Marks. You, Owners and the other participants in the offering must fully indemnify us in connection with the offering. For each proposed offering, you must pay us for our reasonable costs and expenses associated with reviewing the proposed offering, including, without limitation, legal and accounting fees. You must give us written notice at least 30 days prior to the date of commencement of any offering or other transaction covered by this Section.

DISPUTE RESOLUTION

12. The following provisions apply with respect to dispute resolution:

A. Arbitration; Mediation. Except as qualified below, any dispute between you and us and any of our or your affiliates, officers, directors, shareholders, members, guarantors, employees or owners arising under, out of, in connection with or in relation to this Agreement, any lease for the Club or Authorized Location, the parties' relationship, the Club, our Standards, or the scope or validity of the arbitration obligations under this Section must be submitted to binding arbitration under the authority of the Federal Arbitration Act and must be arbitrated in accordance with the then-current rules and procedures and under the auspices of the American Arbitration Association. Any arbitration must be on an individual basis and the parties and the arbitrator will have no authority or power to proceed with any claim as a class action or otherwise to join or consolidate any claim with any claim or other proceeding involving third parties. In the event a court determines that this limitation on joinder of or class action certificate of claims is unenforceable, then this entire commitment to arbitrate will be null and void and the parties must submit all claims to the jurisdiction of the courts. The arbitration must take place in Minneapolis, Minnesota. The arbitrators must follow the law and not disregard the terms of this Agreement. The arbitrators appointed must have at least five years' experience in franchising or in franchise law.

The decision of the arbitrators will be final and binding on all parties to the dispute; however, the arbitrators may not under any circumstances: ***(i)*** stay the effectiveness of any pending termination of this Agreement; ***(ii)*** assess punitive or exemplary damages; ***(iii)*** certify a class or consolidated action, or ***(iv)*** make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance that we set. A judgment may be entered upon the arbitration award by any court of competent jurisdiction.

We and you agree to be bound by the provisions of any limitation on the period of time by which claims must be brought under this Agreement or applicable law, whichever expires first. We and you further agree that, in connection with any arbitration proceeding, each party must submit or file any claim which would constitute a compulsory counterclaim (as defined by the then-current Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim which is not submitted or filed in such proceeding will be barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either you or us. We reserve the right, but have no obligation, to advance your share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so will not be deemed to have waived or relinquished our right to seek the recovery of those costs in accordance with Section 12.C. The provisions of this Section are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

Before the filing of any arbitration, the parties agree to mediate any dispute that does not include injunctive relief or specific performance actions covered under Section 12.B, provided that the party seeking mediation must notify the other party of its intent to mediate prior to the termination of this Agreement. Mediation will be conducted by a mediator or mediation program agreed to by the parties and will take place in Minneapolis, Minnesota. Persons authorized to settle the dispute must attend any mediation session. The parties agree to participate in the mediation proceedings in good faith with the intention of resolving the dispute if at all possible within 30 days of the notice from the party seeking to initiate the mediation procedures. If not resolved within 30 days, the parties are free to pursue arbitration.

B. Injunctive Relief. Notwithstanding Section 12.A, the parties agree that the following claims will not be subject to arbitration or mediation: ***(i)*** any action for declaratory or equitable relief, including, without limitation, seeking preliminary or permanent injunctive relief, specific performance, other relief in the nature of equity to enjoin any harm or threat of harm to such party's tangible or intangible property, brought at any time, including without limitation, prior to or during the pendency or any arbitration proceeding initiated under Section 12.A; or ***(ii)*** any action in ejectment or for possession of any interest in real or personal property; or ***(iii)*** our decision in the first instance to issue a notice of default and/or notice of termination, or undertake any other conduct with respect to the franchise relationship that might later result in a dispute or controversy between us.

C. Attorneys' Fees. The prevailing party in any action or proceeding arising under, out of, in connection with, or in relation to this Agreement, any lease or sublease for the Club or Authorized Location, or the business will be entitled to recover its reasonable attorneys' fees and costs. If any party initiates' litigation in violation of this arbitration provision and the other party successfully moves to compel arbitration, the party moving to compel arbitration will be entitled to reimbursement of its attorneys' fees and costs incurred in connection with defending the litigation and compelling arbitration.

DEFAULT AND TERMINATION AND OTHER REMEDIES

13. The following provisions apply with respect to default and termination:

A. Defaults. You are in default if we determine that you or any Principal Owner or guarantor has breached any of the terms of this Agreement or any other agreement between you and us or our affiliates, which without limiting the generality of the foregoing includes ***(i)*** making any false report to us, ***(ii)*** intentionally understating or underreporting or failure to pay when due any amounts required to be paid to us or any of our affiliates, ***(iii)*** conviction of you, a Principal Owner, or a guarantor of (or pleading no contest to) (a) any misdemeanor that brings or tends to bring any of the Marks into disrepute or impairs or tends to impair your reputation or the goodwill of any of the Marks or the Club or (b) any felony, ***(iv)*** filing of tax or other liens that may affect this Agreement, ***(v)*** voluntary or involuntary bankruptcy by or against you or any Principal Owner or guarantor, insolvency, making an assignment for the benefit of creditors or any similar voluntary or involuntary arrangement for the disposition of assets for the benefit of creditors.

B. Termination by Us. We have the right to terminate this Agreement in accordance with the following provisions:

1. Termination After Opportunity to Cure. Except as otherwise provided in this Section 13.B: ***(i)*** you will have 30 days from the date of our issuance of a written notice of default to cure any default under this Agreement, other than a failure to pay amounts due or submit required reports, in which case you will have 10 days to cure those defaults; ***(ii)*** your failure to cure a default within the 30-day or 10-day period will provide us with good cause to terminate this Agreement; ***(iii)*** the termination will be accomplished by mailing or delivering to you written notice of termination that will identify the grounds for the termination; and ***(iv)*** the termination will be effective immediately upon our issuance of the written notice of termination.

2. Immediate Termination With No Opportunity to Cure. In the event any of the following defaults occurs, you will have no right or opportunity to cure the default and this Agreement will

terminate effective immediately on our issuance of written notice of termination: ***(i)*** you have failed to identify a mutually acceptable site for the operation of the Club or to open the Club for business within the time period provided by this Agreement; ***(ii)*** you or any Owner has made any material misrepresentation or omission in your franchise application; ***(iii)*** your voluntary abandonment of this Agreement or the Authorized Location, ***(iv)*** the loss of your lease, or the failure to timely cure a default under the lease, ***(v)*** the loss of your right of possession or failure to reopen or relocate under Section 5.D.; ***(vi)*** the closing of the Club by any state or local authorities for health or public safety reasons; ***(vii)*** any unauthorized use of the Confidential Information; ***(viii)*** insolvency of you, a Principal Owner or guarantor; ***(ix)*** you, a Principal Owner or guarantor making an assignment or entering into any similar arrangement for the benefit of creditors; ***(x)*** conviction of you, any Principal Owners, or guarantors of (or pleading no contest to) any felony or misdemeanor that brings or tends to bring any of the Marks into disrepute or impairs or tends to impair your reputation or the goodwill of the Marks or the Club, ***(x)*** you, any Owner, guarantor or an affiliate of any of you are listed by the United States or United Nations as being a terrorist, financier of terrorism or otherwise restricted from doing business in or with the United States; ***(xi)*** intentionally understating or underreporting membership sales or any understatement or 2% variance on a subsequent audit within a two-year period under Section 9.H, ***(xii)*** any unauthorized transfer or assignment in violation of Section 11; or ***(xiii)*** any default by you that is the second same or similar default within any 12-month consecutive period or the fourth default of any type within any 24-month consecutive period.

3. Immediate Termination After No More than 24 Hours to Cure. In the event that a default under this Agreement occurs that materially impairs the goodwill associated with any of the Marks, violates any health, safety or sanitation law or regulation, or if the operation of the Club presents a health or safety hazard to your members or to the public: ***(i)*** you will have no more than 24 hours after we provide written notice of the default to cure the default; and ***(ii)*** this Agreement will terminate effective immediately on our issuance of written notice of termination.

4. Effect of Other Laws. The provisions of any valid, applicable law or regulation prescribing permissible grounds, cure rights or minimum periods of notice for termination of this franchise supersede any provision of this Agreement that is less favorable to you.

C. Termination by You. You may terminate this Agreement as a result of a breach by us of a material provision of this Agreement provided that: ***(i)*** you provide us with written notice of the breach that identifies the grounds for the breach; and ***(ii)*** we fail to cure the breach within a reasonable time, which will in no event be less than 60 days after our receipt of the written notice. If we fail to cure the breach, the termination will be effective 90 days after our receipt of your written notice of breach. Your termination of this Agreement under this Section will not release or modify your post-term obligations under Section 10.D and Section 14 of this Agreement.

D. Other Remedies. If you fail to identify a site for the Club or open the Club within the time required by this Agreement, in lieu of terminating this Agreement *in toto*, we may, at our sole option, eliminate any designated area protection or reservation provided to you under Section 2.C of this Agreement. If you are in default under this Agreement, in addition to any other remedies we may have, we have the right to withhold services pending any cure of the default including: (1) removing your Club from the www.snapfitness.com website; (2) suspending online enrollment or (3) facilitating the monthly member billing process.

E. Liquidated Damages. In the event of any default by you that results in a premature termination of this Agreement (regardless of which party actually terminates this Agreement), you must pay us, as liquidated damages and not as a penalty, an amount equal to the average monthly fees paid to us over the past 12 months multiplied by the number of months remaining in the then-current term, reduced to present value at a rate of 6%. The parties acknowledge and agree that such amount represents a reasonable estimate of the damages we will incur as a result of such default and premature termination.

POST-TERM OBLIGATIONS

14. Upon the expiration or termination of this Agreement:

A. Reversion of Rights; Discontinuation of Trademark Use. All of your rights to the use of the Marks and all other rights and licenses granted in this Agreement and the right and license to conduct business under the Marks at the Authorized Location will revert to us without further act or deed of any party. All of your right, title and interest in, to and under this Agreement will become our property. You must immediately comply with the post-term non-compete obligations under Section 10.D, cease all use and display of the Marks and of any proprietary material (including the Manual) and of all or any portion of promotional materials furnished or approved by us, assign all right, title and interest in the telephone numbers for the Club and cancel or assign, at our option, any assumed name rights or equivalent registrations filed with authorities. You must pay all sums due to us, our affiliates or designees and all sums you owe to third parties that have been guaranteed by us or any of our affiliates. You must immediately return to us, at your expense, all copies of the Manuals then in your possession or control or previously disseminated to your employees and continue to comply with the confidentiality provisions of Section 6.H. You must promptly at your expense and subject to Section 14.B, remove or obliterate all Club signage, displays or other materials in your possession at the Authorized Location or elsewhere that bear any of the Marks or names or material confusingly similar to the Marks and so alter the appearance of the Club as to differentiate the Club unmistakably from duly licensed clubs identified by the Marks. If, however, you refuse to comply with the provisions of the preceding sentence within 30 days, we have the right to enter the Authorized Location and remove all Club signage, displays or other materials in your possession at the Authorized Location or elsewhere that bear any of the Marks or names or material confusingly similar to the Marks, and you must reimburse us for our costs incurred. You are responsible for reimbursing members for all pre-paid services not rendered. Notwithstanding the foregoing, in the event of expiration or termination of this Agreement, you will remain liable for your obligations pursuant to this Agreement or any other agreement between you and us or our affiliates that expressly or by their nature survive the expiration or termination of this Agreement.

B. Option to Assume Lease; Assume Telephone Numbers and Membership Contracts, and Purchase Assets. Upon termination or expiration of this Agreement, we will have the option (but not the obligation) to do any or all of the following: ***(i)*** assume your Lease for the Club premises; ***(ii)*** assume all telephone numbers used in connection with the operation of the Club; ; ***(iii)*** assume all utilities used in connection with the operation of the Club; and/or ***(iv)*** assume your rights and interest in and to any Membership Contract to which you are a party, by delivering to you written notice of our election within 30 days after termination or expiration of this Agreement.

Upon termination or expiration of this Agreement, we also will have the option, to purchase any or all of the assets used in connection with the operation of the Club including, without limitation, equipment, fixtures, signage, furnishings, supplies and leasehold improvements. The purchase price for the assets will be determined by a qualified appraiser selected with the consent of both parties, provided we give you written notice of our preliminary intent to exercise our purchase rights under this Section 14.B. within 30 days after the date of the expiration or termination of this Agreement. If the parties cannot agree upon the selection of an appraiser(s), each party will appoint their own appraiser and the two appraisers will select a neutral appraiser, who will independently perform the appraiser. Within 45 days after our receipt of the appraisal report, we or our designated purchaser will identify the assets, if any, that we intend to purchase at the price designated for those assets in the appraisal report. We or our designated purchaser and you will then proceed to complete and close the purchase of the identified assets, and to prepare and execute purchase and sale documents customary for the assets being purchased, in a commercially reasonable time and manner. We and you will each pay one-half of the appraiser's fees and expenses. Our interest in the assets of the Club that are owned by you or your affiliates will constitute a lien thereon and may not be impaired or terminated by the sale or other transfer of any of those assets to a third party. Upon our or our designated purchaser's exercise of the purchase option and tender of payment, you agree to sell and deliver, and cause your affiliates to sell and deliver, the purchased assets to us or our designated purchaser, free and clear of all encumbrances, and to execute and deliver, and cause your affiliates to execute and deliver, to us or our designated purchaser

a bill of sale therefore, and such other documents as may be commercially reasonable and customary to effectuate the sale and transfer of the assets being purchased.

You must execute all additional documentation that we designate to give effect to the options described in this Section 14.B. We may assign our option rights to any person of our choice.

C. Claims. You and your Principal Owners and guarantors may not assert any claim or cause of action against us or our affiliates relating to this Agreement or the business contemplated under this Agreement after the shorter period of the applicable statute of limitations or one year following the effective date of termination or expiration of this Agreement; provided that where the one-year limitation of time is prohibited or invalid by or under any applicable law, then and in that event no suit or action may be commenced or maintained unless commenced within the applicable statute of limitations.

GENERAL PROVISIONS

15. The parties agree to the following provisions:

A. Severability. Should one or more clauses of this Agreement be held void or unenforceable for any reason by any court of competent jurisdiction, such clause or clauses will be deemed to be separable in such jurisdiction and the remainder of this Agreement is valid and in full force and effect and the terms of this Agreement must be equitably adjusted so as to compensate the appropriate party for any consideration lost because of the elimination of such clause or clauses. It is the intent and expectation of each of the parties that each provision of this Agreement will be honored, carried out and enforced as written. Consequently, each of the parties agrees that any provision of this Agreement sought to be enforced in any proceeding must, at the election of the party seeking enforcement and notwithstanding the availability of an adequate remedy at law, be enforced by specific performance or any other equitable remedy.

B. Waiver/Integration. No waiver by us of any breach by you, nor any delay or failure by us to enforce any provision of this Agreement, may be deemed to be a waiver of any other or subsequent breach or be deemed an estoppel to enforce our rights with respect to that or any other or subsequent breach. Subject to our rights to modify the Marks, System, Manual, and to designate the Authorized Location and Designated Area as stated in this Agreement, this Agreement may not be waived, altered or rescinded, in whole or in part, except by a writing signed by you and us. This Agreement together with the addenda and appendices and the application form executed by you requesting us to enter into this Agreement constitute the sole agreement between the parties with respect to the entire subject matter of this Agreement and embody all prior agreements and negotiations with respect to the business. You acknowledge and agree that you have not received any warranty or guarantee, express or implied, as to the potential volume, profits or success of your business. There are no representations or warranties of any kind, express or implied, except as contained in this Agreement and in the aforesaid application. Nothing in this Agreement is intended to disclaim the representations we have made in our Franchise Disclosure Document.

C. Notices. Except as otherwise provided in this Agreement, any notice, demand or communication provided for in this Agreement must be in writing and signed by the party serving the same and ***(i)*** delivered personally or ***(ii)*** delivered by a reputable overnight service (such as FedEx) or ***(iii)*** deposited in the United States mail, service or postage prepaid (and if such notice is a notice of default or of termination, by registered or certified mail), and addressed as follows:

1. If intended for us, addressed to President; Snap Fitness, Inc., 2411 Galpin Ct, Suite 110, Chanhassen, MN 55317;

2. If intended for you, addressed to you at Address for Notices set forth on the Summary Pages or at the Authorized Location; or, in either case, to such other address as may have been designated by notice to the other party. Notices for purposes of this Agreement will be deemed to have been received if mailed or delivered as provided in this Section.

D. Authority. Any modification, consent, approval, authorization or waiver granted in this Agreement required to be effective by signature will be valid only if in writing executed by you or, if on behalf of us, in writing executed by an authorized officer.

E. References. If the franchisee is two or more persons, the persons are jointly and severally liable, and references to you in this Agreement includes all of the individuals. Headings and captions contained herein are for convenience of reference and may not be taken into account in construing or interpreting this Agreement.

F. Guarantee. All Principal Owners of a franchisee that is a corporation, partnership, Limited Liability Company or partnership or other legal entity must execute the form of undertaking and guarantee at the end of this Agreement. Any person or entity that at any time after the date of this Agreement becomes a Principal Owner pursuant to the provisions of Section 11 or otherwise must execute the form of undertaking and guarantee at the end of this Agreement.

G. Successors/Assigns. Subject to the terms of Section 11 hereof, this Agreement is binding upon and inures to the benefit of the administrators, executors, heirs, successors and assigns of the parties.

H. Interpretation of Rights and Obligations. The following provisions apply to and govern the interpretation of this Agreement, the parties' rights under this Agreement, and the relationship between the parties:

1. Applicable Law and Waiver. Subject to our rights under federal trademark laws and the parties' rights under the Federal Arbitration Act in accordance with Section 12 of this Agreement, all claims arising out of or relating to this Agreement and the parties' relationship will be governed by, and will be interpreted in accordance with, the substantive laws of the state of Minnesota (irrespective of any conflicts of laws); provided that the Minnesota Franchise Act and any other law or regulation applicable to the offer or sale of franchises or the franchise relationship will apply only if the jurisdictional provisions of the law are otherwise met. The choice of Minnesota law is not intended to incorporate into this Agreement any provisions not expressly stated herein. You waive, to the fullest extent permitted by law, the rights and protections provided by the Minnesota Franchise Act.

2. Our Rights. Whenever this Agreement provides that we have a certain right, that right is absolute and the parties intend that our exercise of that right will not be subject to any limitation or review. We have the right to operate, administrate, develop, and change the System in any manner that is not specifically precluded by the provisions of this Agreement, although this right does not modify any express limitations stated in this Agreement.

3. Our Reasonable Business Judgment. Whenever we reserve discretion in a particular area or where we agree to exercise our rights reasonably or in good faith, we will satisfy our obligations whenever we exercise Reasonable Business Judgment in making our decision or exercising our rights. Our decisions or actions will be deemed to be the result of Reasonable Business Judgment, even if other reasonable or even arguably preferable alternatives are available, if our decision or action is intended, in whole or significant part, to promote or benefit the System generally even if the decision or action also promotes our financial or other individual interest. Examples of items that will promote or benefit the System include, without limitation, enhancing the value of the Marks, improving member service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization and improving the competitive position of the System.

I. Venue. Any cause of action, claim, suit or demand allegedly arising from or related to the terms of this Agreement or the relationship of the parties that is not subject to arbitration under Section 12, must be brought in the Federal District Court for the District of Minnesota or in Hennepin County District Court, Fourth Judicial District, Minneapolis, Minnesota. Both parties irrevocably submit themselves to, and consent to, the jurisdiction of said courts. The provisions of this Section will survive the termination of this

Agreement. You are aware of the business purposes and needs underlying the language of this Section, and with a complete understanding thereof, agree to be bound in the manner set forth.

J. **Jury Waiver. All parties hereby waive any and all rights to a trial by jury in connection with the enforcement or interpretation by judicial process of any provision of this Agreement, and in connection with allegations of state or federal statutory violations, fraud, misrepresentation or similar causes of action or any legal action initiated for the recovery of damages for breach of this Agreement.**

K. **Waiver of Punitive Damages. You and us and our affiliates agree to waive, to the fullest extent permitted by law, the right to or claim for any punitive or exemplary damages against the other and agree that in the event of any dispute between them, each will be limited to the recovery of actual damages sustained.**

L. Relationship of the Parties. You and we are independent contractors. Neither party is the agent, legal representative, partner, subsidiary, joint venturer or employee of the other. Neither party may obligate the other or represent any right to do so. This Agreement does not reflect or create a fiduciary relationship or a relationship of special trust or confidence.

M. Adaptations and Variances. Complete and detailed uniformity under many varying conditions may not always be possible, practical, or in the best interest of the System. Accordingly, we have the right to vary the equipment offerings and other standards, specifications, and requirements for any franchised club or franchisee based upon the customs or circumstances of a particular franchise or operating agreement, site or location, population density, business potential, trade area population, existing business practice, competitive circumstance or any other condition that we deem to be of importance to the operation of such club or store, franchisee's business or the System. We are not required to grant to you a like or other variation as a result of any variation from standard operations, specifications or requirements granted to any other franchisee. You acknowledge that you are aware that our other franchisees operate under a number of different forms of agreement that were entered into at different times and that, consequently, the obligations and rights of the parties to other agreements may differ materially in certain instances from your rights and obligations under this Agreement.

N. Notice of Potential Profit. We and/or our affiliates may from time to time make available to you supplies, equipment, products and/or services for use in your Club on the sale of which we and/or our affiliates may make a profit. Further, we and/or our affiliates may from time to time receive consideration from suppliers and/or manufacturers in respect to sales of supplies, equipment, products or services to you or in consideration of services rendered or rights licensed to such persons. You agree that we and/or our affiliates are entitled to said profits and/or consideration.

O. Force Majeure. If a party's default under this Agreement (other than your obligations with respect to insurance and indemnification, to obtain a site and open the club within a specified period, and to pay all fees and other amounts due to us and our affiliates under this Agreement and any other agreement between you and us or our affiliates), is caused in whole or in part by a force majeure, such default and any right of the other party to terminate this Agreement for such default is suspended for as long as the default is reasonably caused by such force majeure. Any suspension is effective only from the delivery of a notice of the force majeure to the other party stating the party's intention to invoke the force majeure. However, if such suspension continues for longer than six months and the default still exists, either party has the right to terminate this Agreement upon 30 days notice to the other party. Events of force majeure are those that cannot be prevented, avoided or removed by the party invoking the force majeure despite the exercise of reasonably diligence, including acts of God, actions of the elements, lockouts, strikes, wars, riots, acts or terrorism, civil commotion, and acts of governmental authorities (not including a governmental authority's delaying or refusing to grant building permits, licenses and other permissions and approvals), and except as specifically provided for elsewhere in this Agreement.

P. Representations of Franchisee. As an inducement to us to grant you the franchise contemplated by this Agreement, you hereby acknowledge and represent to us the following (and agree to notify us immediately in writing upon the occurrence of any act or event that would render any representation incorrect):

1. Corporate Ownership. If you are a corporation, limited liability company, partnership or similar entity, you and each of your Owners represents and warrants that your ownership is completely and accurately listed on the Summary Page and that you will provide us with updated ownership information so that at all times the ownership information is current, complete and accurate. In addition, you represent and warrant that: (a) you are duly organized, in good standing and authorized to conduct business in your state of incorporation and the state where the Club is located; (b) you will confine your activities, and your governing documents will at all times provide that your activities are confined, exclusively to operating the Club or another club under a franchise agreement with us; (c) all assets used in the operation of the Club are owned or leased by you; and (d) you have and will maintain stop transfer instructions on your records against the transfer of equity securities except in compliance with this Agreement and will only issue securities upon the face of which bear a legend, in a form satisfactory to us, which references the transfer restrictions imposed by this Agreement.

2. Patriot Act. You represent, warrant and certify that none of you, your affiliates, officers or directors or holders of any equity interest in you is or will be named as a "specially designated national" or "blocked person" (or other similar classification) as designed by the United States Department of The Treasury's Office of Foreign Assets Control (or other applicable governmental agency).

3. Applicable Laws. You acknowledge that there may be federal, state and local laws ("**Applicable Laws**") that may affect the operation of the Club, that may conflict with your obligation to comply with our Standards, and that may negatively impact the financial performance of the Club. These laws may exist today, or may be enacted in the future. It is solely your responsibility, both prior to and after purchasing the franchise, to identify, understand and comply with all Applicable Laws. We will attempt to communicate to you information about Applicable Laws of which we are aware; but nothing in this Agreement requires us to research, identify, or otherwise make available to you information concerning Applicable Law, or protecting you from the negative impact of any Applicable Laws. In entering into this Agreement, you are not relying in any way upon any representation or warranty (express or implied) by us or anyone associated with us that our System or Standards complies with Applicable Laws.

IN WITNESS WHEREOF, the parties have executed this Franchise Agreement as of the dates written below.

FRANCHISEE: (For an entity)

Name of Entity: _____

Signature: _____
Printed Name: _____
Title: _____
Date: _____

FRANCHISOR: SNAP FITNESS, INC.

Signature: _____
Printed Name: Peter Taunton
Title: President/CEO
Date: _____

FRANCHISEE: (For an individual)

Signature: _____
Printed Name: _____
Date: _____

Signature: _____
Printed Name: _____
Date: _____

Attachment A to the Franchise Agreement

MARKS AND DESIGNATED AREA

A. MARKS. You have the right to use the following Marks in accordance with the terms of the Franchise Agreement:

Service Mark:	SNAP FITNESS
Registration No.:	3107672
Service Mark:	SNAP FITNESS fast – convenient - affordable
Filing No.:	3084847

We may amend this Attachment A from time to time in order to make available additional Marks or to delete those Marks that become unavailable. You agree to use only those Marks that are then currently authorized in this Attachment or the Manual.

B. DESIGNATED AREA. The "**Designated Area**" means the following area:

_____

_____

_____

_____

If the Designated Area is not identified as of the date of this Franchise Agreement, we will determine the Designated Area when you sign the lease for the Authorized Location. The Designated Area will be an area of ***up to*** 3 driving miles from the Authorized Location as we determine in our sole judgment after a review of relevant factors (see Section 2.C).

The Designated Area may overlap with designated areas of other clubs. In the overlapping areas, each club is permitted to market and solicit for members (see Section 6.B). Once identified by us, the Designated Area is fixed for the initial term of the Franchise Agreement unless you relocate the Club and upon renewal or transfer (see Sections 4.B, 5.G, and 11.C). The driving miles are fixed as of the date the Designated Area is determined by us and no Designated Area will be enlarged due to any future road construction or other alteration.

FRANCHISEE: (For an entity)

Name of Entity: _____

Signature: _____
Printed Name: _____
Title: _____
Date: _____

FRANCHISEE: (For an individual)

Signature: _____
Printed Name: _____
Date: _____

Signature: _____
Printed Name: _____
Date: _____

FRANCHISOR:

SNAP FITNESS, INC.

Signature: _____
Printed Name: Peter Taunton
Title: President/CEO
Date: _____

Attachment B to the Franchise Agreement

INFORMATION RELEASE CONSENT

The undersigned entered into a Franchise Agreement for the operation of a SNAP FITNESS® club under a license from Snap Fitness, Inc. In connection with the Franchise Agreement, I authorize Snap Fitness, Inc. to discuss with and obtain information from the third party providers for any SNAP FITNESS® club owned or guaranteed by my Principal Owners (directly or indirectly), including: (1) the landlord of the Club, (2) any lender providing financing for the Club or that holds any security interest in any of the assets of the Club or in the Franchisee (if a corporate entity), and (3) any other vendor or supplier for the Club. I authorize such persons to provide information regarding the SNAP FITNESS® club to Snap Fitness, Inc.

FRANCHISEE: (For an entity)

Name of Entity: _____

Signature: _____
Printed Name: _____
Title: _____
Date: _____

FRANCHISEE: (For an individual)

Signature: _____
Printed Name: _____
Date: _____

Signature: _____
Printed Name: _____
Date: _____

Attachment C to the Franchise Agreement

PERSONAL GUARANTEE AND AGREEMENT TO BE BOUND PERSONALLY BY THE TERMS AND CONDITIONS OF THE FRANCHISE AGREEMENT

In consideration of the execution of the Franchise Agreement by us, and for other good and valuable consideration, the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby become surety and guarantor for the payment of all amounts and the performance of the covenants, terms and conditions in the Franchise Agreement, to be paid, kept and performed by the franchisee, including without limitation the arbitration and other dispute resolution provisions of the Agreement.

Further, the undersigned, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in the Franchise Agreement, including but not limited to the non-compete provisions in subparagraph 10.D, and agree that this Personal Guarantee will be construed as though the undersigned and each of them executed a Franchise Agreement containing the identical terms and conditions of this Franchise Agreement.

The undersigned waives: (1) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (2) protest and notice of default to any party respecting the indebtedness or nonperformance of any obligations hereby guaranteed; and (3) any right he/she may have to require that an action be brought against the franchisee or any other person as a condition of liability.

In addition, the undersigned consents and agrees that: (1) the undersigned's liability will not be contingent or conditioned upon our pursuit of any remedies against the franchisee or any other person; and (2) such liability will not be diminished, relieved or otherwise affected by franchisee's insolvency, bankruptcy or reorganization, the invalidity, illegality or unenforceability of all or any part of the Franchise Agreement, or the amendment or extension of the Franchise Agreement with or without notice to the undersigned.

It is further understood and agreed by the undersigned that the provisions, covenants and conditions of this Guarantee will inure to the benefit of our successors and assigns.

FRANCHISEE: _____ (insert name of entity)

PERSONAL GUARANTORS:

_____	_____
Individually	Individually
_____	_____
Print Name	Print Name
_____	_____
Address	Address
_____	_____
City State Zip Code	City State Zip Code
_____	_____
Telephone	Telephone
_____	_____
Individually	Individually
_____	_____
Print Name	Print Name
_____	_____
Address	Address
_____	_____
City State Zip Code	City State Zip Code
_____	_____
Telephone	Telephone

Attachment D to the Franchise Agreement

Electronic Transfer of Funds Authorization

Franchisee: _____

Location: _____

Date: _____

NEW	CHANGE

Attention: Bookkeeping Department

The undersigned hereby authorizes Snap Fitness, Inc., its parent company or any affiliated entity (collectively, "Snap Fitness"), to initiate weekly ACH debit entries against the account of the undersigned with you in payment of amounts for Continuing Fees, Advertising Fees or other amounts that become payable by the undersigned to Snap Fitness. The dollar amount to be debited per payment will vary.

Subject to the provisions of this letter of authorization, you are hereby directed to honor any such ACH debit entry initiated by Snap Fitness. This authorization is binding and will remain in full force and effect until 90 days prior written notice has been given to you by the undersigned. The undersigned is responsible for, and must pay on demand, all costs or charges relating to the handling of ACH debit entries pursuant to this letter of authorization. Please honor ACH debit entries initiated in accordance with the terms of this letter of authorization, subject to there being sufficient funds in the undersigned's account to cover such ACH debit entries.

*** We also need a VOIDED Check ***

_____
Bank Name

_____
Branch

_____
Street Address

_____
City State Zip Code

_____
Bank Telephone Number

_____
Bank's Account Number

_____
Customer's Account Number

Sincerely yours,

_____
Account Name

_____
Street Address

_____
City State Zip Code

_____
Telephone Number

SIGNATURE: _____

Name: _____

Title: _____

Date: _____

Attachment E to the Franchise Agreement

LEASE ADDENDUM

This Lease Addendum ("**Addendum**") dated _____, 20__, is entered into between _____ _____ ("**Landlord**"), and _____ ("**Tenant**").

RECITALS

A. The parties have entered into a Lease Agreement, dated _____ (the "**Lease**") for the premises located at _____ (the "**Premises**").

B. Tenant has agreed to use the Premises only for the operation of a SNAP FITNESS® Club pursuant to a franchise agreement ("Franchise Agreement") with Snap Fitness, Inc. ("**Snap Fitness**").

C. The parties desire to amend the Lease in accordance with the terms and conditions contained in this Addendum.

AGREEMENT

1. Remodeling and Décor. Landlord agrees to allow Tenant to remodel, equip, paint and decorate the interior of the Premises and to display such proprietary marks and signs on the interior and exterior of the Premises pursuant to the Franchise Agreement and any successor Franchise Agreement.

2. Assignment. Tenant has the right to assign all of its right, title and interest in the Lease to Snap Fitness or its successor, or either company's affiliates, at any time during the term of the Lease, including any extensions or renewals, without first obtaining Landlord's consent. No assignment will be effective, however, until Snap Fitness or its successor or designated affiliate gives Landlord written notice of its acceptance of the assignment. If Snap Fitness elects to assume the lease under this paragraph or unilaterally assumes the lease as provided for in subparagraphs 3(c) or 4(a), Landlord and Tenant agree that ***(i)*** Tenant will remain liable for the responsibilities and obligations, including amounts owed to Landlord, prior to the date of assignment and assumption, and ***(ii)*** Snap Fitness will have the right to sublease the Premises to another SNAP FITNESS® franchisee, without further need for Landlord approval, provided the franchisee agrees to operate the Club as a SNAP FITNESS® Club pursuant to a franchise agreement with Snap Fitness. Snap Fitness will be responsible for the lease obligations incurred after the effective date of the assignment.

3. Default and Notice.

(a) In the event there is a default or violation by Tenant under the terms of the Lease, Landlord agrees to give Tenant and Snap Fitness written notice of such default or violation within a reasonable time after Landlord knows of its occurrence. Landlord agrees to provide Snap Fitness the written notice of default as written and on the same day Landlord gives it to Tenant. Although Snap Fitness is under no obligation to cure the default, Snap Fitness will notify Landlord it intends to cure the default and unilaterally assume Tenant's interest in the lease as provided in Paragraph 3(c). Snap Fitness will have an additional 15 days from the expiration of Tenant's cure period in which to cure the default or violation.

(b) All notices to Snap Fitness must be sent by registered or certified mail, postage prepaid, to the following address:

Snap Fitness, Inc.
2411 Galpin Court, Suite 110
Chanhassen, MN 55317
(952) 474-5422

Snap Fitness may change its address for receiving notices by giving Landlord written notice of the new address. Landlord agrees to notify both Tenant and Snap Fitness of any change in Landlord's mailing address to which notices should be sent.

(c) Upon Tenant's default and failure to cure a default under either the Lease or the Franchise Agreement, Snap Fitness has the right (but not the obligation) to unilaterally assume Tenant's interest in the Lease in accordance with Paragraph 2.

4. Termination or Expiration.

(a) Upon the expiration or termination of the Franchise Agreement, Snap Fitness has the right (but not the obligation) to unilaterally assume Tenant's interest in the Lease in accordance with Paragraph 2.

(b) Upon the expiration or termination of the Lease, if Snap Fitness does not assume Tenant's interest in the Lease, Landlord agrees to cooperate and allow Snap Fitness to enter the Premises, without cost and without being guilty of trespass and without incurring any liability to Landlord, to remove all signs and all other items identifying the Premises as a Snap Fitness Club and to make such other modifications as are reasonably necessary to protect the marks and system, and to distinguish the Premises from Snap Fitness Clubs. In the event Snap Fitness exercises its option to purchase assets of Tenant, Landlord agrees to permit Snap Fitness to remove all such assets being purchased by Snap Fitness.

5. Consideration; No Liability.

(a) Landlord acknowledges that the provisions of this Addendum are required pursuant to the Franchise Agreement and that Tenant may not lease the Premises without this Addendum.

(b) Landlord acknowledges that Tenant is not an agent or employee of Snap Fitness and Tenant has no authority or power to act for, or to create any liability on behalf of, or to in any way bind Snap Fitness or any affiliate of Snap Fitness and that Landlord has entered into this Addendum with full understanding that it creates no duties, obligations, or liabilities of or against Snap Fitness or any affiliate of Snap Fitness.

(c) Nothing contained in this Addendum makes Snap Fitness or its affiliates a party or guarantor to the Lease, and does not create any liability or obligation of Snap Fitness or its affiliates.

6. Modification. No amendment or variation of the terms of this Addendum is valid unless made in writing and signed by the parties and the parties have obtained Snap Fitness's written consent.

7. Reaffirmation of Lease. Except as amended or modified by this Addendum, all of the terms, conditions, and covenants of the Lease remain in full force and effect.

8. Miscellaneous.

(a) Snap Fitness is a third party beneficiary of this Addendum, with independent rights of enforcement.

(b) References to the Lease and to the Franchise Agreement include all amendments, addenda, extensions, and renewals to the documents.

(c) References to Landlord, Tenant, and Snap Fitness include the successors and assigns of each of the parties.

IN WITNESS WHEREOF, the parties have executed this Addendum as of the date written above.

TENANT:	LANDLORD:
_____	_____

Attachment F to the Franchise Agreement

TELEPHONE NUMBER ASSIGNMENT AGREEMENT

THIS TELEPHONE ASSIGNMENT AGREEMENT by and between the Franchisee identified below ("**Franchisee**") and Snap Fitness, Inc. (hereinafter the "**Snap Fitness**").

BACKGROUND:

A. Snap Fitness has developed and owns the proprietary system ("**System**") for the operation of a fitness club under the trademark and logo SNAP FITNESS® (the "**Club**");

B. Franchisee has been granted a franchise to operate a Club pursuant to a Franchise Agreement and in accordance with the System;

C. In order to operate its Club, the Franchisee will be acquiring one or more telephone numbers, telephone listings and telephone directory advertisements; and

D. As a condition to the execution of the Franchise Agreement, Snap Fitness has required that the Franchisee collaterally assign all of its right, title and interest in its telephone numbers, telephone listings and telephone directory advertisements to the Snap Fitness in the event of expiration or termination of the Franchise Agreement.

AGREEMENT

In consideration of the foregoing, the mutual premises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Assignment. In the event of expiration or termination of the Franchise Agreement, and in order to secure continuity and stability of the operation of the Club, Franchisee hereby sells, assigns, transfers and conveys to the Snap Fitness all of its rights, title and interest in and to all telephone numbers, telephone listings and telephone directory advertisements used in connection with the operation of the Club; provided, however, such Assignment will not be effective unless and until the Franchise Agreement has expired or is terminated in accordance with the provisions thereof and Snap Fitness has delivered to Franchisee written notice of acceptance of the assignment. In the event of such assignment, Snap Fitness assumes no liability for monies owed or other liabilities relating to the telephone numbers, telephone listings, and telephone directory advertisements that have accrued prior to the effective date of the assignment.

Franchisee hereby grants to Snap Fitness an irrevocable power of attorney and appoint Snap Fitness as your attorney-in-fact to take any necessary actions to assign the telephone numbers, including but not limited to, executing any forms that the telephone companies may require to effectuate the assignment. This assignment is also for the benefit of the telephone companies, and Franchisee agrees that the telephone companies may accept this assignment and Snap Fitness's instructions as conclusive evidence of its rights in the telephone numbers and our authority to direct the amendment, termination or transfer of the telephone numbers, as if they had originally been issued to Snap Fitness. In addition, Franchisee agrees to hold the telephone companies harmless from any and all claims against them arising out of any actions or instructions by Snap Fitness regarding the assignment contemplated in this Assignment.

2. Representation and Warranties of the Franchisee. Franchisee hereby represents, warrants and covenants to the Snap Fitness that: (a) As of the effective date of the Assignment, all of Franchisee's obligations and indebtedness for telephone, telephone listing services and telephone directory advertisement services will be paid and current; (b) As of the date hereof, Franchisee has full power and legal right to enter into, execute, deliver and perform this Agreement; (c) This Agreement is a legal and binding obligation of Franchisee, enforceable in accordance with the terms hereof; (d) The execution, delivery and performance of this Assignment does not conflict with, violate, breach or constitute a default

under any contract, agreement or instrument to which Franchisee is a party or by which Franchisee is bound, and no consent of nor approval by any third party is required in connection herewith; and (e) Franchisee has the specific power to assign and transfer its right, title and interest in its telephone numbers, telephone listings and telephone directory advertisements, and Franchisee has obtained all necessary consents to this Assignment.

3. Cancellation. Notwithstanding the foregoing, Snap Fitness may, in its sole discretion and at any time prior to effectiveness of the assignment, declare this Agreement and the assignment contemplated hereunder null and void.

4. Miscellaneous. The validity, construction and performance of this Assignment is governed by the laws of the State of Minnesota. All agreements, covenants, representations and warranties made herein will survive the execution hereof. All rights of the Snap Fitness inure to its benefit and to the benefit of its successors and assigns.

IN WITNESS WHEREOF, each of the parties has executed this Assignment as of the Effective Date of the Franchise Agreement.

FRANCHISEE: (For an entity)

Name of Entity: _____

Signature: _____
Printed Name: _____
Title: _____
Date: _____

FRANCHISEE: (For an individual)

Signature: _____
Printed Name: _____
Date: _____

Signature: _____
Printed Name: _____
Date: _____

FRANCHISOR:

SNAP FITNESS, INC.

Signature: _____
Printed Name: Peter Taunton
Title: President/CEO
Date: _____

Attachment G to the Franchise Agreement

MEMBERSHIP CONTRACT ASSIGNMENT AGREEMENT

THIS MEMBERSHIP CONTRACT ASSIGNMENT AGREEMENT by and between the Franchisee identified below ("**Franchisee**") and Snap Fitness, Inc. (hereinafter the "**Snap Fitness**").

BACKGROUND:

A. Snap Fitness has developed and owns the proprietary system ("**System**") for the operation of a fitness club under the trademark and logo SNAP FITNESS® (the "**Club**");

B. Franchisee has been granted a franchise to operate a Club pursuant to a Franchise Agreement and in accordance with the System;

C. During the term of the franchise, Franchisee will be entering to membership contracts with Club members permitting them access to the Club facilities ("**Membership Contracts**"); and

D. As a condition to the execution of the Franchise Agreement, Snap Fitness has required that Franchisee collaterally assign all of its right, title and interest in the Membership Contracts to Snap Fitness in the event of expiration or termination of the Franchise Agreement;

AGREEMENT

In consideration of the foregoing, the mutual promises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Assignment. In the event of expiration or termination of the Franchise Agreement, and in order to secure continuity and stability of the operation of the Club, Franchisee hereby sells, assigns, transfers and conveys to the Snap Fitness all of its rights, title and interest in and to all Membership Contracts; provided, however, such Assignment will not be effective unless and until the Franchise Agreement has expired or is terminated in accordance with the provisions thereof and Snap Fitness has delivered to Franchisee written notice of its acceptance of the assignment. In the event of such assignment, Snap Fitness will assume no liability for monies owed or other liabilities relating to the Membership Contracts that have accrued prior to the effective date of the assignment.

2. Representation and Warranties of the Franchisee. Franchisee hereby represents, warrants and covenants to Snap Fitness that:

(a) As of the effective date of the Assignment, all of Franchisee's obligations under the Memberships Contracts have been satisfied;

(b) As of the date hereof, Franchisee has full power and legal right to enter into, execute, deliver and perform this Agreement;

(c) This Agreement is a legal and binding obligation of Franchisee, enforceable in accordance with the terms hereof;

(d) The execution, delivery and performance of this Assignment does not conflict with, violate, breach or constitute a default under any contract, agreement or instrument to which Franchisee is a party or by which Franchisee is bound, and no consent of nor approval by any third party is required in connection herewith; and

(e) Franchisee has the specific power to assign and transfer its right, title and interest in its Membership Contracts and Franchisee has obtained all necessary consents to this Assignment.

3. Cancellation. Notwithstanding the foregoing, Snap Fitness may, in its sole discretion and at any time prior to effectiveness of the assignment, declare this Agreement and the assignment contemplated hereunder null and void.

4. Miscellaneous. The validity, construction and performance of this Assignment is governed by the laws of the State of Minnesota. All agreements, covenants, representations and warranties made herein will survive the execution hereof. All rights of the Snap Fitness inure to its benefit and to the benefit of its successors and assigns.

IN WITNESS WHEREOF, each of the parties has executed this Assignment as of the Effective Date of the Franchise Agreement.

FRANCHISEE: (For an entity)

Name of Entity: _____

Signature: _____
Printed Name: _____
Title: _____
Date: _____

FRANCHISEE: (For an individual)

Signature: _____
Printed Name: _____
Date: _____

Signature: _____
Printed Name: _____
Date: _____

FRANCHISOR:

SNAP FITNESS, INC.

Signature: _____
Printed Name: Peter Taunton
Title: President/CEO
Date: _____

Attachment H to the Franchise Agreement

MARKET ACCELERATOR PROGRAM ADDENDUM

This Market Accelerator Program Addendum ("**MAP Addendum**") made between Snap Fitness, Inc., a Minnesota corporation with its principal business located at 2411 Galpin Ct, Suite 110, Chanhassen, MN 55317 ("**we**" or "**us**"), and the Franchisee identified in the Summary Page ("**you**"), to be effective on the Effective Date identified in the Summary Page.

RECITALS

A. Contemporaneously with the execution of this Addendum, you are entering into three SNAP FITNESS® franchise agreements (each a "**Franchise Agreement**") pursuant to our Market Accelerator Program (the "**MAP**").

B. The Clubs licensed under these Franchise Agreements together constitute the "**MAP Clubs**."

C. The parties desire to enter into this MAP Addendum in order to clarify certain obligations under the Franchise Agreements, as they relate to the MAP Clubs.

In consideration of the foregoing and the mutual covenants and consideration below, you and we agree as follows:

AGREEMENT

1. Definitions. Capitalized terms will have the meanings ascribed to them in the Franchise Agreement unless otherwise defined herein. The term "**this Agreement**" refers to the Franchise Agreement modified by this Addendum.

2. Initial Franchise Fee. The initial franchise fees applicable for the three MAP Agreements will be at total of $40,000.

3. Opening Schedule. With respect to the MAP Clubs, the following timelines apply:

MAP Club	***Site Selection (Sections 2.B and 5.A)***	***Opening Deadline (Section 5.D)***
One MAP Club	Within 3 months of the Effective Date	Within 6 months of the Effective Date
Two MAP Clubs	Within 9 months of the Effective Date	Within 12 months of the Effective Date
Three MAP Clubs	Within 15 months of the Effective Date	Within 18 months of the Effective Date

4. Failure to Meet Opening Schedule. If any deadline in Section 3 is not met, the following will apply:

(a) If the MAP Club developed under this Agreement was open and operating at the time of the failure, this Agreement will be unaffected by such failure to open.

(b) If the MAP Club developed under this Agreement was not open and operating at the time of the failure, we may, at our sole and unilateral option, ***(i)*** terminate this Agreement; or ***(ii)*** amend this Agreement to eliminate the designated protection afforded by Section 2.B and 2.C.

5. Ratification. All other terms and conditions of this Agreement are hereby ratified and confirmed.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

FRANCHISEE: (For an entity)

Name of Entity: _____

Signature: _____
Printed Name: _____
Title: _____
Date: _____

FRANCHISEE: (For an individual)

Signature: _____
Printed Name: _____
Date: _____

Signature: _____
Printed Name: _____
Date: _____

FRANCHISOR:

SNAP FITNESS, INC.

Signature: _____
Printed Name: Peter Taunton
Title: President/CEO
Date: _____

Attachment I to the Franchise Agreement

FRANCHISEE ACKNOWLEDGMENT

As you know, you and we are entering into a Franchise Agreement for the operation of a SNAP FITNESS® franchise. The purpose of this Acknowledgment Addendum is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, and to be certain that you understand the limitations on claims that may be made by you by reason of the offer and sale of the franchise and operation of your business. Please review each of the following questions carefully and provide honest responses to each question.

Acknowledgments and Representations.*

1. Did you receive a copy of our Disclosure Document at least 14 calendar days before signing the Franchise Agreement? Check one: ☐ Yes. ☐ No.
2. Have you studied and reviewed carefully our Disclosure Document and Franchise Agreement? Check one: ☐ Yes. ☐ No.
3. Is the name, address and phone number of any broker and each of our employees or representatives who was involved in offering you this franchise listed on the Disclosure Document receipt you signed (or on any updated receipt we provided to you)? Check one: ☐ Yes. ☐ No.
4. Do you understand that the Franchise Agreement contains the entire agreement between you and us concerning the franchise, meaning that any prior oral or written statements not included in the Franchise Agreement or our Disclosure Document will not be binding? Check one: ☐ Yes. ☐ No.
5. Do you understand that the success or failure of your business will depend in large part on your skills and experience, your business acumen, your location, the local market for products, interest rates, the economy, inflation, the number of employees you hire and their compensation, competition and other economic and business factors? Check one: ☐ Yes. ☐ No.
6. Do you understand that the franchise is granted for the right to operate the business at the Approved Location and that your Designated Area may overlap with the Designated Area of another franchisee? Check one: ☐ Yes. ☐ No.
7. Do you understand that if you fail to secure a site or open a club by the deadlines in the Franchise Agreement, your Designated Area protection and reservation can be removed by us and we may authorize another franchisee to locate in that area? Check one: ☐ Yes. ☐ No.
8. Do you understand that we or our affiliates may be the only approved supplier for certain products, that you will pay the then-current price in effect for the approved products and other goods and products you receive from us and our affiliates, and that that we may make a profit on those items? Check one: ☐ Yes. ☐ No.
9. Do you understand that you are bound by the non-compete covenants (both in-term and post-term) listed in Section 10 and that an injunction is an appropriate remedy to protect the interests of the System if you violate the covenant(s)? Further, do you understand that the term "you" for purposes of the non-compete covenants is defined broadly in Section 10, such that any actions in violation of the covenants by those holding any interest in the franchisee entity may result in an injunction, default and termination of the Franchise Agreement? Check one: ☐ Yes. ☐ No.

If you answered "No" to questions 1-9, please explain (attached additional sheets if necessary): _____

_____

_____

_____

_____

10. Was any oral, written or visual claim or representation made to you which contradicted the disclosures in the Disclosure Document? Check one: ☐ Yes. ☐ No.

11. Except as stated in Item 19 of our Disclosure Document, was any oral, written or visual claim or representation made to you which stated, suggested, predicated or projected your sales, income or profit levels? Check one: ☐ Yes. ☐ No.

12. Except as stated in Item 19 of our Disclosure Document, did any employee or other person speaking on our behalf make any statement or promise regarding the costs involved in operating a franchise that is not contained in the Disclosure Document or that is contrary to or different from the information in the Disclosure Document? Check one: ☐ Yes. ☐ No.

If you answered "Yes" to questions 10-12, please explain in detail the claim, representation or statement (attached additional sheets if necessary): _____

_____

_____

_____

_____

_____

_____

_____

YOUR ANSWERS ARE IMPORTANT TO US AND WE WILL RELY ON THEM. BY SIGNING THIS ADDENDUM, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

* Such representations are not intended to nor will they act as a release, estoppel or waiver of any liability incurred under the Illinois Franchise Disclosure Act or under the Maryland Franchise Registration and Disclosure Law.

NOTE: IF THE FRANCHISEE IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, AN OFFICER AND EACH OF ITS PRINCIPAL OWNERS MUST EXECUTE THIS ACKNOWLEDGMENT.

Signed: _____
Print Name: _____
Date: _____

Signed: _____
Print Name: _____
Date: _____

Signed: _____
Print Name: _____
Date: _____

Signed: _____
Print Name: _____
Date: _____

APPROVED ON BEHALF OF SNAP FITNESS, INC.

Signed: _____
Print Name: _____
Title: _____

ADDENDUM TO THE SNAP FITNESS FRANCHISE AGREEMENT FOR THE STATE OF ILLINOIS

1. Section 4 of the Illinois Franchise Disclosure Act and Rule 200.608 of the Rules and Regulations promulgated thereunder dictate that "any provision in the Franchise Agreement which designates jurisdiction or venue in a forum outside of this State is void with respect to any cause of action which otherwise is enforceable in this State, provided that a Franchise Agreement may provide for arbitration in a forum outside of this State."

2. Section 41 of the Illinois Franchise Disclosure Act and Rule 200.609 also void any attempt to waive compliance with Illinois law. Nothing in the Disclosure Document or the Franchise Agreement (or the attachments thereto) may require franchisees covered by the Illinois Franchise Disclosure Act to waive compliance with Illinois law. Any provision in the Franchise Agreement (including but not limited to any choice of law provision) that may be read as calling for application of a state law other than Illinois law is hereby deleted and franchisees covered by the Illinois Franchise Disclosure Act are entitled to the protections of Illinois law, notwithstanding any such provision. A franchisee who would otherwise enjoy the protections of the Illinois Franchise Disclosure Act will continue to have those protections despite anything to the contrary in the Franchise Agreement, including but not limited to the language in Section 15.H.1.

3. Each provision of this addendum is effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to this addendum.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

FRANCHISEE: (For an entity)

Name of Entity: _____

Signature: _____
Printed Name: _____
Title: _____
Date: _____

FRANCHISEE: (For an individual)

Signature: _____
Printed Name: _____
Date: _____

Signature: _____
Printed Name: _____
Date: _____

FRANCHISOR:

SNAP FITNESS, INC.

Signature: _____
Printed Name: Peter Taunton
Title: President/CEO
Date: _____

ADDENDUM TO SNAP FITNESS FRANCHISE AGREEMENT FOR THE STATE OF MARYLAND

Even though there may be terms in the Disclosure Document or the Franchise Agreement to the contrary, the following provisions will apply to franchisees protected by terms of the Maryland Franchise Registration and Disclosure Law:

1. The franchisee is not required to commence litigation in Minnesota, but, instead, may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

2. None of the representations required to be made by the franchisee to Snap Fitness in the documents to be executed by the franchisee are intended to act as, and the party agree that they shall not be deemed to constitute, a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

3. Any general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

FRANCHISEE: (For an entity)

Name of Entity: _____

Signature: _____
Printed Name: _____
Title: _____
Date: _____

FRANCHISEE: (For an individual)

Signature: _____
Printed Name: _____
Date: _____

Signature: _____
Printed Name: _____
Date: _____

FRANCHISOR:
SNAP FITNESS, INC.

Signature: _____
Printed Name: Peter Taunton
Title: President/CEO
Date: _____

ADDENDUM TO THE SNAP FITNESS FRANCHISE AGREEMENT
FOR THE STATE OF MINNESOTA

This Addendum pertains to franchises sold in the State of Minnesota and is for the purpose of complying with Minnesota statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended as follows:

1. We will undertake the defense of any claim of infringement by third parties involving the SNAP FITNESS mark, and you will cooperate with the defense in any reasonable manner prescribed by us with any direct cost of such cooperation to be borne by us.

2. Minnesota law provides franchisees with certain termination and nonrenewal rights. As of the date of this Franchise Agreement, Minn. Stat. Sec. 80C.14, Subd. 3, 4 and 5 require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for nonrenewal of the franchise agreement.

3. Section 13.E (Liquidated Damages) of the Franchise Agreement is deleted.

4. Section 14.C (Claims) is amended to provide that any claims arising under the Minnesota Franchise Act must be brought within three years after the date the cause of action accrues.

5. Section 15.J (Jury Waiver) and Section 15.K (Punitive Damages) are hereby deleted.

6. No Section providing for a general release as a condition of renewal or transfer will act as a release or waiver of any liability incurred under the Minnesota Franchise Act; provided, that this part shall not bar the voluntary settlement of disputes.

7. Each provision of this Addendum is effective only to the extent, with respect to such provision, that the jurisdictional requirements of Minnesota Statutes Sections 80C.01 to 80C.22 are met independently without reference to this addendum.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

FRANCHISEE: (For an entity)

Name of Entity: _____

Signature: _____
Printed Name: _____
Title: _____
Date: _____

FRANCHISEE: (For an individual)

Signature: _____
Printed Name: _____
Date: _____

Signature: _____
Printed Name: _____
Date: _____

FRANCHISOR:
SNAP FITNESS, INC.

Signature: _____
Printed Name: Peter Taunton
Title: President/CEO
Date: _____

ADDENDUM TO THE SNAP FITNESS FRANCHISE AGREEMENT FOR THE STATE OF NORTH DAKOTA

With respect to franchises falling within the scope of the North Dakota Franchise Investment Law, the Franchise Disclosure Document and Franchise Agreement are hereby amended as follows:

1. The State of North Dakota has determined that the following types of provisions are deemed to be contrary to North Dakota law:

(a) A provision requiring a North Dakota franchisee to sign a general release upon renewal of the franchise agreement;

(b) A provision requiring a North Dakota franchisee to consent to termination penalties or liquidated damages;

(c) A provision requiring a North Dakota franchisee to consent to the jurisdiction of courts outside the state of North Dakota;

(d) A provision restricting the time in which a North Dakota franchisee may make a claim to less than the applicable North Dakota statute of limitations;

(e) A provision calling for the waiver by a North Dakota franchisee of the right to trial by jury;

(f) A provision requiring a North Dakota franchisee to consent to a waiver of exemplary and punitive damages.

Any and all provisions in the Franchise Agreement that are in violation of Paragraphs 5 (a-f) are deleted.

2. North Dakota Century Code Section 9-08-06 subjects covenants not to compete to the provisions of that statute. The covenants not to compete contained within the franchise agreement are subject to Section 9-08-06 and may be unenforceable under North Dakota law.

3. The site of any mediation or arbitration of the parties' disputes will be at a site mutually agreeable to all parties. If all parties cannot agree upon a location, the arbitration or mediation will be Fargo, North Dakota.

4. Each provision of this Addendum is effective only to the extent, with respect to such provision, that the jurisdictional requirements of the North Dakota Franchise Investment Law are met independently without reference to this addendum

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

FRANCHISEE: (For an entity)

Name of Entity: _____

Signature: _____
Printed Name: _____
Title: _____
Date: _____

FRANCHISEE: (For an individual)

Signature: _____
Printed Name: _____
Date: _____

Signature: _____
Printed Name: _____
Date: _____

FRANCHISOR:
SNAP FITNESS, INC.

Signature: _____
Printed Name: Peter Taunton
Title: President/CEO
Date: _____

EXHIBIT D

FRANCHISEE LIST

SNAP FITNESS FRANCHISEES

OPEN CLUBS AS OF DECEMBER 31, 2010

Franchisee First	Franchisee Last	Club Phone	Club Address 1	Club City	Club State	Club Zip
Greg and Robin	Buttram	256-281-3020	777 US. Hwy. 431	Boaz	AL	35957
Cassidee	Gooden	205-675-8343	5104 Old Springville Rd.	Pinson	AL	35126
Wayne	Holliman	205 419 8201	3435 South Shades Crest Rd.	Birmingham	AL	35244
Wayne	Holliman	205-678-4701	20 Chelsea Corners	Chelsea	AL	35043
Robert	Logan	251-679-5554	25 Shelton Beach Rd.	Saraland	AL	36571
Robert	Logan	251-626-0320	6450 US Hwy 90	Spanish Fort	AL	36526
Julie	Magee	251-580-0810	201 Chamber Dr.	Bay Minette	AL	36507
Lee	Pearce	205-822-4FIT (4348)	2512 Rocky Ridge Road	Birmingham	AL	35243
Lee	Pearce	205-202-4010	2835 Highland Avenue	Birmingham	AL	35205
Jack	Riekhof	205-331-4772	7402 Hwy 69 South	Tuscaloosa	AL	35405
Ralph Edward	Williams	205-664-2600	2600 Hwy. 58	Helena	AL	35080
Kevin	Adkison	479-890-7627	2113 E. Parkway	Russellville	AR	72802
George	Faucette	479-443-SNAP(7627)	1261 Steamboat Drive	Fayetteville	AR	72703
Bill	Rahn	501-353-0224	400 North Bowman Road	Little Rock	AR	72211
William (Bill)	Bryniarski	480-837-3901	13525 N. Fountain Hills Blvd.	Fountain Hills	AZ	85268
Keith	Conrad	928-443-1309	2971 Willow Creek Rd	Prescott	AZ	86301
Keith	Conrad	928-776-0355	1454 West Gurley	Prescott	AZ	86305
Keith	Conrad	928-775-0888	6455 North Viewpoint Drive	Prescott Valley	AZ	86314
Gary	Heinfeld	520-395-2210	8567 N Silverbell	Tucson	AZ	85743
Kurt & Lachele	Mangum	480-840-6363	1459 S Higley Rd	Gilbert	AZ	85296
Jordan	Monson	520-423-0123	973 E. Cottonwood Lane	Casa Grande	AZ	85222
Jon	Moore	480-369-4457	990 East Riggs Rd.	Chandler	AZ	85249
Frank	Robles	520-546-1114	8816 E. Broadway Blvd.	Tucson	AZ	85710
Frank	Robles	520-293-1584	1970 West River Road	Tucson	AZ	85716
Frank	Robles	520-572-8788	7545 S Houghton Rd.	Tucson	AZ	85747
Steele	Sacks	928-284-0554	6560 AZ-179	Sedona-Village of Oak Creek	AZ	86351
Steele	Sacks	928-649-1905	976 South Main Street	Cottonwood	AZ	86326
Steele	Sacks	928-282-2139	2081 West SR-89A	Sedona	AZ	86336
Josh	Schaubach	928-782-3939	1200 Castle Dome Ave.	Yuma	AZ	85365
Josh	Schaubach	928-345-6500	11274 S. Fortuna Road, C4	Yuma	AZ	85367
Josh	Schaubach	928-783-5510	3840 West 24th Street	Yuma	AZ	85364
Rex	Schenk	480-987-1255	21258 E. Rittenhouse	Queen Creek	AZ	85142
David	Trahan	480-755-7627	2025 S Alma School Road	Mesa	AZ	85210
David	Trahan	928-282-7627 (SNAP)	400 Finnie Flat Rd Suite 1A	Camp Verde	AZ	86322
Mervin & Kelly	Wadsworth	602-404-7098	4855 Greenway	Scottsdale	AZ	85254
Mervin & Kelly	Wadsworth	480-595-0092	4705 E. Carefree Hwy Suite 131	Cave Creek	AZ	85331
Lisa	Augusto	707-864-8020	5030 Business Center Dr. Suite 150	Fairfield	CA	94534
Cynthia	Breazeale	916-939-9141	2203 Francisco Dr.	El Dorado Hills	CA	95762
Cynthia	Breazeale	916-933-9448	2222 Francisco Dr. #290	El Dorado Hills	CA	95762
Arnell	Chatman	408-363-8018	410 W. Capitol Expressway	San Jose	CA	95136
Arnell	Chatman	650-365-7627	3209 Oak Knoll Drive	Redwood City	CA	94062
Rod	Cotton	408-260-1111	60 N. Winchester Blvd.	Santa Clara	CA	95050
Allen	Cutler	626-403-6463	807-A Meridian Ave.	South Pasadena	CA	91030
Mandi	Egli	925-938-8006	1533A Palos Verdes Mall	Walnut Creek	CA	94597
Allen	Hall	650-948-5500	955 Fremont Ave.	Los Altos	CA	94024
Ben & Melody	Jackson	559-299-3488	2141 Shaw Ave	Clovis	CA	93611
Kevin	Juza	760-758-7627	950 E. Vista Way	Vista	CA	92084
Kevin	Juza	760-746-7627	2355 East Valley Pkwy	Escondido	CA	92027
Thomas	Loveall	559-635-7627	2040 S. Mooney Blvd.	Visalia	CA	93277
Thomas	Loveall	559-594-4317	161 North E Street	Exeter	CA	93221
Dana	Mason	510-226-7627	43480 Mission Blvd	Fremont	CA	94539

Franchisee First	Franchisee Last	Club Phone	Club Address 1	Club City	Club State	Club Zip
Mike	Monahan	925-693-0110	6200 Center Street	Clayton	CA	94517
Tom	Nadal	714-769-7627	8412 E Chapman Ave	Orange	CA	92869
Tom	Nadal	714-633-7627	303 E. Katella Avenue	Orange	CA	92867
Michael	Puhek	805-929-2900	671 W. Tefft St.	Nipomo	CA	93444
Vishal	Punj	650-726-4600	20 Stone Pine Road	Half Moon Bay	CA	94019
Becky	Reinhart	530-672-2777	3975 Durock Road	Shingle Springs	CA	95682
Becky	Reinhart	530-621-2777	1248 Broadway	Placerville	CA	95667
Mike	Scogna	209-599-0547	596 North Wilma Ave.	Ripon	CA	95366
Peter	von dem Hagen	650-393-5625	1232 W. Hillsdale Blvd.	San Mateo	CA	94403
Tom	Ward	408-848-8701	8050 Santa Teresa Blvd.	Gilroy	CA	95020
Tom	Ward	831-783-0330	1128 South Main Street	Salinas	CA	93901
Nathan	Woodard	209-896-4510	2367 Patterson Rd.	Riverbank	CA	95367
Michael	Andrich	303-933-8280	5500 S. Simms St. Suite K/L	Littleton	CO	80127
Michael	Andrich	303-838-2122	25597 Conifer Rd Suite 103	Conifer	CO	80433
Jim	Brennan	303-646-0133	240 South Elizabeth St.	Elizabeth	CO	80107
Dan	Butcher	720-890-7004	165 South McCaslin Blvd	Louisville	CO	80027
Milo	Carley	970-472-1777	1015 South Taft Hill Rd.	Fort Collins	CO	80521
Milo	Carley	970-344-5072	939 Mountain Avenue	Berthoud	CO	80513
Eric	Christman	970-252-1771	1541 Oxbow Dr.	Montrose	CO	81401
Brian	Diebel	970-468-9801	358 Blue River Pkwy Suite B	Silverthorne	CO	80498
Dennis and Edna	Goldman	303-757-7627	1441 South Holly St.	Denver	CO	80222
Carol	Kauffman	303-833-9980	8350 CR-13	Firestone	CO	80504
Pam	Kramer	303-904-7627	8351 N. Rampart Range Road	Littleton	CO	80125
Jackie and Graham	Macfarlane	303-659-1261	35 North 42nd Ave.	Brighton	CO	80601
Jackie and Graham	Macfarlane	303-289-7333	18240 E. 104th Ave.	Commerce City	CO	80022
Jackie and Graham	Macfarlane	970-454-3741	201 South Elm	Eaton	CO	80615
Jackie and Graham	Macfarlane	719-622-6601	7360 McLaughlin Rd	Peyton	CO	80831
Matt	Smith	719-544-7627	198 South Purcell Blvd.	Pueblo West	CO	81007
Bob	Stamm	970-523-7627	569 32 Rd.	Grand Junction	CO	81504
Josh	Livingston	860-581-4014	260 West Main St.	Avon	CT	6001
Hector	Rosado	203-885-1029	261 Main Street	Danbury	CT	6810
Hector	Rosado	203-544-0047	1 Ethan Allen Highway	Ridgefield	CT	6877
Jeff	Taylor	203-739-0027	83 Stony Hill Rd.	Bethel	CT	6801
Jeff	Taylor	203-304-1487	123 South Main Street	Newtown	CT	6470
Jeff	Taylor	203-296-4576	345 Hawley Ln.	Stratford	CT	6614
Stephen	Hardy	302-653-8023	665 South Carter Road	Smyrna	DE	19977
Stephen	Hardy	302-741-2444	1030 Forrest Ave.	Dover	DE	19901
Stephen	Hardy	302-376-6969	312 E Main St.	Middletown	DE	19709
Jeffrey	Koff	302-235-2180	7209 Lancaster Pike	Hockessin	DE	19707
Ron	Powell	302-266-0975	1252 Capitol Trail	Newark	DE	19711
Ron	Powell	302-326-1212	1214 Beaver Brook Plaza	New Castle	DE	19720
Jennifer	(Harasz) Galler	727-289-7277	3125 4TH St. N	St. Petersburg	FL	33704
Darrick	Arvin	8133417627	16317 Fishhawk Blvd.	Lithia	FL	33547
Dan	Beahan	772-781-0203	5667 SE Crooked Oak Ave	Hobe Sound	FL	33455
Dan	Beahan	772-232-2273	1111 NE Jensen Beach Blvd	Jensen Beach	FL	34957
Scott	Bethmann	904-992-9797	3267 Hodges Boulevard	Jacksonville	FL	32224
Anne-Lise	Bisio	941-896-8817	3541 53rd Ave W	Bradenton	FL	34210
Richard	Dorrian	239-949-4600	20041 S. Tamiami Trail	Estero	FL	33928
Steve	Ellis	407-359-0519	2200 Winter Springs Blvd.	Oviedo	FL	32765
John	Franz	850-678-7627	144 Palm Blvd	Niceville	FL	32578
John	Franz	850-279-4994	4576 Highway 20 East	Niceville	FL	32578
Stephen and Annica	Katsarelis	727-937-4999	852 E. Tarpon Ave.	Tarpon Springs	FL	34689
Ben	Larremore	850-515-0060	8259 Navarre Parkway	Navarre	FL	32566

Franchisee First	Franchisee Last	Club Phone	Club Address 1	Club City	Club State	Club Zip
Jordan	Levy	813-994-4434	19402 N. Bruce B. Downs Blvd	Tampa	FL	33647
Jordan	Levy	813-322-3122	10613 Sheldon Rd.	Tampa	FL	33626
Brian	Loftus	904-826-4006	525 State Rd. 16	St. Augustine	FL	32084
Rick	Mansfield	727-489-7500	2661 East Lake Rd	Palm Harbor	FL	34685
Greg	Miller	813-814-1984	12611 Race Track Rd	Tampa	FL	33626
Greg	Miller	727-474-3801	9360 Oakhurst Road	Seminole	FL	33776
Augusto	Nacarini	305-947-5722	14740 Biscayne Boulevard	North Miami Beach	FL	33181
Shannon	Peek	904-738-8325	1661 Riverside Ave	Jacksonville	FL	32204
Shannon	Peek	904-240-1879	4372 Southside Blvd.	Jacksonville	FL	32216
James	Pridemore	407-977-0505	1791 East Broadway Street	Oviedo	FL	32765
Jane	Radell	386-423-8995	424 Luna Bella Lane	New Smyrna Beach	FL	32168
Martin	Rivenbark	941-377-5646	5802 Bee Ridge Road	Sarasota	FL	34232
Hugues & Marilyn	Rousseau	954-436-7627	17195 Miramar Parkway	Miramar	FL	33027
Alfonso	Ruiz	863-603-7627	2645 South Florida Ave	Lakeland	FL	33803
Alvin	Simpson	941-766-7627	701 JC Center Court	Port Charlotte	FL	33980
Scott	Thomas	813-671-1200	11369 Big Bend Rd.	Riverview	FL	33569
Robert	Ura	772-834-0230	4007 SW Port St. Lucie Blvd	Port St. Lucie	FL	34953
Andrew	Whited	850-362-6871	232 Racetrack Rd	Fort Walton Beach	FL	32547
Thomas	Wilson	941-358-8833	8194 Tourist Center Drive	Bradenton	FL	34201
Eric	Zimmer	727-330-7570	1370 Tampa Rd.	Palm Harbor	FL	34683
Fred	Barber	706-367-2220	914 Lee Street	Jefferson	GA	30549
W. Scott and Jennifer	Bohlke	912-764-7627	609 Brannen Street	Statesboro	GA	30458
Alan	Brown	404-736-6127	1000 Marietta Street NW Suite 240	Atlanta	GA	30318
Art	Cain	770-777-1227	488 North Main Street	Alpharetta	GA	30004
Jeff	Carlyle	770-474-0511	1005 Brentwood Parkway	Stockbridge	GA	30281
Jeff	Carlyle	678-610-0512	1985 McDonough Road	Hampton	GA	30228
Michael	Chapman	678-705-1439	317 West Hill Street	Decatur	GA	30030
Michael	Chapman	770-693-9013	3621 Vinings Slope SE Suite 1100	Atlanta	GA	30339
Donna	Cosola	678-765-6301	5885 Cumming Hwy.	Sugar Hill	GA	30518
Larry	Finglass	404-875-5656	1799 Briarcliff Rd.	Atlanta	GA	30306
Trevor	Grant	770-632-4444	2512 Redwine Road	Peachtree City	GA	30215
Tony	Holland	229-985-SNAP (7627)	127 Rowland Dr	Moultrie	GA	31768
John	Makela	770-928-7627	14205 Hwy 92	Woodstock	GA	30188
Steve and Charlotte	McAdams	770-251-6900	3219 E. Hwy 34 Suite B	Newnan	GA	30265
Maria	Moffitt	770-431-9311	1290 W. Spring St SE	Smyrna	GA	30080
Greg	Mooneyham	404-627-8000	920 Glenwood Ave. Suite 102/103	Atlanta	GA	30316
Greg	Mooneyham	404-584-9669	245 North Highland Ave	Atlanta	GA	30307
Kimela	Mullins	770-466-8000	4743 Atlanta Hwy	Loganville	GA	30052
Lisa	Phillips	404-472-2113	1450 Veterans Memorial Hwy. SE	Mableton	GA	30126
Davey	Solomon	706-507-7627	1290 Double Churches Rd	Columbus	GA	31904
Davey	Solomon	706-507-3488	2525 Auburn Ave	Columbus	GA	31906
Chad & Suzanne	Askelsen	515-989-2025	115 N 1st Street	Carlisle	IA	50047
Dylan	Barnes	515-256-8882	655 NE 56th St	Pleasant Hill	IA	50327
Lee	Bissmeyer	850-287-0355	1810 S.W. White Birch Circle Suite 107	Ankeny	IA	50023
Lee	Bissmeyer	850-287-0355	1451 Gateway Circle	Grimes	IA	50111
Robert	Broin	515-576-5599	2105 5th Ave. South	Fort Dodge	IA	50501
Robert	Broin	712-722-2594	1921 S. Main Ave.	Sioux Center	IA	51250
Justin	Dowie	515-223-1512	7450 Bridgewood Boulevard Suite 205	West Des Moines	IA	50266
Bob	Engler	515-987-7777	2200 NW 159th St. #200	Clive	IA	50325
Bob	Engler	515-276-5700	5525 Merle Hay Rd. Suite 175	Johnston	IA	50131
Adam	Foster	319-277-5000	1820 Main St.	Cedar Falls	IA	50613

Franchisee First	Franchisee Last	Club Phone	Club Address 1	Club City	Club State	Club Zip
Adam	Foster	319-287-9000	3556 Kimball Ave.	Waterloo	IA	50702
Adam	Foster	319-832-1000	1711 Boyson Road	Hiawatha	IA	52233
Andy & Jennifer	Frye	563-326-2424	114 West 2nd Street	Davenport	IA	52801
Dirk	Milestone	563-690-2447	4995 Radford Court	Dubuque	IA	52002
Kelly and Brad	Miller	563-289-2700	1005 Canal Shore Drive	Le Claire	IA	52753
Kevin	Puk	515-961-3550	710 W 2nd Avenue	Indianola	IA	50125
Ryan	Sather	712-338-4700	2207 Highway 71	Milford	IA	51351
Will	Schuster	563-659-1948	100 6th Ave	De Witt	IA	52742
Scott and Elaine	Stokely	515-465-2848	1030 26th Street	Perry	IA	50220
Suzanne & Jake	Velie	850-287-0355	3963 100th St.	Urbandale	IA	50322
Suzanne & Jake	Velie	850-287-0355	4123 University Ave.	Des Moines	IA	50311
Suzanne & Jake	Velie	850-287-0355	4301 Fleur Dr.	Des Moines	IA	50321
Suzanne & Jake	Velie	850-287-0355	3440 E 33rd St	Des Moines	IA	50317
Roy	Ware	641-342-2487	115 N. Main	Osceola	IA	50213
Roy	Ware	641-774-2780	110 N. Grand Street	Chariton	IA	50049
Connie	Whiteaker	319-393-3632	7085 C Ave. NE Suite A6	Cedar Rapids	IA	52402
Doug	Youngdale	515-832-7965	902 Seneca St.	Webster City	IA	50595
Carrie	Merrill	208-522-3200	681 S Woodruff Ave	Idaho Falls	ID	83401
Doug	Mohney	208-772-4900	3270 W. Prairie Ave.	Coeur d Alene	ID	83815
Sallie	Shank	208-745-8292	205 Stockham Blvd	Rigby	ID	83442
Misti	Andrade	(618) 233-3055	3030 Frank Scott Parkway West	Belleville	IL	62223
Mike	Ballard	309-944-4335	1325 S. Oakwood Ave.	Geneseo	IL	61254
Mike	Ballard	309-467-9500	1958 S. Main St.	Eureka	IL	61530
Carolyn	Chesta	847-854-FIT1 (3481)	1042 E. Algonquin Rd.	Algonquin	IL	60102
Carolyn	Chesta	847-669-0400	10743 Huntley/Dundee Rd.	Huntley	IL	60142
Carolyn	Chesta	847-683-3300	111 West Oak Knoll Drive	Hampshire	IL	60140
Kent and Rebecca	Connell	815-444-7627	540 East Terra Cotta Ave.	Crystal Lake	IL	60012
Kent and Rebecca	Connell	815-338-SNAP (7627)	1400 North Seminary Ave	Woodstock	IL	60098
Kent and Rebecca	Connell	815-678-7627	10007 North Main Street	Richmond	IL	60071
Andy & Jennifer	Frye	309-762-0024	1509 River Drive	Moline	IL	61265
Andrew	Ginster	773-930-3424	4504 West Irving Park Road	Chicago	IL	60641
Bill	Hahn	815-234-2700	211 N. Walnut Street	Byron	IL	61010
Tony	Harris	217-438-4348	650 E. Jackson Street	Auburn	IL	62615
Tony	Harris	217-854-4006	276 N. Broad St.	Carlinville	IL	62626
Ralph	Hayward	847-223-5300	34491 N. Old Walnut Circle	Gurnee	IL	60031
Jamie and Tiffany	Keller	847-587-SNAP (7627)	7223 State Park Road	Fox Lake	IL	60020
Jamie and Tiffany	Keller	847-356-1800	435 S. Route 45	Lindenhurst	IL	60046
Jamie and Tiffany	Keller	847-639-9500	944 IL-Route 22	Fox River Grove	IL	60021
John and Jean	Lopez	815-227-1110	811 S. Perryville Rd.	Rockford	IL	61108
Greg	Mahlstedt	815-363-1830	380 Bank Dr.	McHenry	IL	60050
Greg	Mahlstedt	815-568-6000	910 C Greenlee	Marengo	IL	60152
John	Marcotte	217-223-3488	6228 Broadway	Quincy	IL	62305
Rich	O'Brien	630-448-0901	140 East Route 38, Units 100 - 300	Elburn	IL	60119
Joe	Odom	618-667-7627	427 Edwardsville Rd	Troy	IL	62294
Charlie	Rish	847-838-1299	850 Tower Drive	Lake Villa	IL	60046
Todd	Simonsen	847-740-7627	139 W Belvidere	Round Lake	IL	60073
Todd	Simonsen	847-546-1400	389 N. Wilson Rd.	Round Lake	IL	60073
Todd	Simonsen	847-841-8117	1350 East Chicago	Elgin	IL	60120
Don	Smolinski	630-980-7627	863 E. Nerge Rd.	Roselle	IL	60172
Paul	Taunton	217-483-5701 217-891-3006	1025 Jason Pl	Chatham	IL	62629
Paul	Taunton	618-258-0377	817 Edwardsville Rd. Suite C	Wood River	IL	62095
Paul	Taunton	217-877-1184	133 Barnett Ave.	Forsyth	IL	62535
Paul	Taunton	217-585-2999	1362 Toronto Rd.	Springfield	IL	62791
Paul	Taunton	618-498-7330	1404 Windy Lane	Jerseyville	IL	62052
Paul	Taunton	217-324-3333	1403 West Ferdon	Litchfield	IL	62056
Paul	Taunton	618-939-2795	917 Illinois Route 3	Waterloo	IL	62298

Franchisee First	Franchisee Last	Club Phone	Club Address 1	Club City	Club State	Club Zip
Paul	Taunton	217-235-0020	140 Dettro Drive	Mattoon	IL	61938
David	Yocum	847-358-7627	19 West Wilson	Palatine	IL	60067
David	Yocum	847-724-7627 (SNAP)	1527 Waukegan Road	Glenview	IL	60025
Cindi	Berry	317-867-7627	220 West 161st Street	Westfield	IN	46074
Shawn	Crawford	317-858-0700	311 West Northfield Dr.	Brownsburg	IN	46112
Shawn	Crawford	317-745-5330	779 East Main Street	Danville	IN	46122
Shawn	Crawford	765-654-7627	1419 East Wabash Street	Frankfort	IN	46041
Shawn	Crawford	765-364-9400	1883 US Highway 231 South	Crawfordsville	IN	47933
Shawn	Crawford	765-653-4000	1752 Indianapolis Road	Greencastle	IN	46135
Tony	Gilgenbach	812-680-4570	801 W. Tipton St.	Seymour	IN	47274
Morgan	Griffith	812-265-4400	440 East Clifty Dr.	Madison	IN	47250
Jerry	Hardesty	812-283-7627	2760 Jefferson Center Way	Jeffersonville	IN	47130
Jerry	Hardesty	812-923-7625	3620 Paoli Pike	Floyds Knobs	IN	47119
Eric	Walden	317-594-1200	7266 Fishers Crossing Drive	Fishers	IN	46038
Tammy	Bangs	913-451-7627	11118 Antioch Rd	Overland Park	KS	66210
Barry	Baumfalk	913-764-0400	16587 W. 151st Street	Olathe	KS	66062
Paul	Bennett	785-842-SNAP (7627)	1800 E 23rd St. Ste. C	Lawrence	KS	66046
Paul	Bennett	913-686-2027	21231 W. 223rd. Street	Spring Hill	KS	66083
Dwight and Lisa	Boyce	316-337-5808	3300 N. Rock Rd.	Wichita	KS	67226
Robert	Broin	(913) 367-1511	409 Commercial Street	Atchison	KS	66002
Jim	Dresbach	913-393-0029	11172 S. Lone Elm Rd.	Olathe	KS	66061
Todd	Lybeck	785-493-0111	2629 Market PLace	Salina	KS	67401
Matt	Rhodes	913-441-9496	5424 Roberts St.	Shawnee	KS	66226
Matt	Rhodes	913-724-2424	15604 Pinehurst Dr. Suite 6	Basehor	KS	66007
Christopher	Weir	913-829-7627	14162 W. 119th St.	Olathe	KS	66062
Steve & Amy	Brannock	859-497-4003	660 Maysville Road	Mount Sterling	KY	40353
Steve & Amy	Brannock	859-988-1993	2232 Martin Luther King Blvd.	Paris	KY	40361
Ben	Cowan	859-309-1328	4383 Harrodsburg Road	Lexington	KY	40513
Ben	Cowan	859-226-2935	120 Towne Center Drive	Lexington	KY	40511
David	Floyd	859-271-8210	4384 Clearwater Way	Lexington	KY	40515
David	Floyd	502-839-0030	1004 Bypass North	Lawrenceburg	KY	40342
David	Floyd	859-879-3575	479 Lexington Rd.	Versailles	KY	40383
Jerry	Hardesty	270.422.2225	2320-7 By Pass Rd.	Brandenburg	KY	40108
Jerry	Hardesty	270-358-5417	83 Shawnee Drive	Hodgenville	KY	42748
April	Holmgren-Smith	502-995-3261	10105 Dixie Highway	Louisville	KY	40272
Carl	Millsap	502-618-2080	7813 Beulah Church Rd.	Louisville	KY	40228
David and Tamara	Ohler	270-351-1348	147 E. Lincoln Trail	Radcliff	KY	40160
Mark	Pichea	502-228-7275	6031 Timber Ridge Dr	Prospect	KY	40059
Chad	Shankle	270-247-2424	1257 Paris Road	Mayfield	KY	42066
Erin	Strode	502-222-2122	1212 Market Street	La Grange	KY	40031
Erin	Strode	502-241-6282	6003 Pleasant Colony Ct	Crestwood	KY	40014
Terry	Walsh	502-409-6900	9815 Brownsboro Rd.	Louisville	KY	40241
Paul	Webb	502-240-0029	3831 Ruckriegel Parkway	Louisville	KY	40299
Paul	Webb	502-426-9848	1115 Herr Lane	Louisville	KY	40222
Chad	Young	270-443-0900	3215 Irvin Cobb Dr.	Paducah	KY	42003
Lucas	Babin	225-638-SNAP (7627)	1320 Hospital Road	New Roads	LA	70760
Corey	Bartolo	985-785-1718	12807 Hwy. 90	Luling	LA	70070
Corey	Bartolo	504-392-9828	102 Woodland Hwy.	Belle Chasse	LA	70037
Chad	Bergeron	225-644-1297	625 South Burnside Ave.	Gonzales	LA	70737
Chad	Bergeron	985-447-1685	1655 St Mary Street	Thibodaux	LA	70301
Chad	Bergeron	337-232-1955	2800 W. Pinhook 70508	Lafayette	LA	70508
Matt	Boullion	337-478-4525	2724 Country Club Rd.	Lake Charles	LA	70605
Matt	Boullion	337-528-6933	1570 Maplewood Drive	Sulphur	LA	70663
Mike	Brown	225-261-5008	14395 Greenwell Springs Road	Greenwell Springs	LA	70739

Franchisee First	Franchisee Last	Club Phone	Club Address 1	Club City	Club State	Club Zip
Mike	Brown	225-615-7936	257 Lee Drive	Baton Rouge	LA	70808
Mike	Brown	225-654-5528	20377 Old Scenic Highway	Zachary	LA	70791
Darren	Colletti	504-883-0309	2309 Clearview Pkwy	Metairie	LA	70001
Kathy	Commander	985-892-1231	1170 N Hwy 190	Covington	LA	70433
Adam	Correll	504-304-7321	3501 Severn Ave.	Metairie	LA	70002
John	Dang	504-348-4242	1401 Westbank Exp. Blvd. Suite 104	Westwego	LA	70094
John	Dang	504-301-1289	3700 Lapalco Blvd.	Harvey	LA	70058
John	Dang	504-575-3000	1640 Hickory Ave.	Harahan	LA	70123
Chuck	Decker	225-751-1881	17002 Jefferson Hwy	Baton Rouge	LA	70817
Mike	Dupuy	225-622-9999	14505 Hwy. 44	Gonzales	LA	70737
Max	Fletcher	337-984-4699	110 Tucker Dr.	Lafayette	LA	70503
Neil	Fontenot	337-839-8277	219 St. Nazaire Rd.	Broussard	LA	70518
Josh	Gwin	985-873-8585	292 South Hollywood Road	Houma	LA	70360
Antonio & Lisa	James	504.305.4668	151 Almedia Rd.	St. Rose	LA	70087
Gabriel	Kora III	225-751-0121	14241 Coursey Blvd.	Baton Rouge	LA	70809
Gabriel	Kora III	225-791-0100	34130 N LA Highway 16	Denham Springs	LA	70706
Brad	Lambert	337-856-6564	803 St. Blaise Lane	Youngsville	LA	70592
Jeff	Lauseng	318-698-6878	4726 East Texas St	Bossier City	LA	71111
Jeff	Lauseng	318-213-2266	1549 East 70th St.	Shreveport	LA	71105
Jason	Leaphart	225-261-6119	18513 Magnolia Bridge Road	Central	LA	70739
Jason	Leaphart	225-372-2003	28977 Walker South Rd.	Walker	LA	70785
Jill	LeBlanc	337-893-0009	109 Rue Centre Suite 3	Abbeville	LA	70510
Paul	LeBoeuf	985-532-2204	4840 Hwy 1	Raceland	LA	70394
John	Lejeune	985-732-1774	401 Austin St.	Bogalusa	LA	70427
John	Lejeune	985-882-4344	27397 Highway 190	Lacombe	LA	70445
Victor and Candice	Lockwood	225-687-6271	58630 Bellview Road	Plaquemine	LA	70764
Victor and Candice	Lockwood	225-622-SNAP (7627)	40306 Highway 42	Galvez	LA	70769
Eric	Robicheaux	337-456-7983	2425 W. Congress St.	Lafayette	LA	70506
Elliot	Sarpy	504-305-6220	910 W. Esplanade Ave.	Kenner	LA	70065
Paul	Schexnaydre	985-809-7800	70360 HWY 21	Covington	LA	70433
Michelle	Vasquez	318-368-4878	787 Sterlington Hwy	Farmerville	LA	71241
Peak	Ventures LLC	318-448-5399	3601 Jackson St.	Alexandria	LA	71302
Craig	Watson	318-336-5474	1909 Carter St.	Vidalia	LA	71373
Sam and Laura	Watts	337-365-1116	722 E Admiral Doyle Dr	New Iberia	LA	70560
Joe	Zimmerman	985-674-7627	3441 East Causeway Approach	Mandeville	LA	70448
Daniel	Fadden	508-791-7627	1000 Grafton St.	Worcester	MA	1604
David	Garvey	413-532-7627 (SNAP)	506 Westfield Road	Holyoke	MA	1040
Elaine	Vakalopoulos	508-833-7627	331 Cotuit Road	Sandwich	MA	2563
Bob	Bellamy	410-255-9757	354 E. Mountain Rd	Pasadena	MD	21122
Robert & Wendy	Bollinger	(410) 850-SNAP (7627)	529 S. Camp Meade Rd.	Linthicum Heights	MD	21090
Neil	Burkinshaw	301-540-0025	18018 Mateny Road	Germantown	MD	20874
Sam & Doris	Collins	301-705-7555	173 St. Patrick's Drive Unit 104	Waldorf	MD	20603
Bill & Karen	Gempp	410-374-6155	2315 Hanover Pike	Hampstead	MD	21074
Frank	Illiano	301-829-0680	1311 S. Main Street	Mt. Airy	MD	21771
Michael	Lechner	410-939-9595	2015-E Pulaski Highway	Havre de Grace	MD	21078
Michael	Lechner	410-638-0456	1517-B Rock Spring Road	Forest Hill	MD	21050
Jane	Ramsay	410-987-7777	672 C Old Mill Road	Millersville	MD	21108
Ron	Stone	410-480-2882	10795 Birmingham Way	Woodstock	MD	21163
Alex	Tonelli	410-671-4008	413 Pulaski Hwy.	Joppa	MD	21085
Bob	Greenblatt	207-899-4473	65 Gray Rd.	Falmouth	ME	4105
Mark	Jellison	207-799-0864	747 Broadway	South Portland	ME	4106
Tim	Jundt	207-989-7070	242 State St.	Brewer	ME	4412
Seth	Umel	207-934-6136	2 Cascade Rd.	Old Orchard Beach	ME	4064
Roger	Auwers	313-274-5500	136 North Telegraph Road	Dearborn	MI	48128-

Franchisee First	Franchisee Last	Club Phone	Club Address 1	Club City	Club State	Club Zip
						1618
Alan	Baskins	810-768-2447	2463 W. Hill Road	Flint	MI	48507
John	Blakeslee	810-694-4000	5418 Perry Road	Grand Blanc	MI	48439
John	Blakeslee	810-232-4500	G-1381 W. Bristol Rd.	Flint	MI	48507
John	Blakeslee	810-213-4633	9136 Miller Rd.	Swartz Creek	MI	48473
Paula	Bondarenko	989.348.3900	8307 West M72	Grayling	MI	49738
Maris & R.J.	Brennan	517-627-3481	607 E Saginaw Hwy	Grand Ledge	MI	48837
Maris & R.J.	Brennan	517-541-3483	515 Lansing Rd.	Charlotte	MI	48813
Martin	Buzenberg	734-325-1707	9612 Belleville Rd.	Belleville	MI	48111
Stephanie & Budd	Cagle	586-949-9100	52396 Gratiot Ave	Chesterfield	MI	48051
Ryan	Carter	517-749-3003	409 North Cedar Road	Mason	MI	48854
Brad	Cohen	248-399-4030	23000 Woodward Ave.	Ferndale	MI	48220
Steve	Collias	248-594-4941	108 Willits	Birmingham	MI	48009
Ryan	Cook	616-957-3560	850 Forest Hill Rd.	Grand Rapids	MI	49546
Ryan	Cook	616-942-5600	2650 E. Beltline Ave SE	Grand Rapids	MI	49546
Ryan	Cook	616-554-3200	7200 Kalamazoo Ave. SE	Caledonia	MI	49316
Ryan	Cook	616-361-1600	1600 E Beltline Ave. NE	Grand Rapids	MI	49525
Rich	Daudert	269-327-SNAP (7627)	641 Romence Rd.	Portage	MI	49024
Donald	David	734-398-SNAP (7627)	4011 S Canton Center Rd	Canton Twp.	MI	48188
Greg	Davies	586-601-5335	26110 Crocker Blvd.	Harrison Township	MI	48045
Brad	Ebersole	517-546-1200	1455 N. Michigan Av.	Howell	MI	48843
Matt	Espinosa	810-632-5977	11333 Highland Road	Hartland	MI	48353
Matt	Espinosa	810.213.6724	5515 Davison Rd.	Burton	MI	48509
Joe	Garcia	517-827-4884	2040 North Aurelius Road	Holt	MI	48842
Yvan	Giralte	248-844-7627 (SNAP)	2913 Crooks Rd.	Rochester Hills	MI	48309
Tom and Kara	Grasso	810-547-1666	425 W. Vienna St	Clio	MI	48420
Tom and Kara	Grasso	810-867-4132	6429 W Pierson Road	Flushing	MI	48433
Tom and Kara	Grasso	9898451500	901 West Broad Street	Chesaning	MI	48616
Brad	Halonen	906-483-0310	850 W. Sharon Ave	Houghton	MI	49931
Sue	Hewitt	248-377-2294	4918 North Adams Rd.	Oakland Township	MI	48306
Matt	Jermov	517-546-2500	1456 Lawson Drive	Howell	MI	48843
Tony & Theresa	Jones	989-835-7627 (SNAP)	1625 E. Wheeler St.	Midland	MI	48642
Dennis	Kloss	517-339-7627	1630 Haslett Rd	Haslett	MI	48840
Ron	Kulenkamp	248-625-2100	5900 Sashabaw Rd.	Clarkston	MI	48346
Ron	Kulenkamp	248-969-7627 (SNAP)	972 N. Lapeer Road	Oxford	MI	48371
Steven	Kwapisz	248-714-9686	2825 East Highland Rd.	Highland	MI	48356
Steven	Kwapisz	586-443-4437	26700 Gratiot Ave	Roseville	MI	48066
Brad and Cassandra	Lazorka	517-336-0881	115 E. Grand River	East Lansing	MI	48823
Cynthia	Liekhus	586-416-7627	50846 Romeo Plank Rd.	Macomb	MI	48044
Ryan	Lothian	616-719-4577	2355 Belmont Center Drive	Belmont	MI	49306
Ryan	Lothian	616-987-4000	2173 West Main St.	Lowell	MI	49331
Robert	Mahaney	906-228-7627	3226 US 41 West	Marquette	MI	49855
Robert	Mahaney	906-226-7627	153 W. Washington St.	Marquette	MI	49855
Tim	McFarland	517-347-4147	3552 Meridian Crossing Dr.	Okemos	MI	48864
Doug	Milam	616-895-2176	6101 Lake Michigan Dr.	Allendale	MI	49401
Brian	Mulder	616-453-6666	2056 Lake Michigan Dr. NW	Grand Rapids	MI	49504
Brian	Mulder	269-792-0000	150 Pine Street	Wayland	MI	49348
Brian	Mulder	616-878-1111	2492 84th Street SW	Byron Center	MI	49315
Steve	Nienhaus	248-446-3200	23200 Pontiac Trail	South Lyon	MI	48178
Mark	Pasma	616-534-7627	3845 Rivertown Pkwy SW	Grandville	MI	49418
Mark	Pasma	616-669-9100	3715 Baldwin St.	Hudsonville	MI	49426
Mark	Pasma	616-931-4470	9479 Riley St.	Zeeland	MI	49464

Franchisee First	Franchisee Last	Club Phone	Club Address 1	Club City	Club State	Club Zip
Nofal	Paulus	734-420-7990	15368 Haggerty Rd	Northville Twp.	MI	48170
Lynne & Lou	Polselli	734-529-SNAP (7627)	107 Waterstradt Commerce Drive	Dundee	MI	48131
Robert	Pringle	517-782-1001	1527 Horton Road	Jackson	MI	49203
Andrea & James	Risk	734-457-1799	1539 Telegraph Road	Monroe	MI	48162
Andrea & James	Risk	989-705-7627	780 Edelweiss Village	Gaylord	MI	49735
Keith & Carol	Rochon	248-347-1788	41774 West 10 Mile Road	Novi	MI	48375
Chris	Sadek	734-207-2000	521 Ann Arbor Rd.	Plymouth	MI	48170
Patti	Shields	734-426-2655	3219 Broad Street	Dexter	MI	48130
Patti	Shields	734-648-0424	1337 E. M-36	Pinckney	MI	48169
Ryan	Sietsema	989-227-8000	2429 Ontario Drive	St. Johns	MI	48879
Douglas	Slagh	616-741-9380	12059 Felch St.	Holland	MI	49424
Ed	Szabunia	586-532-7800	42918 Schoenherr Rd	Sterling Heights	MI	48313
Yusef	Thomas	248-634-2000	15213 N. Holly Rd	Holly	MI	48442
Dave	Vaillancourt	734-429-4567	1359 East Michigan Ave.	Saline	MI	48176
Chuck	Watson	616-607-8196	13040 US 31	Grand Haven	MI	49417
Cynthia	Westra	616-846-7627	723 E. Savidge St. Suite F	Spring Lake	MI	49456
Cynthia	Westra	231-733-0429	950 W. Norton Ave	Norton Shores	MI	49441
Mike	Abrahamson	218-233-7627	814 30th Avenue	Moorhead	MN	56560
Bill	Adams	763-559-7627	4445 Nathan Lane N.	Plymouth	MN	55442
Stewart	Almaer	651-739-9766	1807 Geneva Ave. N	Oakdale	MN	55128
Renee	Anderson	320-256-SNAP (7627)	321 East Main Street	Melrose	MN	56352
Craig	Angell	507-357-2242	100 E. Minnesota St.	Le Center	MN	56057
Barbara/Gabe	Arntson	218-281-7627	404 North Broadway	Crookston	MN	56716
Barbara/Gabe	Arntson	218-283-0020	615 3rd Ave	International Falls	MN	56649
Kari	Beaupre	651-436-5481	356 S. St. Croix Trail	Lakeland	MN	55043
Brenda	Bednar	507-455-3500	1824 Cedar Ave. South	Owatonna	MN	55060
Douglas	Berg	952-873-6663	320 Laredo St. Unit 1	Belle Plaine	MN	56011
Jeff	Berman	612-338-3999	250 2nd Ave. S. Suite 280	Minneapolis	MN	55401
Jeff	Berman	612-339-1991	625 Fourth Avenue South	Minneapolis	MN	55415
Howie	Borden	320-252-2975	1026 4th Street SE	St. Cloud	MN	56304
Howie	Borden	218-444-9163	1008 Paul Bunyan Dr	Bemidji	MN	56601
Howie	Borden	320-203-7133	27 Benton Dr. North	Sauk Rapids	MN	56379
Heather	Bowman	612-729-9562	3810 East 46th St.	Minneapolis	MN	55406
Nikki	Bradford	320-796-2424	300 S. Hwy 23	Spicer	MN	56288
Scott & Laurel	Brecher	651-770-3777	2676 County Road E	White Bear Lake	MN	55110
Aaron	Callister	507-775-7627	1067 4th St. NE Suite 100	Byron	MN	55920
Aaron	Callister	952-746-7627	15400 Hwy 7	Minnetonka	MN	55345
Aaron	Callister	507-263-8326	31265 County 24 Blvd.	Cannon Falls	MN	55009
Chad	Capp	763-786-7627	455 99th Ave. NW	Coon Rapids	MN	55433
Chad	Capp	218-525-8363	4425 E. Superior St.	Duluth	MN	55804
Chad	Capp	320-351-7627	1190 Main Street South	Sauk Centre	MN	56378
Vince	Charles	763-434-5858	18447 Highway 65 NE	East Bethel	MN	55011
Vince	Charles	651-257-BFIT (2348)	12715 Lake Blvd.	Lindstrom	MN	55045
Steven and Joy	Cherney	952-926-3040	5107 Minnetonka Blvd.	St. Louis Park	MN	55416
Christina	Clark	320-864-5565	623 12th Street East Suite 1	Glencoe	MN	55336
Christina	Clark	763-972-9000	1374 Babcock Blvd.	Delano	MN	55328
Christina	Clark	763-675-6750	185 Nelson Blvd.	Montrose	MN	55363
Christina	Clark	320-543-3450	613 8th Ave.	Howard Lake	MN	55349
Christina	Clark	320-234-SNAP (7627)	114 Main Street North	Hutchinson	MN	55350
Christina	Clark	952-233-5577	1145 Canterbury Rd.	Shakopee	MN	55379
Christina	Clark	507-359-8888	1704 Westridge Road	New Ulm	MN	56073
Christina	Clark	320-275-2711	641 Parker Ave W	Dassel	MN	55325
Christina	Clark	320-259-0991	24086 State Highway 15	St. Augusta	MN	56301
Kevin	Cook	507-377-1290	1641 Blake Ave.	Albert Lea	MN	56007
Ben M.	Cowan	651-769-2944	8700 E. Point Douglas Rd S.	Cottage Grove	MN	55016

Franchisee First	Franchisee Last	Club Phone	Club Address 1	Club City	Club State	Club Zip
Ben M.	Cowan	763-544-0055	687 Winnetka Ave N	Golden Valley	MN	55427
Ben M.	Cowan	651-772-3118	1320 Maryland Avenue East	St. Paul	MN	55106
Ben M.	Cowan	651-646-2040	80 Snelling Ave N	St. Paul	MN	55104
Ben M.	Cowan	651-646-7627 (SNAP)	1557 West Larpenteur Avenue	St. Paul	MN	55113
Jake	Del Pino	651-388-7774	3257 South Service Drive	Red Wing	MN	55066
Diane	Domine	507-364-8050	300 1st St. North	Montgomery	MN	56069
Eric	Ferch	612-920-3385	4503 France Ave. South	Minneapolis	MN	55410
Jon	Ferrell	320-282-2190	600 B State Hwy 23	Millaca	MN	56353
Jon	Ferrell	320-558-6088	800 Nelson Drive	Clearwater	MN	55320
Jon	Ferrell	763-262-5995	14275 Bank St.	Becker	MN	55308
Mark	Filas	218-825-8100	1313 S. 6th St.	Brainerd	MN	56401
Mark	Filas	218-927-1300	10 2nd Street NE	Aitkin	MN	56431
Robin	Fox	952-736-1348	1024 County Road 42 East	Burnsville	MN	55337
Robin	Fox	763-390-1313	4070 Lakeland Ave. N.	Robbinsdale	MN	55422
Michael	Gallo	952-698-SNAP (7627)	14419 Excelsior Blvd.	Minnetonka	MN	55345
Robbin	Ghere	651-204-0943	525 Diffley Rd.	Eagan	MN	55123
Brad	Goettsch	507-744-3700	739 Ash Street	Lonsdale	MN	55046
Dave	Harris	651-797-3520	1275 East County Rd. D	Maplewood	MN	55109
Logan	Haskins	952-442-3815	120 Vine St. S.	Waconia	MN	55387
Heather	Hasti	320-274-7627	990 Elm St. Suite 300	Annandale	MN	55302
Heather	Hasti	320-286-0030	500 West Cokato St.	Cokato	MN	55321
Jennifer	Hayes	952-448-6500	700 North Chestnut St.	Chaska	MN	55318
Paul	Heinen	651-649-0000	2650 University Avenue West	St. Paul	MN	55114
Jered	Hokenson	952-373-4084	255 Ash Ave. N	Mayer	MN	55360
Jim	Holm	651-636-0405	2216 County Rd. D West	Roseville	MN	55112
Derek	Hookom	763-267-7595	8022 Highway 55	Rockford	MN	55373
Derek	Hookom	763-479-4449	145 Railway St. W.	Loretto	MN	55357
Glen	Hulley	612-221-2787	605 Lewis Ave. N	Watertown	MN	55388
Chad	Jackson	320-321-1348	1111 Black Oak Ave.	Montevideo	MN	56265
Herman	Jass	952-944-7627	8767 Columbine Rd.	Eden Prairie	MN	55344
Herman	Jass	952-935-7627	5757 Sanibel Drive	Minnetonka	MN	55343
Jamie	Jerdee	507-663-1777	1500 Clinton Lane	Northfield	MN	55057
Jamie	Jerdee	952-226-FIT1 (3481)	7470 South Park Dr.	Savage	MN	55378
Paul	Johnson	507-289-2124	2477 Clare Ln NE	Rochester	MN	55906
Paul	Johnson	507-474-5289	1213 Gilmore Ave.	Winona	MN	55987
Paul	Johnson	952-467-2680	308 Highway 212 West	Norwood Young America	MN	55368
Paul	Johnson		102 20th Street SE	Rochester	MN	55904
Rick	Jones	320-762-8879	1804 South Broadway St.	Alexandria	MN	56308
Patrick	Kiffmeyer	651-674-4153	6118 Main Street	North Branch	MN	55056
Patrick	Kiffmeyer	651-462-9073	5377 266th St.	Wyoming	MN	55092
Dave	Kleinfehn	952-884-5166	10800 Nesbitt Ave. S	Bloomington	MN	55437
Dave	Kleinfehn	952-681-7296	8009 34th Ave South	Bloomington	MN	55425
Dave	Kleinfehn	952-746-4516	9505 Lyndale Ave South	Bloomington	MN	55420
Daniel	Kohl	218-727-2544	102 East Central Entrance	Duluth	MN	55811
Dan and Robin	Kohls	507-895-6700	136 S. Walnut St.	La Crescent	MN	55947
Jeff	Krueger	651-238-8853	1016 Smith Avenue	West St. Paul	MN	55118
Jennifer	L'Allier	952-938-3456	723 Main Street	Hopkins	MN	55343
Michelle	Lewica	218-568-5999	31108 Government Drive, #108	Pequot Lakes	MN	56472
Craig	Lietha	763-552-SNAP	1820 Second Avenue	Cambridge	MN	55008
Craig	Lietha	763-444-3400	404 Whiskey Road	Isanti	MN	55040
Jim	Lindahl	320-843-2127	110 14th Street South	Benson	MN	56215
Jason	Linse	507-387-7627	1754 Commerce Drive	North Mankato	MN	56003
Rod	Manderscheid	320-593-1429	27 East Depot St.	Litchfield	MN	55355
Rod	Manderscheid	320-523-1700	106 N 9th St.	Olivia	MN	56277
Barrie	Marasco	651-460-2220	18450 Pilot Knob Road	Farmington	MN	55024
Ryan	McKeever	612-823-1333	1207 Lagoon Ave	Minneapolis	MN	55408

Franchisee First	Franchisee Last	Club Phone	Club Address 1	Club City	Club State	Club Zip
Greg	Meehan	651-452-8111	991 Sibley Memorial Highway	Lilydale	MN	55118
Brad	Miller	320-243-2100	970 Hwy 23	Paynesville	MN	56362
Brad	Miller	320-963-7627	220 State Highway 55	Maple Lake	MN	55358
Gary & Jennifer	Miller	320-358-0091	1170 West 4th Street	Rush City	MN	55069
Zachery	Minissale	952-368-3004	1772 Steiger Lake Ln	Victoria	MN	55386
Bob	Mitchell	651-501-7672	1750 Weir Drive	Woodbury	MN	55125
Larry	Nadeau	320-968-4900	10 2nd Ave. W.	Foley	MN	56329
Scott	Needham	952-440-1660	16731 Hwy 13 South	Prior Lake	MN	55372
Scott	Needham	651-455-5113	3056 East 65th St.	Inver Grove Heights	MN	55076
Scott	Needham	651-686-4991	1340 Duckwood Drive	Eagan	MN	55123
Scott	Needham	651-289-3070	1960 Cliff Lake Rd. Suite 115	Eagan	MN	55122
Terry	Norton	952-471-1114	4671 Shoreline Drive	Spring Park	MN	55384
Terry	Norton	651-438-9309	275 33rd West St. Suite B	Hastings	MN	55033
Terry	Norton	763-433-9083	3841 St. Francis Blvd.	Anoka	MN	55303
Kevin	Oliver	507-665-4100	202 A Valleygreen Square	Le Sueur	MN	56058
Kevin	Oliver	612-869-0085	6441 Lyndale Ave S	Richfield	MN	55423
Kevin	Oliver	612-824-4454	5409 Nicollet Ave. S	Minneapolis	MN	55419
Gary	Opp	218 477-3124	1203 Center Ave. West	Dilworth	MN	56529
Amrish	Patel	612.388.2762	6528 University Ave NE	Fridley	MN	55432
Laura	Pioske	507-964-5664	428 West Main St.	Arlington	MN	55307
Heather	Pribyl	763-479-2510	1400 Baker Park Rd.	Medina	MN	55359
Cindy	Robideau	763-428-2208	13635 Northdale Blvd.	Rogers	MN	55374
Jan	Sanderson	320-217-5858	1405 Division Street	Waite Park	MN	56387
Cindy	Scherping	218.895.7627	106 NE 4th Street	Staples	MN	56479
Cindy	Scherping	320-845-7888	1550 Railroad Ave	Albany	MN	56307
Cindy	Scherping	320-732-2296	220 Lake Street S	Long Prairie	MN	56347
Steve	Schultz	218-744-1000	324 Grant Ave.	Eveleth	MN	55734
Deb	Seifert	320-363-7757	708 Elm St.	St. Joseph	MN	56374
Deb	Seifert	320-252-7627	809 10th Ave. N.	Sartell	MN	56377
Mark	Shackleton	651-484-0428	2800 Rice St.	St. Paul	MN	55113
Mark	Shackleton	651-739-1320	9900 Valley Creek Road	Woodbury	MN	55125
Dolores	Sibet	763-315-4689	8507 Jefferson Lane North	Brooklyn Park	MN	55445
Bob	Sondag	763-493-3488	9475 Garland Lane N.	Maple Grove	MN	55311
Matt	Starr	952-322-4560	14050 Pilot Knob Rd. Unit 106	Apple Valley	MN	55124
Matt	Starr	763-231-0125	1400 County Road 101 N	Plymouth	MN	55447
Matt	Starr	952-997-9753	17671 Glasgow Ave	Lakeville	MN	55044
Gene	Stueven	763-391-7627	5262 Kyler Ave. NE	Albertville	MN	55301
Gene	Stueven	763-497-7627	1 Central Avenue West	St. Michael	MN	55376
Tom & Jane	Taunton	507-627-SNAP (7627)	621 East Bridge St.	Redwood Falls	MN	56283
Tom & Jane	Taunton	320-222-SNAP (7627)	812 1st St. South	Willmar	MN	56201
Meredith	Tuntland	763-390-9148	6272 Boone Ave. N	Brooklyn Park	MN	55428
John and Suzanne	Van Dyck	763-421-4463	12460 Champlin Drive	Champlin	MN	55316
John and Suzanne	Van Dyck	763-241-8387	19022 Freeport Ave.	Elk River	MN	55330
Matthew	Van Hoomissen	952-758-9250	807 1st St. SE	New Prague	MN	56071
Kyle	Veenis	651-653-7627	4713 Hwy 61	White Bear Lake	MN	55110
Melissa	Waalen	320-685-8836	20 Red River Ave. South	Cold Spring	MN	56320
Faamati	Winey	651-415-9628	6511 Ware Rd. #120	Lino Lakes	MN	55014
Faamati	Winey	763-862-3324	2330 Cloud Drive	Blaine	MN	55449
Faamati	Winey	651-275-9628	1471 Stillwater Blvd.	Stillwater	MN	55082
Faamati	Winey	651-464-4833	14755 Victor Hugo Blvd.	Hugo	MN	55038
Faamati	Winey	651-464-3234	56 East Broadway	Forest Lake	MN	55025
Ryan	Wipf	612-746-4002	105 Broadway Street NE	Minneapolis	MN	55413
Christian	Andrade	314.533.7627	4477 Forest Park Ave.	St. Louis	MO	63108
Lynda	Atwood	417-725-6656	830 West Mount Vernon Suite #7	Nixa	MO	65714
Ron	Campbell	573-468-5656	575 Walmart Drive	Sullivan	MO	63080
Jack & Sabrina	Cannon	816-524-8555	631 NE Woods Chapel Rd	Lee's Summit	MO	64064

Franchisee First	Franchisee Last	Club Phone	Club Address 1	Club City	Club State	Club Zip
Brad	Carmody	314.846.4414	6070 Telegraph Rd.	Oakville	MO	63129
Brad	Carmody	314.567.7627	9200 Olive Blvd.	Olivette	MO	63132
Brad	Carmody	314.875.0234	6451 Clayton Road	St. Louis	MO	63117
Chris & Mindy	Chambers	816-382-3400	8560 N Green Hills Road	Kansas City	MO	64154
Mark	Hirsch	816-623-9775	881 LeMans Lane	Lee's Summit	MO	64082
Chris	Kerth	816-298-7515	8015 State Line	Kansas City	MO	64114
Gordon	Leftridge	636-587-3470	431 Meramec Blvd	Eureka	MO	63025
Marc	Lewis	816-741-7766	5900 NW 63rd Terrace	Kansas City	MO	64151
Tracy	Meyer	660-886-4455	807 Cherokee St	Marshall	MO	65340
Matthew	Parrott	866-680-7627 (SNAP)	9572 N. McGee Street	Kansas City	MO	64155
George	Reed	314-317-9300	13379 Olive Blvd	Chesterfield	MO	63017
Dave	Romine	636-432-0024	848 Washington Corners	Washington	MO	63090
Dave	Romine	636-257-7997	250 LaMar Parkway	Pacific	MO	63069
Dave	Romine	636-745-8222	10 Wildcat Dr.	Wright City	MO	63390
Mark	Schopp	636-337-7350	12878 Hwy 21	DeSoto	MO	63020
Mark	Schopp	636-583-2259	29 Silo Drive	Union	MO	63084
Mark	Schopp	636-282-4229	2855 Seckman	Imperial	MO	63052
Brian	Sestak	417-889-7627	3659 East Sunshine	Springfield	MO	65809
Scott & Cynthia	Wilcox	636-240-3934	1084 Tom Ginnever Ave.	O Fallon	MO	63366
Kevin	Blum	228-831-5740	11010 Hwy 49	Gulfport	MS	39501
Todd	Bossier	662-259-2256	304 Heritage Drive	Oxford	MS	38655
Todd	Bossier	662-563-4926	436 Highway 6 East	Batesville	MS	38606
Brad	Bounds	601-268-3958	3906 Hardy St.	Hattiesburg	MS	39402
Brad	Bounds	601-582-7708	1229 Hwy 42	Petal	MS	39465
Brad	Bounds	601-693-1818	2405 Hwy 39 N.	Meridian	MS	39301
Brandon	Browning	601-684-1990	1056A Highway 98-51	McComb	MS	39648
Brandon	Browning	601-823-7080	939 Brookway Blvd.	Brookhaven	MS	39601
Michael	Carr	662-627-5511	640 Friars Point Road	Clarksdale	MS	38614
Dave	Herbert	601-469-9215	1303 Highway 35 South	Forest	MS	39074
Rick	Jones	662-869-3181	111 Willowbrook Dr.	Saltillo	MS	38866
Rick	Jones	662-844-SNAP	549 Coley Rd	Tupelo	MS	38801
Kyle	Mapes	601-992-7188	1149 Old Fannin Rd	Brandon	MS	39047
John	Moss	769-233-8249	404 Riverwind Dr.	Pearl	MS	39208
Keith & Daina	Nobles	601-383-4445	7048 Old Canton Rd	Ridgeland	MS	39157
Jack	Riekhof	662-323-5611	100 Starr Ave.	Starkville	MS	39759
Craig	Watson	601-442-5454	347 D'evereaux Drive	Natchez	MS	39120
Sam and Laura	Watts	228-712-2660	2400 Denny Ave.	Pascagoula	MS	39567
Brian	Wiese	662-294-8800	1218 Sunset Drive	Grenada	MS	38901
Kyle	Eckmann	406-442-4530	7 Microwave Hill Road	Montana City	MT	59634
Kyle	Eckmann	406-388-0433	207 West Main Street	Belgrade	MT	59714
Kyle	Eckmann	406-586-0240	85 West Kagy	Bozeman	MT	59715
Jim	Malmstrom	406-656-4309	1780 Shiloh Rd.	Billings	MT	59106
Jim	Malmstrom	406-628-2919	413 SE 4th Street	Laurel	MT	59044
Dennis	Steinman	406-727-2077	2104 10th Avenue South	Great Falls	MT	59405
Dennis	Steinman	406-761-4971	125 NW Bypass	Great Falls	MT	59404
Victor & Amie	Cennamo	704-439-4543	11159 Davinci Drive	Davidson	NC	28036
Victor & Amie	Cennamo	704-895-7474	130 Harbour Place	Davidson	NC	28036
Dave	Coutts	919-847-1441	1141 Falls River Ave	Raleigh	NC	27614
Mark	Decker	919-365-SNAP (7627)	2493 Wendell Blvd	Wendell	NC	27591
Tripp & Elyse	Drawdy	704-243-2935	3913 Providence Road S	Waxhaw	NC	28173
Eric	Durst	828-256-1099	950 2nd Street NE	Hickory	NC	28601
Mindy	Faircloth	336-853-SNAP (7627)	4705 S NC Hwy 150	Lexington	NC	27295
Rocky	Gillikin	252-728-3357	1718 Beaufort Square	Beaufort	NC	28516
Rocky	Gillikin	252-622-4222	2900 Arendell St	Morehead City	NC	28557
Nick	Giuggio	919-545-0095	120 Lowes Drive	Pittsboro	NC	27312
Ken	Hammer	252-777-4349	6919 Hwy. 70 East	Newport	NC	28570
Ken	Hammer	252-838-1196	704 Hwy 70 Otway	Beaufort	NC	28516

Franchisee First	Franchisee Last	Club Phone	Club Address 1	Club City	Club State	Club Zip
Dennis	Howard	252-758-7627	2120 E Fire Tower Rd.	Greenville	NC	27858
Dennis	Howard	252-636-9627	3960 Dr. Martin Luther King Jr. Blvd.	New Bern	NC	28562
Dennis	Litalien	252 652-6474	965 East Main Street	Havelock	NC	28532
Dennis	Litalien	910-329-0033	624 U. S. Highway 17 South	Holly Ridge	NC	28445
Donald	Mongeon	704-542-0009	11914 Elm Lane	Charlotte	NC	28277
Donald	Mongeon	704-523-4015	4805 Park Road	Charlotte	NC	28209
Ismael and Sarah	Ocasio	910-805-7627	3350 Footbridge Lane	Fayetteville	NC	28306
Scott	Simpson	336-643-5501	1433 B (68 Place) Highway 68 North	Oak Ridge	NC	27310
Gerry	Smith	704-545-8786	5716 Wyalong Drive	Charlotte	NC	28227
John	White	704-226-1315	1310 Wesley Chapel Rd.	Indian Trail	NC	28079
John	White	704-784-0678	6052 Bayfield Parkway	Concord	NC	28027
Victoria and Dan	Widman	919-960-6688	1848 Martin Luther King Jr. Blvd.	Chapel Hill	NC	27514
Victoria and Dan	Widman	919-942-7700	300 Market St. Suite 110	Chapel Hill	NC	27516
Mike	Abrahamson	701-356-3651	4265 45th Street S.	Fargo	ND	58104
Mike	Abrahamson	701-356-3650	3200 Sheyenne St.	West Fargo	ND	58078
Mike	Abrahamson	701-356-4121	3051 25th St. South	Fargo	ND	58103
Mike	Abrahamson	701-672-7627	403 Dakota Ave	Wahpeton	ND	58074
Renee	Anderson	701-751-7627	3111 N. 14th St.	Bismarck	ND	58503
Renee	Anderson	701-757-7627	4571 South Washington Street	Grand Forks	ND	58201
Renee	Anderson	701-751-7777	809 West Interstate Ave.	Bismarck	ND	58503
Barbara/Gabe	Arntson	701-746-9884	2750 Gateway Dr.	Grand Forks	ND	58203
Todd	Lybeck	701-845-0000	323 Central Ave. North	Valley City	ND	58072
Todd	Lybeck	701-852-2424	401 40th Ave. SW	Minot	ND	58701
Gary	Opp	701-364-5545	1375 21st Ave N	Fargo	ND	58102
Trevor	Almond	308-398-3488	217 E. Stolley Park Rd.	Grand Island	NE	68801
Dennis	Bargen	402-564-1010	825 23rd St.	Columbus	NE	68601
Travis	Buel	402-476-5444	5633 NW 1st Suite #105	Lincoln	NE	68521
Travis	Buel	402-476-7627	4910 Old Cheney Rd. Suite 1	Lincoln	NE	68516
Travis	Buel	402-466-7627	4010 North 27th St	Lincoln	NE	68521
Travis	Buel	402-261-5439	5633 S 16th St	Lincoln-Southwest	NE	68512
Scott	Moore	402-646-2000	33 Main Street	Seward	NE	68434
Carey	Rademacher	402-991-7881	3503 Samson Way #112	Bellevue	NE	68123
Ryan	Theil	402-786-0234	13220 Callum Drive Suite 6	Waverly	NE	68462
Jay	Wischmeier	402-327-0182	1777 N 86th St.	Lincoln	NE	68505
Jay	Wischmeier	402-489-1123	5900 S 85th	Lincoln	NE	68526
Paul	Christian	732-780-7627	2 Ryan Road	Marlboro	NJ	7746
Chris	D'Angelo	856-262-0200	141 Tuckahoe Road	Sewell	NJ	8080
Ed	Fazio	973-556-5956	115 Skyline Dr	Ringwood	NJ	7456
Mike & Adele	Foxwell	609-702-7627	1351 Route 38 W	Hainesport	NJ	8036
Mike & Adele	Foxwell	609-953-7627 (SNAP)	7 Wilkins Station Rd	Medford	NJ	8055
Gail	Goldstein	732-521-1717	198 Buckelew Ave	Jamesburg	NJ	8831
Richard	Hall	908-238-1915	1465 Route 31	Annandale	NJ	8801
Jay	Hanigan	908-806-0007	30 Royal Road	Flemington	NJ	8822
Jay	Hanigan	908-363-1160	3150 Route 22	Branchburg	NJ	8876
Keturah	Harris	732-251-3348	404 Main Street	Spotswood	NJ	8884
Keturah	Harris	609-799-7800	5 Schalks Crossing Road	Plainsboro	NJ	8536
Arthur	Hirsch	732-290-7627	318 Lloyd Rd.	Aberdeen	NJ	7747
John	Kedash	973-875-0600	455 State Route 23	Wantage	NJ	7461
Richard	Lawson	609-927-8300	3 Bethel Road	Somers Point	NJ	8244
Richard	Lawson	609-390-4800	4 W. Roosevelt Blvd.	Marmora	NJ	8223
James	Marzarella	732-361-1397	4070 Asbury Ave.	Tinton Falls	NJ	7753
Shari	McAtee	973-764-SNAP	514 State Route 515	Vernon	NJ	7462
Shari	McAtee	973-764-7627 or 973-409-4299	5677 Berkshire Valley Road	Oak Ridge	NJ	7438
Shari	McAtee	973-506-4333 after hours 973-764-	20 Marshall Hill Rd.	West Milford	NJ	7480

Franchisee First	Franchisee Last	Club Phone	Club Address 1	Club City	Club State	Club Zip
		7627				
Kim	Parkins	973-575-0052	16 Route 46	Pine Brook	NJ	7058
Jed	Regen	201-252-2536	115 Franklin Turnpike	Mahwah	NJ	7430
Steven	Selfridge	856-988-7627 (SNAP)	795 Route 70E	Marlton	NJ	8053
Steven	Selfridge	856-845-9444	1450 Clements Bridge Road	Deptford	NJ	8096
Elmer	Musshorn	575-521-7627	1763 B East University Ave.	Las Cruces	NM	88001
Lynn	Nannemann	505-839-1535	2115 Vista Oeste NW	Albuquerque - Vista Oeste	NM	87120
Lynn	Nannemann	505-332-3944	12251 Academy NE	Albuquerque	NM	87110
Lynn	Nannemann	505-890-5377	5740 Night Whisper NW	Albuquerque	NM	87114
Carol	Chludzinski	702-586-9500	8930 West Sunset	Las Vegas	NV	89148
Jackie	Feddy	702-254-7627	9325 S. Cimarron	Las Vegas	NV	89178
Jeff	Hennessy	702-731-4100	3350 Novat Street Suite 160	Las Vegas	NV	89129
Jeff	Hennessy	702-586-3089	8360 N. Decatur Blvd.	Las Vegas	NV	89131
Mike	Kennedy	702-922-1043	3776 W. Ann Road	North Las Vegas	NV	89031
Garrick	Malone	702-433-7627	8011 N. Durango Dr.	Las Vegas	NV	89143
Richard	Shaffer	702-202-1300	1550 N. Green Valley Parkway	Henderson	NV	89074
Bill & Beth	Berry	716.947.9010	6950 Erie Rd.	Derby	NY	14047
Bill & Beth	Berry	716-651-0013	5175 Broadway	Depew	NY	14043
Scott	Bradish	716-661-3690	764 Foote Ave.	Jamestown	NY	14701
Scott	Bradish	716-338-9882	707 Fairmount Ave.	Jamestown	NY	14701
Fred	Burghardt	585-398-7732	1560 State Route 332	Farmington	NY	14425
Fred	Burghardt	585-571-4343	3892 Scottsville Rd.	Scottsville	NY	14546
Sandro	Cagnin	518-943-3232	321 Main St.	Catskill	NY	12414
Ed	Fazio	845-269-3333	32 South Liberty Drive	Stony Point	NY	10980
Sid	Gilmore	315-406-0575	1388 E. Genesee St.	Skaneateles	NY	13152
Lorna	Graham	914-734-7627	3605 Crompond Rd	Cortlandt Manor	NY	10567
Bridget	Kelley	716-508-8400	4180 North Buffalo Rd.	Orchard Park	NY	14127
Bridget	Kelley	716-655-6600	650 Main Street	East Aurora	NY	14052
Maritza	Lopez	315-279-1065	203 Lake St.	Penn Yan	NY	14527
Jim and Tina	Marzano	518-792-0039	1340 Saratoga Rd	Gansevoort	NY	12831
Carl	Schilling	518-279-1700	828 Hoosick Road	Troy	NY	12180
Greg	Sivin	631-499-0005	3051 Jericho Turnpike	East Northport	NY	11731
Greg	Sivin	631-979-SNAP (7627)	138-A East Main St.	Smithtown	NY	11787
Tom & Doreen	Spallino	516-765-3150	808B Hicksville Road	North Massapequa	NY	11758
Ervin	Starr	585-594-3FIT	4390 Buffalo Road	North Chili	NY	14514
George	Stoll	845-486-SNAP (7627)	1520 Route 55	Lagrangeville	NY	12540
Jim & Anne	Terry	607-739-1220	2898 Westinghouse Road	Horseheads	NY	14845
Enrique	Viveros	607-973-2888	82 W Market St	Corning	NY	14830
Joe	Anderson	419-903-0577	85 Amberwood Parkway	Ashland	OH	44805
Marianne	Appel	513-229-7300	4200 Aero Drive	Mason	OH	45040
Ross	Barry	330-474-2910	2500 Ohio 59	Kent	OH	44240
Mark and Beth	Beach	419-697-SNAP (7627)	3555 Navarre Ave.	Oregon	OH	43616
Marvin	Brown	513-774-7627	10576 Loveland Madeira Rd.	Loveland	OH	45140
Marvin	Brown	937-428-7627	9468 Springboro Pike	Miamisburg	OH	45342
Scott & Mary	Bruney	614-777-9317	2467 Hilliard Rome Rd.	Hilliard	OH	43026
Bill	Chilton	440-247-2013	524 East Washington St.	Chagrin Falls	OH	44022
Jerry (Chris)	Collins	937-848-6201	4443 State Route 725	Bellbrook	OH	45305
Matthew	Davis	614-559-9955	1409 West 3rd Ave.	Grandview	OH	43212
Matthew	Davis	614-824-5291	2080 Arlington Ave	Upper Arlington	OH	43221
Matthew	Davis	614-754-7014	864 S Third St	Columbus	OH	43206
Matthew	Davis	614-824-2082	2656 E. Main Street	Bexley	OH	43209
Chris	Ferch	740-417-4800	820 Sunbury Road	Delaware	OH	43015
Scott	Gerke	513-574-7627	6701 Ruwes Oak Dr.	Cincinnati	OH	45248
Richard	Gleason	440-466-9143	767 S. Broadway Ave	Geneva	OH	44041

Franchisee First	Franchisee Last	Club Phone	Club Address 1	Club City	Club State	Club Zip
Richard	Gleason	440-993-0033	3705 State Rd	Ashtabula	OH	44004
John	Howard	419-720-SNAP (7627)	7007 W. Central Ave.	Toledo	OH	43617
Steve	Kearney	513-248-0063	1079-A State Route 28	Milford	OH	45150
Patrick	McCoy	330-626-3882	9374 Market Square Drive	Streetsboro	OH	44241
Patrick	McCoy	330-995-0795	317 East Garfield Rd	Aurora	OH	44202
Paul	McGavin	419-491-4688	7111 Orchard Centre Drive	Holland	OH	43528
Mark	McIntire	937-372-5500	40 S. Progress Drive	Xenia	OH	45385
Dave	Miller	330-534-0101	123 East Liberty Street	Hubbard	OH	44425
Kenneth	Schaef	330-825-0002	3300 Greenwich Rd.	Norton	OH	44203
Jack and Gayle	Staiger	513-863-7627	5174 Pleasant Ave	Fairfield	OH	45014
Jeff	Wendel	937-547-3311	1317 Wagner Ave	Greenville	OH	45331
Scott and Kim	Wendel	419-300-9623	1182 Indiana Avenue	St. Marys	OH	45885
Jeff	Wendel	419-678-SNAP (7627)	531 S. Eastern Av.	St. Henry	OH	45883
Jeff	Wendel	567-890-7627	909 East Wayne Street	Celina	OH	45822
Craig and Kelly	Brownlee	918-948-8433	7125 C South Yale Ave.	Tulsa	OK	74136
Isaac & Candy	Williams	405-603-7451	3800 North MacArthur Blvd.	Warr Acres	OK	73122
Doug	Archer	503-353-7627 (SNAP)	4200 SE King Road	Milwaukie	OR	97222
Tim	Barrans	541-382-2348	2700 NE 4th St.	Bend	OR	97701
Matt	Barrett	541-389-2550	2753 NW Lolo Drive	Bend	OR	97702
Matt	Barrett	541-389-2550	19550 Amber Meadow Drive.	Bend	OR	97702
Randy	Dyer	503-625-2700	16080 SW Tualatin-Sherwood Rd.	Sherwood	OR	97140
Terri	Esch	503-807-6274	6296 SW Meadows Rd.	Lake Oswego	OR	97035
Russ	Harshberger	503-656-2580	19703 S Highway 213	Oregon City	OR	97045
Russ	Harshberger	503-266-5515	1109 SW 1st Avenue	Canby	OR	97013
David and Dawn	Hillen	503-645-7900	18335 NW West Union Road	Portland	OR	97229
David and Dawn	Hillen	503-746-7236	12264 SW Scholls Ferry Road	Tigard	OR	97223
Susan	Jansson	541-535-7627	160 N. Pacific Hwy.	Talent	OR	97540
William	Keefer	541-928-6723	617 Hickory St. NW	Albany	OR	97321
William	Keefer	503-991-5053	4555 Liberty Rd.	Salem	OR	97302
Mike	Kehoe	541-716-5393	2940 W. Cascade Ave. #100	Hood River	OR	97031
Randy	Muir	503-371-0919	152 Lancaster Drive SE	Salem	OR	97317
Randy	Muir	503-991-5902	1124 Wallace Rd. North West Suite 140	Salem	OR	97304
Greg	Vauters	541-738-7627	5246 Philomath Blvd.	Corvallis	OR	97333
Robert	Bahr	717-540-5414	2308 Patton Rd	Harrisburg	PA	17110
Ray	Bristol	717-741-2348 (BFit)	180 Leader Heights Road	York	PA	17402
James	Bromley	215-536-7650	238 S. West End Blvd	Quakertown	PA	18951
James	Bromley	484-684-6629	316 East Johnson Hwy.	Norristown	PA	19401
Dino and Debbie	Damico	724-744-7779	1075 Harrison City-Export Rd.	Jeannette	PA	15644
Dino and Debbie	Damico	724-744-7775	4016 Route 130	Irwin	PA	15642
Jason	Davis	814- 941-SNAP (7627)	200 E. Chestnut Ave	Altoona	PA	16601
Jason	Davis	814-696-9996	167 Glimcher Drive	Duncansville	PA	16635
Jason	Davis	814-254-0022	1910 Minno Drive	Johnstown	PA	15905
Jason	Davis	814-266-7627	814 Scalp Ave.	Johnstown	PA	15904
Chris	Dowd	610-789-4646	1011 Pontiac Road	Drexel Hill	PA	19026
Chris	Dowd	610-933-9050	785 Starr Street	Phoenixville	PA	19460
Chris	Dowd	610-642-6200	2320 Haverford Road	Ardmore	PA	19003
Carl	Fish	215-257-8877	1143 N. 5th St.	Perkasie	PA	18944
Brian	Gery	215-361-7627	430 Pennbrook Pkwy.	Lansdale	PA	19446
Israel	Gray	724-452-9300 or 724-991-1125	100 Perry Hwy	Harmony	PA	16037
Nigel	Green	267-263-1205	1540 Cowpath Rd.	Hatfield	PA	19440
Elizabeth	Hefner	724-836-SNAP (7627)	6041 Route 30 West	Greensburg	PA	15601
Bill	Liney	610-361-8232	45 W. Baltimore Pike	Glen Mills	PA	19342

Franchisee First	Franchisee Last	Club Phone	Club Address 1	Club City	Club State	Club Zip
Glenn	McEvoy	412-595-7879	4110 Brownsville Rd	South Park	PA	15129
Mike	Mettee	(412) 828-8800	120 Allegheny River Blvd.	Verona	PA	15147
Mike	Mettee	724.325.1000	2800 Golden Mile Hwy	Pittsburgh	PA	15239
Mike	Mettee	724-339-6100	#168 Hillcrest Shopping Center	Lower Burrell	PA	15068
Sandy & Rich	Owens	412-837-2092	4721 McKnight Rd.	Pittsburgh	PA	15237
Sandy & Rich	Owens	412-821-SNAP	550 Butler Street	Etna	PA	15223
Ralph	Park	814-542-4242	1 West Shirley Street	Mount Union	PA	17066
James	Schmus	717-264-7627	89 St. Paul Dr.	Chambersburg	PA	17201
Stephen	Schwartz	610-588-5300	426 Blue Valley Drive	Bangor	PA	18013
Stephen	Schwartz	610-759-5775	822 Nazareth Pike	Nazareth	PA	18064
David & Jodi	St. Pierre	717-653-1044	763 East Main Street	Mount Joy	PA	17552
David & Jodi	St. Pierre	717-426-1600	312 Honeysuckle Drive	Marietta	PA	17547
Lorry	Staub	724-687-0456	162 Brickyard Rd.	Mars	PA	16046
Lorry	Staub	724-553-5516	120 Graham Park Drive	Cranberry Township	PA	16066
John	Stockton	610-385-5555	180 Old Swede Rd.	Douglassville	PA	19518
Margie	Worrall	610-268-8100	921 Gap-Newport Pike	Avondale	PA	19311
Margie	Worrall	484-730-8070	162 Onix Drive	Kennett Square	PA	19348
Wendy	Dieterlen	843-856-3600	1039 Hwy 41	Mt. Pleasant	SC	29466
Tripp & Elyse	Drawdy	803-802-7348	3150 Hwy 21	Fort Mill	SC	29715
Timothy	Edmunds	803-462-9332	843 Polo Road	Columbia	SC	29223
Bruce	Anderson	605-274-0414	1516 S. Sycamore Ave.	Sioux Falls	SD	57110
Bruce	Anderson	605-275-0515	5014 S. Marion Road	Sioux Falls	SD	57106
Robert	Broin	605-232-8713	317 Dakota Dunes Blvd.	North Sioux City	SD	57049
Dr. William	Donhiser	605-716-7627	5622 Sheridan Lake Road	Rapid City	SD	57702
Rick	Jones	605-692-7627 (SNAP)	1009 Main Ave. South	Brookings	SD	57006
Rick	Jones	605-878-SNAP (7627)	108 9th Ave SE	Watertown	SD	57201
Rick	Jones	605-262-SNAP (7627)	1601 6th Avenue SE	Aberdeen	SD	57401
John	Tschetter	605-791-5313	1565 Haines Ave.	Rapid City	SD	57701
David and Dawn	Banks	865.693.4303	10673 Hardin Valley Rd.	Knoxville	TN	37932
Robert	Britton	615-962-8671	2812 Old Fort Pkwy	Murfreesboro	TN	37128
Robert	Britton	615-355-0336	830 Nissan Drive Suite 120	Smyrna	TN	37167
Horace	Chase	731- 736-1352	398 Oil Well Road	Jackson	TN	38305
John	Cosgrove	(423)855-8950	1667 Ooltewah-Ringgold Road	Ooltewah	TN	37363
Mike	Creagan	423-745-9422 or Toll Free 1-888-512-SNAP	2015 S. Congress Pkwy.	Athens	TN	37303
Teena	Fesperman	865-577-6633	7343 Chapman Highway	Knoxville	TN	37920
Jay	Hennessy	615-826-5996	711 East Main Street	Hendersonville	TN	37075
Jay	Hennessy	615-792-0400	232 Hutton Place Suite 116	Ashland City	TN	37015
Marq	James	615-793-9675	1925 Madison Square Blvd.	La Vergne	TN	37086
Marq	James	615-834-0088	6019 Nolensville Road	Nashville	TN	37211
David	Karkau	615-332-7888	1309 Bell Rd	Antioch	TN	37013
David	Karkau	931-563-7653	1406 North Jackson St.	Tullahoma	TN	37388
Joedy	Lenz	901-457-7351	9947 Wolf River Blvd.	Germantown	TN	38139
John	Makela	865-357-2444	8651 Middlebrook Pike	Knoxville	TN	37923
Clarence & Charlene	McMurray	423-232-7627 (SNAP)	4307 N. Roan Street	Johnson City	TN	37615
Chad	Shankle	731-885-8777	320 West Reelfoot Avenue	Union City	TN	38261
Steve	Wilkinson	615-353-7222	73 White Bridge Rd.	Nashville	TN	37205
Cindy	Zaretsky	901-382-1125	6490 Memphis Arlington Rd	Bartlett	TN	38135
Zachary	Alexander	214-831-7627	810 W. White Street	Anna	TX	75409
Zachary	Alexander	972-548-7100	500 North Custer Road	McKinney	TX	75071
Steve & Andrea	Bakley	972-875-8785	108 S. McKinney	Ennis	TX	75119
John	Beatty	210-912-7627	7715 Mainland Drive	San Antonio	TX	78250
John	Beatty	830-278-7627	2310 E. Main Street	Uvalde	TX	78801
Katherine	Compton	512-556-3300	405 Plum Street	Lampasas	TX	76550

Franchisee First	Franchisee Last	Club Phone	Club Address 1	Club City	Club State	Club Zip
Joe	Dougharty	936-588-8955	15260 Highway 105 West	Montgomery	TX	77356
Matt	Dunn	713-721-7627	9002 Chimney Rock	Houston	TX	77096
Matt	Dunn	281-778-7620	4309 Sienna Parkway	Missouri City	TX	77459
Patti	Garcia	361-906-1900	6534 Yorktown Blvd.	Corpus Christi	TX	78414
Steve	Gilmore	903-455-7676	7215 Interstate 30	Greenville	TX	75402
Andrew	Gorman	972-775-4477	151 Walton Way	Midlothian	TX	76065
Jana	Greening	972-222-6551	540 Clay-Mathis Rd	Mesquite	TX	75181
Larry	Grigory	903-784-2575	2705 Clarksville St.	Paris	TX	75460
Lonnie and Laurie	Hill	972-618-3184	7965 Custer Rd.	Plano	TX	75025
Marty	Hill	972-572-9993	723 W Wheatland Rd	Duncanville	TX	75116
Jimmy	Huggins	979-776-7627	4282 Boonville Rd	Bryan	TX	77802
Glenn	Ihde	972-576-0388	205 South Main St.	Red Oak	TX	75154
Glenn	Ihde	972-576-3939	100 Plaza Dr.	Red Oak	TX	75154
Neal & Rebecca	Janke	512-398-2454	1710 South Colorado St.	Lockhart	TX	78644
Leander	Johnson	972-506-7627	9405 N. MacArthur Blvd.	Irving	TX	75063
Dave	Keller	903-374-4194	107 West US Hwy. 80	White Oak	TX	75693
Vincent	LaPietra	817-491-4924	301 Trophy Lake Dr.	Trophy Club	TX	76262
Carlos	Latorre	832-595-2606	9825 S. Mason Road	Richmond	TX	77406
Ron & Cindy	Ludlow	817-993-1555	2122 Rufe Snow	Keller	TX	76248
Kimberly	McCoy	903-670-3111	1395 East Tyler St.	Athens	TX	75751
Darren & Tonya	McDougald	817-727-7627	717 N. Holland Road	Mansfield	TX	76063
David & Doreen	Meyers	512-828-0200	3720 Gattis School Road	Round Rock	TX	78664
Jeanne	Oliver	512-267-7627	7708 Lohmans Ford Rd	Lago Vista	TX	78645
Ross	Payne	817-868-7627	2101 Harwood Road	Bedford	TX	76021
Phillip	Reinkemeyer	972-468-1098	6911 Frankford Road	Dallas	TX	75252
Shari & Daniel	Ruelas	281-360-2198	2510 Mills Branch Drive	Kingwood	TX	77345
Samantha Smith Beltran and Stephen Smith	Smith	903-221-9844	1625 S. Loop 256 Suite C	Palestine	TX	75801
Stephen	Stremel	972-231-9888	4101 E. Renner Rd.	Richardson	TX	75082
Thomas	Tarin	817-472-7477	6507 S. Cooper St.	Arlington	TX	76001
Dawn	Thompson	281-532-4000	2900 Nasa Parkway	Seabrook	TX	77586
Dawn	Thompson	281-996-9800	3108 Dixie Farm Rd. Suite 110 B	Pearland	TX	77581
George	Van Cleave	512-591-7899	3316 Williams Dr.	Georgetown	TX	78628
George	Van Cleave	512-528-9800	651 North US Hwy. 183	Leander	TX	78641
Wayne & Delores	Vinson	979-543-2348	3703 FM 2765	El Campo	TX	77437
Jeff	Hennessy	435-867-1301	2333 West Hwy 56	Cedar City	UT	84720
Greg	Kimball	801-748-0019	129 E 13800 S	Draper	UT	84020
Don	Lechner	801-282-2766	7759 South 4800 West	West Jordan	UT	84084
Gavin	McCleary	801-825-0191	2107 West 1700 South	Syracuse	UT	84075
Paul	Palmer	801-733-7627	3418 East 7800 South	Cottonwood Heights	UT	84121
Paul	Palmer	801-253-6553	1728 West 12600 South	Riverton	UT	84065
Sandra	Williams	801-737-1570	428 E. 2600 N.	North Ogden	UT	84414
Sandra	Williams	801-544-7627	781 East Gordon Ave.	Layton	UT	84041
Mark	Andrews	540-278-1760	2445 East Washington Ave.	Vinton	VA	24179
Ahmed	Bencheikh	703-680-SNAP (7627)	6340 Hoadly Rd.	Manassas	VA	20112
Derreck & Alicia	Benoit	571-222-SNAP (7627)	7641 Somerset Crossing Dr.	Gainesville	VA	20155
Jennifer	Blazek	540-545-7627	611 West Jubal Early Dr.	Winchester	VA	22601
Sean	Boyd	703-463-9886	13300 Franklin Farm Road	Herndon	VA	20171
Billi Jo	Byers	804-883-0190	16609 Mountain Rd.	Montpelier	VA	23192
Wayne	Connelly	703-508-SNAP	42015 Village Center Plaza	Stone Ridge	VA	20105
Mike & Nancy	Hamdani	434-973-0587	241 Zan Road	Charlottesville	VA	22901
Craig	Hansen	540-261-1357	220 West 22nd Street	Buena Vista	VA	24416
Craig	Hansen	540-337-4FIT (4348)	2857 Stuarts Draft Hwy	Stuarts Draft	VA	24477
Craig	Hansen	434-381-6001	203 South Main Street	Amherst	VA	24521
Tommy	Harris	434-384-6600	4119 Boonsboro Rd	Lynchburg	VA	24503

Franchisee First	Franchisee Last	Club Phone	Club Address 1	Club City	Club State	Club Zip
Steven	Jackson	757-224-2447	2088 Nickerson Blvd.	Hampton	VA	23663
Timothy and Kelly	Johnston	757-229-SNAP (7627)	7500 Richmond Rd.	Williamsburg	VA	23188
Annette	Milletary	804-769-7627	694 Sharon Road	King William	VA	23086
Annette	Milletary	804-932-8877	3215 Rock Creek Villa Drive Suite B	Quinton	VA	23141
Wayne	Paul	804-526-0060	3107 Boulevard	Colonial Heights	VA	23834
David	Rathbun	804-272-SNAP (7627)	3008 Stony Point Rd.	Richmond	VA	23235
David	Rudy	540-785-6773	5749 Plank Road	Fredericksburg	VA	22407
David	Rudy	703-299-9499	1315 King Street	Alexandria	VA	22314
Andy	Stevenson	540-439-8088	11083 Marsh Road	Bealeton	VA	22712
Brad & Lori	Lockwood	802-476-0460	1400 Route 302	Berlin	VT	5602
Brad & Lori	Lockwood	802-881-0707	1127 North Ave.	Burlington	VT	5408
August	Wahler	802 888-3500	735 Brooklyn Street	Morrisville	VT	5661
Nola	Watkins-Chase	802-886-2407	363 River Street	Springfield	VT	5156
John	Freese	509-534-1400	4727 N Division	Spokane	WA	99207
Aleta	Gibson	360-698-2628	2021 NW Myhre Rd	Silverdale	WA	98383
Dennis	Johnson	425-488-7030	15610 NE Woodinville-Duvall Rd	Woodinville	WA	98072
Bryan	Jones	425-778-7627 (SNAP)	505 5th Ave. S	Edmonds	WA	98020
Bill	Muyanja	509-468-2862	8801 N. Indian Trail	Spokane	WA	99208
Bill	Muyanja	206-299-1597	4714 42nd Ave. SW	Seattle	WA	98116
Bradley	Petersen	360-377-1586	1600 NE Roseway Lane	Bremerton	WA	98311
Teresa	Serio	509-334-7627	745 N. Grand Ave.	Pullman	WA	99163
Jackie	Siochi	425-747-2567	15100 SE 38th St.	Bellevue	WA	98006
Jeffrey	Spencer	509-473-9477	3717 South Grand Blvd.	Spokane	WA	99203
Jeffrey	Spencer	509-893-8880	13514 E. 32nd Ave.	Spokane Valley	WA	99206
Jeffrey	Spencer	(509) 235-SNAP	2726 North 1st Street	Cheney	WA	99004
Matt	Starr	360-425-5900	3707 Ocean Beach Highway	Longview	WA	98632
Matt	Starr	360-636-4321	1940 Cascade Way	Longview	WA	98632
Doug and Jodilyn	Vaughan	360-225-1111	1307 Lewis River Rd.	Woodland	WA	98674
Doug and Jodilyn	Vaughan	360-723-0100	2312 West Main Street	Battle Ground	WA	98604
Galen	Wickstrom	425-605-2241	11435 Avondale Rd NE	Redmond	WA	98052
Andrea	Acker	715-644-0197	611 South Broadway	Stanley	WI	54768
Mark	Allison	262-968-2233	200 West Summit Ave.	Wales	WI	53183
Rand	Anderson	715-246-9105	575 North Knowles Ave	New Richmond	WI	54017
Rand	Anderson	715-723-0602	475 Chippewa Mall Drive #305	Chippewa Falls	WI	54729
Robert	Armstrong	715-425-9330	1025 N. Main St.	River Falls	WI	54022
Robert	Armstrong	715-273-3734	185 E Main #5	Ellsworth	WI	54011
Michael	Ball	414-483-1300	1020 W Layton Ave	Milwaukee	WI	53221
Mike	Ballard	608-437-7627	1855 Business Hwy 18/151	Mount Horeb	WI	53572
Kari	Beaupre	715-262-5003	1435 N. Acres Rd.	Prescott	WI	54021
Melanie	Becker	262-560-0506	1225 Robruck Dr. Unit B	Oconomowoc	WI	53066
Melanie	Becker	262-473-7627	327 W. Center Street	Whitewater	WI	53190
Melanie	Becker	262-723-SNAP	10 W Evergreen Parkway	Elkhorn	WI	53121
Kirk	Benson	920-262-1688	1307 Memorial Dr.	Watertown	WI	53098
Kirk	Benson	920-674-3335	1507 State Road 26	Jefferson	WI	53549
Amy	Bloom	608-663-7627 (SNAP)	2045 Atwood Ave.	Madison	WI	53704
Pete	Boney	262-783-7627	W165 N5595 Creekwood Crossing	Menomonee Falls	WI	53051
Darcy	Brookins	715-294-4554	2388 State Road 35	Osceola	WI	54020
Darcy	Brookins	715-483-9765	135 South Washington Street	St. Croix Falls	WI	54024
Jon	Burns	608-845-9350	1039 N. Edge Trail	Verona	WI	53593
Jon	Burns	608-467-7069	2980 Cahill Main	Fitchburg	WI	53575
Jon	Burns	608-579-1111	5720 Hwy 51	McFarland	WI	53558
Jon	Burns	608-846-SNAP (7627)	693 S. Main Street	De Forest	WI	53532
Eric	Butler	715-434-7627	225 South Main Street	Rice Lake	WI	54868

Franchisee First	Franchisee Last	Club Phone	Club Address 1	Club City	Club State	Club Zip
Eric	Butler	715-377-7950	824 Carmichael Rd.	Hudson	WI	54016
Eric	Butler	715-749-9019	147 Jennifer Rae Junction N	Roberts	WI	54023
Eric	Butler	715-688-6888	570 Hwy 63	Baldwin	WI	54002
Brandon	Caselli	262-691-1616	615 Ryan Street	Pewaukee	WI	53072
Lauren	Cronin	608-203-5170	6917 University Ave	Middleton	WI	53562
James	Deppoleto	262-347-4717	2450 Grandview Blvd.	Waukesha	WI	53188
Kevin	Duax	920-356-0600	1659 N. Spring St. Suite 103	Beaver Dam	WI	53916
Mark	Erdmann	920-723-5666	362 Tyranena Park Rd.	Lake Mills	WI	53551
Michael and Sonja	Faust	715-247-5657	403 Laser Drive	Somerset	WI	54025
Greg & Gale	Foster	608-669-8755	365 E. Linnerud Dr.	Sun Prairie	WI	53590
Andrew	Ginster	262-586-5424	7353 256th Ave	Paddock Lake	WI	53168
John	Hrusovszky	715-524-4348	1056 East Green Bay Street	Shawano	WI	54166
James	Jacobi	920-558-4659	1350 West American Dr.	Neenah	WI	54956
Gregg	Johnson	715-693-1440	445 Orbiting Drive Suite A	Mosinee	WI	54455
Gregg	Johnson	715-241-8987	3910 Schofield Ave.	Weston	WI	54476
Gregg	Johnson	715-298-2009	1405 Kenwood Drive	Wausau	WI	54401
Paul	Johnson	608-781-SNAP	1806 State Rd. 16	La Crosse	WI	54601
Dan and Robin	Kohls	608-788-5880	2438 State Road	La Crosse	WI	54601
Dan and Robin	Kohls	608-786-2400	234 N. Leonard St	West Salem	WI	54669
Jim	Lagoon	262-448-1283	406 North Lake	Twin Lakes	WI	53181
Jim	Lagoon	262-884-7724	10351 Washington Ave	Sturtevant	WI	53177
Jim	Lagoon	(262) 884-7725	10009 Northwestern Ave	Franksville	WI	53126
Brad	Larson	715-830-9999	3445 E. Hamilton Ave.	Eau Claire	WI	54701
Brad	Larson	715-232-9999	1320 Broadway St. N	Menomonie	WI	54751
Debbie	Lewis	651-246-0337	104 2nd Ave NW	Milltown	WI	54858
Dave	Lunde	608-269-1700	229 N. Black River St.	Sparta	WI	54656
Dave	Lunde	715-421-1890	4021 8th St. South	Wisconsin Rapids	WI	54495
Patrick and Jennifer	Maguire	608-413-0008	34 Glaciers Edge Square	Cross Plains	WI	53528
Bruce	Marcquenski	262-925-1277	5506 75th St.	Kenosha	WI	53142
Brian	McManus	262-677-FIT1 (3481)	N168W22710 Prairie View Lane	Jackson	WI	53037
Allen	Metcalf	715-934-2988	10342 Dyno Drive	Hayward	WI	54843
Allen	Metcalf	715-682-0141	513 Main St. West	Ashland	WI	54806
Allen	Metcalf	715-358-2244	1101 1st. Ave.	Woodruff	WI	54568
Allen	Metcalf	715-453-5100	690 N 4th St.	Tomahawk	WI	54487
Allen	Metcalf	608-356-6900	1212 8th St.	Baraboo	WI	53913
Allen	Metcalf	608-253-0023	515 Broadway	Wisconsin Dells	WI	53965
Allen	Metcalf	715-722-0233	501 W. Main St.	Merrill	WI	54452
John	Navis	608-847-7060	610 McEvoy Street	Mauston	WI	53948
Richard & Christa	Paul	262-993-7627	12888 W. Bluemound Road	Elm Grove	WI	53122
Richard & Christa	Paul	262-373-0848	18905 W. Capitol Drive	Brookfield	WI	53045
Brian	Pierce	608-768-7348	1587 East Main Street	Reedsburg	WI	53959
Jim	Piwowarczyk	414-422-0123	S74W16853 Janesville Rd.	Muskego	WI	53150
Jim	Piwowarczyk	414-433-0187	5700 South 108th St	Hales Corners	WI	53130
Jim	Piwowarczyk	414-354-3481 (FIT1)	4301 W. Bradley Rd	Brown Deer	WI	53223
Jim	Piwowarczyk	414-321-8800	7512 W. Oklahoma Ave.	West Allis	WI	53219
Mike & Rose	Purcell	414-647-2147	2147 Miller Park Way	West Milwaukee	WI	53214
Mike & Rose	Purcell	262-242-7627	6071 W Mequon Rd	Mequon	WI	53092
Charlie	Rish	262-862-2793	12033 Antioch Rd.	Trevor	WI	53179
Carol	Rosenstock	608-644-9159	934 Water Street	Sauk City	WI	53583
Carol	Rosenstock	920-818-0744	1009 Egg Harbor Rd	Sturgeon Bay	WI	54235
Jen	Schweigert	608-348-5121	180 McGregor Plaza	Platteville	WI	53818
John	Simpson	920-337-4880	573 Swan Road	De Pere	WI	54115
John	Simpson	920-632-7165	1301 Lawrence Drive	De Pere (West)	WI	54115
Lisa & Michael	Soto	262-378-4314	1005 S. Main Street	Mukwonago	WI	53149
Lisa & Michael	Soto	414-425-6490	7158 S. 76th Street	Franklin	WI	53132
Carrie	Steinberger	414-486-SNAP	2797 South Kinnickinnic	Bay View	WI	53207

Franchisee First	Franchisee Last	Club Phone	Club Address 1	Club City	Club State	Club Zip
		(7627)				
Carrie	Steinberger	262-628-2800	N95W25901 County Rd Q	Colgate	WI	53017
Carrie	Steinberger	262-306-7627	821B S. Main Street	West Bend	WI	53095
Carrie	Steinberger	414-277-SNAP(7627)	256 E. Menomonee Street	Milwaukee	WI	53202
Carrie	Steinberger	262-502-7627 (SNAP)	N72W13400 Lund Ln.	Menomonee Falls	WI	53051
Carrie	Steinberger	414-276-7627 (SNAP)	1815 North Farwell Ave.	Milwaukee	WI	53202
Tim	Sternitzky	920-922-7627	512 N. Rolling Meadows Dr.	Fond du Lac	WI	54937
Tim	Sternitzky	920-924-7627	976 E. Johnson St.	Fond du Lac	WI	54935
Ryan	Strohm	920-568-9610	1550 Madison Ave. Suite 104	Ft. Atkinson	WI	53538
Gary	Strohm	262-397-8726	1595 East Sumner Street	Hartford	WI	53027
Michael	Toelle	715-824-SNAP	167 North Main	Amherst	WI	54406
Michael	Toelle	715-223-8100	604 C N. Division St.	Colby	WI	54421
Michael	Toelle	715-942-2300	815 West Fulton Street	Waupaca	WI	54981
Britt	Vanda	715-387-3488	705 S. Central Ave.	Marshfield	WI	54449
Chris	Wagner	920-982-3131	318 Wolf River Plaza	New London	WI	54961
Chris	Wagner	262-644-7627	1026 E. Commerce Blvd.	Slinger	WI	53086
Chris	Wagner	920-766-3482	1810 Crooks Ave	Kaukauna	WI	54130
Roy	Ware	715-268-4001	930 Elden Ave.	Amery	WI	54001
Jennifer	White	262-514-4455	790 Cornerstone Crossing	Waterford	WI	53185
Jennifer	White	262-642-1645	2541 E. Main Street	East Troy	WI	53120
Julie	Winsor	608-839-1900	435 West Oak St.	Cottage Grove	WI	53527
Julie	Winsor	262-367-1800	365 Cottonwood	Hartland	WI	53029
Julie	Winsor	262-767-1400	116 N Dodge Street	Burlington	WI	53105
Julie	Winsor	414-259-1300	7226 W. North Ave.	Wauwatosa	WI	53213
Julie	Winsor	262-246-9500	N69W25055 Indian Grass Lane	Sussex	WI	53089
Julie	Winsor	262-377-7053	2263 Wisconsin Avenue	Grafton	WI	53024
Julie	Winsor	262 558-6762	951 Main Street	Union Grove	WI	53182
Dan	Andrews	307-237-6878	2135 East 12th Street	Casper	WY	82601
Jim	Malmstrom	307-673-0115	2240 Coffeen Ave.	Sheridan	WY	82801

FRANCHISE AGREEMENT SIGNED BUT NOT OPEN AS OF DECEMBER 31, 2010

Note: For franchisees with multiple agreements, the number of agreements signed but not open are listed following the last name.

Franchisee First	Franchisee Last	Franchisee Work Phone	Franchisee Address 1	Franchisee City	Franchisee State
Greg and Robin	Buttram (2)	256-659-6462	1424 County Road 28	Crossville	AL
Robert	Logan (7)	251-923-6692	27580 Canal Road # 1434	Orange Beach	AL
Lee	Pearce	205-202-4010	335 Cherry Street	Birmingham	AL
George	Faucette (2)	479-521-7539	1523 Elmwood Drive	Fayetteville	AR
Bill	Rahn (2)	501-374-3945	1418 South Louisiana Street	Little Rock	AR
Charles	Colucci (2)	623-362-3590	8374 W. Melinda Lane	Peoria	AZ
Keith	Conrad	612-940-8207	402 Bloomingdale Drive	Prescott	AZ
Trish and Chase	Duarte	520-762-3292	972 N. Davidson Canyon Rd.	Vail	AZ
Terry and Terri	Kirkum	480-907-5981	4287 South Kimberlee Drive	Chandler	AZ
Rysard	Lysikowski	623-925-9953	11934 W. Harrison Street	Avondale	AZ
Jordan	Monson (2)	520-887-2632	12688 N. Nep Lane	Marana	AZ
Rex	Schenk (2)	480-334-6325	656 West Cobblestone Dr.	Casa Grande	AZ
Tyrone	Smith (2)	520-250-3000	4222 East Paseo Dorado	Tucson	AZ
Chris	Terjesen	214-676-9175	9105 E. Calle De Valle Dr.	Scottsdale	AZ
David	Trahan		8779 E Pinchot Ave	Scottsdale	AZ
Anjulant "Dion"	Bailey	916-730-1809	1021 Baywood Lane	Hercules	CA
Brian	Bennett (3)	925-425-3889	6022 Alisal St	Pleasanton	CA
Steve	Byron	310-542-8171	2216 Nelson Ave.	Redondo Beach	CA
Rod	Cotton	408-377-1196	440 N. Winchester Blvd. #62	Santa Clara	CA
Omar	Del Rio	858-538-5378	13795 Freeport Rd.	San Diego	CA

Franchisee First	Franchisee Last	Franchisee Work Phone	Franchisee Address 1	Franchisee City	Franchisee State
Mandi	Egli	9259388006	1655 N California Blvd.	Walnut Creek	CA
Michael	Fields	408-509-4737	454 Raymond Ave.	San Jose	CA
Carl	Fish (2)	310-266-5360	22660 Pacific Coast Hwy	Malibu	CA
William	Greenwald	619-887-2623	1321 Fieldbrook St.	Chula Vista	CA
Amber	Guidry	504-908-0944	1504 Bella Vista Drive	Encinitas	CA
Allen	Hall (2)	650-948-5500	3369 South Court	Palo Alto	CA
T. (Terence)	Heise (3)	619-850-2280	12608 La Tortola	San Diego	CA
Ali	Hirsa	408-316-3630	14294 LaRinconata Dr.	Los Gatos	CA
Susan	Jansson (2)	707-845-1652	4368 Ridgecrest Place	Eureka	CA
Kevin	Juza	858-213-5680	15630 Corte Raposo	San Diego	CA
Jeff	Kearns (3)	760-218-5977	2262 Yosemite Drive	Palm Springs	CA
Melissa	Lackman (3)		28230 Canyon Crest Drive	Santa Clarita	CA
Thomas	Loveall	559-735-0380	13446 Perry Drive	Visalia	CA
Dana	Mason	510-552-0404	36181 Malta Place	Fremont	CA
Mike	Monahan (2)	650-280-3924	496 Monti Circle	Pleasant Hill	CA
Bill	Monsueir (2)	925-425-4457	7715 Cardigan Street	Dublin	CA
Frank	Nascimento	805-732-7632	2706 Redondo Ave.	Camarillo	CA
Vishal	Punj (2)		609 Vasona Court	Los Gatos	CA
Karen	Rickett	858-829-5832	13976 Arbolitos Dr.	Poway	CA
Tom	Ward		2019 Scott Lane	Los Altos	CA
Mansoor	Ziauddin	925-829-9750	159 Avalon Ct.	San Ramon	CA
Mary	Anderson	303-744-8764	2651 S High Street	Denver	CO
Michael	Andrich	303-932-9563	7113 South Owens Street	LIttleton	CO
Jim	Brennan (2)	303-717-2964	126 Silver Leaf Way	Castle Rock	CO
Dan	Butcher (2)	303-484-8481	3670 West 105th Drive	Westminster	CO
John	Frey	720-985-8406	2033 West 30th Ave.	Denver	CO
Carol	Kauffman	303-961-3872	8616 Wells CR 63	Keenesburg	CO
Kurt	Kempfer (3)	303-799-2688	10171 Bluffmont Drive	Lonetree	CO
Pam	Kramer (2)	303-933-3392	6174 South Van Gordon Way	Littleton	CO
Jackie and Graham	Macfarlane (3)	303-805-5372	12318 Summit Ridge Rd.	Parker	CO
Dan	Michalec (2)	(303) 766-9895	6412 South Zeno Court	Aurora	CO
Sean	Moncaliere	(719) 661-8882	PO Box 5583	Colorado Springs	CO
Denis	Morgan (2)	719-481-8428	3585 Needles Drive	Colorado Springs	CO
Brad	St. Clair (2)	work 720-241-5177	5813 South Gray Street	Littleton	CO
Debbie	Tarrant	303-699-6117	21447 East Ottawa Circle	Aurora	CO
Bill	Clifford	203-470-8797	16 Woodcrest Lane	Danbury	CT
Bill	Horowitz (3)	work) 860-543-9300	2321 Bigelow Commons	Enfield	CT
Josh	Livingston (2)	8605814014	4 Mclean Street	Simsbury	CT
Maurice & Norma	Mitchell (2)	203-846-4746	1 Driftwood Lane	Norwalk	CT
John	O'Rourke	203-283-1909	73 Platt Lane	Milford	CT
Hector	Rosado	646-263-4670	12 Paulding Terrace	Danbury	CT
Jeff	Taylor	203-257-8622	86 Shadowood Road	Fairfield	CT
Eric	Gates	240-595-3140	11 Tuckerman Street NW	Washington	DC
Scott	Bethmann (2)	904-992-1797	13070 Wexford Hollow Road North	Jacksonville	FL
Anne-Lise	Bisio (2)	941-778-4888	2414 Avenue A	Bradenton	FL
Thomas	Costello (2)	813-996-2234	6205 Tower Rd.	Land O' Lakes	FL
Daniel	Dao (3)		Calle B, Res. Plaza Alameda, Apt. 11-A	Miami	FL
Bill	Drost (6)	863-647-1581	500 South Florida Ave.	Lakeland	FL
Charlie	Greer	239-454-1131	13620 Brynwood Lane	Ft. Myers	FL
William	Guidry	985-630-5516	4651 Salsbury #431	Jacksonville	FL
Michael	Knorr (3)	954-385-3049	4010 Peppertree Drive	Weston	FL
Manny	Lamazares	305-401-3012	7441 Wayne Ave. #10E	Miami Beach	FL
Jordan	Levy (2)	813-245-4611	3641 W. Kennedy Blvd	Tampa	FL
Rick	Mansfield (2)	727-871-1141	2975 Wentworth Way	Tarpon Springs	FL
Seth	Payne (2)	904-309-1270	1765 Beach Ave.	Atlantic Beach	FL
Johnny	Postell	954-236-0157	PO Box 491338	Ft. Lauderdale	FL

Franchisee First	Franchisee Last	Franchisee Work Phone	Franchisee Address 1	Franchisee City	Franchisee State
Hugues & Marilyn	Rousseau (2)	954-424-0405	2461 SW 131 Terrace	Davie	FL
Alfonso	Ruiz	863-420-9149	208 Bridgewater Drive	Davenport	FL
Rob	Schmidt	786-395-2207	16742 Cordova Court	Delray Beach	FL
Rob	Schmidt (3)	786-395-2207	16742 Cordova Court	Delray Beach	FL
Alvin	Simpson (2)	941-764-0805	23316 Painter Ave.	Port Charlotte	FL
Sergio & Francesca	Zavala	978-223-0656	11446 Weston Course Loop	Riverview	FL
Fred	Barber (2)	706-367-2220	825 Swain Road	Commerce	GA
W. Scott and Jennifer	Bohlke (2)	912-587-4526	2620 Clito Rd	Statesboro	GA
Jeff	Carlyle	770-689-8547	1407 Enclave Trail	Stockbridge	GA
Mark	Kirkpatrick (2)	770-792-0116	389 Waterman Street SE	Marietta	GA
Bob & Sue	Light	770-623-2133	3963 North Indian Circle	Kennesaw	GA
Steve and Charlotte	McAdams (2)	770-460-5166	105 Savannah Court	Fayetteville	GA
Maria	Moffitt (2)		3213 Collier Gate Court	Smyrna	GA
Rolando	Outland	7702353269	9830 Talisman Drive	Alpharetta	GA
Matthew	Parrott (2)	785-423-0127	320 Bridgemill Lane	Hampton	GA
Lisa	Phillips	404-622-9151	1429 High Point Drive	Atlanta	GA
Davey	Solomon	706-576-5237	194 Kelly Drive	Hamilton	GA
Chad & Suzanne	Askelsen	515-689-6370	57283 315th Street	Cambridge	IA
Adam	Foster	319-654-6470	1820 Main Street	Cedar Falls	IA
Marq	James	515-865-8295	15006 Rosewood Drive	Clive	IA
Kevin	Puk (2)	515-202-4444	8321 Talbot Place	Johnston	IA
Ryan	Sather (2)	712-203-9000	501 Grand Ave.	Spencer	IA
Suzanne & Jake	Velie	515-559-7140	4710 148th St.	Urbandale	IA
Doug	Mohney (2)	208-777-9550	2828 Black Forest Ave.	Post Falls	ID
Terri and Kevin	Nagrone	208-884-1642	575 West Seldovia Street	Kuna	ID
Terri and Kevin	Nagrone (3)	208-884-1642	575 West Seldovia Street	Kuna	ID
Brad	Auker (3)		4234 Countryview	Byron	IL
Ken	Busch	847-340-4502	995 Bosworthfield Rd.	Barrington	IL
Kent and Rebecca	Connell	815-356-7995	2907 Jenny Jae Lane	Crystal Lake	IL
Andy & Jennifer	Frye	(563)370-7627	1598 310th ST	Sherrard	IL
Brian	Goldman	312-399-4563	3052 North Southprot Ave.	Chicago	IL
Bill	Hahn (9)	217-522-6902	3260 Northfield Drive	Springfield	IL
Tony	Harris	217-391-3780	34 Meander Pike	Chatham	IL
Gary	Meyer	847-551-9000	4632 West Main	West Dundee	IL
Randy	Mueller	630-780-6983	2S765 Timber Drive	Warrenville	IL
Don	Smolinski (2)	630-894-2606	435 Fordham Place	Roselle	IL
James	Tully	312-961-1829	233 E 13th Street	Chicago	IL
David	Yocum (2)	773-704-5252	6446 North Lakewood	Chicago	IL
Regina	Brooks	317-858-9483	7732 Shagbark Court	Brownsburg	IN
Shawn	Crawford	317-840-8757	386 Pennwood Lane	Brownsburg	IN
Kenneth	Ferron	765-438-8615	7143 Morello Lane	Noblesville	IN
Morgan	Griffith	812-427-2809	5525 Bursot Road	Vevay	IN
Joe	Odom (4)	630-930-9737	703 Hampton Rd	Westfield	IN
Matthew	Turner	317-403-0049	11912 Kelso Dr Unit 2	Zionsville	IN
Paul	Bennett (2)	913-393-1412	2113-A E 151st Street	Olathe	KS
Jack & Sabrina	Cannon (2)	214-924-7759	6712 W. 128th Terrace	Overland Park	KS
Chris	Kerth (2)	913-207-2770	12322 Walmer	Overland Park	KS
Mark	Nelson	913-254-0837	11655 South Gleason Road	Olathe	KS
Steve & Amy	Brannock	859-221-9934	5014 KY Highway 1842 N	Cynthiana	KY
Ben	Cowan	864-248-4955	2329 The Woods Lane	Lexington	KY
Daniel	Farr	270-251-0907	1762 Angelia Drive	Murray	KY
Don	Howard (3)	859-223-8164	212 Forest Trail	Nicholasville	KY
David and Tamara	Ohler	270-272-6358	129 Wintergreen Drive	Radcliff	KY
Mark	Pichea (2)	502-541-5454	6513 Harrods View Circle	Prospect	KY
Steve	Walker	859-264-8424	4509 Verbena Park	Lexington	KY

Franchisee First	Franchisee Last	Franchisee Work Phone	Franchisee Address 1	Franchisee City	Franchisee State
Chad	Bergeron	225-715-9037	38205 East Lakeview Dr.	Prairieville	LA
Mike	Brown	225-268-8404	19732 W. Piney Point Ave.	Baton Rouge	LA
Leo	Brown (3)	337-896-8516	109 Rue Columbe	Carencro	LA
Kathy	Commander	(985) 222.7069	42261 Forest Lane	Hammond	LA
John	Dang	504-287-9159	22 Gainswood Drive East	Marrero	LA
Mike	Dupuy	225-268-8747	14491 Whispering Oaks	Gonzales	LA
Jeff	Lauseng	318-347-9897	1408 Alpine Blvd	Bossier City	LA
Joseph	Mallett	225-665-0272	369 Janmar Street	Denham Springs	LA
Blane and Rebecca	Ronquille	504-398-1029	113 East X Street	Belle Chasse	LA
Shari & Daniel	Ruelas (2)	504-391-6385	251 Beaupre Drive	Lulling	LA
Elliot	Sarpy	(504) 884-5997	3540 Ridgeway Dr.	Metairie	LA
Matt	Schnauder	504-388-7540	9112 Rosedown Pl.	River Ridge	LA
Timmy & Kelly	Sims	504-734-2270	648 Ferriday Court	Harahan	LA
Jim	Thompson	225-769-7174	PO Box 41113	Baton Rouge	LA
Michelle	Vasquez		217 Creek Stone Drive	West Monroe	LA
Daniel	Fadden (2)	508-612-0596	31 Lackey Road	Sutton	MA
Diana	Meiches	978-922-4716	PO Box 101	Prides Crossing	MA
Antonio "Tony"	Parham (2)	617-314-9595	892 Metropolitan Ave.	Boston	MA
Stephen	Rochefort	978-634-1007	602 Sugar Rd	Bolton	MA
Paul & Beverley	Vassell (3)	work) 781-363-0946	9 Colonial Drive	Shrewsbury	MA
Robert & Wendy	Bollinger (2)	work) 410-636-1180	718 Cabin Branch Lane	Linthicum	MD
Neil	Burkinshaw	301-972-0725	13709 Charity Court	Germantown	MD
Bill & Karen	Gempp (2)	410-935-7919	1709 Monkton Farms Drive	Monkton	MD
Brad & Christine	Hill (2)	410-414-2560	2485 Kimberly Lane	Huntingtown	MD
Michael	Lechner	410-692-7568	1107 Trestle Drive	Jarrettsville	MD
Jane	Ramsay (2)	410-271-1311	221 Prince George St.	Annapolis	MD
Ron	Stone (2)	443-983-8006	8032 Hillsborough Road	Ellicott City	MD
Bob	Greenblatt	207-899-4473	10 Candlewyck Terrace	Portland	ME
Alan	Baskins (3)	2488552100	30500 Northwestern Hwy	Farmington Hills	MI
Maris & R.J.	Brennan (2)	517-622-0487	PO Box 21	Grand Ledge	MI
Stephanie & Budd	Cagle (2)	work) 586-435-0303	34254 Aspen Park Drive	Chesterfield	MI
Jim	Clark	248-830-0325	5408 Woodcreek Drive	Clarkston	MI
Ryan	Cook	616-822-2049	2608 Shagbark SE	Grand Rapids	MI
Rich	Daudert (2)	269-327-7464	4730 E. Centre	Portage	MI
Matthew	Duffield (3)	248-630-7878	2170 Cass Lake Road	Keego Harbor	MI
Scott	Ely	906-249-3414	225 Jean Street	Marquette	MI
Yvan	Giralte	248-895-0300	5575 Honert Road	Ortonville	MI
Sue	Hewitt (2)	248-505-7731	1484 Saddle Lane	Rochester Hills	MI
Curt & Bernadette	Ilg	248-721-3939	8473 Deerwood	Clarkston Road	MI
Dave	Konye	248-939-0030	1441 Lakeside Drive	Howell	MI
Ron	Kulenkamp	248-496-5951	6434 Enclave Drive	Clarkston	MI
Steven	Kwapisz	248-547-3305	29632 Sherry Ave.	Madison Heights	MI
Brad and Cassandra	Lazorka	734-552-8845		Grosse Ile	MI
Matt	Letten			Howell	MI
Cynthia	Liekhus	248-608-1413	670 Whitney Drive	Rochester Hills	MI
Ryan	Lothian	616-897-0561	75 Countryview	Lowell	MI
Michael	Mitchell	313-300-8479	1176 Bishop Rd	Grosse Point Park	MI
Steve	Nienhaus	248-207-8378	44895 Lightsway Dr.	Novi	MI
Andrew	Paterson	734-516-8550	1925 Cambridge	Ann Arbor	MI
Robert	Pringle (2)	517-782-1001	716 Shagbark Lane	Hanover	MI
Keith & Carol	Rochon	248-486-3586	6436 Sunset Dr.	South Lyon	MI
Patti	Shields	810-229-4629	5305 Old Hickory	Brighton	MI
Ryan	Sietsema (2)	616-896-8706	4517 Bridlewood Drive	Hudsonville	MI
Carl & Pam	Sietsema (3)	616-669-5853	4624 Canterbury Drive	Hudsonville	MI
Douglas	Slagh (2)	616-786-3677	431-142nd Ave	Holland	MI

Franchisee First	Franchisee Last	Franchisee Work Phone	Franchisee Address 1	Franchisee City	Franchisee State
Ed	Szabunia (2)	248-589-1064	305 Linden Ave.	Royal Oak	MI
Tunesia	Turner	248-478-9088	38259 Tralee Trail	Northville	MI
Dave	Vaillancourt	517-879-1267	10208 Hawkins Hwy	Brooklyn	MI
Eric	Wizenberg	702-443-8716	522 E. Breckenridge	Ferndale	MI
Jeff	Berman	763-428-1886	12647 Elm Pkwy.	Rogers	MN
Howie	Borden	952-292-1119	56 South 33rd Ave #236	St. Cloud	MN
Chad	Capp	612-644-2423	7933 Louisiana Ave. N.	Brooklyn Park	MN
Christina	Clark (4)	320-275-5403	74540 213th St.	Dassel	MN
Ben M.	Cowan	612-237-4681	4801 Washburn Ave. S.	Minneapolis	MN
Andrew	Duncanson (3)	(612) 840-6402	2472 Parkview Drive	Hamel	MN
Wendy and Bill	Erie (2)	218-692-2300	PO Box 185	Cross Lake	MN
Mark	Filas	612-366-2160	10 2nd Street NE	Aitkin	MN
Robbin	Ghere	651-405-9672	9122 Tyne Lane	Inver Grove Heights	MN
Jennifer	Hayes	612-831-8763	10101 Zewith Road	Bloomington	MN
Paul	Heinen (2)	612-747-7338	21850 Brook Road	Elk River	MN
Derek	Hookom	952-769-7042	9501 Highview Drive	Eden Prairie	MN
Shelly	Kramer	651-483-6004	82 West County Road F	Vadnais Heights	MN
Jim	Lagoon	651-342-0591	14690 - 102nd St N	Stillwater	MN
Jim	Lagoon (3)	651-342-0591	14690 - 102nd St N	Stillwater	MN
Kurt	Landwehr	7632011470	3360 B Annapolis Lane N	Plymouth	MN
Bill	Latterell	(952) 906-1341	6718 Vermar Terrace	Eden Prairie	MN
Todd	Lybeck (2)	952-996-0070	10479 Homeward Hills Road	Eden Prairie	MN
John	Makela	952-934-4759	9860 Raspberry Hill	Chaska	MN
John	Marcotte (2)	952-470-7400	20540 Summerville Rd.	Deephaven	MN
Tracy	Meyer	660-886-4455	14816 Crestview Lane	Minnetonka	MN
Tracy	Meyer	660-886-4455	14816 Crestview Lane	Minnetonka	MN
Larry	Nadeau	320-968-6897	161 - 4th Ave.	Foley	MN
Beth	Rasmussen	952-885-4823	4810 Highway 7	St. Louis Park	MN
Jim	Roane (3)	612-803-3614	9981 Deerbrooke Drive	Chanhassen	MN
Steve	Schultz		8778 Merritt Place	Mountain Iron	MN
Richard	Shaffer (2)	218-626-4767	8726 Beaudry St.	Duluth	MN
Tony	Swanson (2)			Eden Prairie	MN
Paul	Taunton (2)	952-278-7822	9980 Deerbrook Drive	Chanhassen	MN
Jennifer	Temke	763-208-2985	3318 McNair Dr. N	Robbinsdale	MN
Meredith	Tuntland	612-619-7522	4526 Washburn Ave N	Minneapolis	MN
Robert	Ura (2)	952-941-7843	5763 Long Brake Circle	Edina	MN
Kyle	Veenis	651-398-6866	10920 Goodhue St. NE	Blaine	MN
Julie	Winsor	612-770-7557	16061 57th Circle NE	St. Michael	MN
Andrew	Wowchak	952-988-9883	908 9th Ave. S. #5	Hopkins	MN
Lynda	Atwood	417-890-2681	1136 South Elmwood	Springfield	MO
Ron	Campbell (2)	636-532-7515	1118 Eagle Creek Road	Chesterfield	MO
Renee	Hull	507-649-0875	29844 160th Ave.	Westboro	MO
Dan	Noble	314-791-0190c	12962 Weatherfield Drive	St. Louis	MO
Brian	Sestak (2)	417-724-2542	664 North Greer Ave.	Nixa	MO
Scott & Cynthia	Wilcox (2)	636-240-3934	2626 Homefield Woods Drive	O'Fallon	MO
Brad	Bounds	601-483-9111	PO Box 3802	Meridian	MS
Michael	Carr	662-902-8470	1015 Hopson Pixley	Clarksdale	MS
Anise	Fiello (3)		13124 Lake Florence Road	Gulfport	MS
L.H	Gibson	601-276-2651	1062 Kori Lane	Summit	MS
Dennis and Edna	Goldman	601-632-1151	1500 Roebuck	Meredian	MS
Dave	Herbert	800-457-0350	107 Dogwood Way	Pearl	MS
Jack	Riekhof	662-418-9736	2016 Woodlake Drive	Starkville	MS
Kyle	Eckmann (4)	406-202-0094	5 Lava Mountain Ct.	Clancy	MT
Jim	Malmstrom (2)	406-672-7532	4165 Obie Lane	Billings	MT
Marc & Christa	Nadeau (3)	406-837-3930	223 Swan River Road	Bigfork	MT
Victor & Amie	Cennamo	704-947-5449	14908 Northgreen Drive	Huntersville	NC
Dave	Coutts (2)	919-621-9223	1408 Brewer Jackson Court	Wake Forest	NC
Mark	Decker (2)	919-656-0942	200 Vatersay Drive	Apex	NC
Tripp & Elyse	Drawdy	704-243-2425	8009 Red Oaks Trail	Waxhaw	NC
Kristin	Ganzenmuller	716-310-1818	3128 Margellina Dr.	Charlotte	NC

Franchisee First	Franchisee Last	Franchisee Work Phone	Franchisee Address 1	Franchisee City	Franchisee State
Rod	Gray	919-418-8875	2251 Dunn Road	Raleigh	NC
Joseph	Holcomb (3)	919-341-8587	609 Rodney Bay Crossing	Wake Forrest	NC
Dennis	Litalien		140 Magens Way	Cedar Point	NC
Donald	Mongeon	704-583-1908	17007 Turtle Point Rd.	Charlotte	NC
Scott	Simpson (2)	336-307-3701	301 Winrow Drive	Jamestown	NC
Dave	Keller			Fargo	ND
JD	Kennelly (3)	218-779-1141	132 Rolling Hills Circle	Grand Forks	ND
Dennis	Bargen	402-563-4144	2359 26th Ave, Box 206	Columbus	NE
Travis	Buel (4)	402-890-3822	6825 NW 4th St.	Lincoln	NE
Cheryl	Santarelli	603-568-7473	1 Circle Drive	Derry	NH
Stephanie	Baribeau Kauffman (3)	973-366-4747	13 Valley View Drive	Mine Hill	NJ
Paul	Christian (2)	732-431-2806	41 Schoolhouse Rd.	Clarksburg	NJ
Brent	Cosgrove	973-477-9133	430 Ridgewood Rd.	Maplewood	NJ
Gail	Goldstein	732-238-9922	20 Redcoat Drive	East Brunswick	NJ
Keturah	Harris	732-457-2055	16 Carnegie Street	Monroe	NJ
Carla	Hill (3)	609-513-7707	412 East Montrose Lane	Smithville	NJ
Shelley	Kaufman	201-724-9595	246 Livingston Street	Norwood	NJ
John	Kedash	973-579-2127	3 Valley View Ct.	Newton	NJ
Richard	Lawson	856-558-0254	316 Haven Ave	Ocean City	NJ
William	Renke		59 Notch Road	Oak Ridge	NJ
Paul	Schick	732-706-9247	1 Ballantine Road	Middletown	NJ
Steven	Selfridge (4)	609-440-1904	2 Buxley Court	Erial	NJ
Wayne	Steffey	201-656-0945	56 Jefferson St. #5A	Hoboken	NJ
Kyle	Weller	614-787-8304	1590 Lemoine Ave	Fort Lee	NJ
Linda	Williams	201-244-5640	220 New Bridge Road	Bergenfield	NJ
Lisa	Cour	505-681-7360	1231 Goodwin Drive	Bernalillo	NM
Scott	Wong	(505) 983-9588	530 Camino Del Monte Sol	Sante Fe	NM
Jackie	Feddy (2)	7025250379	5497 Levens Court	Las Vegas	NV
Jeff	Hennessy	702-396-1608	8670 Rocky Ave	Las Vegas	NV
Stu	Koster	775-546-1718	14020 Traveler Court	Reno	NV
James and Iona	Schell	702-616-6815	2819 Scotts Valley Drive	Henderson	NV
Graham	Simpson	702-677-2705	The Ageless Zone	Reno	NV
Glen	Trust (3)	702-281-2269	252 Ashford Drive	Spring Creek	NV
Norman	Chapin	518-378-5587	699 Mountain Ave.	Purling	NY
Gary	DiGiuseppe (3)	631-447-6028	4 Susuan Court	Holtsville	NY
Lorna	Graham (2)		10 Mark Mead Rd	Cross River	NY
Keith	Greenwood	315-298-5025	410 Towne Rd.	Pulaski	NY
Bridget	Kelley (2)	716-316-2590	6945 Chestnut Ridge Road	Orchard Park	NY
Jim and Tina	Marzano (2)	518-884-8289	691 Eastline Rd	Malta	NY
Mark	Murphy (2)	631-357-2347	134 Parkwood Rd.	West Islip	NY
Atif	Rafiq	631-928-5577	2 Ryan Lane	Miller Place	NY
Don	Saladino	212-334-9537	88 Greenwich Street Apt. #609	NY	NY
Stephen	Schwartz (9)	914-596-2468	594 Broadway Suite 1106	New York	NY
Greg	Sivin	631-254-9062	5 Nason Place	Dix Hills	NY
Tom & Doreen	Spallino	516-761-5084	34 Horse Hollow Court	Locust Valley	NY
Ervin	Starr (2)	585-594-8813	2475 Westside Drive	North Chili	NY
Jim & Anne	Terry	607-974-7343 *Emergency Only	6 Garden Lane	Horseheads	NY
Julie	Watterson	631-707-5570	86 Kettlesn Lane	Medford	NY
Joe	Anderson	614-402-1402	1772 Tucker Trail	Lewis Center	OH
Marianne	Appel (2)	513-480-0999	2673 Blackgold Court	Morrow	OH
Mark and Beth	Beach (2)	419-343-9319	1503 S. Coy Rd	Oregon	OH
Marvin	Brown	513-777-9707	7351 Stoney Pointe	Liberty Township	OH
Jerry (Chris)	Collins (2)	937-885-3511	9110 Middleridge Dr.	Springboro	OH
Scott	Gerke	513-403-5333	5321 Cleves Warsaw	Cincinnati	OH
Richard	Gleason	440-557-5001	1401 Bell Rd.	Chagrin Falls	OH
John	Howard (2)	419-517-3114	7551 Peachtree Lane	Sylvania	OH
Robert & Amy	Huston	330-653-8687	5682 Young Road	Hudson	OH

Franchisee First	Franchisee Last	Franchisee Work Phone	Franchisee Address 1	Franchisee City	Franchisee State
Steve	Kearney (3)	513-751-3853	188 Lafayette Circle	Cincinnati	OH
Patrick	McCoy (4)	330-998-5410	7760 Oxgate Ct.	Hudson	OH
Paul	McGavin (2)	330-289-0875	2904 Plumbrook Drive	Maumee	OH
Mark	McIntire (2)	937-545-8684	1221 Ankeney Road	Xenia	OH
Kenneth	Schaef	330-825-0002	6564 Grove Road	Clinton	OH
Jack and Gayle	Staiger (2)	513-477-2471	6410 Wilderness Trail	West Chester	OH
Doug	Archer (2)	503-603-1871	11486 SW Fonner Street	Tigard	OR
Tim	Barrans (2)	541-420-4738	61262 Huckleberry Place	Bend	OR
Matt	Barrett	541-948-5212	1234 NW Elliott Court	Bend	OR
Randy	Dyer	503-387-3592	922 Clara Ct.	Lake Oswego	OR
Terri	Esch	503-805-8609	2459 SE Tualatin Valley Highway	Hillsboro	OR
William	Keefer	541-967-6581	4203 Williams Circle Avenue SE	Albany	OR
Randy	Muir	503-559-6207	4568 Garden Court SE	Salem	OR
Bill	Muyanja	541-760-1416	4401 NW Boxwood Dr.	Corvallis	OR
Justin	Pearce		301 Northwest Gilliam Ave.	Pendleton	OR
Daniel	Stanley	503-336-4304	33433 Bonneville Drive	Scappoose	OR
Matt	Starr (8)	612-991-6288	617 NW 24th Ave	Portland	OR
Greg	Vauters (5)	541-981-9208	1745 Elk Circle SW	Albany	OR
Tyree	Blocker	610-322-5981	598 Mt. Hope Rd	Lincoln University	PA
James	Bromley	610-277-4578	1906 Teardrop Terrace	Norristown	PA
Jason	Davis (2)	814-327-8929	RR7 Box 752	Altoona	PA
Joe	Degnan (3)	610-644-4033	12 Fawn Ct.	West Chester	PA
Chris	Dowd	908-303-7760	26 Mill Road	Havertown	PA
Linda	Foster	610-814-2598	3235 10th Street	Bethlehem Township	PA
Brian	Gery (2)	215-534-2335	3860 Fountain Circle	Fountainville	PA
Elizabeth	Hefner Bruley	412-554-3774	113 Sherwood Drive	Greensburg	PA
Stephanie	Kartesz (6)	814-882-9049	1403 Kuntz Rd.	Erie	PA
Bill	Liney (2)	302-218-3233	51 Cedar Hill Lane	Media	PA
Anthony	Maley	570-574-4158	32 North Chestnut Dr.	Drums	PA
Ian	McCormick (3)	601-457-2076	7 Ayer Court	West Chester	PA
Sandy & Rich	Owens	412-821-7348	5030 Venice Road	Pittsburgh	PA
John	Stockton (3)	610-495-1738	222 Pebble Beach Drive	Linfield	PA
Douglas	Treger (3)	215-794-1830	5202 Bailey Court West	Doylestown	PA
Chris & Tina	Van Buren	215-517-5155	1601 Meadowbrook Road	Meadowbrook	PA
Margie	Worrall	302-540-7231	148 Walnut Run Rd	Landenberg	PA
Timothy	Edmunds (2)	312-848-9696	401 Grand National Ln	Elgin	SC
Shawn	Thompson	843-672-5528	1710 Wolf Pond Church Road	Pageland	SC
Bruce	Anderson	605-334-7141	500 E. Saint Andrews Drive	Sioux Falls	SD
Terry	Keller	605-728-1041	3501 South Minnesota Ave	Sioux Falls	SD
Robert	Britton	615-776-1071	9631 Mitchell Place	Brentwood	TN
Horace	Chase (2)	731-668-1799	49 Bridlewood Cove	Jackson	TN
John	Cosgrove	423-485-1149	9830 Mountainaire Drive	Ooltewah	TN
Mike	Creagan	423-479-3446	701 Everhart Drive NW	Cleveland	TN
Bill	Hancock (3)	865-588-7578	7011 Sherwood Drive	Knoxville	TN
Jay	Hennessy	615-714-5388	3216 Locust Hollow	Nolensville	TN
David	Karkau	615-941-7452	7016 Sugarplum Rd.	Nashville	TN
Clarence & Charlene	McMurray	423-737-1891	150 Polo Drive	Blountville	TN
Teresa and Keith	Pinson	931-520-4426	PO Box 3616	Cookeville	TN
Wade and Karen	Walters	615-794-5836	1116 Kirkwood Drive	Franklin	TN
Steve	Wilkinson	615-604-4411	908 Todd Preis Drive	Nashville	TN
Chris	Abel (3)	817-462-4078	341 Rolling Oaks Ridge	Cedar Hills	TX
Joe	Andrulis (3)	972-650-1637	3804 Acapulco Court	Irving	TX
Jaime	De Leon Jr	409-549-3696	3748 Charles Ave.	Groves	TX
Claude	Detjens	512-386-9100	6709 A Ponca Street	Austin	TX
Joe	Dougharty (3)	409-201-9367	6006 Rosewood Drive	Orange	TX
Matt	Dunn	713-398-4260	8931 Helena Bend	Missouri City	TX
Tony and Veronica	Elguea (2)	972-437-6457	3060 Blackfield	Richardson	TX

Franchisee First	Franchisee Last	Franchisee Work Phone	Franchisee Address 1	Franchisee City	Franchisee State
Carlos	Garcia de la Cadena	281-292-7072	14 Regan Court	The Woodlands	TX
Mike & Kelly	Grandjean (3)	480-313-4983	3503 Pemberton Drive	Pearland	TX
Larry	Grigory (2)	972-394-8409	4203 Arbor Creek Drive	Carrolton	TX
Stewart	Hayward (2)	469-231-6178	4800 Hamilton Court	The Colony	TX
Lonnie and Laurie	Hill (2)	214-402-1031	1740 Windy Hill Lane	Prosper	TX
Marty	Hill (2)	972-218-5418	1965 Pin Oak Lane	Lancaster	TX
Jimmy	Huggins (2)	979-255-3587	3432 Chaco Canyon Drive	College Station	TX
Neal & Rebecca	Janke (2)	512-282-6346	1005 Live Oak Drive	Manchaca	TX
Julie and Rick	Jenson	214-843-2207	3104 Thyme Court	Plano	TX
Leander	Johnson	817-680-7886	851 Lake Carolyn Parkway #443	Irving	TX
Vincent	LaPietra	817-421-9696	706 Kent Ct.	Southlake	TX
Ron & Cindy	Ludlow (2)	817-431-3123	1608 Summer Lane Court	Roanoke	TX
Jeanne	Oliver (2)	512-671-3979	18001 Rosebud Place	Round Rock	TX
Ross	Payne	214-803-0485	2500 State Hwy 121	Euless	TX
Phillip	Reinkemeyer (2)	972-943-1212	4300 Pecan Orchard Drive	Parker	TX
Dawn	Thompson	281-291-8836	2416 Orleans Ln.	Seabrook	TX
Wayne & Delores	Vinson (2)	979-732-2935	3318 Brunes Mill Road	Columbus	TX
Dan	Davis	801-785-9806	4262 West Manila Creek Drive	Cedar Hills	UT
Don	Lechner	801-450-9849	380 E Canyon Lane	North Salt Lake	UT
T. Dee	Mabey (3)	801-362-9818	228 East 7845 South	Sandy	UT
Paul	Palmer	702-250-7975	1567 Prospect Lane	Alpine	UT
Sandra	Williams	801-961-3871	1952 N. Kingston Rd.	Farmington	UT
Robert	Bahr	540-383-9369	17932 New Market Rd.	Timberville	VA
Jennifer	Blazek (2)	540-532-0392	117 Carnmore Drive	Winchester	VA
Sean	Boyd	703-401-5082	3274 Tayloe Ct	Oak Hill	VA
Wayne	Connelly (2)	703-327-7259	42053 Basalt Drive	Stone Ridge	VA
Mike & Nancy	Hamdani (2)	434-974-6793	2700 Huntington Road	Charlottsville	VA
Craig	Hansen	703-598-1927	25336 Whippoorwill Terrace	South Riding	VA
Steven	Jackson (2)	757-288-3939	200 N. Willard Ave.	Hampton	VA
Brice	Leconte (2)		12020 Sunrise Valley Drive	Reston	VA
Frank & Stacey	Mayolo (2)	703-626-8645	21333 Cameron Hunt Place	Ashburn	VA
David	Rathbun	804-527-6743	3306 Pond Chase Ct.	Midlothian	VA
David	Rudy (2)		46 Wolfe Street	Alexandria	VA
Ed	Fine (3)	802-485-7501	785 Northfield Rd.	Roxbury	VT
Brad & Lori	Lockwood	205-563-5098	624 Paine Turnpike N.	Berlin	VT
Cynthia	Ford (3)	720-394-4177	3224 E. 42nd Ave.	Spokane	WA
John	Freese (2)	509-628-1590	1504 Rosena Ct.	Kennewick	WA
Aleta	Gibson	360-471-6931	16810 Lemolo Shore Drive	Poulsbo	WA
James	LaLonde (2)	585-298-8220	1717 East Jefferson St.	Seattle	WA
Jackie	Siochi	425-533-6106	866 Big Tree Drive	Issaquah	WA
Doug and Jodilyn	Vaughan	360-335-8027	3010 SE 297th Avenue	Washougal	WA
Jim & Trina	Zurfluh (2)	2535666831	8208 48th St. Ct. W	University Place	WA
Lori	Anderson (2)	303-463-7960	606 Uplands Drive	Dodgeville	WI
Mike	Ballard (4)	715-246-9096	1430 166th Avenue	New Richmond	WI
Melanie	Becker (2)	920-723-4923	N4896 County Road P	Helenville	WI
Scott & Laurel	Brecher	715-381-3090	684 Pine Timber Lane	Hudson	WI
Eric	Durst (2)	608-206-3962	3836 Hommen Lane	Deerfield	WI
Joseph	Emery	414-587-1030	3250 South Herman Street	Milwaukee	WI
James John	Fink	920-405-0909	1128 Valley View Road	Green Bay	WI
Greg & Gale	Foster	608-225-0453 (Greg)	29 La Crescenta Circle	Madison	WI
John	Hrusovszky (2)	715-457-2425	2463 white birch drive	junction city	WI
Dan and Robin	Kohls	608-269-4262	905 North Street	Sparta	WI
Richard & Christa	Paul (2)	262-373-0848	215 West Maple Street	Milwaukee	WI
Jim	Piwowarczyk	414-745-3339	5546 Donegal Road	Hubertus	WI
Mike & Rose	Purcell	414-412-9162	7337 N. 38th St.	Milwaukee	WI
Carol	Rosenstock	608-630-2000 (c)	913 Country Side Crossing	Waunakee	WI
Tim	Sternitzky	715-571-3329	N4483 Division Ave.	Granton	WI

Franchisee First	Franchisee Last	Franchisee Work Phone	Franchisee Address 1	Franchisee City	Franchisee State
Gary	Strohm	920-723-1470	N 515 Black Hawk Bluff Drive	Milton	WI
Mark	Swiecichowski	920-360-2568	1593 Rustic Way	Green Bay	WI
Michael	Toelle (2)	715-824-5383	2850 Tomorrow River Road	Amherst Jct.	WI
Dan	Voeltner	920-261-8665	W2381 Gopher Hill Road	Watertown	WI
Frank	Jorgensen (3)	304-872-3000	200 Greenbrier Road PO Box 460	Summersville	WV
Eric	Tarr	304-743-6995	530 Span Oaks Drive	Milton	WV
Dan	Andrews (2)	307-267-6925	3851 South Oak Street	Casper	WY

FRANCHISEES WHO LEFT THE SYSTEM
DURING THE 12-MONTH PERIOD ENDING 12/31/2010

NOTE: If you buy this franchise, your contact information may be disclosed to other potential franchisees of Snap Fitness when you leave the Snap Fitness system.

Franchisees no longer in the system:

Franchisee First	Franchisee Last	Work Phone	City	State
Terry	Mertes	602-803-7386	Phoenix	AZ
Jason and Valerie	Myers	602-540-8422	Fountain Hills	AZ
Karen	Brar	559-673-5254	Fresno	CA
Tad	Honeycut	760-684-4312	Hesperia	CA
Jeff	Parness	208-570-5285	Santa Clarita	CA
Randy	Smith	562-858-8223	Whittier	CA
Patrick	Sullivan	661-435-4796	Palmdale	CA
Millie	Thomson	515-987-7777	Loomis	CA
Kevin	Nguyen	403-890-8079	San Jose	CA
Alan	Fraze	303-883-2641	Denver	CO
Janine	Hamilton Kempfer	(303)587-7775	Greenwood Village	CO
Mark	Kovach	303-444-8660	Boulder	CO
Scott	Lameier	work) 813-251-1049	Tampa	FL
Alverro	Brown	678-797-0439	Powder Springs	GA
Gary & Debbie	Hawkins	404-713-6860	Loganville	GA
Mark	Solana	912-652-9624	Savannah	GA
Tim	Roberts	515-202-2235	Urbandale	IA
Chris	Christensen	208-559-4795	Boise	ID
Jeff	Simmons	208-524-6638	Ammon	ID
Richard	Gibson	847-895-3699	Schaumburg	IL
Thomas	English	317-574-7448	Indianapolis	IN
Lynne	Rowe	317-580-1259	Carmel	IN
Jacob	Pearman	270-351-5004	Radcliff	KY
Kenneth	Bachemin	985-324-3839	Mandville	LA
Brett	Oubre	985-789-1678	Ponchatoula	LA
Patty and Randy	Urban	248-528-2292	Troy	MI
Brett	Broekema	612-751-5034	Independence	MN
Bill	Divine	952-470-9286	Shorewood	MN
Mark	Flesland	507-833-0066	Alexandria	MN
Lance	Kabanuk	612-791-1000	Minnetonka	MN
Brad	Kohler	763-682-6886	Buffalo	MN
Jeff	Kozlowski	612-802-2343	Plymouth	MN
Mike	Leier	612-369-5402	Plymouth	MN
Phillip	Schmidt	612-799-3790	Eden Prairie	MN
Dawn & Bryan	Schreifels	763-428-2582	Rogers	MN
Chad	Shell	952-934-4028	eden prairie	MN
Frank	Brown	336-676-8042	Greensboro	NC
Jacob	Hedrick	336-357-0651	Lexingotn	NC
David	Lefever	336-809-0024	High Point	NC
Austin	Schweitzer	402-641-8275	Lincoln	NE
Louis	Tomasella	973-575-0052	Madison	NJ
Dan	McCarthy	518-272-1715	Troy	NY
Bonnie	Berkoski	717-540-0558	Harrisburg	PA
Kerry	Cunningham	717-766-5665	Mechanicsburg	PA

Franchisee First	Franchisee Last	Work Phone	City	State
Richard	Ferrell	214-682-9247	Frisco	TX
John & Tamara	Moes	703-646-5191	Lorton	VA
Marissa	Benavente, MD	206-979-6665	Seattle	WA
Eric	Park	253-460-2840	Tacoma	WA
Barb	Boucher	651-485-9885	New Richmond	WI
Julie	Brookins	920-533-4849	Campbellsport	WI
Jonah	Hetland	847-344-8114	Bristol	WI
Sally	Kneeland	608-469-8531	Menomonie	WI

Franchisees that closed or transferred a location or had an agreement terminated, but remain in the system:

Franchisee First	Franchisee First	Work Phone	City	State
Brad	St. Clair	work 720-241-5177	Littleton	CO
Bob & Sue	Light	770-623-2133	Kennesaw	GA
Andrew	Ginster	414-281-9414	Vernon Hills	IL
Bill	Hahn	217-522-6902	Springfield	IL
Morgan	Griffith	812-427-2809	Vevay	IN
Shawn	Crawford	317-840-8757	Brownsburg	IN
Mark	Nelson	913-254-0837	Olathe	KS
Adam	Correll	504-232-3262	Metairie	LA
Jim	Thompson	225-769-7174	Baton Rouge	LA
Brad & Christine	Hill	410-414-2560	Huntingtown	MD
Andrew	Paterson	734-516-8550	Ann Arbor	MI
Eric	Wizenberg	702-443-8716	Ferndale	MI
Matt	Letten	517-546-1200	Howell	MI
Michael	Mitchell	313-300-8479	Grosse Point Park	MI
Nofal	Paulus	work 248-855-9320	Farmington Hills	MI
Greg	Meehan	952-994-8360	Burnsville	MN
Jan	Sanderson	612-723-1960	Monticello	MN
Jim	Roane	612-803-3614	Chanhassen	MN
Paul	Johnson	763-670-3536	Pine City	MN
Peter	Taunton	612-418-9900	Chanhassen	MN
Rick	Jones	605-691-1914	Alexandria	MN
Brad	Carmody	314-726-2818	University City	MO
Dan	Noble	314-791-0190c	St. Louis	MO
Joseph	Holcomb	919-341-8587	Wake Forrest	NC
Dave	Keller	701-261-8804	Fargo	ND
Travis	Buel	402-890-3822	Lincoln	NE
Gail	Goldstein	732-238-9922	East Brunswick	NJ
Kristine	Castro	732-275-2500	Holmdel	NJ
Mark	Murphy	631-357-2347	West Islip	NY
Scott	Bradish	716-485-1931	Mayville	NY
Daniel	Stanley	503-336-4304	Scappoose	OR
Matt	Starr	612-991-6288	Portland	OR
Stephanie	Kartesz	814-882-9049	Erie	PA
Terry	Keller	605-728-1041	Sioux Falls	SD
Chris	Abel	817-472-7477	Cedar Hills	TX
Stewart	Hayward	469-231-6178	The Colony	TX
Tony and Veronica	Elguea	972-437-6457	Richardson	TX
Brice	Leconte	703-867-1549	Reston	VA
Frank & Stacey	Mayolo	703-626-8645	Ashburn	VA
Jackie	Siochi	425-533-6106	Issaquah	WA
Jeff	Spencer	509-893-8880	Spokane Valley	WA
Brian	McManus	414-688-1718	Milwaukee	WI
Dave	Lunde	715-483-9265	St. Croix Falls	WI
Mark	Swiecichowski	920-360-2568	Green Bay	WI
Melanie	Becker	920-723-4923	Helenville	WI
Rand	Anderson	715-246-9105	Hudson	WI
Richard & Christa	Paul	262-373-0848	Milwaukee	WI
Ryan	Strohm	920-723-9372	Watertown	WI

Franchisees who have not communicated with us within 10 weeks of this Disclosure Document:

Franchisee Name	PhoneWork	FranchiseeCity	FranchiseeState
Colucci, Charles	623-362-3590	Peoria	AZ
Kirkum, Terry and Terri	480-907-5981	Chandler	AZ
Smith, Tyrone	520-250-3000	Tucson	AZ
Terjesen, Chris	214-676-9175	Scottsdale	AZ
Bennett, Brian	925-425-3889	Pleasanton	CA
Byron, Steve	310-542-8171	Redondo Beach	CA
Greenwald, William	619-887-2623	Chula Vista	CA
Guidry, Amber	504-908-0944	Encinitas	CA
Heise, T. (Terence)	work) 619-850-2280	San Diego	CA
Kearns, Jeff	760-218-5977	Palm Springs	CA
Lackman, Melissa	661-373-1518	Santa Clarita	CA
Monsueir, Bill	925-425-4457	Dublin	CA
Rickett, Karen	858-829-5832	Poway	CA
Ziauddin, Mansoor	925-829-9750	San Ramon	CA
Anderson, Mary	303-744-8764	Denver	CO
Frey, John	720-985-8406	Denver	CO
Kempfer, Kurt	303-799-2688	Lonetree	CO
Michalec, Dan	(303) 766-9895	Aurora	CO
Moncaliere, Sean	(719) 661-8882	Colorado Springs	CO
Morgan, Denis	719-481-8428	Colorado Springs	CO
St. Clair, Brad	work 720-241-5177	Littleton	CO
Tarrant, Debbie	303-699-6117	Aurora	CO
Clifford, Bill	203-470-8797	Danbury	CT
Horowitz, Bill	work) 860-543-9300	Enfield	CT
Costello, Thomas	813-996-2234	Land O' Lakes	FL
Drost, Bill	863-647-1581 (work)	Lakeland	FL
Greer, Charlie	239-454-1131	Ft. Myers	FL
Guidry, William	985-630-5516	Jacksonville	FL
Lamazares, Manny	305-401-3012	Miami Beach	FL
Payne, Seth	904-309-1270	Atlantic Beach	FL
Postell, Johnny	work) 954-236-0157	Ft. Lauderdale	FL
Zavala, Sergio & Francesca	978-223-0656	Riverview	FL
Dao, Daniel	786-272-7100	Miami	FL
Kirkpatrick, Mark	770-792-0116	Marietta	GA
Light, Bob & Sue	770-623-2133	Kennesaw	GA
Outland, Rolando	7702353269	Alpharetta	GA
Phillips, Lisa	404-622-9151	Atlanta	GA
Solomon, Davey	706-576-5237	Hamilton	GA
Mohney, Doug	208-777-9550	Post Falls	ID
Nagrone, Terri and Kevin	208-884-1642	Kuna	ID
Busch, Ken	847-340-4502	Barrington	IL
Goldman, Brian	312-399-4563	Chicago	IL
Ferron, Kenneth	765-438-8615	Noblesville	IN
Nelson, Mark	913-254-0837	Olathe	KS
Howard, Don	859-223-8164	Nicholasville	KY
Walker, John	859-224-9691	Lexington	KY
Brown, Leo	337-896-8516	Carencro	LA
Sims, Timmy & Kelly	504-734-2270	Harahan	LA
Thompson, Jim	225-769-7174	Baton Rouge	LA
Meiches, Diana	978-922-4716	Prides Crossing	MA
Parham, Antonio "Tony"	617-314-9595	Boston	MA
Vassell, Paul & Beverley	work) 781-363-0946	Shrewsbury	MA
Hill, Brad & Christine	410-414-2560	Huntingtown	MD
Clark, Jim	248-830-0325	Clarkston	MI
Duffield, Matthew	248-630-7878	Keego Harbor	MI
Ely, Scott	906-249-3414	Marquette	MI
Ilg, Curt & Bernadette	248-721-3939	Clarkston Road	MI

Franchisee Name	PhoneWork	FranchiseeCity	FranchiseeState
Konye, Dave	248-939-0030	Howell	MI
Mitchell, Michael	313-300-8479	Grosse Point Park	MI
Paterson, Andrew	734-516-8550	Ann Arbor	MI
Turner, Tunesia	248-478-9088	Northville	MI
Wizenberg, Eric	702-443-8716	Ferndale	MI
Duncanson, Andrew	(612) 840-6402	Hamel	MN
Erie, Wendy and Bill	218-692-2300	Cross Lake	MN
Kramer, Shelly	651-483-6004	Vadnais Heights	MN
Landwehr, Kurt	7632011470	Plymouth	MN
Latterell, Bill	(952) 906-1341	Eden Prairie	MN
Temke, Jennifer	763-208-2985	Robbinsdale	MN
Noble, Dan	314-791-0190c	St. Louis	MO
Nadeau, Marc & Christa	406-837-3930	Bigfork	MT
Webb, Dan	919-452-7432	Rolesville	NC
Kennelly, JD	218-779-1141	Grand Forks	ND
Baribeau Kauffman, Stephanie	973-366-4747	Mine Hill	NJ
Christian, Paul	732-431-2806	Clarksburg	NJ
Cosgrove, Brent	973-477-9133	Maplewood	NJ
Hill, Carla	609-513-7707	Smithville	NJ
Kedash, John	973-579-2127	Newton	NJ
Renke, William	201-874-7482	Oak Ridge	NJ
Steffey, Wayne	201-656-0945	Hoboken	NJ
Williams, Linda	201-244-5640	Bergenfield	NJ
Wong, Scott	(505) 983-9588	Sante Fe	NM
Koster, Stu	775-546-1718	Reno	NV
Schell, James and Iona	702-616-6815	Henderson	NV
Simpson, Graham	702-677-2705	Reno	NV
Trust, Glen	702-281-2269	Spring Creek	NV
DiGiuseppe, Gary	631-447-6028	Holtsville	NY
Murphy, Mark	631-357-2347	West Islip	NY
Rafiq, Atif	631-928-5577	Miller Place	NY
Saladino, Don	212-334-9537	NY	NY
Huston, Robert & Amy	330-653-8687	Hudson	OH
Kearney, Steve	513-751-3853	Cincinnati	OH
Stanley, Daniel	503-336-4304	Scappoose	OR
Degnan, Joe	610-644-4033	West Chester	PA
Kartesz, Stephanie	814-882-9049	Erie	PA
Maley, Anthony	570-574-4158	Drums	PA
Stockton, John	610-495-1738	Linfield	PA
Van Buren, Chris & Tina	215-517-5155	Meadowbrook	PA
Dunaway, Thomas & Sierra	(803)231-9490	Columbia	SC
Keller, Terry	605-728-1041	Sioux Falls	SD
Andrulis, Joe	972-650-1637	Irving	TX
De Leon Jr, Jaime	409-549-3696	Groves	TX
Elguea, Tony and Veronica	972-437-6457	Richardson	TX
Garcia de la Cadena, Carlos	281-292-7072	The Woodlands	TX
Grandjean, Mike & Kelly	480-313-4983	Pearland	TX
Jenson, Julie and Rick	214-843-2207	Plano	TX
Johnson, Leander	817-680-7886	Irving	TX
Davis, Dan	801-785-9806	Cedar Hills	UT
Mabey, T. Dee	801-362-9818	Sandy	UT
Mayolo, Frank & Stacey	703-626-8645	Ashburn	VA
Fine, Ed	802-485-7501	Roxbury	VT
Ford, Cynthia	720-394-4177	Spokane	WA
Zurfluh, Jim & Trina	2535666831	University Place	WA
Anderson, Lori	303-463-7960	Dodgeville	WI
Swiecichowski, Mark	920-360-2568	Green Bay	WI
Voeltner, Dan	920-261-8665	Watertown	WI

SNAP FITNESS CORPORATE AND AFFILIATE-OWNED CLUBS AS OF DECEMBER 31, 2010

Club Name	Phone	Address	City	State
calera	205-620-2406	301 Airport Commons Drive	Calera	AL
centre	256-927-7761	1558 West Main St.	Centre	AL
columbiana	205-610-9291	208 West College Street	Columbiana	AL
moody	205-640-5588	3220 Moody Parkway	Moody	AL
pellcity	205-338-7666	2401 Stemley Bridge Road	Pell City	AL
springville	205-467-0303	300 Springville Blvd. Suite 100	Springville	AL
sylacauga	256-208-8853	207 James B. Payton Blvd.	Sylacauga	AL
essexct	860-767-0155	125 Westbrook Rd.	Essex	CT
niantic	860-691-1140	88 Pennsylvania Ave.	Niantic	CT
oldlyme	860-434-3332	54 Halls Rd.	Old Lyme	CT
seminolefl	727-474-3801	9360 Oakhurst Road	Seminole	FL
independenceky	859-966-2224	2168 Declaration Drive	Independence	KY
hammond	985-340-1096	1905 West Thomas St.	Hammond	LA
laplace	985-651-4404	524-546 Belle Terre Blvd.	La Place	LA
Ponchatoula	985-386-7105	18539 Hwy 22	Ponchatoula	LA
chanhassen	952-567-5800	2411 Galpin Court	Chanhassen	MN
stboni	952-446-8879	4195 Main Street	St. Bonifacius	MN
wadena	218-632-5500	618 Jefferson Street N.	Wadena	MN
wasecamn	507-835-0043	122 East Elm Avenue	Waseca	MN
morrismn	320-585-6200	719 Atlantic Ave.	Morris	MN
conneaut	440-599-9951	230 State St.	Conneaut	OH
edinboro	814-273-1100	606 Erie Street	Edinboro	PA
erie3	814-833-7333	2249 West 38th Street	Erie	PA
fairviewpa	814-474-1144	7470 West Ridge Road	Fairview	PA
girardpa	814-774-0000	20 Sunset Drive	Girard	PA
northeast	814-725-2000	69 E. Main Unit 1	North East	PA
daytontx	936-681-0043	400 E Highway 90	Dayton	TX
highlandstx	832-838-4339	302 North Main St.	Highlands	TX

Exhibit E

Operations Manual Table of Contents

TOPIC	NUMBER OF PAGES
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Introduction to the Franchise System	10
Understanding Franchising	10
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Club Marketing Plan	21
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Sales Procedures	36
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Marketing	68
Franchise Agreement Administration	5
Other Resources	7
TOTAL PAGES	**420**

Exhibit F

Copy of Sample Membership Agreement

Membership Agreement

☐ Franchisee Corporate/LLC Business Name
Address line 1
Address line 2
City, ST Zip
000-000-0000
email@snapfitness.com
Health club/Spa registration #

☐ Franchisee Corporate/LLC Business Name
Address line 1
Address line 2
City, ST Zip
000-000-0000
email@snapfitness.com
Health club/Spa registration #

☐ Franchisee Corporate/LLC Business Name
Address line 1
Address line 2
City, ST Zip
000-000-0000
email@snapfitness.com
Health club/Spa registration #

Primary Member: _____ Birth Date: ____/____/____
(18+ years) First Last M.I.
ID Number: _____ ☐ easyFIT ☐ General Access ☐ Other Access _____ E-mail: _____

Member: _____ Birth Date: ____/____/____
First Last M.I.
ID Number: _____ ☐ easyFIT ☐ General Access ☐ Other Access _____ E-mail: _____

Member: _____ Birth Date: ____/____/____
First Last M.I.
ID Number: _____ ☐ easyFIT ☐ General Access ☐ Other Access _____ E-mail: _____

Member: _____ Birth Date: ____/____/____
First Last M.I.
ID Number: _____ ☐ easyFIT ☐ General Access ☐ Other Access _____ E-mail: _____

Primary Member's Contact Information

Address _____ City _____ State _____ Zip Code _____

Primary Phone _____ (work / home / cell) [Circle one] Secondary Phone _____ (work / home / cell) [Circle one]

Emergency Contact Name _____ Emergency Contact Phone _____

How did you hear about us? _____ Referring Member _____ Group Affiliation _____

Membership Plan

☐ Single ☐ Month-to-Month
☐ Joint ☐ 12-Month
☐ Family ☐ Prepaid __ Months

☐ EFT Checking Financial Institution _____ Branch _____
☐ EFT Savings Routing # _____ Account # _____
☐ Credit Card Card Type _____ Card # _____ (Last four digits only) Name _____ (As it appears on card)

Payment Authorization

For purposes of this payment authorization, the term "I" refers to the new member whose name appears above as the primary account holder and whose signature appears below. "You" refers to my financial institution identified above.

I authorize you to pay monthly drafts on my behalf to Club Owner (or its designee) in the amount of $_____, plus any vending-machine purchases made with my access card and applicable tax, beginning __/01/_____. These payments will continue until I submit a written notice of cancellation of my membership to the Club as instructed on page 2 of this Agreement. I agree I am bound by the membership payment terms and unpaid account balance due upon cancellation. I agree that you will be fully protected in honoring these drafts and that your treatment of them and rights in respect to them are the same as if personally signed by me. I understand that I must notify the Club of account changes by the start of the billing cycle on the 25th of each month, and that I will incur an additional fee of $20 per month whenever there is a payment default.

Initial Payment:

* Enrollment	$ _____
* Access card(s)	$ _____
* Pro-rated dues	$ _____
* easyFIT	$ _____
* _____	$ _____
* _____	$ _____
Total Payment	$ _____

Paid By:
☐ Check ☐ Cash ☐ Card

ASSUMPTION OF RISK OF INJURY AND WAIVER OF CLAIMS. I acknowledge that the Club is an unsupervised fitness center and there is possible danger connected with any physical activity, including the dangers of physical injury and death. I assume all risks of injury, and waive all rights to pursue money damages or any other relief of any kind, arising out of (1) my entry into or upon the Club or any other Snap Fitness® location; or (2) my use of any equipment, machinery, or facilities in the Club or any other Snap Fitness® location. On behalf of myself and my successors and assigns, I agree to indemnify and will hold harmless Club Owner, Snap Fitness, Inc. and all of their owners, employees, agents, successors and assigns from and against any loss or damage that may be sustained by me or any person entering the Club as my guest.
____ ____ ____ ____ (initial)

Parent/Guardian: In exchange for Club allowing my minor child to use the Club, I agree to the Assumption of Risk of Injury and Waiver of Claims clause in this Agreement. I also agree to defend and indemnify Club, Snap Fitness, Inc., or its officers and employees to the fullest extent permitted by law for any claim brought by my minor child against them. I also promise to pay any financial obligation incurred by my minor child for any reason and acknowledge that the banking information on this Agreement is my account. I understand that any child of mine under the age of (16-18) must be accompanied by an adult at all times while in a Snap Fitness Club. ____ (initial)

Financial Co-Signer: I promise to pay any financial obligation that the member does not pay for any reason and acknowledge that the banking information in this Agreement is my account. I also agree to defend and indemnify Club, Snap Fitness, Inc. or its officers and employees to the fullest extent permitted by law for any claim brought by the member. _____ (initial)

Member's Right to Cancel. If I wish to cancel this Agreement, I may cancel by delivering or mailing a written notice to the Club. The notice must say that I do not wish to be bound by the Agreement and must be delivered or mailed before midnight on the (third) business day after I sign this Agreement. The notice must be delivered or mailed to the address indicated above. If I cancel, the Club will return, within 10 days of the date on which I gave notice of cancellation, any payments I have made. All refunds will be by credit or check; there are no cash refunds.

Definitions. In this Agreement, "Club Owner" means (Franchise corporate/llc business name), an independent franchisee of Snap Fitness, Inc. "Club" means the club at which the Agreement is signed. "I" and "member" means the person(s) whose name(s) and signature(s) and initials appear on this document. Member is responsible for updating address and contact information.

This is PAGE ONE - must be signed as requested 12/10 US White – club copy Yellow – club copy Pink – member copy

Member Obligations. This Agreement is a legally binding obligation for which I am financially responsible. If I have a prepaid or 12-month membership, I will automatically become a month-to-month member after the pre-paid or 12-month period and will be billed the then-current monthly membership rate unless I provide notice of cancellation. A 12-month membership has an early cancellation fee of $XX. Member agrees not to conduct any kind of commercial or business activity in the Club and shall not act as a personal trainer for anyone within the Club.

Cancellation. After the member's right to cancel period noted earlier (if any), I may cancel my membership by delivering or mailing written notice to the Club at least 30 days in advance of the cancellation date. All membership cancellations are effective on the last day of a month. For example, if I deliver notice on June 15th, I will pay July membership dues and my membership will terminate on July 31. If I die or become totally or permanently disabled, upon reasonable written notice to the Club with proof of the death or disability, either I or my estate may cancel this Agreement and receive a prorated refund of the unused portion of the monthly membership fees.

Physical Condition and No Medical Advice. I represent that I am in good physical condition and have no medical reason or impairment that might prevent me from my intended use of the Club. As such, I acknowledge that neither the Club nor Snap Fitness, Inc. provided me with medical advice before I joined, and cannot give me medical advice after I join. If I have any health or medical concerns now or after I join, I will talk to my doctor before using the Club.

Rules and Regulations. I agree to follow the Snap Fitness membership policies and Club rules. Snap Fitness or the Club may, in its sole discretion, modify its rules or policies without notice at any time. Club rules may vary by location. All signs posted in a Club or communicated verbally are part of the rules of a Club. The Club and Snap Fitness reserve the right to refund the pro-rated cost of unexpired services and terminate this membership immediately for any reason or no reason whatsoever.

Reciprocity. Membership to the Club allows me to access other Snap Fitness® locations free of charge. My use of all Snap Fitness® locations is subject to the terms of this Agreement and I have the same obligations to any Snap Fitness® location as I have to the Club and Club Owner, including the assumption of risk and waiver of claims. I understand that if I use another Snap Fitness® location more than the Club, my membership will be transferred to that location according to the then-current membership transfer policy. If my membership is transferred, I agree my monthly dues will be the price of the new home club and I may have to sign a new membership agreement with that club.

Guests. I will not allow anyone besides me to use my membership access card, and I understand that I will be charged a $20.00 per visit fee for any unauthorized guest I allow into the Club and that my access card may be deactivated or my membership terminated and a fee will be charged to activate the card or rejoin the Club. I will also be responsible for any losses, damages or liability the Club suffers because of an unauthorized guest I allow into the Club.

Membership Freeze. I have the right to freeze my membership for up to three months per year, during which time I will not be charged standard monthly dues. I must provide written notice by the 25th of the month before the month for which the freeze is to take effect. I will incur a $X processing charge for each frozen month. For prepaid or 12-month agreements, the membership will be extended one month for each month frozen. A membership cannot be cancelled during a freeze period.

Money Back Guarantee. If I do not feel a positive difference in my physical wellbeing within 30 days of signing this Agreement, the Club will give me my money back (enrollment fee, membership dues and access card monies). I must do the following two things – (1) work out at the Club twice per week for four weeks AND (2) attend a "Basic 8" or Fitness Score session with Club staff. To request a refund, I must send or deliver a written notice to the Club on or before the 30th day of my membership including a statement of why I am requesting a refund. The refund does not apply to tanning, personal training, vending or merchandise purchases.

Cell Phone Text Messaging. I agree to receive text messages from the Club updating me on my membership benefits. I understand that I have the option to opt-out from receiving these updates by texting STOP to 24700 or replying STOP to any message to opt-out. For help I can text HELP to 24700 or reply HELP to any message. Message and data rates may apply.

Personal E-mail Address. I understand that I must provide a valid e-mail address to activate my free personal web page. I also will receive occasional emails from Snap Fitness updating me on my membership benefits. I may opt-out from receiving these updates by replying and requesting to be unsubscribed. I agree that Snap Fitness may use my e-mail address and other personal information as stated in the Privacy Policy available at www.snapfitness.com.

easyFIT. Within 10 days of purchase I may return an unopened, non-activated easyFIT monitor in its original packaging and with a receipt. Within 30 days of purchase, if I am not satisfied with the easyFIT monitor, I may return an easyFIT in working condition. To be eligible for a refund, I must (1) activate the easyFIT monitor, (2) workout at the Club twice per week for four weeks, (3) earn 20+ easyFIT points at least 15 days AND (4) attend a "Basic 8" or Fitness Score session with Club staff. The easyFIT monitor has a 6 month limited warranty from date of purchase with receipt. For full terms of the easyFIT warranty, see www.snapfitness.com/easyFITwarranty.

Liability for Property. The Club is not liable to me or my guest for any personal property that is damaged, lost or stolen while on or around Club premises including, but not limited to, a vehicle or its contents or any property left in a locker. If I or my guest cause any damage to the Club, I am liable to the Club for its cost of repair or replacement.

Facilities and Services. Club reserves the right at any time to delete, discontinue, repair or replace the facility equipment without any effect on this Agreement. The Club may be closed for up to 2 weeks each year for maintenance purposes.

Video Notice. I may not take photos or videos anywhere in the Club. I understand that the Club uses unmonitored video surveillance and access card usage is logged, which both may be retained by the Club for future use.

No Steroids. I understand that the Club bans the use of steroids and I agree not to use, sell or exchange steroids on the Club premises.

Limitation of Liability. I agree that, unless controlling legal authority requires otherwise, any award by an arbitrator or a court is limited to actual compensatory damages. I agree that, specifically, neither an arbitrator or a court can award either party any indirect, special, incidental or consequential damages, even if one party told the other party that they might suffer these.

Miscellaneous. This is the whole Agreement between the parties and supercedes any prior understandings or agreements of the parties whether written or oral, express or implied. This Agreement may not be amended or modified except in a writing signed by both parties.

All members must sign below and initial the Assumption of Risk of Injury and Waiver of Claims. A parent or guardian must also sign and initial for any minor. Do not sign this Agreement until you have read all of it. Also, do not sign this Agreement if it contains any blank spaces.

By signing below, I affirm, understand and agree to the above terms on pages 1 and 2 in their entirety.

Date	Primary Member Signature	Date	Member Signature
Date	Member Signature	Date	Member Signature
Date	Employee Signature for {Franchisee corporate/llc business name} d/b/a Snap Fitness		

This is PAGE TWO - must be signed as requested 12/10 US White – club copy Yellow – club copy Pink – member copy

Exhibit G
SAMPLE GENERAL RELEASE AGREEMENT
(Subject to change by Snap Fitness, Inc.)

THIS GENERAL RELEASE AGREEMENT (this "Agreement") is made and entered into between **Snap Fitness, Inc**., a Minnesota corporation, ("we," "us" or "Snap Fitness"), **[FRANCHISEE]**, a Minnesota limited liability company ("you" or "Franchisee"), and [GUARANTOR], a resident of Minnesota (a "Guarantor"). All capitalized terms not defined in this Agreement have the respective meanings set forth in the Franchise Agreement (as defined below).

RECITALS

A. Snap Fitness and Franchisee are parties to a SNAP FITNESS® Franchise Agreement dated _____ (the "Franchise Agreement") pursuant to which Franchisee operates a SNAP FITNESS Club located at _____ (the "Club").

B. [NOTE: Describe the circumstances relating to the release.]

C. In consideration of [INSERT CIRCUMSTANCES] and the representations set forth in the Recitals, subject to the provisions stated below, and Franchisee and Guarantor agree to settle all known and unknown disputes they may have against Franchisor, if any, that exist as of the Effective Date.

AGREEMENTS

NOW, THEREFORE, in exchange for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. [NOTE: Detail the terms and conditions of the release]

2. Release and Settlement of Claims.

A. Except as may be prohibited by applicable law, Franchisee and Guarantors (individually and as owners of Franchisee), for themselves and each of their respective heirs, successors, assigns, affiliates, shareholders, directors, officers, employees and agents, and on behalf of any other party claiming an interest through them (collectively and individually referred to as the "Franchisee Parties" for purposes of this Section 2), release and forever discharge us, our predecessors, successors, affiliates, directors, officers, shareholders, agents, employees and assigns (collectively and individually referred to as the "Franchisor Parties" for purposes of this Section 2) of and from any and all claims, debts, liabilities, demands, obligations, costs, expenses, actions and causes of action, whether known or unknown, vested or contingent, which Franchisee Parties may now or in the future own or hold, that in any way relate to the Franchise Agreement, any other agreement between Franchisee and us, the Club, or the relationship between Franchisee and us through the Effective Date (collectively, "Claims"), for known or unknown damages or other losses including, but not limited to, any alleged violations of any deceptive or unfair trade practices laws, franchise laws, or other local, municipal, state, federal, or other laws, statutes, rules or regulations, and any alleged violations of the Franchise Agreement or any other agreement between Franchisee Parties and us or our affiliates through and including the Effective Date of this Agreement.

B. The release of Claims set forth in Section 2.A is intended by the Franchisee Parties to be a full and unconditional general release, as that phrase is used and commonly interpreted,

extending to all claims of any nature, whether or not known, expected or anticipated to exist in favor of the Franchisee Parties against the Franchisor Parties regardless of whether any unknown, unsuspected or unanticipated claim would materially affect settlement and compromise of any matter mentioned herein. In making this voluntary express waiver, the Franchisee Parties acknowledge that claims or facts in addition to or different from those which are now known to exist with respect to the matters mentioned herein may later be discovered and that it is the Franchisee Parties' intention to hereby fully and forever settle and release any and all matters, regardless of the possibility of later discovered claims or facts. The Franchisee Parties acknowledge that they have had adequate opportunity to gather all information necessary to enter into this Agreement and Release and need no further information or knowledge of any kind that would otherwise influence the decision to enter into this Agreement. The Franchisee Parties acknowledge and agree that the foregoing waiver is an essential, integral and material term of this Agreement. The Franchisee Parties further acknowledge and agree that no violation of this Agreement shall void the release set forth in this Section 2.

3. Miscellaneous. This Agreement, and the documents referred to herein, constitute the entire agreement among the parties with respect to the subject matter hereof. No amendment will be binding unless in writing and signed by the party against whom enforcement is sought. All representations, warranties, agreements and all other provisions of this Agreement which by their terms or by reasonable implication are intended to survive the closing of this transaction will survive it.

4. Representation by Counsel. The parties have had adequate opportunity to consult with an attorney of their respective choice, including with respect to the release of Claims set forth herein.

5. Governing Law/Venue. This Agreement will be construed and enforced in accordance with the laws of the State of Minnesota, without regard to principles of conflicts of law. The parties further agree that any legal proceeding relating to this Agreement or the enforcement of any provision herein shall be brought or otherwise commenced only in the State or Federal courts of Minnesota.

6. Counterparts. This Agreement may be executed by the parties hereto in counterparts, and delivered by e-mail or facsimile, each of which shall be deemed to be an original instrument, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

US:
SNAP FITNESS, INC.

By:_____
Printed Name: Peter Taunton
Title: President
Date: _____

FRANCHISEE:

By:_____
Printed Name:
Title:_____
Date: _____

GUARANTOR:

By:_____
Printed Name:
Date: _____

Exhibit H

Sample Financing Documents

EXHIBIT H-1

Lease Servicing Center Sample Equipment Lease Agreement

EQUIPMENT LEASE AGREEMENT

Lease # _____ Federal Tax # _____

This document was written in "Plain English". The words YOU and YOUR refer to the customer. The words WE, US and OUR refer to the Leasing Company. Every attempt has been made to eliminate confusing language and create a simple, easy-to-read document.

CUSTOMER INFORMATION

FULL LEGAL NAME OF CUSTOMER:		STREET ADDRESS:	
CITY:	STATE:	ZIP:	PHONE:

EQUIPMENT LOCATION (IF DIFFERENT FROM ABOVE)

STREET:	CITY:	STATE / ZIP:	COUNTY:

SUPPLIER INFORMATION

NAME OF SUPPLIER: **See Schedule "D"**		STREET ADDRESS:	
CITY:	STATE:	ZIP:	PHONE:

LEASING COMPANY INFORMATION

NAME OF LEASING COMPANY: **Lease Servicing Center, Inc.**		STREET ADDRESS: **220 22nd Avenue E**	
CITY: **Alexandria**	STATE: **MN**	ZIP: **56308**	PHONE: **(320) 763-7600**

EQUIPMENT INFORMATION

Quantity	Item Description	Model #	Serial #
	See Equipment Schedule "A"		

PAYMENT INFORMATION

Advance Payment _____ * Received * Plus Applicable Taxes Security Deposit **$.00** Received

Term in months from Rent Commencement Date: (Rent Commencement Date is date Leasing Company pays for Equipment)

_____	# PAYMENTS	_____	BASIC RENT PAYMENT	*	TAX	*	TOTAL
_____	# PAYMENTS	_____	BASIC RENT PAYMENT	*	TAX	*	TOTAL
_____	# PAYMENTS	_____	BASIC RENT PAYMENT	*	TAX	*	TOTAL

END OF LEASE OPTIONS

You will have the following options at the end of the original term, provided the lease has not terminated early and no event of default under the lease has occurred and is continuing.

1. Purchase the equipment for fair market value.
2. Renew the lease per Paragraph one of this lease.
3. Return the equipment as provided in Paragraph seven of this lease.
4. Other options attached, if any. **See attached purchase option.**

ACCEPTANCE OF DELIVERY

You certify that all the Equipment listed above has been furnished that delivery and installation has been fully completed and satisfactory. Further, all conditions and terms of this agreement have been reviewed and acknowledged. Upon your signing below, your promises herein will be irrevocable and unconditional in all respects. You understand and agree that we have purchased the Equipment from the supplier, and you may contact the above supplier for your warranty rights, if any, which we transfer to you for the terms of this lease. Your approval as indicated below of our purchase of the Equipment from supplier is a condition precedent to effectiveness of this lease.

Date _____ **By:** _____

Signature of

YOU ACKNOWLEDGE THAT YOU, NOT THE LEASING COMPANY, HAVE SELECTED THE EQUIPMENT FROM AN INDEPENDENT SUPPLIER. THIS AGREEMENT CAN'T BE CANCELED OR REVOKED FOR ANY REASON, EVEN IF YOU DON'T OR CAN'T USE THE EQUIPMENT.

1. MASTER AGREEMENT. You agree to rent from us the personal property described under " ITEM DESCRIPTION' above and in any supplements of this Master Agreement signed by both you and us from time to time (such property with any upgrades, substitutions and additions is referred to as "Equipment"). You agree to all of the terms and conditions contained in this Agreement and any supplement, which together are the complete and exclusive statement of your rights and remedies ("Agreement").

THIS SECTION IS TO BE FILLED OUT BY THE LEASING COMPANY

LEASING COMPANY ACCEPTANCE

Date

Lease Servicing Center, Inc.
Leasing Company

Signature

Title

ADDITONAL PROVISIONS OF YOUR AGREEMENT PRINTED ON THE REVERSE SIDE OF THIS PAGE ARE JUST AS IMPORTANT AS THOSE PRINTED ABOVE. YOUR SIGNATURE WARRANTS YOU'VE READ THE REVERSE SIDE TOO.

CUSTOMER ACCEPTANCE

Date

Customer

X
Signature of

Title

PERSONAL GUARANTY: As additional inducement for us to enter into the Agreement, the undersigned ("you"), jointly and severally, unconditionally personally guarantees that the customer will make all payments and meet all obligations required under this Agreement and any supplements fully and promptly. You agree that we may make other arrangements including compromise or settlement with the customer and you waive all defenses and notice of those changes and will remain responsible for the payment and obligations of this Agreement. We do not have to notify you if the customer is in default. If the customer defaults, you will immediately pay in accordance with the default provision of the Agreement all sums due under the terms of the Agreement and will perform all the obligations of the Agreement. If it is necessary for us to proceed legally to enforce this guaranty, you expressly consent to the jurisdiction of the court set out in paragraph16 and agree to pay all costs, including attorneys fees incurred in enforcement of this guaranty. It is not necessary for us to proceed first against the customer or the Equipment before enforcing this guaranty. By signing this guaranty, you authorize us to obtain credit bureau reports for credit and collection purposes.

Print Name of Guarantor

X
Signature of Date

Print Name of Guarantor

X
Signature of Date

(Continued from front side)

1 This Agreement may be modified only by another written agreement and not by your conversations with us, or your behavior or our behavior in conducting business with each other The term of this Agreement will begin on the date we sign the lease (called the "Rent Commencement Date") and will continue from the first day of the following month for the number of consecutive months shown The number of consecutive months during which you pay Rent, called the "term" will be extended automatically for successive 12-month periods unless you send us written notice you do not want it renewed at least thirty (30) days before the end of any term If any court declares a provision of this Agreement unenforceable, that court shall enforce the remaining provisions just as if the unenforceable provision had never been part of the Agreement

2 RENT: Rent will be payable in installments, in advance, each in the payment amount described as Basic Rent in "PAYMENT INFORMATION" plus applicable sales and use tax, plus $1/12^{th}$ of the yearly amount estimated by us to be personal property tax on the Equipment for each year of this Agreement with the first payment due on the rent commencement date You will pay the security deposit on the date you sign this Agreement We will have the right to apply all sums received from you, to any amounts due and owed to us under the terms of this Agreement Even if the Agreement is terminated before Basic Rent is due, the security deposit will be retained by us to compensate us for our documentation, processing and other expenses

3 COMPUTER SOFTWARE: Not withstanding any other terms and conditions of the Agreement, you agree that as to software only: a) We have not had, do not have, nor will have any title to such software, b) You have executed or will execute a separate software license agreement to which we are not a party and have no responsibilities whatsoever in regards to such license agreement, c) You have selected such software and as per Agreement paragraph 5, **WE MAKE NO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR USE AND TAKE ABSOLUTELY NO RESPONSIBILITY FOR THE FUNCTION OR DEFECTIVE NATURE OF SUCH SOFTWARE.**

4 OWNERSHIP OF EQUIPMENT: You acknowledge that we have purchased the equipment at your request for your use, but do not intend to transfer ownership of the Equipment to you You have the right to use the Equipment and to exercise your End of Lease Options only so long as you keep all your promises to us under this Agreement You agree that we have sole title to the Equipment (excluding software)

5 WARRANTIES: **TO THE EXTENT PROVIDED BY ARTICLE 2A OF THE UNIFORM COMMERCIAL CODE (THE "U.C.C.") OR OTHER LAW, YOU MAY ENJOY WARRANTIES MADE BY THE MANUFACTURER OR SUPPLIER OF THE EQUIPMENT. WE ARE NEITHER THE MANUFACTURER, NOR THE SUPPLIER. WE MAKE NO WARRANTY THAT THE EQUIPMENT IS FIT FOR A PARTICULAR PURPOSE OR THAT THE EQUIPMENT IS MERCHANTABLE. YOU AGREE THAT YOU HAVE SELECTED THE SUPPLIER AND EACH ITEM OF EQUIPMENT BASED UPON YOUR OWN JUDGMENT AND DISCLAIM ANY RELIANCE UPON ANY STATEMENTS OR REPRESENTATIONS MADE BY ANY SUPPLIER OR BY US. WE DO NOT TAKE RESPONSIBILITY FOR THE INSTALLATION OR PERFORMANCE OF THE EQUIPMENT. THE SUPPLIER IS NOT AN AGENT, ASSIGNEE, OR ASSIGNOR OF OURS AND NOTHING THE SUPPLIER STATES CAN AFFECT YOUR OBLIGATIONS UNDER THE AGREEMENT.**

6 FINANCE LEASE STATUS: You agree this agreement evidences a "finance lease" under MSA 336 2A-103(g) as amended You acknowledge that, a)you, rather than us, selected the equipment from an independent Supplier: and b) you have received a copy of the contract showing our purchase of the equipment from the Supplier " **TO THE EXTENT PERMITTED BY APPLICABLE LAW, YOU WAIVE ANY AND ALL RIGHTS AND REMEDIES OTHER THAN BENEFITS UNDER MANUFACTURER'S OR SUPPLIER'S WARRANTIES, CONFERRED UPON YOU BY ARTICLE 2A (508-522) OF THE U.C.C**

7 LOCATION OF EQUIPMENT: You will keep and use the Equipment only at your address shown above and you agree not to move it unless we agree to it At the end of the Agreement's term, you will return the Equipment to a location we specify at your expense, in retail resalable condition, full working order, and in complete repair

8 LOSS OR DAMAGE: You are responsible for the risk of loss or destruction of or damage to the equipment No such loss or damage relieves you from the payment obligations under this Agreement You will use the Equipment with due care and for the purpose for which it is intended You will maintain the Equipment in good repair, condition and working order, and will furnish, at your expense; all parts and services needed All furnished parts will immediately become our property and part of the Equipment of this lease You agree to promptly notify us in writing of any loss or damage and you will pay to us the present value of the total of all unpaid lease payments for the full lease term plus the estimated fair market value of the Equipment at the end of the originally scheduled term, all discounted at six percent (6%) per year Any proceeds of insurance will be paid to us and applied, at our option, against any loss or damage

9 COLLATERAL PROTECTION AND INSURANCE: You agree to keep the equipment fully insured against loss with us as loss payee in an amount not less than the replacement cost until this Agreement is terminated You also agree to obtain a general public liability insurance policy from anyone who is acceptable to us and to include us as an insured on the policy You agree to provide us certificates or other evidence of insurance acceptable to us, before this Agreement begins or, should you wish us to waive this requirement we will bill you and you will pay a monthly property damage surcharge of up to 0035 of the original equipment cost related to our administrative costs, and credit risk and other costs and on which we may make a profit As long as you are not in default at the time of the loss (excluding losses resulting from intentional acts), the remaining balance owed on the Agreement will be forgiven You cannot be in default and benefit from this program NOTHING IN THIS PARAGRAPH WILL RELIEVE YOU OF YOUR RESPONSIBILTY FOR INSURANCE COVERAGE ON THIS EQUIPMENT

10 INDEMNITY We are not responsible for any loss or injuries caused by the installation or use of the Equipment You agree to hold us harmless and reimburse us for loss and to defend us against any claim for losses or injury caused by the Equipment

11 TAXES AND FEES: You agree to pay when due all taxes (including personal property tax, fines and penalties) and fees relating to this Agreement or the Equipment If we pay any of the above for you, you agree to reimburse us and to pay us a processing fee for each payment we make on your behalf In addition, you also agree to pay us any filing fees prescribed by the Uniform Commercial Code or other law and reimburse us for all costs and expenses involved in documenting and servicing this transaction You further agree to pay us an origination fee in an amount up to $500 on the date the first payment due You also acknowledge that in addition to the lease payments, we may assess and you may be required to pay additional taxes and/or fees Such fees many not only cover our costs they may also include a profit

12 ASSIGNMENT: **YOU HAVE NO RIGHT TO SELL, TRANSFER, ASSIGN OR SUBLEASE THE EQUIPMENT OR THIS AGREEMENT.** We may sell, assign, or transfer this Agreement You agree that if we sell, assign, or transfer this Agreement, the new Leasing Company will have the same rights and benefits that we have now and will not have to perform any of our obligations You agree that the rights of the new Leasing Company will not be subject to any claims, defenses, or setoffs that you may have against us

13 DEFAULT AND REMEDIES: If you do not pay any lease payment or other sum due to us or other party when due or if you break any of your promises in the Agreement or any other agreement with us, you will be in default In addition, we may declare you in default if any financial information you've given us in relation to this Agreement is materially untrue; if a Personal Guarantor dies, or you or a Personal Guarantor becomes insolvent or the object of bankruptcy proceedings If any part of a payment is late, you agree to pay a late charge of 15% of the payment which is late or $15 00, whichever is greater, or the maximum charge allowed by law, if less If you are ever in default, we may retain your security deposit and at our option, we can terminate or cancel this Agreement and require that you immediately pay the remaining balance of this Agreement including any purchase option (discounted at 6%) and/or return the equipment to us We may recover interest on the unpaid balance at the rate of 8% per annum We may also use any of the remedies available to us under Article 2A of the U C C as enacted in the State of Minnesota or any other law If we refer this Agreement to an attorney for collection, you agree to pay our reasonable attorney's fees and actual court costs If we have to take possession of the equipment, you agree to pay the cost of repossession **YOU AGREE THAT WE WILL NOT BE RESPONSIBLE TO PAY YOU ANY CONSEQUENTIAL OR INCIDENTAL DAMAGES FOR ANY DEFAULT BY US UNDER THIS AGREEMENT.** You agree that any delay or failure to enforce our rights under this Agreement does not prevent us from enforcing any rights at a later time

14 FINANCIAL STATEMENTS You agree to provide updated financial information (including financial statements conforming to generally accepted accounting principles and/or tax returns) promptly upon the Leasing Company's request

15 SECURITY DEPOSIT The security deposit is to secure your performance under this Agreement You grant us a security interest in it under law called the Uniform Commercial Code You agree we may deposit the security deposit in our general accounts along with money belonging to us We will not be required to pay interest on the security deposit Any security deposit made may be applied by us to satisfy any amount owed by you, in which event you will promptly restore the security deposit to its full amount as set forth above If all conditions herein are fully complied with and provided you have not ever been in default of this Agreement per paragraph 13, the security deposit will be refunded to you after the return of the equipment in accordance with paragraph 7

16 LAW You agree that this Agreement has been fully signed at our principal place of business It will be governed by and interpreted in relation to the internal state laws, without regard to principles of conflict of laws, of our principal place of business, being Minnesota If it is necessary for us to get help from a court to enforce your promises under this Agreement, you expressly consent to a court trial decided by any state or federal court, without a Jury, whose territorial jurisdiction covers our principal place of business, or if we assign our interest in the Agreement, assignee's place of business, or any other court chosen by us or our assignee which has jurisdiction over you

17 LIMITED PREARRANGED AMENDMENTS; U C C FILINGS; SPECIFIC POWER OF ATTORNEY In the event it is necessary to amend the terms of this Agreement to reflect a change in one or more of the following conditions: (a) a change in rental payments to reflect a change in our actual cost of procuring the Equipment for your use under the terms of our purchase agreement with the Supplier or (b) description of the Equipment, you agree that any such amendment shall be described in a letter from us to you and unless within 15 day after the date of such letter you object in writing to us, this Agreement shall be deemed amended and such amendments incorporated herein as if originally set forth
YOU APPOINT US YOUR ATTORNEY-IN-FACT AND AUTHORIZE US TO SIGN AND FILE, ON YOUR BEHALF, ANY DOCUMENT WE DEEM NECESSARY TO PERFECT OR PROTECT OUR INTEREST IN THE EQUIPMENT, INCLUDING U.C.C. FINANCING STATEMENTS OR AMENDMENTS, INSERT A DATE IN "ACCEPTANCE OF DELIVERY", IF BLANK, CONFORMING TO YOUR ORAL STATEMENT OF ACCEPTANCE, AND FURTHER, TO SIGN, ENDORSE OR NEGOTIATE FOR OUR BENEFIT ANY INSTRUMENT REPRESENTING PROCEEDS FROM ANY POLICY OF INSURANCE COVERING THE EQUIPMENT.

18. Titling and Registration: We are owners of the equipment and should it be a titled vehicle, you guarantee that the physical titling will be accomplished in a timely manner. You also agree to provide us with the original title documentation. This will be provided within 15 days of when you receive it from the titling authority. If you should fail to do so, you will be in default of this lease. You further agree to pay a month-to-month unattained titling fee if we have not received the correct transferred title in our office.

X _____ _____

Signature of Customer

DELIVERY AND ACCEPTANCE CERTIFICATE

Equipment Lease Agreement #_____ between Lease Servicing Center, Inc., Lessor, and _____, Lessee.

You certify that all the Equipment listed in said Equipment Lease Agreement has been furnished and that delivery and installation has been fully completed and satisfactory. Further, all conditions and terms of said Equipment Lease Agreement have been reviewed and acknowledged. Upon your signing below, your promises herein will be irrevocable and unconditional in all respects. You understand and agree that we have purchased the Equipment from the supplier, and you may contact the supplier for your warranty rights, if any, which we transfer to you for the term of this lease. Your approval as indicated below of our purchase of the Equipment from supplier is a condition precedent to effectiveness of this lease.

_____

Delivery Date

_____

Customer

X _____

Signature of

_____

Title

EQUIPMENT SCHEDULE “A”

LEASE #: _____

This Equipment Schedule “A” is to be attached to and become part of the Master Agreement dated _____ by and between Lease Servicing Center, Inc., and its assigns and the undersigned, _____.

Qty	Description	Model No.	Serial No.

This Equipment Schedule “A” is hereby verified as correct by the undersigned Customer, who acknowledges receipt of a copy.

Customer: _____

Signature: **X** _____
Signature of

Title: _____

Schedule “D”

LEASE #: _____

This Schedule “D” is to be attached to and become part of the Equipment Lease Agreement dated _____.
This Schedule “D” is a description of the Suppliers for this Equipment Lease Agreement.

Supplier Information:

This Schedule “D” is hereby verified as correct by the undersigned Customer, who acknowledges receipt of a copy.

Customer: _____

Signature: **X** _____
Signature of

Title: _____

OPTION OF LESSEE
$1.00 PURCHASE OPTION

Lease # _____ between Lease Servicing Center, Inc.**,** Leasing Company and its assigns,
and _____ , Customer.
(Full Legal Name of Customer)

Provided the lease has not terminated early and no event of default has occurred customer shall have the following option at the end of the original term.

BUY: Purchase the equipment for $1.00.

This amount is payable in a single sum immediately upon expiration of the lease.

OR

RETURN: Return the equipment to a location designated by Leasing Company.

The options provided for in this $1.00 Purchase Option supersede all other options contained in the original Agreement.

Lease Servicing Center, Inc.	
Leasing Company	Customer
	X
Signature	Signature of
Title	Title

NOTE: SIGNATURE MUST BE SAME AS ON LEASE

RESOLUTION OF BOARD OF DIRECTORS

I, _____, Secretary of _____ , a corporation, and keeper of its records and corporate seal, do hereby certify that the following is a true and correct copy of a resolution duly adopted at a regular special (strike one) meeting of the Board of Directors of said corporation duly convened in accordance with the by-laws, on _____.

RESOLVED: That

_____

Name Title

_____

Name Title

of this corporation, or any _____one/division_____of them, be and they are hereby authorized for and on behalf of this corporation, to lease equipment from Lease Servicing Center, Inc. or its assigns.

FURTHER RESOLVED: That the said officer(s), be and they are hereby authorized, from time to time, to execute and deliver to Lease Servicing Center, Inc. or its assigns, for and on behalf of this corporation, all the necessary instruments evidencing said leases, including notes, mortgages, assignments, and other income and assets, all upon such terms and conditions as to them shall seem proper.

FURTHER RESOLVED: That the foregoing resolution shall remain in effect until written notice of amendment or rescission shall have been received by Lease Servicing Center, Inc. or its assigns and that receipt of such notice shall not affect any action taken prior thereto.

I, _____, do hereby certify that I am the duly elected and qualified secretary and custodian of the records and corporate seal of _____ .

A corporation organized and existing under and by the virtue of the laws of the state of ____, that the foregoing is a true and correct copy of a certain resolution duly adopted in accordance with law and the by-laws of said corporation,

At a meeting of the Board of Directors of said Corporation convened and held at its office at _____ on _____, at which meeting a quorum was present, and that such resolutions is now in full force and effect, and is duly recorded in the minutes of said meeting.

IN WITNESS WHEREOF, I have affixed my name and Secretary and caused the corporate seal of said Corporation to hereunto affixed, on _____.

"SEAL"

_____

Secretary

AUTHORIZATION AGREEMENT FOR ACH TRANSACTIONS

I (we) hereby authorize **Lease Servicing Center, Inc.** to initiate **debit** entries to my (our) account(s) as indicated below and the financial institution name below, hereinafter called Financial Institution, to **debit** the same to such account. I (we) agree to have available funds in my (our) account on the designated date to effect this transfer. I (we) agree to pay any applicable fees for this service as disclosed in the Fee Schedule I (we) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of U.S. law.

_____
(Financial Institution Name - sending to)

_____
(Address / City / State / Zip)

Type of Account: _____ Checking _____ Savings

_____ _____
(Routing Number) (Account Number)

Type of Transaction ____ Debit ____ Credit ____ Loan

Payment Amt _____ @ ***** _____
Transaction Fee _____
Transaction Amt _____ @ ***** _____

* Plus applicable taxes, late charges and renewal payments and applicable fees.

(Frequency of Transfer) _____ (Date/Day of Transfer) _____

If this date falls on a Saturday, Sunday, or bank holiday, this transfer will automatically be made on the following business day. **There will be a $25.00 fee for all ACH items returned to us.**

Lease Servicing Center, Inc. will make every effort to complete this transfer unless circumstances beyond our control prevent the transfer, despite reasonable precautions that we have taken. All terms and conditions of your account agreement apply to this agreement.

_____ _____
(Customer Name) (Date)

_____ **X** _____
(Individual ID Number) (Signature of)

_____ **X** _____
(Individual ID Number) (Signature of)

_____ **X** _____
(Customer Name - if applicable) (Signature of)

_____ _____
(Individual ID Number) (Date)

****Please attach a voided check…….**

Signer Identification Addendum

(Must Be Completed For All Signers)

LEASE #: _____

Please include a copy of your valid driver's license including photo and signature. (Front and back may be required in certain states)

ATTACH PHOTO IDENTIFICATION WITH SIGNATURE

Photocopy Clear & Legible Driver's License Here

X_____

Signature of Driver's License Bearer,

ASSIGNMENT OF FRANCHISE AGREEMENT AND FRANCHISOR'S CONSENT

THIS ASSIGNMENT OF FRANCHISE AGREEMENT AND FRANCHISOR'S CONSENT, made as of _____(the "Assignment"), by _____, an [Individual, corporation, LLC], (individually and collectively the "Lessee"), to Lease Servicing Center, Inc., a corporaton.

WITNESSETH:

WHEREAS, the Assignee the Lessee have agreed that the Assignee shall lease to Lessee equipment pursuant to a Master Lease Agreement between them dated as of the date hereof (the "Agreement");

WHEREAS, to secure prompt payment when due of all amounts and performance of all covenants, obligations, terms and conditions to be paid, kept and performed by Lessee under the Agreement and all Leases (as defined in the Master Lease Agreement) currently or subsequently entered into thereunder between Lease Servicing Center, Inc., including any of its affiliates, subsidiaries, successors and assigns (the "Assignee"), and Lessee (the Master Lease Agreement and all Leases, Schedules and attachments thereto (all as defined in the Master Lease Agreement) individually and collectively referred to as the "Lease"), the Lessee has granted the Assignee a security interest in certain assets of the Lessee pursuant to a security agreement, dated as of the date hereof (the "Security Agreement"); and

WHEREAS, the Assignee has required, as a condition of its entering into the Lease and pursuant to the Lease, that the Lessee further secure the Lease and Lessee's obligations thereunder by this Assignment and that the Franchisor consent to this Assignment;

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration which is hereby acknowledged, the Lessee does hereby make this Assignment to the Assignee and the Franchisor does hereby consent to such Assignment as follows:

The Lessee does hereby sell, assign, transfer and set over unto the Assignee all of the Lessee's right, title and interest in and to the franchise agreement(s) listed below: (collectively and individually the "Franchise Agreement")

No. ____ dated_____, between_____, as franchisee, and Snap Fitness, Inc., as franchisor (the "Franchisor").

The Lessee warrants and covenants that it has good right to sell transfer and assign the Franchise Agreement.

The Assignee, and the Franchisor by executing the consent to this Assignment, agree that the Assignee does not assume any of the obligations or duties of the Lessee under or with respect to the Franchise Agreement unless and until the Assignee shall have given to the Franchisor written notice that it has affirmatively exercised its rights under this Assignment after the occurrence of a default by Lessee under the Lease. The Assignee may reassign its right, title and interest in the Franchise Agreement to any persons or entities in the Assignee's discretion upon notice to the Lessee but without any further requirement for the Lessee's consent, and any such reassignment shall be valid and binding upon the Lessee and as fully as if Assignee had expressly approved the same. Assignee must obtain Franchisor's consent to such assignment and comply with all transfer conditions in the Franchise Agreement.

The Lessee represents and warrants that there have been no prior assignments of the Franchise Agreement, that the Franchise Agreement is a valid and enforceable agreement, that neither party is in default to the other thereunder and that all covenants, conditions and agreements have been performed as required therein, except those not due to be performed until after the date hereof. The Lessee agrees not to assign, sell, pledge or otherwise transfer or encumber its interest in the Franchise Agreement so long as this Assignment is in effect.

The Lessee hereby irrevocably constitutes and appoints the Assignee as its attorney-in-fact to demand, receive, and enforce the Lessee's rights with respect to the Franchise Agreement, to make payments under the Franchise Agreement and give appropriate receipts, releases and satisfactions for and on behalf of and in the name of the Lessee or, at the option of Assignee, in the name of the Assignee, with the same force and effect as the Lessee could do if this Assignment had not been made.

This Assignment is for security purposes only. Accordingly, the Assignee shall have no right under this Assignment to enforce the provisions of the Franchise Agreement until the Lessee shall be in default under its obligations to the Assignee under the Lease, Security Agreement, Guarantee or any instrument, document or agreement related thereto. Upon the occurrence of any such default, the Assignee may, without affecting any of its rights or remedies against the Lessee under any other instrument, document or agreement, exercise its rights under this Assignment as the Lessee's attorney-in-fact or in any other manner permitted by law and, in addition, the Assignee shall have and possess, without limitation, any and all rights and remedies of a secured party under the Uniform Commercial Code, as enacted in the jurisdiction where enforcement is sought, or otherwise provided by law.

The Lessee hereby agrees to indemnify and hold the Assignee harmless from and against any and all claims, demands, liabilities, losses, lawsuits, judgments, and costs and expenses (including without limitation, attorneys' fees) to which the Assignee may become exposed, or which the Assignee may incur, in exercising any of its rights under this Assignment.

Subject to the aforesaid limitation on further assignment by the Lessee, this Assignment shall be binding upon and inure to the benefit of the heirs, legal representatives, assigns, and successors in interest of the Lessee, the Assignee and the Franchisor.

IN WITNESS WHEREOF, the Lessee has executed this Assignment of Franchise Agreement on the day and year first above written.

LESSEE:

By: _____

Signature

_____

Printed Name & Title

_____

Address

_____

City State Zip Code

_____

Telephone

ASSIGNMENT OF PREMISES LEASE

THIS ASSIGNMENT OF PREMISES LEASE, made as of _____(the "Assignment"), by [list all of the lessees that will be listed below _____, an [Individual, corporation, LLC] (individually and collectively the "Lessee"), to Lease Servicing Center, Inc.

WITNESSETH:

WHEREAS, the Lessor and _____ ("Lessee") have agreed that the Lessor shall lease to Lessee equipment pursuant to a Master Lease Agreement between them dated as of the date hereof (the "Master Lease Agreement");

WHEREAS, to secure prompt payment when due of all amounts and performance of all covenants, obligations, terms and conditions to be paid, kept and performed by Lessee under the Master Lease Agreement and all Leases (as defined in the Master Lease Agreement) currently or subsequently entered into thereunder between Lease Servicing Center, Inc. including any of its affiliates, subsidiaries, successors and assigns (the "Lessor"), and Lessee (the Master Lease Agreement and all Leases, Schedules and attachments thereto (all as defined in the Master Lease Agreement) individually and collectively referred to as the "Equipment Lease"), the Lessee has granted the Lessor a security interest in certain assets of the Lessee pursuant to a security agreement, dated as of the date hereof (the "Security Agreement"); and

WHEREAS, the Lessor has required, as a condition of its entering into the Equipment Lease and pursuant to the Equipment Lease, that the Lessee further secure the Equipment Lease and Lessee's obligations thereunder by this Assignment;

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration which is hereby acknowledged, the Lessee does hereby make this Assignment to the Lessor as follows:

The Lessee does hereby sell, assign, transfer and set over unto the Lessor all of the Lessee's right, title and interest in and to the premises leases listed below (individually and collectively the "Premises Lease"):

dated _____, made by the Lessee, as tenant, and _____as landlord (the "Landlord").

The Lessee warrants and covenants that it has good right to sell transfer and assign the Premises Lease.

The Lessor does not assume any of the obligations or duties of the Lessee under or with respect to the Premises Lease unless and until the Lessor shall have given to the Landlord written notice that it has affirmatively exercised its rights under this Assignment after the occurrence of a default by Lessee under the Equipment Lease. Upon giving such notice, Lessor may, at Lessor's sole discretion, assume the Premises Lease as is, or may negotiate with the Landlord terms more favorable to Lessor. In the event of such assignment, Lessor shall assume no liability for monies owed or other liabilities relating to the Premises Lease that have accrued prior to the effective date of the notice provided by Lessor. The Lessor may reassign its right, title and interest in the Premises Lease to any persons or entities in the Lessor's discretion upon notice to the Lessee and the Landlord but without any further requirement for the Lessee's consent, and any such reassignment shall be valid and binding upon the Lessee as fully as if it had expressly approved the same.

The Lessee represents and warrants that, other than as provided in the lease addendum to the Franchise Agreement, there have been no prior assignments of the Premises Lease, that the Premises Lease is a valid and enforceable agreement, that neither party is in default to the other there under and that all covenants, conditions and agreements have been performed as required therein, except those not due to be performed until after the date hereof. No change in the terms of the Premises Lease shall be valid without the written approval of Lessor. The Lessee agrees not to assign, sell, pledge or otherwise transfer or encumber its interest in the Premises Lease so long as this Assignment is in effect.

The Lessee hereby irrevocably constitutes and appoints the Lessor as its attorney-in-fact to demand, receive, and enforce the Lessee's rights with respect to the Premises Lease, to renegotiate the Premises Lease, to make payments under the Premises Lease and give appropriate receipts, releases and satisfactions for and on behalf of and in the name of the Lessee or, at the option of Lessor, in the name of the Lessor, with the same force and effect as the Lessee could do if this Assignment had not been made.

This Assignment is for security purposes only. Accordingly, the Lessor shall have no right under this Assignment to enforce the provisions of the Premises Lease until the Lessee shall be in default under its obligations to the Lessor under the Equipment Lease, Security Agreement, Guarantee or any instrument, document or agreement related thereto. Upon the occurrence of any such default, the Lessor may, without affecting any of its rights or remedies against the Lessee under any other instrument, document or agreement, exercise its rights under this Assignment as the Lessee's attorney-in-fact or in any other manner permitted by law and, in addition, the Lessor shall have and possess, without limitation, any and all rights and remedies of a secured party under the Uniform Commercial Code, as enacted in the jurisdiction where enforcement is sought, or otherwise provided by law.

The Lessee hereby agrees to indemnify and hold the Lessor harmless from and against any and all claims, demands, liabilities, losses, lawsuits, judgments, and costs and expenses (including without limitation, attorneys' fees) to which the Lessor may become exposed, or which the Lessor may incur, in exercising any of its rights under this Assignment.

Subject to the aforesaid limitation on further assignment by the Lessee, this Assignment shall be binding upon and inure to the benefit of the heirs, legal representatives, assigns, and successors in interest of the Lessee and the Lessor.

IN WITNESS WHEREOF, the Lessee has executed this Assignment of Premises Lease on the day and year first above written.

LESSEE(S):

By: _____

Signature

_____

Printed Name & Title

_____

Address

_____

City State Zip Code

_____

Telephone

ASSIGNMENT OF TELEPHONE NUMBERS AND UTILITIES

THIS ASSIGNMENT OF TELEPHONE NUMBERS AND UTILITIES, made as of _____ (the "Assignment"), by _____, an [Individual, corporation, LLC], (individually and collectively the "Lessee"), to _____, _____ ("Lessor").

WITNESSETH:

WHEREAS, the Lessor and Lessee have agreed that the Lessor shall lease to the Lessee equipment pursuant to a Master Lease Agreement between them dated as of the date hereof (the "Agreement");

WHEREAS, to secure prompt payment when due of all amounts and performance of all covenants, obligations, terms and conditions to be paid, kept and performed by Lessee under the Agreement and all Leases (as defined in the Master Lease Agreement) currently or subsequently entered into thereunder between _____, including any of its affiliates, subsidiaries, successors and assigns (the "Lessor"), and Lessee (the Master Lease Agreement and all Leases, Schedules and attachments thereto (all as defined in the Master Lease Agreement) individually and collectively referred to as the "Lease"), the Lessee has granted the Lessor a security interest in certain assets of the Lessee pursuant to a security agreement, dated as of the date hereof (the "Security Agreement"); and

WHEREAS, the Lessor has required, as a condition of its entering into the Lease and pursuant to the Lease, that the Lessee further secure the Lease and Lessee's obligations thereunder by this Assignment;

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration which is hereby acknowledged, the Lessee does hereby make this Assignment to the Lessor as follows:

The Lessee does hereby sell, assign, transfer and set over unto the Lessor all of the Lessee's right, title and interest in and to all telephone numbers, telephone listings, telephone directory advertisements, and utilities used in connection with the operation of Lessee's Snap Fitness franchise in which the equipment will be used (collectively and individually referred to as the "Assigned Items").

The Lessee warrants and covenants that it has good right to sell transfer and assign the Assigned Items.

This Assignment is not effective unless and until the Lessor has given to the telephone company, utility or other required authority written notice that it has affirmatively exercised its rights under this Assignment after the occurrence of a default by Lessee under the Lease. Further, this Assignment may only be exercised in connection with the exercise of the assignment for the Franchise Agreement, which must be approved in advance by Franchisor in accordance with the terms of the Franchise Agreement Assignment. In the event of such assignment, Lessor shall assume no liability for monies owed or other liabilities relating to the Assigned Items that have accrued prior to the effective date of the Assignment. The Lessor may reassign its right, title and interest in the Assigned Items to any persons or entities in the Lessor's discretion upon notice to the Lessee but without any further requirement for the Lessee's consent, and any such reassignment shall be valid and binding upon the Lessee as fully as if each had expressly approved the same.

The Lessee represents and warrants that, other than as provided in the Franchise Agreement, there have been no prior assignments of the Assigned Items, that it has a valid and enforceable agreement with the owners and licensors of the Assigned Items, that neither party under such agreements is in default to the other thereunder and that all covenants, conditions and agreements have been performed as required therein, except those not due to be performed until after the date hereof. No change in the terms of such agreements shall be valid without the written approval of Lessor. The Lessee agrees not to assign, sell, pledge or otherwise transfer or encumber its interest in the Assigned Items so long as this Assignment is in effect.

The Lessee hereby irrevocably constitutes and appoints the Lessor as its attorney-in-fact to demand, receive, and enforce the Lessee's rights with respect to the Assigned Items, to make payments under the agreements related thereto and give appropriate receipts, releases and satisfactions for and on behalf of and in the name of the Lessee or, at the option of Lessor, in the name of the Lessor, with the same force and effect as the Lessee could do if this Assignment had not been made.

This Assignment is for security purposes only. Accordingly, the Lessor shall have no right under this Assignment to enforce the provisions of the agreements related to the Assigned Items until the Lessee shall be in default under its obligations to the Lessor under the Lease, Security Agreement or any instrument, document or agreement related thereto. Upon the occurrence of any such default, the Lessor may, without affecting any of its rights or remedies against the Lessee under any other instrument, document or agreement, exercise its rights under this Assignment as the Lessee's attorney-in-fact or in any other manner permitted by law and, in addition, the Lessor shall have and possess, without limitation, any and all rights and remedies of a secured party under the Uniform Commercial Code, as enacted in the jurisdiction where enforcement is sought, or otherwise provided by law.

The Lessee hereby agrees to indemnify and hold the Lessor harmless from and against any and all claims, demands, liabilities, losses, lawsuits, judgments, and costs and expenses (including without limitation, attorneys' fees) to which the Lessor may become exposed, or which the Lessor may incur, in exercising any of its rights under this Assignment.

Subject to the aforesaid limitation on further assignment by the Lessee, this Assignment shall be binding upon and inure to the benefit of the heirs, legal representatives, assigns, and successors in interest of the Lessee and the Lessor.

IN WITNESS WHEREOF, the Lessee has executed this Assignment of Telephone Numbers and Utilities on the day and year first above written.

LESSEE:

By: _____

Signature

_____

Printed Name & Title

_____

Address

_____

City State Zip Code

_____

Telephone

ASSIGNMENT OF MEMBERSHIP CONTRACTS

THIS ASSIGNMENT OF MEMBERSHIP CONTRACTS, made as of May 1, 2009 (the "Assignment"), by [list all of the entities that will be signing an Assignment of Franchise Agreement]_____ _____, an [Individual, corporation, LLC] (individually and collectively the "Lessee"), to _____.

WITNESSETH:

WHEREAS, the Lessor and _____ ("Lessee") have agreed that the Lessor shall lease to the Lessee equipment pursuant to a Master Lease Agreement between them dated as of the date hereof (the "Agreement");

WHEREAS, to secure prompt payment when due of all amounts and performance of all covenants, obligations, terms and conditions to be paid, kept and performed by Lessee under the Agreement and all Leases (as defined in the Master Lease Agreement) currently or subsequently entered into thereunder between _____, including any of its affiliates, subsidiaries, successors and assigns (the "Lessor"), and Lessee (the Master Lease Agreement and all Leases, Schedules and attachments thereto (all as defined in the Master Lease Agreement) individually and collectively referred to as the "Lease"), the Lessee has granted the Lessor a security interest in certain assets of the Lessee pursuant to a security agreement, dated as of the date hereof (the "Security Agreement"); and

WHEREAS, the Lessor has required, as a condition of its entering into the Lease and pursuant to the Lease, that the Lessee further secure the Lease and Lessee's obligations thereunder by this Assignment;

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration which is hereby acknowledged, the Lessee does hereby make this Assignment to the Lessor as follows:

The Lessee does hereby sell, assign, transfer and set over unto the Lessor all of the Lessee's right, title and interest in and to all membership agreements related in any way to Lessee's Snap Fitness franchise which is the subject of the Master Lease Agreement (the "Membership Contracts").

The Lessee warrants and covenants that it has good right to sell transfer and assign the Membership Contracts.

This Assignment is not effective unless and until the Lessor has given to the relevant member written notice that it has affirmatively exercised its rights under this Assignment after the occurrence of a default by Lessee under the Lease. Further, this Assignment may only be exercised in connection with the exercise of the assignment for the Franchise Agreement, which must be approved in advance by Franchisor in accordance with the terms of the Franchise Agreement Assignment. In the event of such assignment, Lessor shall assume no liability for monies owed or other liabilities relating to the Membership Contracts that have accrued prior to the effective date of the Assignment. The Lessor may reassign its right, title and interest in the Membership Contracts to any persons or entities in the Lessor's discretion upon notice to the Lessee but without any further requirement for the Lessee's consent, and any such reassignment shall be valid and binding upon the Lessee as fully as if each had expressly approved the same; provided however that any such reassignment may be exercised only to assign the Membership Contracts for membership in a Snap Fitness facility.

The Lessee represents and warrants that, other than as provided in the Franchise Agreement, there have been no prior assignments of the Membership Contracts, that it has a valid and enforceable agreement with the members, that neither party under such agreements is in default to the other thereunder and that all covenants, conditions and agreements have been performed as required therein, except those not due to be performed until after the date hereof. The Lessee agrees not to assign, sell, pledge or otherwise transfer or encumber its interest in the Member Contracts so long as this Assignment is in effect.

The Lessee hereby irrevocably constitutes and appoints the Lessor as its attorney-in-fact to demand, receive, and enforce the Lessee's rights with respect to the Member Contracts, to make payments under the Member Contracts and give appropriate receipts, releases and satisfactions for and on behalf of and in the name of the Lessee or, at the option of Lessor, in the name of the Lessor, with the same force and effect as the Lessee could do if this Assignment had not been made.

This Assignment is for security purposes only. Accordingly, the Lessor shall have no right under this Assignment to enforce the provisions of the Membership Contracts until the Lessee shall be in default under its obligations to the Lessor under the Lease, Security Agreement or any instrument, document or agreement related thereto. Upon the occurrence of any such default, the Lessor may, without affecting any of its rights or remedies against the Lessee under any other instrument, document or agreement, exercise its rights under this Assignment as the Lessee's attorney-in-fact or in any other manner permitted by law and, in addition, the Lessor shall have and possess, without limitation, any and all rights and remedies of a secured party under the Uniform Commercial Code, as enacted in the jurisdiction where enforcement is sought, or otherwise provided by law.

The Lessee hereby agrees to indemnify and hold the Lessor harmless from and against any and all claims, demands, liabilities, losses, lawsuits, judgments, and costs and expenses (including without limitation, attorneys' fees) to which the Lessor may become exposed, or which the Lessor may incur, in exercising any of its rights under this Assignment.

Subject to the aforesaid limitation on further assignment by the Lessee, this Assignment shall be binding upon and inure to the benefit of the heirs, legal representatives, assigns, and successors in interest of the Lessee and the Lessor.

IN WITNESS WHEREOF, the Lessee has executed this Assignment of Membership Contracts on the day and year first above written.

LESSEE:

By: _____

Signature

_____

Printed Name & Title

_____

Address

_____

City State Zip Code

_____

Telephone

EXHIBIT H-2

Lease Servicing Center Sample Equipment Finance Agreement

EQUIPMENT FINANCE AGREEMENT

Agreement Number: Federal tax ID#

This document was written in "Plain English". The words YOU and YOUR refer to the customer. The words WE, US and OUR refer to the financer.

CUSTOMER INFORMATION

FULL LEGAL NAME OF CUSTOMER | DBA

STREET ADDRESS | CITY | STATE | ZIP | PHONE

BILLING NAME (IF DIFFERENT FROM ABOVE | BILLING STREET ADDRESS

CITY | STATE | ZIP | PHONE

EQUIPMENT LOCATON (IF DIFFERENT FROM ABOVE

SUPPLIER INFORMATION

See Schedule "D"

NAME OF SUPPLIER | STREET ADDRESS

CITY | STATE | ZIP | PHONE

QUANTITY	**ITEM DESCRIPTION**	**MODEL NO.**	**SERIAL**
	See Equipment Schedule "A"		

TERMS	**MONTHLY PAYMENT AMOUNT**	**SECURITY DEPOSIT**
Term in months _____ (MOS.)	_____ Payments of **$** _____	**$** _____ Received
Commencement Date:	Payment Period is Monthly Unless Otherwise Indicated	

THIS IS A NONCANCELABLE/IRREVOCABLE AGREEMENT, THIS AGREEMENT CANNOT BE CANCELLED OR TERMINATED.

TERMS AND CONDITIONS

(THIS AGREEMENT CONTAINS PROVISIONS SET FORTH ON THE REVERSE SIDE, ALL OF WHICH ARE MADE PART OF THIS AGREEMENT)

SECURED PARTY

Dated: _____

SECURED PARTY: **Lease Servicing Center, Inc.**

SIGNATURE: _____

TITLE:: _____

CUSTOMER AGREEMENT

DATED: _____

CUSTOMER: _____

SIGNATURE: **X** _____

Signature of

TITLE:: _____

ACCEPTANCE OF DELIVERY

You certify that all the equipment listed above has been furnished, that delivery and installation has been fully completed and satisfactory Further, all conditions and terms of this agreement have been reviewed and acknowledged Upon your signing below, your promises herein will be irrevocable and unconditional in all respects You understand and agree that we have made payment for the equipment to the supplier, and you may contact the above supplier for your warranty rights, if any, which we transfer to you for the term of this Agreement

Date of Delivery | Customer | **X** Signature of | Title

As additional inducement for us to enter into the Agreement (including each Supplement), the undersigned ("Guarantor") jointly, severally and unconditionally personally guarantees that the customer will make all payments and meet all obligations required under this Agreement and any Supplements fully and promptly Guarantor agrees that we may make other arrangements including compromise or settlement with the borrow names above the Guarantor waives all defenses and notice of those changes and will remain responsible for the payment and obligations of this Agreement We do not have to notify Guarantor if the borrower is in default If the borrower defaults, Guarantor will immediately pay in accordance with the default provision of the Agreement all sums due under the terms of the Agreement and will perform all the obligations of the borrower under the Agreement If it is necessary for us to proceed legally to enforce this guaranty, Guarantor expressly consents to the jurisdiction of the court set out in paragraph 14 and agree to pay all costs, including attorneys fees incurred in enforcement of this guaranty It is not necessary for us to proceed first against the borrower before enforcing this guaranty By signing this guaranty, the Guarantor authorizes us to obtain personal credit bureau reports for credit and collection purposes

X _____ Signature of | Print Name of Guarantor | Date

X _____ Signature of | Print Name of Guarantor | Date

1. FINANCE AGREEMENT: Subject to the terms of this Equipment Finance Agreement signed by you and us, rather than pay cash price, you have chosen to request we finance for you the purchase price of personal property described under "ITEM DESCRIPTION" in this Agreement (such personal property and any upgrades, replacements, repairs and additions referred to as "Equipment") which you will use for business purposes only. You hereby grant to us a first priority, purchase money security interest in the Equipment and its proceeds to secure your obligations hereunder and under all other agreements with us, and you agree to all of the terms and conditions contained in this Agreement, which together are a complete statement of our agreement regarding the Equipment (this "Agreement"). This Agreement may be modified only by written agreement and not by course of performance. This Agreement becomes valid upon execution by us and will begin on the commencement date for the number of consecutive months shown above. You also agree to pay to us interim payments in the amount equal to $1/30^{th}$ of the monthly payment multiplied by the number of days lapsing between the date on which the payment is made to supplier and the agreed upon first payment date. If any provision of this Agreement is declared unenforceable, the other provisions shall remain in full force and effect.
2. PAYMENTS: Payments will be paid monthly, each in the amount of the monthly payment shown above plus any applicable tax. You will pay the security deposit on the date you sign this Equipment Finance Agreement. Subsequent payments will be due the first day of each payment period shown beginning after the first payment period. We will have the right to apply all sums received from you to any amounts due and owed to us under the terms of this Agreement. In the event this Agreement is not fully repaid, the security deposit will be retained by us to compensate us for our documentation, processing and other expenses. If for any reason, your check is returned for nonpayment, a $25.00 bad check charge will be assessed.
3. NONCANCELLABLE. This is a noncancellable agreement and may not be cancelled or prepaid by you for any reason whatsoever. You may prepay only in accordance herewith. In the event this Agreement is paid off prior to end of full term, you will pay us all amounts due plus all future payments discounted to a present value using 4% annual rate (in addition to all other accrued and unpaid charges including but not limited to fees and taxes.) You will make all payments whether or not you are satisfied with the Equipment and without deduction for any claim you may have against the supplier of the Equipment or against us.
4. Warranty Disclaimer: **WE MAKE NO WARRANTY, EXPRESS OR IMPLIED, OR THAT THE EQUIPMENT IS FIT FOR A PARTICULAR PURPOSE OR THAT THE EQUIPMENT IS MERCHANTABLE.** YOU AGREE THAT YOU HAVE SELECTED THE SUPPLIER AND EACH ITEM OF EQUIPMENT BASED UPON YOUR OWN JUDGMENT AND DISCLAIM ANY RELIANCE UPON ANY STATEMENTS OR REPRESENTATIONS MADE BY US. WE DO NOT TAKE RESPONSIBILITY FOR THE INSTALLATION OR PERFORMANCE OF THE EQUIPMENT. THE SUPPLIER IS NOT AN AGENT OF OURS AND NOTHING THE SUPPLIER STATES CAN AFFECT YOUR OBLIGATION UNDER THE AGREEMENT. YOU WILL CONTINUE TO MAKE ALL PAYMENTS UNDER THIS AGREEMENT REGARDLESS OF ANY CLAIM OR COMPLAINT AGAINST SUPPLIER. If Agreement includes financing for software licenses(s), then you agree that as to such software: (a) we have not had, do not have, nor shall have, any title to such software, but instead is only providing financing for the license. (b) You have executed or will execute a separate software license agreement and we are not a party to, nor have any responsibilities whatsoever, e.g., fees or other payments, in regard to such license agreement and supplier is solely responsible for all support, billing and collection of which may be done by us. (c) You have selected such software, (d) Your payment and other obligations under this Agreement shall in no way be diminished on account of or in any way related to the above said software license agreement and/or the supplier's obligations. **WE MAKE ABSOLUTELY NO WARRANTY OF ANY KIND IN REGARDS TO SUCH SOFTWARE AND HAVE ABSOLUTELY NO RESPONSIBILITY FOR THE FUNCTION OR PERFORMANCE OF SUCH SOFTWARE.**
5. Location of Equipment/Inspection: You are the owner of the Equipment and will keep the Equipment free and clear of all liens and encumbrances and use only at your address shown above and you agree not to move it unless we agree to it in advance. We may inspect the Equipment at any time during normal business hours.
6. Loss or Damage: You are the owner of the Equipment and are responsible for the risk of loss or for any destruction of or damage to the Equipment. No such loss or damage relieves you from the payment obligations under this Agreement. You agree to promptly notify us in writing of any loss or damage and you will then pay to us the present value of the total of all unpaid payments for the full term all discounted at four percent. Any proceeds of insurance will be paid to us and credited against the outstanding balance.
7. COLLATERAL PROTECTION AND INSURANCE: You agree to keep the equipment fully insured against loss with us as loss payee in an amount not less than the replacement cost until this Agreement is terminated. You also agree to obtain a general public liability insurance policy from anyone who is acceptable to us and to include us as an insured on the policy. You agree to provide us certificates or other evidence of insurance acceptable to us, before this Agreement begins or, should you wish us to waive this requirement we will bill you and you will pay a monthly property damage surcharge of up to .0035 of the original equipment cost related to our administrative costs, and credit risk and other costs and on which we may make a profit. As long as you are not in default at the time of the loss (excluding losses resulting from intentional acts), the remaining balance owed on the Agreement will be forgiven. You cannot be in default and benefit from this program. NOTHING IN THIS PARAGRAPH WILL RELIEVE YOU OF YOUR RESPONSIBILITY FOR LIABILITY INSURANCE COVERAGE ON THIS EQUIPMENT.
8. Indemnity: We are not responsible for any loss or injuries caused by the installation or use of the Equipment. You agree to hold us harmless and reimburse us for loss and to defend us against any claim for costs, losses or injury caused by the Equipment or its use or related to this Agreement. Your indemnity obligation includes any cost, expense or liability we incur, including court costs, attorney fees, interest and penalties.
9. TAXES AND FEES: You agree to pay when due all taxes (including personal property tax, fines and penalties) and fees relating to this Agreement or the Equipment. If we pay any of the above for you, you agree to reimburse us and to pay us a processing fee for each payment we make on your behalf. In addition, you also agree to pay us any filing fees prescribed by the Uniform Commercial Code or other law and reimburse us for all costs and expenses involved in documenting and servicing this transaction. You further agree to pay us an origination fee in an amount up to $500 on the date the first payment due. You also acknowledge that in addition to the lease payments, we may assess and you may be required to pay additional taxes and/or fees. Such fees many not only cover our costs they may also include a profit.
10. **Assignment: YOU HAVE NO RIGHT TO SELL, TRANSFER, ASSIGN OR SUBLEASE THE EQUIPMENT OR THIS AGREEMENT. You understand that we, without prior notice, have the right to assign this Agreement to another financing source without your consent. You understand that the assignee will have the same rights and benefits but they do not have to perform any of our obligations. You agree that the rights of assignee will not be subject to any claims, defenses, or setoffs that you may have against us.**
11. Default and Remedies: If you do not pay any payment or other sum due to us or other party when due or if you break any of your promises in this Agreement or any other agreement with us, you will be in default. If any part of a payment is late, you agree to pay a late charge of 15% of the payment, which is late, or if less, the maximum charge allowed by law. If you are ever in default, we may retain your security deposit and at our option, we can terminate or cancel this Agreement and require that you (1) pay the unpaid balance of this Agreement, including accrued but unpaid payments, discounted to present value at four percent per annum and (2) unless you have paid the amount in (1), return the Equipment to us to a location designated by us. We may sell, lease or otherwise dispose of all or any part of the Equipment at public or private sale, with or without notice and may bid and purchase the Equipment or any of it at such sale. The proceeds of sale, lease or other disposition shall first be applied to all costs and expenses incurred in taking, removing, holding, repairing and selling or otherwise disposing of the Equipment, attorneys fees and court costs, and our other obligations hereunder (excluding repayments); then to pay all sums remaining unpaid hereunder, with any remaining surplus belonging to you. You will be obligated to pay any deficiency remaining after such application of proceeds. We may recover interest on any unpaid balance at the rate of 8% per annum. We may also use any of the remedies available to us under Article 9 of the Uniform Commercial Code as enacted in the State of Minnesota or any other law. If we refer this Agreement to an attorney for collection, you agree to pay our reasonable attorney's fees and actual court costs. If we have to take possession of the equipment, you agree to pay the cost of repossession. YOU AGREE THAT WE WILL NOT BE RESPONSIBLE TO PAY YOU ANY CONSEQUENTIAL OR INCIDENTAL DAMAGES FOR ANY DEFAULT BY US UNDER THIS AGREEMENT. You agree that any delay or failure to enforce our rights under this Agreement does not prevent us from enforcing any rights at a later time, and the exercise of any remedy shall not prevent the exercise of any other remedy. It is further agreed that your rights and remedies are governed exclusively by this Agreement.
12. UCC Filings: You authorize us to record a UCC-1 financing statement or similar instrument electronically or otherwise to show our interest in the Equipment. You agree to take any other action we request to protect our rights under this Agreement from time to time and that we may report a copy of this Agreement as a financing statement. You will provide any landlord or mortgage waiver we request to protect our interest in the Equipment. You authorize us to endorse your name to any notes, checks, or other instruments for the payment of money relating to the Equipment (including insurance).
13. Security Deposit: Each security deposit is non-interest bearing and is to secure you performance under this Agreement. Any security deposit made may be applied by us to satisfy any amount owed by you, in which event you will promptly restore the security deposit to its full amount as set forth above. We may commingle the security deposit with other funds.
14. Law and Jurisdiction: This Agreement will be deemed fully executed and performed in Minnesota or the home state of our assignee as it may be assigned from time to time per Paragraph 10. This Agreement shall be governed by and construed in accordance with the laws of Minnesota or the laws of the home state of assignee. You expressly and unconditionally consent to the jurisdiction and venue of any court in the State of Minnesota or assignee's home state and waive right to trial by jury for any claim or action arising out of or relating to this Agreement or the Equipment. Furthermore, you waive the defense of inconvenient forum. In no event will this Agreement be enforced in any way that permits us to collect excessive interest. If any interest payment hereunder exceeds the highest amount allowed by law, it shall be reduced to such rate and the excess interest refunded to you. In such event, you agree we will not be subject to any penalties provided by law for collecting or charging interest in excess of lawful rates.

X _____ _____

Signature of Title

DELIVERY AND ACCEPTANCE CERTIFICATE

Equipment Finance Agreement #_____ between Lease Servicing Center, Inc., Secured Party, and _____ ,Customer.

You certify that all the equipment listed in said Equipment Finance Agreement has been furnished, that delivery and installation has been fully completed and satisfactory. Further, all conditions and terms of said Equipment Finance Agreement have been reviewed and acknowledged. Upon your signing below, your promises herein will be irrevocable and unconditional in all respects. You understand and agree that we have made payment for the equipment to the supplier, and you may contact the supplier for your warranty rights, if any, which we transfer to you for the term of this Agreement.

Delivery Date

Customer

X

Signature of

Title

EQUIPMENT SCHEDULE “A”

Agreement # _____

This Equipment Schedule “A” is to be attached to and become part of that Schedule of Financed Equipment dated _____ by and between the undersigned and, Lease Servicing Center, Inc., Secured Party.

Qty	Description	Model No.	Serial No.

This Equipment Schedule “A” is hereby verified as correct by the undersigned Customer, who acknowledges receipt of a copy.

Customer: _____

Signature: **X** _____
Signature of

Title: _____

Schedule “D”

Agreement # _____

This Schedule “D” is to be attached to and become part of the Equipment Finance Agreement dated _____.
This Schedule “D” is a description of the Suppliers for this Equipment Finance Agreement.

Supplier Information:

This Schedule “D” is hereby verified as correct by the undersigned Customer, who acknowledges receipt of a copy.

Customer: _____

Signature: **X** _____
Signature of

Title: _____

RESOLUTION OF BOARD OF DIRECTORS

I, _____, Secretary of _____ , a corporation, and keeper of its records and corporate seal, do hereby certify that the following is a true and correct copy of a resolution duly adopted at a regular special (strike one) meeting of the Board of Directors of said corporation duly convened in accordance with the by-laws, on _____.

RESOLVED: That

_____

Name Title

_____

Name Title

of this corporation, or any one of them, be and they are hereby authorized for and on behalf of this corporation, to finance equipment from Lease Servicing Center, Inc. or its assigns.

FURTHER RESOLVED: That the said officer(s), be and they are hereby authorized, from time to time, to execute and deliver to Lease Servicing Center, Inc. or its assigns, for and on behalf of this corporation, all the necessary instruments evidencing said Agreements, including notes, mortgages, assignments, and other income and assets, all upon such terms and conditions as to them shall seem proper.

FURTHER RESOLVED: That the foregoing resolution shall remain in effect until written notice of amendment or rescission shall have been received by Lease Servicing Center, Inc. or its assigns, and that receipt of such notice shall not affect any action taken prior thereto.

I, _____, do hereby certify that I am the duly elected and qualified secretary and custodian of the records and corporate seal of _____, a corporation organized and existing under and by the virtue of the laws of the state of ____; that the foregoing is a true and correct copy of a certain resolution duly adopted in accordance with law and the by-laws of said corporation, at a meeting of the Board of Directors of said Corporation convened and held its office at _____ on _____, at which meeting a quorum was present, and that such resolutions is now in full force and effect, and is duly recorded in the minutes of said meeting.

IN WITNESS WHEREOF, I have affixed my name and Secretary and caused the corporate seal of said Corporation to hereunto affixed, on _____.

"Seal"

_____

Secretary

AUTHORIZATION AGREEMENT FOR ACH TRANSACTIONS

I (we) hereby authorize **Lease Servicing Center, Inc.** to initiate **debit** entries to my (our) account(s) as indicated below and the financial institution name below, hereinafter called Financial Institution, to **debit** the same to such account. I (we) agree to have available funds in my (our) account on the designated date to effect this transfer. I (we) agree to pay any applicable fees for this service as disclosed in the Fee Schedule I (we) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of U.S. law.

_____
(Financial Institution Name - sending to)

_____
(Address / City / State / Zip)

Type of Account: _____ Checking _____ Savings

_____ _____
(Routing Number) (Account Number)

Type of Transaction ____ Debit ____ Credit ____ Loan

Payment Amt _____ @ ***** _____
Transaction Fee _____
Transaction Amt _____ @ ***** _____

* Plus applicable taxes, late charges and renewal payments and applicable fees.

(Frequency of Transfer) _____ (Date/Day of Transfer) _____

If this date falls on a Saturday, Sunday, or bank holiday, this transfer will automatically be made on the following business day. **There will be a $25.00 fee for all ACH items returned to us.**

Lease Servicing Center, Inc. will make every effort to complete this transfer unless circumstances beyond our control prevent the transfer, despite reasonable precautions that we have taken. All terms and conditions of your account agreement apply to this agreement.

_____ _____
(Customer Name) (Date)

_____ **X** _____
(Individual ID Number) (Signature of)

_____ **X** _____
(Individual ID Number) (Signature of)

_____ **X** _____
(Customer Name - if applicable) (Signature of)

_____ _____
(Individual ID Number) (Date)

****Please attach a voided check…….**

Signer Identification Addendum

(Must Be Completed For All Signers)

Agreement # _____

Please include a copy of your valid driver's license including photo and signature. (Front and back may be required in certain states)

ATTACH PHOTO IDENTIFICATION WITH SIGNATURE

Photocopy Clear & Legible Driver's License Here

X_____

Signature of Driver's License Bearer,

ASSIGNMENT OF FRANCHISE AGREEMENT AND FRANCHISOR'S CONSENT

THIS ASSIGNMENT OF FRANCHISE AGREEMENT AND FRANCHISOR'S CONSENT, made as of ____ _____(the "Assignment"), by _____, an [Individual, corporation, LLC], (individually and collectively the "Debtor"), to _____, a _____.

WITNESSETH:

WHEREAS, the Assignee and the Debtor have agreed that the Assignee shall finance for Debtor equipment pursuant to a Equipment Finance Agreement between them dated as of the date hereof (the "Agreement");

WHEREAS, to secure prompt payment when due of all amounts and performance of all covenants, obligations, terms and conditions to be paid, kept and performed by Debtor under the Agreement and all Finance Agreements (as defined in the Equipment Finance Agreement) currently or subsequently entered into thereunder between Lease Servicing Center, Inc., including any of its affiliates, subsidiaries, successors and assigns (the "Assignee"), and Debtor (the Equipment Finance Agreement and all Agreements, Schedules and attachments thereto (all as defined in the Equipment Finance Agreement) individually and collectively referred to as the "Agreement"), the Debtor has granted the Assignee a security interest in certain assets of the Debtor pursuant to a Agreement, dated as of the date hereof and;

WHEREAS, the Assignee has required, as a condition of its entering into the Agreement and pursuant to the Agreement, that the Debtor further secure the Agreement and Debtor's obligations thereunder by this Assignment and that the Franchisor consent to this Assignment;

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration which is hereby acknowledged, the Debtor does hereby make this Assignment to the Assignee and the Franchisor does hereby consent to such Assignment as follows:

The Debtor does hereby sell, assign, transfer and set over unto the Assignee all of the Debtor's right, title and interest in and to the franchise agreement(s) listed below: (collectively and individually the "Franchise Agreement")

No. ___ dated_____, between_____, as franchisee, and Snap Fitness, Inc., as franchisor (the "Franchisor").

The Debtor warrants and covenants that it has good right to sell, transfer and assign the Franchise Agreement.

The Assignee, and the Franchisor by executing the consent to this Assignment, agree that the Assignee does not assume any of the obligations or duties of the Debtor under or with respect to the Franchise Agreement unless and until the Assignee shall have given to the Franchisor written notice that it has affirmatively exercised its rights under this Assignment after the occurrence of a default by Debtor under the Agreement. The Assignee may reassign its right, title and interest in the Franchise Agreement to any persons or entities in the Assignee's discretion upon notice to the Debtor but without any further requirement for the Debtor's consent, and any such reassignment shall be valid and binding upon the Debtor and as fully as if Assignee had expressly approved the same. Assignee must obtain Franchisor's consent to such assignment and comply with all transfer conditions in the Franchise Agreement.

The Debtor represents and warrants that there have been no prior assignments of the Franchise Agreement, that the Franchise Agreement is a valid and enforceable agreement, that neither party is in default to the other thereunder and that all covenants, conditions and agreements have been performed as required therein, except those not due to be performed until after the date hereof. The Debtor agrees not to assign, sell, pledge or otherwise transfer or encumber its interest in the Franchise Agreement so long as this Assignment is in effect.

The Debtor hereby irrevocably constitutes and appoints the Assignee as its attorney-in-fact to demand, receive, and enforce the Debtor's rights with respect to the Franchise Agreement, to make payments under the Franchise Agreement and give appropriate receipts, releases and satisfactions for and on behalf of and in the name of the Debtor or, at the option of Assignee, in the name of the Assignee, with the same force and effect as the Debtor could do if this Assignment had not been made.

This Assignment is for security purposes only. Accordingly, the Assignee shall have no right under this Assignment to enforce the provisions of the Franchise Agreement until the Debtor shall be in default under its obligations to the Assignee under the Agreement, Guarantee or any instrument, document or agreement related thereto. Upon the occurrence of any such default, the Assignee may, without affecting any of its rights or remedies against the Debtor under any other instrument, document or agreement, exercise its rights under this Assignment as

the Debtor's attorney-in-fact or in any other manner permitted by law and, in addition, the Assignee shall have and possess, without limitation, any and all rights and remedies of a secured party under the Uniform Commercial Code, as enacted in the jurisdiction where enforcement is sought, or otherwise provided by law.

The Debtor hereby agrees to indemnify and hold the Assignee harmless from and against any and all claims, demands, liabilities, losses, lawsuits, judgments, and costs and expenses (including without limitation, attorneys' fees) to which the Assignee may become exposed, or which the Assignee may incur, in exercising any of its rights under this Assignment.

Subject to the aforesaid limitation on further assignment by the Debtor, this Assignment shall be binding upon and inure to the benefit of the heirs, legal representatives, assigns, and successors in interest of the Debtor, the Assignee and the Franchisor.

IN WITNESS WHEREOF, the Debtor has executed this Assignment of Franchise Agreement on the day and year first above written.

DEBTOR:

By: _____
Signature

_____
Print Name & Title

_____
Address

_____
City State Zip Code

_____
Telephone

ASSIGNMENT OF PREMISES LEASE

THIS ASSIGNMENT OF PREMISES LEASE, made as of _____(the "Assignment"), by [list all of the Debtors that will be listed below]_____, an [Individual, corporation, LLC] (individually and collectively the "Debtor"), to _____.

WITNESSETH:

WHEREAS, the Creditor and _____ ("Debtor") have agreed that the Creditor shall finance for Debtor equipment pursuant to a Equipment Finance Agreement between them dated as of the date hereof (the "Equipment Finance Agreement");

WHEREAS, to secure prompt payment when due of all amounts and performance of all covenants, obligations, terms and conditions to be paid, kept and performed by Debtor under the Equipment Finance Agreement and all Agreements (as defined in the Equipment Finance Agreement) currently or subsequently entered into thereunder between Lease Servicing Center, Inc., including any of its affiliates, subsidiaries, successors and assigns (the "Creditor"), and Debtor (the Equipment Finance Agreement and all Agreements, Schedules and attachments thereto (all as defined in the Equipment Finance Agreement) individually and collectively referred to as the "Agreement"), the Debtor has granted the Creditor a security interest in certain assets of the Debtor pursuant to the Agreement, dated as of the date hereof and;

WHEREAS, the Creditor has required, as a condition of its entering into the Agreement and pursuant to the Agreement, that the Debtor further secure the Agreement and Debtor's obligations thereunder by this Assignment;

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration which is hereby acknowledged, the Debtor does hereby make this Assignment to the Creditor as follows:

The Debtor does hereby sell, assign, transfer and set over unto the Creditor all of the Debtor's right, title and interest in and to the premises leases listed below (individually and collectively the "Premises Lease"):

dated _____, made by the Debtor, as tenant, and _____as landlord (the "Landlord").

The Debtor warrants and covenants that it has good right to sell, transfer and assign the Premises Lease.

The Creditor does not assume any of the obligations or duties of the Debtor under or with respect to the Premises Lease unless and until the Creditor shall have given to the Landlord written notice that it has affirmatively exercised its rights under this Assignment after the occurrence of a default by Debtor under the Agreement. Upon giving such notice, Creditor may, at Creditor's sole discretion, assume the Premises Lease as is, or may negotiate with the Landlord terms more favorable to Creditor. In the event of such assignment, Creditor shall assume no liability for monies owed or other liabilities relating to the Premises Lease that have accrued prior to the effective date of the notice provided by Creditor. The Creditor may reassign its right, title and interest in the Premises Lease to any persons or entities in the Creditor's discretion upon notice to the Debtor and the Landlord but without any further requirement for the Debtor's consent, and any such reassignment shall be valid and binding upon the Debtor as fully as if it had expressly approved the same.

The Debtor represents and warrants that, other than as provided in the lease addendum to the Franchise Agreement, there have been no prior assignments of the Premises Lease, that the Premises Lease is a valid and enforceable agreement, that neither party is in default to the other thereunder and that all covenants, conditions and agreements have been performed as required therein, except those not due to be performed until after the date hereof. No change in the terms of the Premises Lease shall be valid without the written approval of Creditor. The Debtor agrees not to assign, sell, pledge or otherwise transfer or encumber its interest in the Premises Lease so long as this Assignment is in effect.

The Debtor hereby irrevocably constitutes and appoints the Creditor as its attorney-in-fact to demand, receive, and enforce the Debtor's rights with respect to the Premises Lease, to renegotiate the Premises Lease, to make payments under the Premises Lease and give appropriate receipts, releases and satisfactions for and on behalf of and in the name of the Debtor or, at the option of Creditor, in the name of the Creditor, with the same force and effect as the Debtor could do if this Assignment had not been made.

This Assignment is for security purposes only. Accordingly, the Creditor shall have no right under this Assignment to enforce the provisions of the Premises Lease until the Debtor shall be in default under its obligations to the Creditor under the Agreement, Guarantee or any instrument, document or agreement related thereto. Upon the occurrence of any such default, the Creditor may, without affecting any of its rights or remedies against the Debtor under any other instrument, document or agreement, exercise its rights under this Assignment as the Debtor's attorney-in-fact or in any other manner permitted by law and, in addition, the Creditor shall have and possess, without

limitation, any and all rights and remedies of a secured party under the Uniform Commercial Code, as enacted in the jurisdiction where enforcement is sought, or otherwise provided by law.

The Debtor hereby agrees to indemnify and hold the Creditor harmless from and against any and all claims, demands, liabilities, losses, lawsuits, judgments, and costs and expenses (including without limitation, attorneys' fees) to which the Creditor may become exposed, or which the Creditor may incur, in exercising any of its rights under this Assignment.

Subject to the aforesaid limitation on further assignment by the Debtor, this Assignment shall be binding upon and inure to the benefit of the heirs, legal representatives, assigns, and successors in interest of the Debtor and the Creditor.

IN WITNESS WHEREOF, the Debtor has executed this Assignment of Premises Lease on the day and year first above written.

DEBTOR(S):

_____

_____

Individual's name (if signing individually) /

Company name (if signing on behalf of a company)

_____

Signature (signing for each entity)

_____

Print Name & Title

_____

Address

_____

City State Zip Code

_____

Telephone

ASSIGNMENT OF TELEPHONE NUMBERS AND UTILITIES

THIS ASSIGNMENT OF TELEPHONE NUMBERS AND UTILITIES, made as of _____ (the "Assignment"), by _____, an [Individual, corporation, LLC], (individually and collectively the "Debtor"), to _____, _____ ("Creditor").

WITNESSETH:

WHEREAS, the Creditor and Debtor have agreed that the Creditor shall finance for Debtor equipment pursuant to a Equipment Finance Agreement between them dated as of the date hereof (the "Agreement");

WHEREAS, to secure prompt payment when due of all amounts and performance of all covenants, obligations, terms and conditions to be paid, kept and performed by Debtor under the Agreement and all Agreements (as defined in the Equipment Finance Agreement) currently or subsequently entered into thereunder between Lease Servicing Center, Inc., including any of its affiliates, subsidiaries, successors and assigns (the "Creditor"), and Debtor (the Equipment Finance Agreement and all Agreements, Schedules and attachments thereto (all as defined in the Equipment Finance Agreement) individually and collectively referred to as the "Agreement"), the Debtor has granted the Creditor a security interest in certain assets of the Debtor pursuant to the Agreement, dated as of the date hereof and;

WHEREAS, the Creditor has required, as a condition of its entering into the Agreement and pursuant to the Agreement, that the Debtor further secure the Agreement and Debtor's obligations thereunder by this Assignment;

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration which is hereby acknowledged, the Debtor does hereby make this Assignment to the Creditor as follows:

The Debtor does hereby sell, assign, transfer and set over unto the Creditor all of the Debtor's right, title and interest in and to all telephone numbers, telephone listings, telephone directory advertisements, and utilities used in connection with the operation of Debtor's Snap Fitness franchise in which the equipment will be used (collectively and individually referred to as the "Assigned Items").

The Debtor warrants and covenants that it has good right to sell, transfer and assign the Assigned Items.

This Assignment is not effective unless and until the Creditor has given to the telephone company, utility or other required authority written notice that it has affirmatively exercised its rights under this Assignment after the occurrence of a default by Debtor under the Agreement. Further, this Assignment may only be exercised in connection with the exercise of the assignment for the Franchise Agreement, which must be approved in advance by Franchisor in accordance with the terms of the Franchise Agreement Assignment. In the event of such assignment, Creditor shall assume no liability for monies owed or other liabilities relating to the Assigned Items that have accrued prior to the effective date of the Assignment. The Creditor may reassign its right, title and interest in the Assigned Items to any persons or entities in the Creditor's discretion upon notice to the Debtor but without any further requirement for the Debtor's consent, and any such reassignment shall be valid and binding upon the Debtor as fully as if each had expressly approved the same.

The Debtor represents and warrants that, other than as provided in the Franchise Agreement, there have been no prior assignments of the Assigned Items, that it has a valid and enforceable agreement with the owners and licensors of the Assigned Items, that neither party under such agreements is in default to the other thereunder and that all covenants, conditions and agreements have been performed as required therein, except those not due to be performed until after the date hereof. No change in the terms of such agreements shall be valid without the written approval of Creditor. The Debtor agrees not to assign, sell, pledge or otherwise transfer or encumber its interest in the Assigned Items so long as this Assignment is in effect.

The Debtor hereby irrevocably constitutes and appoints the Creditor as its attorney-in-fact to demand, receive, and enforce the Debtor's rights with respect to the Assigned Items, to make payments under the agreements related thereto and give appropriate receipts, releases and satisfactions for and on behalf of and in the name of the Debtor or, at the option of Creditor, in the name of the Creditor, with the same force and effect as the Debtor could do if this Assignment had not been made.

This Assignment is for security purposes only. Accordingly, the Creditor shall have no right under this Assignment to enforce the provisions of the agreements related to the Assigned Items until the Debtor shall be in default under its obligations to the Creditor under the Agreement or any instrument, document or agreement related thereto. Upon the occurrence of any such default, the Creditor may, without affecting any of its rights or remedies against the Debtor under any other instrument, document or agreement, exercise its rights under this Assignment as the Debtor's attorney-in-fact or in any other manner permitted by law and, in addition, the Creditor shall have and

possess, without limitation, any and all rights and remedies of a secured party under the Uniform Commercial Code, as enacted in the jurisdiction where enforcement is sought, or otherwise provided by law.

The Debtor hereby agrees to indemnify and hold the Creditor harmless from and against any and all claims, demands, liabilities, losses, lawsuits, judgments, and costs and expenses (including without limitation, attorneys' fees) to which the Creditor may become exposed, or which the Creditor may incur, in exercising any of its rights under this Assignment.

Subject to the aforesaid limitation on further assignment by the Debtor, this Assignment shall be binding upon and inure to the benefit of the heirs, legal representatives, assigns, and successors in interest of the Debtor and the Creditor.

IN WITNESS WHEREOF, the Debtor has executed this Assignment of Telephone Numbers and Utilities on the day and year first above written.

DEBTOR:

_____

_____

Individual's name (if signing individually) /

Company name (if signing on behalf of a company)

_____

Signature (signature for each entity)

_____

Print Name & Title

_____

Address

_____

City State Zip Code

_____

Telephone

ASSIGNMENT OF MEMBERSHIP CONTRACTS

THIS ASSIGNMENT OF MEMBERSHIP CONTRACTS, made as of May 1, 2009 (the "Assignment"), by [list all of the entities that will be signing an Assignment of Franchise Agreement]_____ _____, an [Individual, corporation, LLC] (individually and collectively the "Debtor"), to _____.

WITNESSETH:

WHEREAS, the Creditor and _____ ("Debtor") have agreed that the Creditor shall finance for Debtor equipment pursuant to a Equipment Finance Agreement between them dated as of the date hereof (the "Agreement");

WHEREAS, to secure prompt payment when due of all amounts and performance of all covenants, obligations, terms and conditions to be paid, kept and performed by Debtor under the Agreement and all Agreements (as defined in the Equipment Finance Agreement) currently or subsequently entered into thereunder between Lease Servicing Center, Inc., including any of its affiliates, subsidiaries, successors and assigns (the "Creditor"), and Debtor (the Equipment Finance Agreement and all Agreements, Schedules and attachments thereto (all as defined in the Equipment Finance Agreement) individually and collectively referred to as the "Agreement"), the Debtor has granted the Creditor a security interest in certain assets of the Debtor pursuant to the Agreement, dated as of the date hereof and;

WHEREAS, the Creditor has required, as a condition of its entering into the Agreement and pursuant to the Agreement, that the Debtor further secure the Agreement and Debtor's obligations thereunder by this Assignment;

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration which is hereby acknowledged, the Debtor does hereby make this Assignment to the Creditor as follows:

The Debtor does hereby sell, assign, transfer and set over unto the Creditor all of the Debtor's right, title and interest in and to all membership agreements related in any way to Debtor's Snap Fitness franchise which is the subject of the Equipment Finance Agreement (the "Membership Contracts").

The Debtor warrants and covenants that it has good right to sell, transfer and assign the Membership Contracts.

This Assignment is not effective unless and until the Creditor has given to the relevant member written notice that it has affirmatively exercised its rights under this Assignment after the occurrence of a default by Debtor under the Agreement. Further, this Assignment may only be exercised in connection with the exercise of the assignment for the Franchise Agreement, which must be approved in advance by Franchisor in accordance with the terms of the Franchise Agreement Assignment. In the event of such assignment, Creditor shall assume no liability for monies owed or other liabilities relating to the Membership Contracts that have accrued prior to the effective date of the Assignment. The Creditor may reassign its right, title and interest in the Membership Contracts to any persons or entities in the Creditor's discretion upon notice to the Debtor but without any further requirement for the Debtor's consent, and any such reassignment shall be valid and binding upon the Debtor as fully as if each had expressly approved the same; provided however that any such reassignment may be exercised only to assign the Membership Contracts for membership in a Snap Fitness facility.

The Debtor represents and warrants that, other than as provided in the Franchise Agreement, there have been no prior assignments of the Membership Contracts, that it has a valid and enforceable agreement with the members, that neither party under such agreements is in default to the other thereunder and that all covenants, conditions and agreements have been performed as required therein, except those not due to be performed until after the date hereof. The Debtor agrees not to assign, sell, pledge or otherwise transfer or encumber its interest in the Member Contracts so long as this Assignment is in effect.

The Debtor hereby irrevocably constitutes and appoints the Creditor as its attorney-in-fact to demand, receive, and enforce the Debtor's rights with respect to the Member Contracts, to make payments under the Member Contracts and give appropriate receipts, releases and satisfactions for and on behalf of

and in the name of the Debtor or, at the option of Creditor, in the name of the Creditor, with the same force and effect as the Debtor could do if this Assignment had not been made.

This Assignment is for security purposes only. Accordingly, the Creditor shall have no right under this Assignment to enforce the provisions of the Membership Contracts until the Debtor shall be in default under its obligations to the Creditor under the Agreement or any instrument, document or agreement related thereto. Upon the occurrence of any such default, the Creditor may, without affecting any of its rights or remedies against the Debtor under any other instrument, document or agreement, exercise its rights under this Assignment as the Debtor's attorney-in-fact or in any other manner permitted by law and, in addition, the Creditor shall have and possess, without limitation, any and all rights and remedies of a secured party under the Uniform Commercial Code, as enacted in the jurisdiction where enforcement is sought, or otherwise provided by law.

The Debtor hereby agrees to indemnify and hold the Creditor harmless from and against any and all claims, demands, liabilities, losses, lawsuits, judgments, and costs and expenses (including without limitation, attorneys' fees) to which the Creditor may become exposed, or which the Creditor may incur, in exercising any of its rights under this Assignment.

Subject to the aforesaid limitation on further assignment by the Debtor, this Assignment shall be binding upon and inure to the benefit of the heirs, legal representatives, assigns, and successors in interest of the Debtor and the Creditor.

IN WITNESS WHEREOF, the Debtor has executed this Assignment of Membership Contracts on the day and year first above written.

DEBTOR:

_____

_____

Individual's name (if signing individually) /

Company name (if signing on behalf of a company)

_____

Signature (signing for each entity)

_____

Print Name & Title

_____

Address

_____

City State Zip Code

_____

Telephone

EXHIBIT H-3

Snap Fitness In-House Program Sample Agreement

MASTER LEASE AGREEMENT

Dated: _____

Lessor:	**Lessee:**
Snap Fitness Finance, LLC	
2411 Galpin Court, Suite 110	
Chanhassen, MN 55317	
CONTACT: Matt Gosche	**CONTACT:**
PHONE: 952-567-5944	**PHONE:**

1. Master Lease. The undersigned Lessee ("**Lessee**") unconditionally and irrevocably agrees to lease from the above referenced Lessor (together with all successors, affiliates and assignees thereof, collectively, "**Lessor**") the equipment and other personal property (together with all current and future accessories, additions and attachments thereto, and all replacements and substitutions therefore, collectively, the "**Equipment**") descr bed in each Equipment Schedule referencing this Master Lease Agreement (each, together with any attachments thereto, a "**Schedule**") and purchased from the supplier(s) noted in the applicable Schedule (each, a "**Supplier**"). Each Schedule shall incorporate by reference all of the terms of this Master Lease Agreement and shall constitute a separate lease agreement (each such Schedule, together with such incorporated terms of this Master Lease Agreement, collectively, a "**Lease**") that is assignable separately from each other Lease. In the event of a conflict between this Master Lease Agreement and the terms of a Schedule, the terms of the Schedule shall prevail. No provision of a Lease may be waived or modified except in a writing signed by Lessor's duly authorized representative.

2. Term. The term of each Lease shall consist of an initial term ("**Initial Term**") and, one or more renewal terms, if any ("**Renewal Term**"). The Initial Term and Renewal Term are referred to collectively as the "Term." The Initial Term shall commence on the date the Equipment is accepted for lease by Lessee under the Lease ("**Commencement Date**") and shall continue for the number of months set forth in the Schedule. Lessee shall be deemed to have accepted the Equipment for lease upon its delivery from the Supplier.

3. Rent. All advance rent under any Schedule is due and payable upon its execution and is not refundable. All subsequent periodic rental payments payable with respect to each month during the Term ("**Periodic Rent**") and other amounts due from Lessee to Lessor under such Schedule (together with all advance rentals, "**Rent**") shall be paid pursuant to the terms set forth in such Schedule. **No acceptance of any item of Equipment may be revoked by Lessee**. Unless otherwise instructed by Lessor in writing, all payments of Rent shall be made to Lessor via electronic funds transfer as set forth in the Lease. Any payment by or on behalf of Lessee that purports to be payment in full for any obligation under any Lease may only be made after Lessor's prior written agreement to accept such payment amount.

4. Rent Payments; Fees. Other than Periodic Rent payable as part of an advance payment, the first payment of Periodic Rent due under the Lease shall be due and payable as specified in the Schedule ("**First Payment Date**"). Periodic Rent (other than that which is part of any advance payment) is due monthly in advance beginning on the First Payment Date and continuing on the same day of each month during the Term regardless if Lessee receives an invoice therefore. Unless otherwise instructed by Lessor in writing, all amounts due to Lessor including Rent will be automatically deducted directly from Lessee's bank or financial institution account(s) (individually and collectively referred to as "Lessee's Account") within ten (10) days of its due date. If there are insufficient funds in Lessee's Account or Lessee fails to pay any sum due under the Lease within five (5) days after its due date, Lessee agrees, in addition to Lessor's other remedies contained herein, to pay a late charge equal to (as reasonable liquidated damages and not as a penalty) the greater of $29 or 10% of the amount of each such late payment. If any check or funds transfer request for any payment including Rent is returned to Lessor unpaid, Lessee shall pay Lessor a service charge of $55 for each such returned check or request. Lessee agrees to pay Lessor a documentation and other transaction fees as applicable, as set forth on the Schedule.

5. Electronic Transfer of Funds. Lessee must sign an electronic transfer of funds authorization authorizing and directing Lessee's bank(s) or financial institution(s) to transfer electronically, on a monthly basis, directly to Lessor's account and to charge Lessee's account all amounts due to Lessor. Lessee must maintain Lessee's account and a balance in the account sufficient to allow Lessor to collect the amounts owed when due. Lessee is responsible for all charges and expenses of any kind or nature associated with the transfer of funds described herein. If a financial institution or bank requires additional or different forms to effect the authorization granted in the Lease, Lessee agrees the Lessee will sign and return such form(s) to Lessor within 24 hours of Lessor making such request.

6. Equipment. Lessee shall keep the Equipment free of liens, claims and encumbrances, and shall not modify, alter, add to, move, sell, transfer, lease, sublease or otherwise encumber any Equipment or permit any Equipment to become attached to any realty, in each case without the prior written consent of Lessor. Any modification, alteration or addition to any Equipment shall automatically become the sole property of Lessor. Lessor shall have the right to enter Lessee's premises during business hours to inspect any Equipment and observe its use upon at least one (1) day's prior written or verbal notice. Lessee shall comply with all applicable laws, rules and regulations concerning the operation, ownership, use and/or possession of the Equipment, and Supplier's requirements for continued maintenance thereof. If Lessee fails to accept delivery of any Equipment for any purpose, Lessee agrees to pay the price and all charges and penalties invoiced by Supplier to Lessor therefore and to indemnify and hold Lessor harmless and to defend Lessor (with counsel selected by Lessor) against, any claim brought by Supplier.

7. Obligations Absolute. NOTWITHSTANDING ANY CLAIM OF DEFECT OR ANY OTHER REASON WHATSOEVER, ALL RENTALS AND OTHER PAYMENTS UNDER EACH LEASE SHALL BE PAID BY LESSEE TO LESSOR ABSOLUTELY AND UNCONDITIONALLY, WITHOUT ANY DEFENSE, SETOFF, CLAIM OR COUNTERCLAIM OF ANY NATURE. Lessee hereby waives all rights to any indirect, punitive, special or consequential damages in connection with the Equipment or this Lease.

8. Use. All Equipment shall be used solely for business purposes, and not for personal, household or other use. Lessee shall maintain the Equipment in good repair in accordance with the instructions of the manufacturer thereof so that it shall be able to operate in accordance with the manufacturer's specifications. Lessee shall bear the entire risk of loss or damage to the Equipment, and may not transfer, sublease or assign any of its rights or obligations under any Lease or Equipment without Lessor's prior written consent. Lessor shall own the Equipment and may sell, assign, transfer or grant a security interest to any third party (each, an "**Assignee**") in any Equipment, Rent or Lease without notice to or consent by Lessee.

9. Insurance; Indemnification. Lessee shall at all times maintain liability, fire, damage, casualty (covering death and personal injury) and theft insurance on the Equipment in amounts and with insurers acceptable to Lessor, and shall list Lessor as an additional insured and loss payee thereon. Such insurance policies shall require the insurer to provide Lessor with at least 30 days' prior written notice of any material change in or cancellation of such insurance. In the event that Lessor determines that

any such insurance is not in effect, Lessor may (but shall not be required to) obtain such insurance at Lessee's expense. Upon any loss or damage to any Equipment, Lessee shall continue to pay all Rent hereunder for the remaining Term hereof and shall, at Lessor's sole election, either repair such Equipment or replace it with comparable equipment satisfactory to Lessor. Lessee shall indemnify, reimburse and defend (with counsel acceptable to Lessor) Lessor, including its and their affiliated companies and its and their officers, directors, employees and agents, on demand, from and against any and all damages, losses, liabilities, expenses, claims or legal proceedings relating to or arising out of this Lease or the ownership, use, operation, possession, sale, lease or maintenance of the Equipment, regardless of whether the term thereof shall have commenced or expired, including (without limitation) Lessor's attorneys' fees and expenses. Lessee's tax and indemnity obligations shall survive the termination of the Lease.

10. UCC Filings. **Lessee acknowledges that this lease is intended to be a "finance lease" as defined in §2A-103(1)(g) of the Uniform Commercial Code("UCC"). LESSEE WAIVES ANY AND All RIGHTS AND REMEDIES OTHERWISE GRANTED TO LESSEE BY UCC §§2A-508 THROUGH 2A-522**. Lessee authorizes Lessor to file UCC financing statements, and appoints Lessor Lessee's attorney-in-fact to execute and deliver such statements, disclosing Lessor's interest in the Equipment and in any "Additional Collateral" set forth in any Schedule. Lessee shall provide Lessor with at least 45 days' prior written notice of any change to Lessee's principal place of business, organization or incorporation.

11. Taxes. Lessee shall pay when and as due all taxes (together with all interest and penalties for the late payment or non-payment thereof "**Taxes**") imposed on any Lease or the ownership, use, possession, sale or lease of the Equipment (whether assessed on Lessor or Lessee) and shall indemnify and hold Lessor harmless from any such Taxes. Lessor may estimate the amount of any such Taxes due on the Equipment or this Lease and pay such Taxes on Lessee's behalf, and Lessee shall pay to Lessor as additional Rent any such amounts. In connection with and in addition to each of the payments shown on the first page, Lessee will pay to Lessor Lessor's estimate of the annual amount of property Taxes (if applicable) divided by the number of payments per annum. If the actual annual amount of such Taxes differs from the estimated payments made by Lessee, then Lessee will pay Lessor or Lessor will reimburse to Lessee (as applicable) the difference. Lessee also agrees to pay Lessor a per annum administration fee for the handling or collecting of any such property Tax or related return in an amount as Lessor determines but not to exceed $50 per annum. Upon termination/expiration of the Lease Lessee agrees to promptly remit 90% of the previous year's personal property Tax due with respect to the Equipment as specified in a written notice from Lessor for application against that year's personal property Tax; provided, Lessee will remain liable for any deficiency.

12. Return of Equipment. Upon the expiration or earlier termination of the Lease, if Lessee has not exercised any option to purchase available to it, Lessee shall at its expense, pack and insure the Equipment and send it freight prepaid to a location designated by Lessor in the contiguous 48 states of the United States. All Equipment upon its return to Lessor shall be in the same condition and appearance as when delivered to Lessee, excepting only reasonable wear and tear from proper use and all such Equipment shall be eligible for manufacturer's maintenance. Lessee shall in all events pay Rent and otherwise comply with the Lease until the Equipment has been returned to Lessor.

13. Facsimile Copies. A photocopy or facsimile of this Master Lease Agreement and each Schedule will be legally admissible under the "best evidence rule." A signed copy of this Master Lease Agreement, any Schedule and/or any related document sent by facsimile shall be treated as an original document and shall be admissible as evidence thereof and all signatures thereon shall be binding as if manual signatures were personally delivered.

14. Disclaimers. Lessor is not the manufacturer or supplier of any Equipment and is not responsible for any delivery, installation, repair, maintenance or servicing thereof and Lessor shall have no obligations, or liabilities of any kind whatsoever concerning or relating to the Equipment. Lessee has selected each Supplier and manufacturer and all of the Equipment. Neither Supplier nor any manufacturer is an agent of Lessor, and no representative of Supplier is authorized to bind Lessor for any purpose or make any representation on Lessor's behalf. So long as Lessee is not in default under the Lease, Lessee is entitled to any and all warranties provided to Lessor by or through Supplier or the manufacturer, and may communicate with Supplier and the manufacturer, and receive those warranties. So long as Lessee is not in default under the Lease, Lessor assigns such warranties to Lessee for the duration of the Lease Term. Lessee agrees to look only to Supplier or the manufacturer for any defect or breach of warranty regarding the Equipment. **LESSEE LEASES THE EQUIPMENT ON AN "AS-IS," "WHERE-IS" BASIS. LESSOR MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, REGARDING ANY EQUIPMENT, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE**.

15. Notices. All notices required or provided for in any Lease, shall be in writing and shall be addressed to Lessee or Lessor, as the case may be, at its address set forth above or such other address as either such party may from time to time designate in writing to the other party. Such notice shall be deemed delivered and effective: (a) upon receipt, if delivered by hand or overnight courier, or (b) three (3) days after deposit with the U.S. Postal Service, if sent certified mail, return receipt requested with postage prepaid. No other means of delivery of notices shall be permitted.

16. Default; Remedies. Lessee will be in "default" hereunder, if any one or more of the following shall occur: (a) Lessee or any Guarantor of this or any Lease fails to timely pay Lessor any Rental(s) due under the Lease or any other Lease; (b) Lessee or any Guarantor breaches any other term of the Lease, any other Lease, or any franchise or other agreement with Lessor; (c) Lessee or any Guarantor makes any misrepresentation to Lessor; (d) Lessee or any Guarantor fails to pay any other obligation owed, including under any franchise agreements, to Lessor, or any other party; (e) Lessee or any Guarantor shall consent to the appointment of a receiver, trustee or liquidator of itself or a substantial part of its assets; (f) there shall be filed by or against Lessee or any Guarantor a petition in bankruptcy; (g) Lessee's or any Guarantor's articles of incorporation or other formation documents shall be amended to change Lessee's or Guarantor's name or state of incorporation or formation; or, (h) Lessee's or any Guarantor's legal existence in its state of incorporation or formation shall have lapsed or terminated or Lessee or any Guarantor shall otherwise dissolve or liquidate its assets. Upon default, Lessor may do any one or more of the following: (1) recover from Lessee or any Guarantor the sum of (A) any and all Rentals, late charges and other amounts then in each case due and owing under any or all Leases, (B) accelerate and collect the unpaid balance of the remaining Rentals scheduled to be paid under any or all Leases, together with Lessor's anticipated residual interest in any or all of Equipment subject thereto, both discounted to present value at a rate of 5.50% per annum, and (C) Lessor's related attorneys' fees, collection costs and expenses; (2) enter upon Lessee's or any Guarantor's premises and take possession of any or all of such Equipment or any other equipment owned, leased or otherwise operated by Lessee or any Guarantor; (3) terminate any or all Leases with Lessee and any or all Guarantors; (4) take possession of and assume all control, operational or otherwise, over Lessee's and any Guarantor's franchise and/or (5) utilize any other right or remedy provided by applicable law. Lessee shall also pay to Lessor interest on all unpaid sums due hereunder from the due date thereof until paid in full, at a rate per annum equal to the lower of 1-1/2% per month or the highest rate of interest permitted by applicable law. Lessee waives any rights that Lessee may have to require Lessor to sell or otherwise dispose of any Equipment.

Lessee expressly recognizes that Lessee may have termination rights under franchise regulations that contain specific notice, right to cure, and other provisions related to their franchises and franchise agreements that are separate and outside the Lease. Lessee hereby agrees and acknowledges that Lessor may notify any and all of Lessee's or Guarantor's franchisors and take such actions as allowed under the Lease and under law or equity upon Lessee's failure to make any payment, including Rent, when due. Lessee waives all claims and arguments that this Lease provision is an attempt by Lessor to circumvent the requirements of any and all franchise laws.

17. Representations and Warranties of Lessee. As an inducement to the Lessor to undertake this Lease, Lessee agrees to a cross guarantee from all of Lessee's owners and related entities and agrees to cross default remedies under all existing and future agreements with Lessor. A default by Lessee under this Lease or any other agreement with Lessor shall be

deemed a default under all agreements with Lessor. Lessee represents and warrants that it has: (a) listed in Appendix A all individuals and entities that are in any way related to Lessee, including all entities that are owned in whole or in part by Lessee or any and all of Lessee's owners; (b) listed in Appendix A all bank and financial institution accounts associated with Lessee, Lessee's owners, and all individuals and entities disclosed in (a) of this provision; and (c) the authority by law, its articles of incorporation, and as required by its bylaws and board of directors to enter into and be bound by this Lease and all Schedules and attachments hereto.

18. Requests from Lessor. All of Lessor's requests for documents, signatures and/or information must be returned to Lessor fully completed and executed within 48 hours.

19. Covenants of the Lessee. So long as the Lease shall remain in effect, the Lessee will, unless Lessor gives its prior written consent:

(a) Financial Reporting: furnish to the Lessor as soon as available and in any event within thirty (30) days after the end of each quarter of each fiscal year of the Lessee, balance sheets of the Lessee as of the end of such quarter and statements of income and loss of the Lessee for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, verified by the chief financial officer of the Lessee; and,

(b) Membership Criteria: (i) maintain a minimum membership level of _ _____ members; (ii) not allow membership in any Snap Fitness location that is in any way affiliated with Lessee through common ownership or otherwise to decrease by _____members from the membership level on the Commencement Date; and (iii) not allow membership to decline four out of any contiguous six months.

20. Miscellaneous. Lessee may not assign any Lease, Schedule or any of it rights or obligations thereunder without Lessor's prior written consent. Lessor may assign this Master Lease Agreement and any Leases or Schedules hereunder without notice to or consent from Lessee or any Guarantor. Leases shall be binding on Lessee's successors and permitted assigns, and shall inure to the benefit of Lessor and its successors and assignees. This Master Lease Agreement and each Lease shall be deemed entered into and performed in Minnesota. **EACH LEASE SHALL BE GOVERNED BY THE LAWS OF MINNESOTA, WITHOUT REGARD TO ITS PRINCIPLES OF CONFLICTS OF LAW OR CHOICE OF LAW. LESSEE HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION AND VENUE OF THE FEDERAL AND STATE COURTS LOCATED IN MINNESOTA, IN ANY ACTION OR PROCEEDING RELATING TO ANY LEASE OR EQUIPMENT, AND THE PARTIES WAIVE THE RIGHT TO A JURY TRIAL THEREIN. The parties intend each Lease to be a true lease or a time-sale of goods (for which a cash price was offered to Lessee), and not a loan, and do not intend to exceed any applicable usury laws. If for any reason a Lease is held to involve a loan of money, any amounts payable hereunder in excess of the applicable highest lawful rate of interest shall be deemed a prepayment of any principal amount hereunder and, if such principal is paid in full, such excess amounts shall be refunded to Lessee**. The Lessee named below and all individuals whose names appear on the application expressly authorize consumer reporting agencies and other persons to furnish credit information to Lessor, separately or jointly with other creditors or lessors, for use in connection with this Lease. Lessors and joint users of such information are authorized to receive and exchange credit information and to update such information as appropriate during the term of this Lease. Information about the undersigned may be used for marketing and administrative purposes and shared with Lessor's affiliates. The Lessee may direct Lessor not to disclose that information (except transaction and experience information) with Lessor's affiliates by writing to the Lessor.

LESSEE HAS READ THIS MASTER LEASE AGREEMENT AND EACH SCHEDULE BEFORE SIGNING IT.

Lessee: _____

Signature: _____

Date: _____

Printed Name & Title: _____

Signature: _____

Date: _____

Printed Name & Title: _____

Federal Tax Identification or Social Security Number: _____

Appendix A – Individual/Entity and Account Information

Lessee certifies that this Appendix contains: (1) all owners of Lessee and all entities that are in any way related to Lessee, including all entities that are owned in whole or in part by Lessee or any and all of Lessee's owners; and (2) all bank and financial institution accounts associated with Lessee and the individuals/entities responsive to #1 above. Add additional pages if necessary. All entities responsive to #1 above must execute the attached Guarantee and Pre Authorized Payment Agreement.

For all owners that are individuals, include the owner's full name, spouse's full name, and state of residence.

For all owners that are entities other than individuals, including partnerships, limited liability companies, corporations, etc., please include full entity name, address of principle place of business, and state of incorporation or registration.

Person/Entity			Bank/Financial Institution		
Name & Address	State of Incorporation/ Registration/Residence	Relationship to Lessee	Name & Address	Routing Number	Account Number

MASTER LEASE AGREEMENT AMENDMENT #1 ("Amendment #1")

On this _____ day of _____2009, Snap Fitness Finance, LLC and _____, a company duly organized under the laws of_____, with a registered address of _____(hereinafter "Lessee"), agree to amend their Master Lease Agreement dated the _____day of____, 2009 as follows:

WHEREAS, the parties entered into a Master Lease Agreement dated the _____ day of_____, 2009 (the "Agreement"); and

WHEREAS, the parties wish to amend the Agreement as set forth herein;

NOW THEREFORE, in consideration of the mutual covenants and agreement contained in the Agreement, this Amendment #1 and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, agree as follows:

1. Notwithstanding anything to the contrary in the Agreement, if Lessee shall breach Section 19(b) of the Agreement, Lessor will provide to Lessee a lease payoff amount (the "Lease Payoff Amount"). As its sole option to cure such breach, Lessee will have thirty (30) calendar days from the date it receives notice of the Lease Payoff Amount to remit payment of the entire Lease Payoff Amount to Lessor. If Lessee fails to make such payment Lessee shall be considered in breach of the Agreement and Lessor may exercise all rights and remedies it has under the Agreement or otherwise.

2. All terms with initial capital letters in this Amendment #1 shall have the meaning ascribed to them in the Agreement unless otherwise indicated herein.

3. All other terms and conditions of the Agreement remain in full force and effect.

IN WITNESS WHEREOF, each party has caused this Amendment #1 to be executed by its duly authorized officer effective as of the date first above written.

LESSOR:	LESSEE:
Snap Fitness Finance, LLC	_____, Individual's name (if signing individually)/ Company name (if signing on behalf of a company)
_____ Signature	_____ Signature
Peter Taunton, President Print Name & Title	_____ Print Name & Title
2411 Galpin Court, Suite 110 Address	_____ Address
Chanhassen MN 55317 City State Zip Code	_____ City State Zip Code
952-474-5422 Telephone	_____ Telephone

GUARANTEE

FOR VALUE RECEIVED, and in consideration of the sum of One U.S. Dollar ($1.00) and for other good and valuable consideration the receipt of which is hereby acknowledged, and in consideration of credit given and which may hereafter be given through a lease or otherwise to JSFF4, LLC ("Lessee") each of the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally unconditionally and irrevocably guarantee to Lessor the prompt payment when due of all amounts and performance of all covenants, obligations, terms and conditions to be paid, kept and performed by Lessee under the Master Lease Agreement and all Leases (as defined in the Master Lease Agreement) currently or subsequently entered into thereunder between Snap Fitness Finance, LLC, including any of its affiliates, subsidiaries, successors and assigns (the "Lessor"), and Lessee (the Master Lease Agreement and all Leases, Schedules and attachments thereto (all as defined in the Master Lease Agreement) individually and collectively referred to as the "Lease").

Further, the undersigned, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in the Lease, and agree that this Guarantee will be construed as though the undersigned and each of them executed a lease containing the identical terms and conditions of the Lease. If Lessee defaults under a Lease, the undersigned will immediately perform all obligations of Lessee under such Lease, including, but not limited to, paying all amounts due when due under such Lease. The undersigned agrees that this is a guaranty of payment and not of collection, and that Lessor can proceed directly against the undersigned without first proceeding against Lessee or the equipment or other collateral covered by each Schedule. The undersigned agrees that Lessor can renew, extend, or otherwise modify the terms of each Lease and the undersigned will be bound by such changes. The undersigned will pay to Lessor all expenses (including attorneys' fees) incurred by Lessor in enforcing Lessor's rights against the undersigned.

Each of the undersigned expressly recognizes that they may have termination rights under franchise regulations that contain specific notice, right to cure, and other provisions related to their franchises and franchise agreements that are separate and outside the Lease and this Guarantee. Each of the undersigned hereby agrees and acknowledges that Lessor may notify any and all of the undersigned's franchisors and take such actions as allowed under the Lease, this Guarantee and under law or equity upon Lessee's failure to make any payment, including Rent, when due. Lessee and each of the undersigned waive all claims and arguments that this Lease provision is an attempt by Lessor to circumvent the requirements of any and all franchise laws.

Each of the undersigned waives all defenses and notices, including, but not limited to: (1) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (2) protest and notice of default to any party respecting the indebtedness or nonperformance of any obligations hereby guaranteed; and (3) any right he/she may have to require that an action be brought against Lessee or any other person as a condition of liability.

In addition, each of the undersigned consents and agrees that: (1) the undersigned's liability will not be contingent or conditioned upon our pursuit of any remedies against Lessee or any other person; and (2) this Guarantee and the undersigned's liability will not be discharged, diminished, relieved or otherwise affected by the undersigned's or Lessee's death, dissolution, termination, insolvency, bankruptcy or reorganization, the invalidity, illegality or unenforceability of all or any part of the Lease, or the amendment or extension of the Lease with or without notice to the undersigned.

Each of the undersigned hereby acknowledges the undersigned has signed a Pre Authorized Payment Agreement to authorize and direct the undersigned's bank(s) or financial institution(s) to transfer electronically, on Lessor's demand, directly to Lessor's account and to charge the undersigned's account all amounts due to Lessor. The undersigned must maintain the undersigned's account and a balance in the account sufficient to allow Lessor to collect the amounts owed when due. The undersigned is responsible for all charges and expenses of any kind or nature associated with the transfer of funds descr bed herein. If a financial institution or bank requires additional or different forms to effect the authorization granted in this Guarantee, the undersigned agrees the undersigned must sign and return such form(s) to Lessor within 24 hours of Lessor making such request.

Payments under this Guarantee are due and payable upon Lessor's demand and are not refundable. Unless otherwise instructed by Lessor in writing, all payments shall be automatically deducted directly from the undersigned's bank or financial institution account(s) and made to Lessor via electronic funds transfer as set forth in the Pre Authorized Payment Agreement. Any payment by or on behalf of the undersigned or Lessee that purports to be payment in full for any obligation under this Guarantee or any Lease may only be made after Lessor's prior written agreement to accept such payment amount.

The undersigned authorizes Lessor or any of Lessor's designees to obtain, and share with others, credit bureau reports regarding the undersigned's personal credit, and make other credit inquiries that Lessor determines are necessary. **EACH OF THE UNDERSIGNED HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION AND VENUE OF THE FEDERAL AND STATE COURTS IN THE STATE OF MINNESOTA AND WAIVES ANY RIGHT TO A TRIAL BY JURY**.

It is further understood and agreed by the undersigned that the provisions, covenants and conditions of this Guarantee will inure to the benefit of Lessor's successors and assigns.

[SIGNATURE PAGES FOLLOW.]

GUARANTORS:

Individual's name (if signing individually)/
Company name (if signing on behalf of a company)

Signature

Print Name & Title

Address

City State Zip Code

Telephone

Individual's name (if signing individually)/
Company name (if signing on behalf of a company)

Signature

Print Name & Title

Address

City State Zip Code

Telephone

Individual's name (if signing individually)/
Company name (if signing on behalf of a company)

Signature

Print Name & Title

Address

City State Zip Code

Telephone

Individual's name (if signing individually)/
Company name (if signing on behalf of a company)

Signature

Print Name & Title

Address

City State Zip Code

Telephone

GUARANTORS:

Individual's name (if signing individually)/ Company name (if signing on behalf of a company)	Individual's name (if signing individually)/ Company name (if signing on behalf of a company)
Signature	Signature
Print Name & Title	Print Name & Title
Address	Address
City State Zip Code	City State Zip Code
Telephone	Telephone

PRE AUTHORIZED PAYMENT AGREEMENT

I (We) hereby authorize Snap Fitness Finance, LLC, including any of its affiliates, successors and assigns (hereinafter "Snap Fitness") to automatically initiate and make debit entries (charges) against any of our accounts held by you, including, but not limited to, the account(s) listed below, (and for you to accept and post such debit entries) for the payment of all sums due from us to Snap Fitness under any Lease, Guarantee or other agreement. You are hereby directed to honor any debit entry initiated by Snap Fitness.

I (We) am/are responsible for, and must pay on demand, all costs and charges relating to the handling of debit entries pursuant to this authorization. In addition, I (We) understand that Snap Fitness may impose a fee in the event a debit entry is not paid by you.

This authority is to remain in effect until you have received written notification from Snap Fitness of its termination.

Any erroneous or incorrect charge will be corrected upon notification to you from Snap Fitness. If corrections in a debit account are necessary, it may involve a credit or debit to my/our account(s).

Account Holder Name: _____

Bank Name: _____

Bank Address: _____

City: _____ **State:** _____ **Zip:** _____

Bank ABA Routing #: _____

Bank's Account #: _____

Account Holder Account #(s): _____

_____

Account Holder Signature: _____

Date: _____

PRE AUTHORIZED PAYMENT AGREEMENT

I (We) hereby authorize Snap Fitness, Inc., including any of its affiliates, successors and assigns (hereinafter "Snap Fitness") to automatically initiate and make debit entries (charges) against any of our accounts held by you, including, but not limited to, the account(s) listed below, (and for you to accept and post such debit entries) for the payment of all sums due from us to Snap Fitness under any Lease, Guarantee or other agreement. You are hereby directed to honor any debit entry initiated by Snap Fitness.

I (We) am/are responsible for, and must pay on demand, all costs and charges relating to the handling of debit entries pursuant to this authorization. In addition, I (We) understand that Snap Fitness may impose a fee in the event a debit entry is not paid by you.

This authority is to remain in effect until you have received written notification from Snap Fitness of its termination.

Any erroneous or incorrect charge will be corrected upon notification to you from Snap Fitness. If corrections in a debit account are necessary, it may involve a credit or debit to my/our account(s).

Account Holder Name: _____

Bank Name: _____

Bank Address: _____

City: _____ **State:** _____ **Zip:** _____

Bank ABA Routing #: _____

Bank's Account #: _____

Account Holder Account #(s): _____

_____

Account Holder Signature: _____

Date: _____

PRE AUTHORIZED PAYMENT AGREEMENT

I (We) hereby authorize Snap Fitness, Inc., including any of its affiliates, successors and assigns (hereinafter "Snap Fitness") to automatically initiate and make debit entries (charges) against any of our accounts held by you, including, but not limited to, the account(s) listed below, (and for you to accept and post such debit entries) for the payment of all sums due from us to Snap Fitness under any Lease, Guarantee or other agreement. You are hereby directed to honor any debit entry initiated by Snap Fitness.

I (We) am/are responsible for, and must pay on demand, all costs and charges relating to the handling of debit entries pursuant to this authorization. In addition, I (We) understand that Snap Fitness may impose a fee in the event a debit entry is not paid by you.

This authority is to remain in effect until you have received written notification from Snap Fitness of its termination.

Any erroneous or incorrect charge will be corrected upon notification to you from Snap Fitness. If corrections in a debit account are necessary, it may involve a credit or debit to my/our account(s).

Account Holder Name: _____

Bank Name: _____

Bank Address: _____

City: _____ **State:** _____ **Zip:** _____

Bank ABA Routing #: _____

Bank's Account #: _____

Account Holder Account #(s): _____

_____

Account Holder Signature: _____

Date: _____

PRE AUTHORIZED PAYMENT AGREEMENT

I (We) hereby authorize Snap Fitness Finance, LLC, including any of its affiliates, successors and assigns (hereinafter "Snap Fitness") to automatically initiate and make debit entries (charges) against any of our accounts held by you, including, but not limited to, the account(s) listed below, (and for you to accept and post such debit entries) for the payment of all sums due from us to Snap Fitness under any Lease, Guarantee or other agreement. You are hereby directed to honor any debit entry initiated by Snap Fitness.

I (We) am/are responsible for, and must pay on demand, all costs and charges relating to the handling of debit entries pursuant to this authorization. In addition, I (We) understand that Snap Fitness may impose a fee in the event a debit entry is not paid by you.

This authority is to remain in effect until you have received written notification from Snap Fitness of its termination.

Any erroneous or incorrect charge will be corrected upon notification to you from Snap Fitness. If corrections in a debit account are necessary, it may involve a credit or debit to my/our account(s).

Account Holder Name: _____

Bank Name: _____

Bank Address: _____

City: _____ **State:** _____ **Zip:** _____

Bank ABA Routing #: _____

Bank's Account #: _____

Account Holder Account #(s): _____

_____

Account Holder Signature: _____

Date: _____

SECURITY AGREEMENT

DATED: _____

DEBTOR:
(All of the below individually and collectively "Debtor")

SECURED PARTY:

SNAP FITNESS FINANCE, LLC
2411 Galpin Drive, Suite 110
Chanhassen, MN 55317

1. Security Interest and Collateral. To secure payment and performance of each and every debt, liability and obligation of every type and description which Debtor may now or at any time hereafter owe to Secured Party (whether such debt, liability or obligation now exists or is hereafter created or incurred, and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, or joint, several or joint and several; all such debts, liabilities and obligations being herein collectively referred to as the "Obligations"), Debtor hereby grants Secured Party a security interest (herein called the "Security Interest") in all property of the debtor including, but not limited to, all investment property and the following property (herein called the "Collateral"):

FURNITURE, FIXTURES AND EQUIPMENT:

All equipment of Debtor used or intended to be used in connection with Debtor's fitness business(es) presently operated at: (each of the locations below individually and collectively referred to as "Debtor's Location")

_____

_____

_____

_____

whether now owned or hereafter acquired, including but not limited to all present and future machinery, vehicles, furniture, fixtures, shop equipment, office and recordkeeping equipment, parts and tools, and the goods described in the equipment schedule or list herewith or hereafter furnished to Secured Party by Debtor (but no such schedule or list need be furnished in order for the security interest granted herein to be valid as to all of the Debtor's equipment);

LEASEHOLD IMPROVEMENTS:

All leasehold improvements of Debtor, whether now approved or hereafter approved and wherever located;

INVENTORY:

All inventory of Debtor, whether now owned or hereafter acquired and wherever located;

ACCOUNTS AND OTHER RIGHTS TO PAYMENTS:

Each and every right of Debtor to the payment of money, whether such right to payment now exists or hereafter arises, whether such right to payment arises out of a sale, lease or other disposition of goods or other property by Debtor, out of a rendering of services by Debtor, out of a loan by Debtor, out of the overpayment of taxes or other liabilities of Debtor, or otherwise arises under any contract or agreement, whether such right to payment is or is not already earned by performance, and howsoever such right to payment may be evidenced, together with all other rights and interests (including all liens and security interests) which Debtor may at any time have by law or agreement against any account debtor or other obligor obligated to make any such payment or against any of the property of such account debtor or other obligor; all including but not limited to all present and future debt instruments, chattel papers, accounts, loans and obligations receivable and tax refunds;

FRANCHISE AGREEMENT:

Each and every right of Debtor under the franchise agreement(s):

Each and every right of Debtor under the franchise agreement, dated _____, between _____, as franchisee, and Snap Fitness, Inc., as franchisor;

Each and every right of Debtor under the franchise agreement, dated _____, between _____, as franchisee, and Snap Fitness, Inc., as franchisor;

Each and every right of Debtor under the franchise agreement, dated _____, between _____, as franchisee, and Snap Fitness, Inc., as franchisor;

Each and every right of Debtor under the franchise agreement, dated _____, between _____, as franchisee, and Snap Fitness, Inc., as franchisor;

PREMISES LEASE:

Each and every right of Debtor under the premises lease, dated _____, between _____, as tenant, and _____, as landlord;

Each and every right of Debtor under the premises lease, dated _____, between _____, as tenant, and _____, as landlord;

Each and every right of Debtor under the premises lease, dated _____, between _____, as tenant, and _____, as landlord;

Each and every right of Debtor under the premises lease, dated _____, between _____, as tenant, and _____, as landlord;

TELEPHONE NUMBERS & UTILITIES:

Each and every right of Debtor in any and all telephone numbers and utilities associated with any and all of Debtor's Snap Fitness franchises and locations;

MEMBERSHIP CONTRACTS:

Each and every right of Debtor in any and all membership contracts associated with any and all of Debtor's Snap Fitness franchises and locations;

GENERAL INTANGIBLES:

All general intangibles of Debtor, whether now owned or hereafter acquired, including but not limited to, copyrights, trademarks, trade secrets, good will, trade names, customer lists, permits and franchises, and the right to use Debtor's name;

together with all substitutions and replacements for and products of any of the foregoing property not constituting consumer goods and together with proceeds of any and all of the foregoing property and, in the case of all tangible Collateral, together with all accessions and, except in the case of consumer goods, together with (i) all accessories, attachments, parts, equipment and repairs now or hereafter attached or affixed to or used in connection with any such goods, and (ii) all warehouse receipts, bills of lading and other documents of title now or hereafter covering such goods; and,

CONTRACT RIGHTS:

All contract rights related to business matters, whether now a party to, or hereafter a party to such contract.

Debtor and Secured Party agree that Secured Party can file a financing statement that describes the Collateral as all property of the Debtor even if it is found this Agreement does not cover all of Debtor's property.

2. Representations, Warranties and Agreements. Debtor represents, warrants and agrees that:

(a) Debtor is an individual and LLC (as applicable), duly organized, validly existing and in good standing in the jurisdiction in which the Collateral is located;

(b) the Collateral will be used primarily for business purposes;

(c) if any part or all of the tangible Collateral will become so related to particular real estate as to become a fixture, the real estate concerned is legally described on Exhibit A attached hereto, if any, and

incorporated herein by reference, and the name of the record owner is as set forth on Exhibit A, if any, attached hereto; and,

(d) Debtor's chief executive office is located at the address of Debtor shown at the beginning of this Agreement.

3. Additional Representations, Warranties and Agreements. Debtor represents, warrants and agrees that:

(a) Debtor has (or will have at the time Debtor acquires rights in Collateral hereafter arising) absolute title to each item of Collateral free and clear of all security interests, liens and encumbrances, except the Security Interest, and will defend the Collateral against all claims or demands of all persons other than Secured Party. Debtor will not sell or otherwise dispose of the Collateral or any interest therein without the prior written consent of Secured Party, except that, until the occurrence of an Event of Default and the revocation by Secured Party of Debtor's right to do so, Debtor may sell any inventory constituting Collateral to buyers in the ordinary course of business. If Debtor is a corporation, this Agreement has been duly and validly authorized by all necessary corporate action, and, if Debtor is a partnership, the partners(s) executing this Agreement has (have) authority to act for the partnership;

(b) Debtor will not permit any tangible Collateral to be located in any state (and, if county filing is required, in any county) in which a financing statement covering such Collateral is required to be, but has not in fact been, filed in order to perfect the Security Interest. Debtor will keep the tangible Collateral located at, and will not, without first obtaining the prior written consent of Secured Party, remove any tangible Collateral from Debtors Location. Debtor shall notify Secured Party of the Debtor's intent to relocate any tangible Collateral at least thirty (30) days prior to such relocation;

(c) Each right to payment and each instrument, document, chattel paper and other agreement constituting or evidencing Collateral is (or will be when arising or issued) the valid genuine and legally enforceable obligation, subject to no defense, set-off or counterclaim (other than those arising in the ordinary course of business) of the account debtor or other obligor named therein or in Debtor's records pertaining thereto as being obligated to pay such obligation. Debtor will neither agree to any material modification or amendment nor agree to any cancellation of any such obligation without Secured Party's prior written consent, and will not subordinate any such right to claims of other creditors of such account debtor or other obligor; and,

(d) Debtor will (i) keep all tangible Collateral in good repair, working order and condition, normal depreciation excepted, and will, from time to time, replace any worn, broken or defective parts thereof; (ii) promptly pay all taxes and other governmental charges levied or assessed upon or against any Collateral or upon or against the creation, perfection or continuance of the Security Interest; (iii) keep all Collateral free and clear of all security interests, liens and encumbrances except the Security Interest; (iv) at all reasonable times, permit Secured Party or its representatives to examine or inspect any Collateral, wherever located, and to examine, inspect and copy Debtor's books and records pertaining to the Collateral and its business and financial condition and to send and discuss with account debtors and other obligors requests for verification of amounts owed to Debtor; (v) keep accurate and complete records pertaining to the Collateral and pertaining to Debtor's business and financial condition and submit to Secured Party such periodic reports concerning the Collateral and Debtor's business and financial condition as Secured Party may from time to time reasonably request; (vi) promptly notify Secured Party of any loss of or material damage to any collateral or of any adverse change, known to Debtor, in the prospect of payment of any sums due on or under any instrument, chattel paper, or account constituting Collateral; (vii) if Secured Party at any time so requests (whether the request is made before or after the occurrence of an Event of Default), promptly deliver to Secured Party any instrument, document or chattel paper constituting Collateral, duly endorsed or assigned by Debtor; (viii) at all times keep all tangible Collateral insured against risks of fire (including so-called extended coverage), theft, collision (in the case of Collateral consisting of motor vehicles) and such other risks and in such amounts as Secured Party may reasonably request with any loss payable to Secured Party to the extent of its interest; (ix) from time to time execute such financing statements as Secured Party may reasonably require in order to perfect the Security Interest and, if any Collateral consists of a motor vehicle, execute such documents as may be required to have the Security Interest properly noted on a certificate of title; (x) pay when due or reimburse Secured Party on demand for all costs of collection of any of the Obligations and all other out-of-pocket expenses (including in each case all attorneys' fees) incurred by Secured Party in connection with the creation, perfection, satisfaction, protection, defense or enforcement of the Security Interest or the creation, continuance, protection, defense or enforcement of this Agreement or any or all of the Obligations, including expenses incurred in any litigation or bankruptcy or insolvency proceedings; (xi) execute, deliver or endorse any and all instruments, documents, assignments, security agreements and other agreements and writings which Secured Party may at any time reasonably request in order to secure, protect, perfect or enforce the Security Interest and Secured Party's rights under this Agreement; (xii) not to use or keep any Collateral, or permit it to be used or kept, for any unlawful purpose or in violation of any federal, state or local law, statute or ordinance; and (xiii) not permit any tangible Collateral to become part of or to be affixed to any real property without first assuring to

the reasonable satisfaction of Secured Party that the Security Interest will be prior and senior to any interest or lien then held or thereafter acquired by any mortgagee of such real property or the owner or purchaser of any interest therein. If Debtor at any time fails to perform or observe any agreement contained in this section 3(d), and if such failure shall continue for a period of ten calendar days after Secured Party gives Debtor notice thereof (or, in the case of the agreements contained in clauses (viii) and (ix) of this Section 3(d), immediately upon the occurrence of such failure, without notice or lapse of time), Secured Party may (but need not) perform or observe such agreement on behalf and in the name, place and stead of Debtor (or, at Secured Party's option, in Secured Party's own name) and may (but need not) take any and all other actions which Secured Party may reasonably deem necessary to cure or correct such failure (including, without limitation, the payment of taxes, the satisfaction of security interests, liens, or encumbrances, the performance of obligations under contracts or agreements with account debtors or other obligors, the procurement and maintenance of insurance, the execution of financing statements, the endorsement of instruments, and the procurement of repairs, transportation or insurance); and, except to the extent that the effect of such payment would be to render any loan or forbearance of money usurious or otherwise illegal under any applicable law, Debtor shall thereupon pay Secured Party on demand the amount of all moneys expended and all costs and expenses (including attorney's fees) incurred by Secured Party in connection with or as a result of Secured Party's performing or observing such agreements or taking such actions, together with interest thereon from the date expended or incurred by Secured Party at the highest rate then applicable to any of the Obligations. To facilitate the performance or observance by Secured Party of such agreements of Debtor, Debtor hereby irrevocably appoints (which appointment is coupled with an interest) Secured Party, or its delegate, as the attorney-in-fact of Debtor with the right (but not the duty) from time to time to create, prepare, complete, execute, deliver, endorse or file in the name and on behalf of Debtor, any and all instruments, documents, financing statements, applications for insurance and other agreements and writings required to be obtained, executed, delivered or endorsed by Debtor under this Section 3 and Section 4.

4. Lock Box, Collateral Account. If Secured Party so requests at any time (whether before or after the occurrence of an Event of Default), Debtor will direct each of its account debtors to make payments due under the relevant account or chattel paper directly to a special lock box to be under the control by Secured Party. Debtor hereby authorizes and directs Secured Party to deposit into a special collateral account to be established and maintained with, or under the control of, Secured Party all checks, drafts and cash payments, received in said lock box. All deposits in said collateral account shall constitute proceeds of Collateral and shall not constitute payment of any Obligations. At its option, Secured Party may at any time apply finally collected funds on deposit in said collateral account to the payment of the Obligations in such order of application as Secured Party may determine, or permit Debtor to withdraw all or any part of the balance on deposit in said collateral account. If a collateral account is so established, Debtor agrees that it will promptly deliver to Secured Party for deposit into said collateral account all payments on accounts and chattel paper received by it. All such payments shall be delivered to Secured Party in the form received (except for Debtor's endorsement where necessary). Until so deposited, all payments on accounts and chattel paper received by debtor shall be held in trust by Debtor for and as the property of Secured Party and shall not be commingled with any funds or property of Debtor.

5. Account Verification and Collection Rights of Secured Party. Secured Party shall have the right to verify any accounts in the name of Debtor or in its own name; and Debtor, whenever requested, shall furnish Secured Party with duplicate statements of the accounts, which statements may be mailed or delivered by Secured Party for that purpose. Notwithstanding Secured Party's rights under Section 4 with respect to any and all debt instruments, chattel papers, accounts, and other rights to payment constituting Collateral (including proceeds), Secured Party may at any time (both before and after the occurrence of an Event of Default) notify any account debtor, or any other person obligated to pay any amount due, that such chattel paper, account, or other right to payment has been assigned or transferred to Secured Party for security and shall be paid directly to Secured Party. If Secured Party so requests at any time, Debtor will so notify such account debtors and other obligors in writing and will indicate on all invoices to such account debtors or other obligors that the amount due is payable directly to Secured Party. At any time after Secured Party or Debtor gives such notice to an account debtor or other obligor, Secured Party may (but need not) in its own name or in Debtor's name, demand, sue for, collect or receive any money or property at any time payable or receivable on account of, or securing, any such chattel paper, account, or other right to payment, or grant any extension to, make any compromise or settlement with or otherwise agree to waive, modify, amend or change the obligations (including collateral obligations) of any such account debtor or other obligor.

6. Assignment of Insurance. Debtor hereby assigns to Secured Party, as additional security for the payment of the Obligations, any and all moneys (including but not limited to proceeds of insurance and refunds of unearned premiums) due or to become due under and all other rights of Debtor under or with respect to, any and all policies of insurance covering the Collateral, and Debtor hereby directs the issuer of any such policy to pay any such moneys directly to Secured Party. Both before and after the occurrence of an Event of Default, Secured Party may (but need not), in its own name or in Debtor's name, execute and deliver proofs of claim, receive all such

moneys, endorse checks and other instruments representing payment of such moneys, and adjust, litigate, compromise or release any claim against the issuer of such policy.

7. Events of Default. For this Section 7, use of the defined term "Debtor" shall also include all entities that are in any way related to Debtor through common ownership or otherwise and any individuals or entities for which Debtor is guaranteeing payment and performance under any agreement with Secured Party. Each of the following occurrences shall constitute an event of default under this Agreement (herein called "Event of Default"): (i) Debtor shall fail to pay any or all of the Obligations when due or (if payable on demand) on demand, shall fail to observe or perform any covenant or agreement herein binding on it or shall be in default under any loan, guarantee, lease, credit, or franchise agreement between it and Secured Party; (ii) any representations or warranties by Debtor set forth in this Agreement or made to Secured Party in any financial statements or reports submitted to Secured Party by or on behalf of Debtor shall prove materially false or misleading; (iii) a garnishment, summons or writ of attachment shall be issued against or served upon the Secured Party for the attachment of any property of the Debtor or any indebtedness owing to Debtor; (iv) Debtor or any guarantor of any Obligation shall (A) be or become insolvent (however defined); or (B) voluntarily file, or have filed against it involuntarily, a petition under the United States Bankruptcy Code; or (C) if a corporation, partnership, or organization, be dissolved or liquidated or, if a partnership, suffer the death of a partner or, in an individual, die; or (D) go out of business; or (v) Secured Party shall in good faith believe that the prospect of due and punctual payment of any or all of the Obligations is impaired. An Event of Default under any Lease between Debtor and the Secured Party shall be an Event of Default hereunder.

8. Remedies upon Event of Default. Upon the occurrence of an Event of Default and at any time thereafter, Secured Party may exercise any one or more of the following rights and remedies: (i) declare all unmatured obligations to be immediately due and payable, and the same shall thereupon be immediately due and payable, without presentment of other notice or demand; (ii) exercise and enforce any or all rights and remedies available upon default to a secured party under the Uniform Commercial Code, including but not limited to the right to take possession of any Collateral, proceeding without judicial process or by judicial process (without a prior hearing or notice thereof, which Debtor hereby expressly waives), and the right to sell, lease or otherwise dispose of any or all of the Collateral, and in connection therewith, Secured Party may require Debtor to make the Collateral available to Secured Party at a place to be designated by Secured Party, and if notice to Debtor of any intended disposition of Collateral or any other intended action is required by law in a particular instance, such notice shall be deemed commercially reasonable if given (in the manner specified in Section 10) at least five (5) calendar days prior to the date of intended disposition or other action; (iii) exercise or enforce any or all other rights or remedies available to Secured Party by law or agreement against the Collateral, against the Debtor, or against any other person or property. Upon the occurrence of the Event of Default described in Section 7(iv)(B), all Obligations shall be immediately due and payable without demand or notice thereof. Secured Party is hereby granted a nonexclusive, worldwide and royalty-free license to use or otherwise exploit all trademarks, service marks, trade names, trade secrets, franchises, copyrights and patents of Debtor that Secured Party deems necessary or appropriate to the disposition of any Collateral.

9. Other Personal Property. Unless at the time Secured Party takes possession of any tangible Collateral, or within five (5) calendar days thereafter, Debtor gives written notice to Secured Party of the existence of any goods, papers or other property of Debtor, not affixed to or constituting a part of such Collateral, but which are located or found upon or within such Collateral, describing such property, Secured Party shall not be responsible or liable to Debtor for any action taken or omitted by or on behalf of Secured Party with respect to such property without actual knowledge of the existence of any such property or without actual knowledge that it was located or to be found upon or within such Collateral.

10. Miscellaneous. This Agreement does not contemplate a sale of accounts, or chattel paper. This Agreement can be waived, modified, amended, terminated or discharged and the Security Interest can be released, only explicitly in a writing signed by Secured Party. A waiver signed by Secured Party shall be effective only in a specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of Secured Party's rights or remedies. All rights and remedies of Secured Party shall be cumulative and may be exercised singularly or concurrently, at Secured Party's option, and the exercise or enforcement of any one such option, and the exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other. All notices that are required to be given to Debtor in writing (if any) shall be deemed sufficiently given if hand delivered, delivered by overnight carrier, or mailed by registered or certified mail to Debtor at its address set forth above or at the most recent address shown on Secured Party's records. Secured Party's duty of care with respect to Collateral in its possession (as imposed by law) shall be deemed fulfilled if Secured Party exercises reasonable care in physically safekeeping such Collateral or, in the case of Collateral in the custody or possession of a bailee or other third person, exercises reasonable care in the selection of the bailee or other third person, and Secured Party need not otherwise preserve, protect, insure or care for any Collateral. Secured Party shall not be obligated to preserve any rights

Debtor may have against prior parties, to realize on the Collateral at all or in any particular manner or order, or to apply any cash proceeds of the Collateral in any particular order of application. This Agreement shall be binding upon and inure to the benefit of Debtor and Secured Party and their respective heirs, representatives, successors and assigns and shall take effect when signed by Debtor and delivered to Secured Party, and Debtor waives notice of Secured Party's acceptance hereof. Secured Party may execute this Agreement if appropriate for the purpose of filing, but the failure of Secured Party to execute this Agreement shall not affect or impair the validity or effectiveness of this Agreement. A copy of this Agreement or of any financing statement signed by the Debtor shall have the same force and effect as the original for all purposes of a financing statement. This Agreement shall be governed by the internal laws of the State of Minnesota. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. All representations and warranties contained in this Agreement shall survive the execution, delivery and performance of this Agreement and the creation and payment of the Obligations. The Debtor hereby irrevocably submits to the jurisdiction of the Minnesota District Court, Fourth Division, and the Federal District Court, District of Minnesota, Fourth Division, over any action or proceeding arising out of or relating to this Agreement and agrees that all claims in respect of such action or proceeding may be heard and determined in any such court. If this Agreement is signed by more than one person as Debtor, the term "Debtor" shall refer to each of them separately and to both or all of them jointly; all such persons shall be bound both jointly and severally with the other(s); and the Obligations shall include all debts, liabilities and obligations owed to Secured Party by any Debtor solely or by both or several or all Debtors jointly or jointly and severally, and all property described in Section 1 shall be included as part of the Collateral, whether is owned jointly by both or all Debtors or is owned in whole or in part by one (or more) of them.

[SIGNATURE PAGES FOLLOW.]

SECURED PARTY:

Snap Fitness Finance, LLC

DEBTOR(S):

_____,

Individual's name (if signing individually)/
Company name (if signing on behalf of a company)

_____
Signature

Peter Taunton, President
Print Name & Title

2411 Galpin Court, Suite 110
Address

Chanhassen MN 55317
City State Zip Code

952-474-5422
Telephone

_____
Signature (signing individually and for each entity)

_____
Print Name & Title

_____
Address

_____
City State Zip Code

_____
Telephone

ASSIGNMENT OF FRANCHISE AGREEMENT AND FRANCHISOR'S CONSENT

THIS ASSIGNMENT OF FRANCHISE AGREEMENT AND FRANCHISOR'S CONSENT, made as of ____ _____(the "Assignment"), by [list all of the Franchisees that will be listed below]_____, an [Individual, corporation, LLC], (individually and collectively the "Assignor"), to Snap Fitness Finance, LLC, a Nevada limited liability company.

WITNESSETH:

WHEREAS, the Assignee and _____ ("Lessee") have agreed that the Assignee shall lease to Lessee equipment pursuant to a Master Lease Agreement between them dated as of the date hereof (the "Agreement");

WHEREAS, to secure prompt payment when due of all amounts and performance of all covenants, obligations, terms and conditions to be paid, kept and performed by Lessee under the Agreement and all Leases (as defined in the Master Lease Agreement) currently or subsequently entered into thereunder between Snap Fitness Finance, LLC, including any of its affiliates, subsidiaries, successors and assigns (the "Assignee"), and Lessee (the Master Lease Agreement and all Leases, Schedules and attachments thereto (all as defined in the Master Lease Agreement) individually and collectively referred to as the "Lease"), the Assignor has granted the Assignee a security interest in certain assets of the Assignor pursuant to a security agreement, dated as of the date hereof (the "Security Agreement"); and

WHEREAS, the Assignee has required, as a condition of its entering into the Lease and pursuant to the Lease, that the Assignor further secure the Lease and Lessee's obligations thereunder by this Assignment and that the Franchisor consent to this Assignment;

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration which is hereby acknowledged, the Assignor does hereby make this Assignment to the Assignee and the Franchisor does hereby consent to such Assignment as follows:

The Assignor does hereby sell, assign, transfer and set over unto the Assignee all of the Assignor's right, title and interest in and to the franchise agreement(s) listed below: (collectively and individually the "Franchise Agreement")

No. ___ dated_____, between_____,
as franchisee, and Snap Fitness, Inc., as franchisor;

No. ___ dated_____, between_____,
as franchisee, and Snap Fitness, Inc., as franchisor;

No. ___ dated_____, between_____,
as franchisee, and Snap Fitness, Inc., as franchisor;

No. ___ dated_____, between_____,
as franchisee, and Snap Fitness, Inc., as franchisor;

(all of the above franchisors individually and collectively the "Franchisor").

The Assignor warrants and covenants that it has good right to sell, transfer and assign the Franchise Agreement.

The Assignee, and the Franchisor by executing the consent to this Assignment, agree that the Assignee does not assume any of the obligations or duties of the Assignor under or with respect to the Franchise Agreement unless and until the Assignee shall have given to the Franchisor written notice that it has affirmatively exercised its rights under this Assignment after the occurrence of a default by Lessee under the Lease. The Assignee may reassign its right, title and interest in the Franchise Agreement to any persons or entities in the Assignee's discretion upon notice to the Assignor and the Franchisor but without any further requirement for the Assignor's or the Franchisor's consent, and any such reassignment shall be valid and binding upon the Assignor and the Franchisor as fully as if each had expressly approved the same.

The Assignor represents and warrants that there have been no prior assignments of the Franchise Agreement, that the Franchise Agreement is a valid and enforceable agreement, that neither party is in default to the

other thereunder and that all covenants, conditions and agreements have been performed as required therein, except those not due to be performed until after the date hereof. No change in the terms of the Franchise Agreement shall be valid without the written approval of Assignee. The Assignor agrees not to assign, sell, pledge or otherwise transfer or encumber its interest in the Franchise Agreement so long as this Assignment is in effect.

The Assignor hereby irrevocably constitutes and appoints the Assignee as its attorney-in-fact to demand, receive, and enforce the Assignor's rights with respect to the Franchise Agreement, to make payments under the Franchise Agreement and give appropriate receipts, releases and satisfactions for and on behalf of and in the name of the Assignor or, at the option of Assignee, in the name of the Assignee, with the same force and effect as the Assignor could do if this Assignment had not been made.

This Assignment is for security purposes only. Accordingly, the Assignee shall have no right under this Assignment to enforce the provisions of the Franchise Agreement until the Lessee shall be in default under its obligations to the Assignee under the Lease, Security Agreement, Guarantee or any instrument, document or agreement related thereto. Upon the occurrence of any such default, the Assignee may, without affecting any of its rights or remedies against the Assignor under any other instrument, document or agreement, exercise its rights under this Assignment as the Assignor's attorney-in-fact or in any other manner permitted by law and, in addition, the Assignee shall have and possess, without limitation, any and all rights and remedies of a secured party under the Uniform Commercial Code, as enacted in the jurisdiction where enforcement is sought, or otherwise provided by law.

The Assignor hereby agrees to indemnify and hold the Assignee harmless from and against any and all claims, demands, liabilities, losses, lawsuits, judgments, and costs and expenses (including without limitation, attorneys' fees) to which the Assignee may become exposed, or which the Assignee may incur, in exercising any of its rights under this Assignment.

Subject to the aforesaid limitation on further assignment by the Assignor, this Assignment shall be binding upon and inure to the benefit of the heirs, legal representatives, assigns, and successors in interest of the Assignor, the Assignee and the Franchisor.

IN WITNESS WHEREOF, the Assignor has executed this Assignment of Franchise Agreement on the day and year first above written.

ASSIGNOR:

By: _____
Signature

_____
Print Name & Title

_____
Address

_____
City State Zip Code

_____
Telephone

STATE OF _____)

) ss.

COUNTY OF _____)

On this _____ day of _____, _____, before me appeared _____, the individual that executed the forgoing instrument, and (s)he acknowledged the execution of the forgoing instrument to be the voluntary act of such individual.

(Notarial Seal)

_____

Notary Public

CONSENT

The Franchisor hereby consents to the above Assignment and each and every term thereof, and as an inducement to the Assignee to make, and in consideration of the Assignee entering into the Lease with the Lessee, agrees with the Assignee as follows:

1. In the event of default by the Lessee under the Lease or any instrument, document or agreement relating thereto, the Franchisor, at the Assignee's request, will continue performance on behalf of the Assignee or the Assignee's designee under the Franchise Agreement in accordance with the terms thereof, provided that the Assignee or the Assignee's designee shall perform the Assignor's obligations under the Franchise Agreement.

2. The Assignee or its designee may enforce the obligations of the Franchise Agreement with the same force and effect as if the Franchise Agreement was enforced by the Assignor, and may perform the obligations of the Assignor, and the Franchisor will accept such performance in lieu of performance by the Assignor in satisfaction of the Assignor's obligations thereunder.

3. The Franchisor will not terminate the Franchise Agreement on account of any default of the Assignor thereunder without written notice to the Assignee and first providing to the Assignee a reasonable opportunity, but not less than thirty (30) days, to effect a cure of the default or to declare the Assignor in default under the Lease and exercise its rights under this Assignment. In the event the Assignee so elects to exercise its rights under this Assignment, the Franchisor agrees not to terminate the Franchise Agreement so long as the defaults of the Assignor thereunder are cured by the Assignee or its designee within thirty (30) days from the date the Assignee gives written notice to the Franchisor of its election to exercise its rights under this Assignment. However, nothing herein shall require the Assignee to cure any default of the Assignor under the Franchise Agreement, but only gives it the option to do so.

4. The Franchisor hereby represents and warrants to the Assignee that (i) the Franchise Agreement is a valid and enforceable agreement, (ii) there has been no prior assignment of the Franchise Agreement of which the Franchisor has notice or is aware, (iii) neither the Franchisor nor the Assignor is in default under the Franchise Agreement, and (iv) all covenants, conditions and agreements have been performed as required therein except those not due to be performed until after the date hereof.

FRANCHISOR: SNAP FITNESS, INC.

Dated: _____ By _____

Signature

Peter Taunton, President

Print Name & Title

2411 Galpin Court, Suite 110

Address

Chanhassen, MN 55317

City State Zip Code

952-474-5422

Telephone

ASSIGNMENT OF PREMISES LEASE

THIS ASSIGNMENT OF PREMISES LEASE, made as of _____(the "Assignment"), by [list all of the lessees that will be listed below]_____, an [Individual, corporation, LLC] (individually and collectively the "Assignor"), to Snap Fitness Finance, LLC, a Nevada limited liability company.

WITNESSETH:

WHEREAS, the Creditor and _____ ("Lessee") have agreed that the Creditor shall lease to Lessee equipment pursuant to a Master Lease Agreement between them dated as of the date hereof (the "Master Lease Agreement");

WHEREAS, to secure prompt payment when due of all amounts and performance of all covenants, obligations, terms and conditions to be paid, kept and performed by Lessee under the Master Lease Agreement and all Leases (as defined in the Mater Lease Agreement) currently or subsequently entered into thereunder between Snap Fitness Finance, LLC, including any of its affiliates, subsidiaries, successors and assigns (the "Creditor"), and Lessee (the Master Lease Agreement and all Leases, Schedules and attachments thereto (all as defined in the Master Lease Agreement) individually and collectively referred to as the "Equipment Lease"), the Assignor has granted the Creditor a security interest in certain assets of the Assignor pursuant to a security agreement, dated as of the date hereof (the "Security Agreement"); and

WHEREAS, the Creditor has required, as a condition of its entering into the Equipment Lease and pursuant to the Equipment Lease, that the Assignor further secure the Equipment Lease and Lessee's obligations thereunder by this Assignment;

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration which is hereby acknowledged, the Assignor does hereby make this Assignment to the Creditor as follows:

The Assignor does hereby sell, assign, transfer and set over unto the Creditor all of the Assignor's right, title and interest in and to the premises leases listed below (individually and collectively the "Premises Lease"):

dated _____, made by the Assignor, as tenant, and _____as landlord;

dated _____, made by the Assignor, as tenant, and _____as landlord; and

dated _____, made by the Assignor, as tenant, and _____as landlord

(all of the above landlords individually and collectively the "Landlord").

The Assignor warrants and covenants that it has good right to sell, transfer and assign the Premises Lease.

The Creditor does not assume any of the obligations or duties of the Assignor under or with respect to the Premises Lease unless and until the Creditor shall have given to the Landlord written notice that it has affirmatively exercised its rights under this Assignment after the occurrence of a default by Lessee under the Equipment Lease. Upon giving such notice, Creditor may, at Creditor's sole discretion, assume the Premises Lease as is, or may negotiate with the Landlord terms more favorable to Creditor. In the event of such assignment, Creditor shall assume no liability for monies owed or other liabilities relating to the Premises Lease that have accrued prior to the effective date of the notice provided by Creditor. The Creditor may reassign its right, title and interest in the Premises Lease to any persons or entities in the Creditor's discretion upon notice to the Assignor and the Landlord but without any further requirement for the Assignor's consent, and any such reassignment shall be valid and binding upon the Assignor as fully as if it had expressly approved the same.

The Assignor represents and warrants that there have been no prior assignments of the Premises Lease, that the Premises Lease is a valid and enforceable agreement, that neither party is in default to the other thereunder and that all covenants, conditions and agreements have been performed as required therein, except those not due to be performed until after the date hereof. No change in the terms of the Premises Lease shall be valid without the written approval of Creditor. The Assignor agrees not to assign, sell, pledge or otherwise transfer or encumber its interest in

the Premises Lease so long as this Assignment is in effect.

The Assignor hereby irrevocably constitutes and appoints the Creditor as its attorney-in-fact to demand, receive, and enforce the Assignor's rights with respect to the Premises Lease, to renegotiate the Premises Lease, to make payments under the Premises Lease and give appropriate receipts, releases and satisfactions for and on behalf of and in the name of the Assignor or, at the option of Creditor, in the name of the Creditor, with the same force and effect as the Assignor could do if this Assignment had not been made.

This Assignment is for security purposes only. Accordingly, the Creditor shall have no right under this Assignment to enforce the provisions of the Premises Lease until the Lessee shall be in default under its obligations to the Creditor under the Equipment Lease, Security Agreement, Guarantee or any instrument, document or agreement related thereto. Upon the occurrence of any such default, the Creditor may, without affecting any of its rights or remedies against the Assignor under any other instrument, document or agreement, exercise its rights under this Assignment as the Assignor's attorney-in-fact or in any other manner permitted by law and, in addition, the Creditor shall have and possess, without limitation, any and all rights and remedies of a secured party under the Uniform Commercial Code, as enacted in the jurisdiction where enforcement is sought, or otherwise provided by law.

The Assignor hereby agrees to indemnify and hold the Creditor harmless from and against any and all claims, demands, liabilities, losses, lawsuits, judgments, and costs and expenses (including without limitation, attorneys' fees) to which the Creditor may become exposed, or which the Creditor may incur, in exercising any of its rights under this Assignment.

Subject to the aforesaid limitation on further assignment by the Assignor, this Assignment shall be binding upon and inure to the benefit of the heirs, legal representatives, assigns, and successors in interest of the Assignor and the Creditor.

IN WITNESS WHEREOF, the Assignor has executed this Assignment of Premises Lease on the day and year first above written.

ASSIGNOR(S):

_____

_____

Individual's name (if signing individually)/
Company name (if signing on behalf of a company)

_____

Signature (signing for each entity)

_____

Print Name & Title

_____

Address

_____

City State Zip Code

_____

Telephone

STATE OF _____)

) ss.

COUNTY OF _____)

On this _____ day of _____, _____, before me appeared _____, the _____, of _____, the LLCs, that executed the forgoing instrument, and he acknowledged the execution of the forgoing instrument to be the voluntary act of such entities/individual.

(Notarial Seal)

_____

Notary Public

ASSIGNMENT OF TELEPHONE NUMBERS AND UTILITIES

THIS ASSIGNMENT OF TELEPHONE NUMBERS AND UTILITIES, made as of _____ (the "Assignment"), by [list all of the entities that are signing an Assignment of Franchise Agreement]_____ _____, an [Individual, corporation, LLC], (individually and collectively the "Assignor"), to Snap Fitness Finance, LLC, a Nevada limited liability company.

WITNESSETH:

WHEREAS, the Lessor and _____ ("Lessee") have agreed that the Lessor shall lease to the Lessee equipment pursuant to a Master Lease Agreement between them dated as of the date hereof (the "Agreement");

WHEREAS, to secure prompt payment when due of all amounts and performance of all covenants, obligations, terms and conditions to be paid, kept and performed by Lessee under the Agreement and all Leases (as defined in the Master Lease Agreement) currently or subsequently entered into thereunder between Snap Fitness Finance, LLC, including any of its affiliates, subsidiaries, successors and assigns (the "Lessor"), and Lessee (the Master Lease Agreement and all Leases, Schedules and attachments thereto (all as defined in the Master Lease Agreement) individually and collectively referred to as the "Lease"), the Assignor has granted the Lessor a security interest in certain assets of the Assignor pursuant to a security agreement, dated as of the date hereof (the "Security Agreement"); and

WHEREAS, the Lessor has required, as a condition of its entering into the Lease and pursuant to the Lease, that the Assignor further secure the Lease and Lessee's obligations thereunder by this Assignment;

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration which is hereby acknowledged, the Assignor does hereby make this Assignment to the Lessor as follows:

The Assignor does hereby sell, assign, transfer and set over unto the Lessor all of the Assignor's right, title and interest in and to all telephone numbers, telephone listings, telephone directory advertisements, and utilities used in connection with the operation of any and all of Assignor's Snap Fitness franchises and locations (collectively and individually referred to as the "Assigned Items").

The Assignor warrants and covenants that it has good right to sell, transfer and assign the Assigned Items.

This Assignment is not effective unless and until the Lessor has given to the telephone company, utility or other required authority written notice that it has affirmatively exercised its rights under this Assignment after the occurrence of a default by Lessee under the Lease. In the event of such assignment, Lessor shall assume no liability for monies owed or other liabilities relating to the Assigned Items that have accrued prior to the effective date of the Assignment. The Lessor may reassign its right, title and interest in the Assigned Items to any persons or entities in the Lessor's discretion upon notice to the Assignor but without any further requirement for the Assignor's consent, and any such reassignment shall be valid and binding upon the Assignor as fully as if each had expressly approved the same.

The Assignor represents and warrants that there have been no prior assignments of the Assigned Items, that it has a valid and enforceable agreement with the owners and licensors of the Assigned Items, that neither party under such agreements is in default to the other thereunder and that all covenants, conditions and agreements have been performed as required therein, except those not due to be performed until after the date hereof. No change in the terms of such agreements shall be valid without the written approval of Lessor. The Assignor agrees not to assign, sell, pledge or otherwise transfer or encumber its interest in the Assigned Items so long as this Assignment is in effect.

The Assignor hereby irrevocably constitutes and appoints the Lessor as its attorney-in-fact to demand, receive, and enforce the Assignor's rights with respect to the Assigned Items, to make payments under the agreements related thereto and give appropriate receipts, releases and satisfactions for and on behalf of and in the name of the Assignor or, at the option of Lessor, in the name of the Lessor, with the same force and effect as the Assignor could do if this Assignment had not been made.

This Assignment is for security purposes only. Accordingly, the Lessor shall have no right under this Assignment to enforce the provisions of the agreements related to the Assigned Items until the Lessee shall be in default under its obligations to the Lessor under the Lease, Security Agreement or any instrument, document or agreement related thereto. Upon the occurrence of any such default, the Lessor may, without affecting any of its rights or remedies against the Assignor under any other instrument, document or agreement, exercise its rights under this Assignment as the Assignor's attorney-in-fact or in any other manner permitted by law and, in addition, the Lessor

shall have and possess, without limitation, any and all rights and remedies of a secured party under the Uniform Commercial Code, as enacted in the jurisdiction where enforcement is sought, or otherwise provided by law.

The Assignor hereby agrees to indemnify and hold the Lessor harmless from and against any and all claims, demands, liabilities, losses, lawsuits, judgments, and costs and expenses (including without limitation, attorneys' fees) to which the Lessor may become exposed, or which the Lessor may incur, in exercising any of its rights under this Assignment.

Subject to the aforesaid limitation on further assignment by the Assignor, this Assignment shall be binding upon and inure to the benefit of the heirs, legal representatives, assigns, and successors in interest of the Assignor and the Lessor.

IN WITNESS WHEREOF, the Assignor has executed this Assignment of Telephone Numbers and Utilities on the day and year first above written.

ASSIGNOR:

_____

_____

Individual's name (if signing individually)/
Company name (if signing on behalf of a company)

_____

Signature (signing for each entity)

_____

Print Name & Title

_____

Address

_____

City State Zip Code

_____

Telephone

STATE OF _____)

) ss.

COUNTY OF _____)

On this _____ day of _____, _____, before me appeared _____, the _____, of _____, LLC, the LLCs, that executed the forgoing instrument, and he acknowledged the execution of the forgoing instrument to be the voluntary act of such entity/individual.

(Notarial Seal)

_____

Notary Public

ASSIGNMENT OF MEMBERSHIP CONTRACTS

THIS ASSIGNMENT OF MEMBERSHIP CONTRACTS, made as of May 1, 2009 (the "Assignment"), by [list all of the entities that will be signing an Assignment of Franchise Agreement]_____, an [Individual, corporation, LLC] (individually and collectively the "Assignor"), to Snap Fitness Finance, LLC, a Nevada limited liability company.

WITNESSETH:

WHEREAS, the Lessor and _____ ("Lessee") have agreed that the Lessor shall lease to the Lessee equipment pursuant to a Master Lease Agreement between them dated as of the date hereof (the "Agreement");

WHEREAS, to secure prompt payment when due of all amounts and performance of all covenants, obligations, terms and conditions to be paid, kept and performed by Lessee under the Agreement and all Leases (as defined in the Master Lease Agreement) currently or subsequently entered into thereunder between Snap Fitness Finance, LLC, including any of its affiliates, subsidiaries, successors and assigns (the "Lessor"), and Lessee (the Master Lease Agreement and all Leases, Schedules and attachments thereto (all as defined in the Master Lease Agreement) individually and collectively referred to as the "Lease"), the Assignor has granted the Lessor a security interest in certain assets of the Assignor pursuant to a security agreement, dated as of the date hereof (the "Security Agreement"); and

WHEREAS, the Lessor has required, as a condition of its entering into the Lease and pursuant to the Lease, that the Assignor further secure the Lease and Lessee's obligations thereunder by this Assignment;

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration which is hereby acknowledged, the Assignor does hereby make this Assignment to the Lessor as follows:

The Assignor does hereby sell, assign, transfer and set over unto the Lessor all of the Assignor's right, title and interest in and to all membership agreements related in any way to any of Assignor's Snap Fitness franchises and locations (the "Membership Contracts").

The Assignor warrants and covenants that it has good right to sell, transfer and assign the Membership Contracts.

This Assignment is not effective unless and until the Lessor has given to the relevant member written notice that it has affirmatively exercised its rights under this Assignment after the occurrence of a default by Lessee under the Lease. In the event of such assignment, Lessor shall assume no liability for monies owed or other liabilities relating to the Membership Contracts that have accrued prior to the effective date of the Assignment. The Lessor may reassign its right, title and interest in the Membership Contracts to any persons or entities in the Lessor's discretion upon notice to the Assignor but without any further requirement for the Assignor's consent, and any such reassignment shall be valid and binding upon the Assignor as fully as if each had expressly approved the same.

The Assignor represents and warrants that there have been no prior assignments of the Membership Contracts, that it has a valid and enforceable agreement with the members, that neither party under such agreements is in default to the other thereunder and that all covenants, conditions and agreements have been performed as required therein, except those not due to be performed until after the date hereof. No change in the terms of such agreements shall be valid without the written approval of Lessor. The Assignor agrees not to assign, sell, pledge or otherwise transfer or encumber its interest in the Member Contracts so long as this Assignment is in effect.

The Assignor hereby irrevocably constitutes and appoints the Lessor as its attorney-in-fact to demand, receive, and enforce the Assignor's rights with respect to the Member Contracts, to make payments under the Member Contracts and give appropriate receipts, releases and satisfactions for and on behalf of and in the name of the Assignor or, at the option of Lessor, in the name of the Lessor, with the same force and effect as the Assignor could do if this Assignment had not been made.

This Assignment is for security purposes only. Accordingly, the Lessor shall have no right under this Assignment to enforce the provisions of the Membership Contracts until the Lessee shall be in default under its obligations to the Lessor under the Lease, Security Agreement or any instrument, document or agreement related thereto. Upon the occurrence of any such default, the Lessor may, without affecting any of its rights or remedies against the Assignor under any other instrument, document or agreement, exercise its rights under this Assignment as the Assignor's attorney-in-fact or in any other manner permitted by law and, in addition, the Lessor shall have and possess, without limitation, any and all rights and remedies of a secured party under the Uniform Commercial Code, as enacted in the jurisdiction where enforcement is sought, or otherwise provided by law.

The Assignor hereby agrees to indemnify and hold the Lessor harmless from and against any and all claims, demands, liabilities, losses, lawsuits, judgments, and costs and expenses (including without limitation, attorneys' fees) to which the Lessor may become exposed, or which the Lessor may incur, in exercising any of its rights under this Assignment.

Subject to the aforesaid limitation on further assignment by the Assignor, this Assignment shall be binding upon and inure to the benefit of the heirs, legal representatives, assigns, and successors in interest of the Assignor and the Lessor.

IN WITNESS WHEREOF, the Assignor has executed this Assignment of Membership Contracts on the day and year first above written.

ASSIGNOR:

_____

_____

Individual's name (if signing individually)/
Company name (if signing on behalf of a company)

_____

Signature (signing for each entity)

_____

Print Name & Title

_____

Address

_____

City State Zip Code

_____

Telephone

STATE OF _____)

) ss.

COUNTY OF _____)

On this _____ day of _____, _____, before me appeared _____, the _____, of _____, the LLCs, that executed the forgoing instrument, and he acknowledged the execution of the forgoing instrument to be the voluntary act of such entity/individual.

(Notarial Seal)

_____

Notary Public

EQUIPMENT SCHEDULE No. 1 TO
MASTER LEASE AGREEMENT Dated: _____

Lessor:	**Lessee:**	**Supplier:**
Snap Fitness Finance, LLC 2411 Galpin Court, Suite 110 Chanhassen, MN 55317		See attached quotes, invoices, and/or bills of sale

Equipment Description:

In addition to the above description, the Equipment is more fully described in the attached quotes, invoices, and/or bills of sale.

Equipment Location:

Schedule of Payments:

Lease Commencement Date:

First Payment Date:

Initial Term (In Months)	Total Number Of Payments	Amount of Each Periodic Rent Payment ($)	Total Initial Payment: $10,714.65		
			First: $	Documentation Fee: $500	Other Transaction Fees (if applicable)
60	60	$_____ (rent) $_____ (tax)	Last: $	Deposit: $	Tax on Deposit: $

Purchase Option: $1 Buy-out *(see Terms and Conditions, section 2, for description of Purchase Option)*	Purchase Amount (if applicable): $1.00

TERMS AND CONDITIONS

1. Lease. The undersigned Lessee ("**Lessee**") unconditionally and irrevocably agrees to lease from the above referenced Lessor ("**Lessor**") the Equipment described above, on the terms specified herein and in the Master Lease Agreement referred to above (as amended from time to time, the "**Agreement**"). The terms of the Agreement are hereby ratified and incorporated in this Schedule as if set forth herein in full, and shall remain in full force and effect and be fully enforceable throughout the Term of this Schedule (this Schedule, together with such incorporated terms of the Agreement, collectively, this "**Lease**"). Lessee hereby certifies that the Equipment described above has been delivered to, and accepted by, Lessee for all purposes under this Lease. Capitalized terms used and not otherwise defined in this Schedule have the respective meanings set forth in the Agreement.

2. Purchase Obligation. Lessee irrevocably and unconditionally agrees to purchase all (but not less than all) of the Equipment, "**AS IS**," "**WHERE IS**," without representation or warranty of any kind, from Lessor, for the Purchase Amount shown above (plus all applicable taxes) upon the expiration of the Initial Term of this Schedule.

3. Miscellaneous. The amount of each Periodic Rent payment set forth above is based on Supplier's best estimate of the Equipment cost, as initially configured herein. Prior to the commencement hereof, Rent may be increased up to 15%, or decreased without limit, if the actual cost of the Equipment differs from that assumed hereunder. This Lease is fully integrated and supersedes any and all prior oral or other written statements, agreements and understandings regarding the subject matter hereof. For purposes of perfection of a security interest in chattel paper by possession under the Uniform Commercial Code: (a) this is the sole original executed counterpart of this Schedule; (b) transfer/possession of no other purported counterpart of this Schedule shall effect such perfection; and (c) transfer/possession of an original counterpart of the Agreement shall not be necessary to effect such perfection. In the event this Lease is determined to be a security agreement, then as security for all now existing or hereafter arising obligations of Lessee under the Lease and all other obligations of Lessee to Lessor, Lessee hereby grants to Lessor a first priority security interest in all of Lessee's rights, title (if any) and interests in the Equipment and any additional collateral described herein, and all proceeds and products thereof, including, without limitation, all proceeds of insurance.

LESSEE HAS READ AND UNDERSTANDS THE TERMS OF THIS SCHEDULE BEFORE SIGNING IT.

Lessee:

Signature: _____ **Date:** _____

Printed Name & Title: _____

Signature: _____ **Date:** _____

Printed Name & Title: _____

Attach equipment quotes, invoices and/or bills of sale here.

CORPORATE SECRETARY'S CERTIFICATE OF AUTHORITY

I do hereby certify that I am the duly elected or appointed and acting Secretary or Assistant Secretary of _____ that I have custody of the records of such entities, and that, as of the date hereof, the individuals named below are the duly elected or appointed officers of such entities holding the offices set forth opposite their respective names. I further certify such officers have the authority on behalf of such entities to enter into and execute from time to time, on behalf of such entities, leases, installment sale contracts, promissory notes, guarantees and security agreements, together with any and all related documents, in connection with equipment financing, any such documents in connection with such financing to be in such form and to contain such terms as the person signing the same shall approve, his/her approval to be conclusively evidenced by his/her signature thereto.

NAME	TITLE
_____	_____
_____	_____
_____	_____
_____	_____

Dated: _____

By: _____

Print Name: _____

Title: _____

INSURANCE VERIFICATION

DATED: _____

Snap Fitness Finance, LLC
2411 Galpin Drive, Suite 110
Chanhassen, MN 55317

This is to confirm that the equipment leased under Master Lease Agreement dated _____ is or will be covered as required under the Lease (as defined under the Master Lease Agreement) for bodily injury, property damage and physical damage coverage, and other such risks as required by law. Coverage shall in all ways be as stated in the then current SAPP Coverage Summary (example attached) as updated from time to time. **Snap Fitness Finance, LLC, and/or its successors or assigns, is to be named as Additional Insured and Loss Payee on the property coverage. Thirty (30) days notice prior to CANCELLATION is to be given to Snap Fitness Finance, LLC. on all coverages**.

INSURANCE CO.: _____

POLICY NUMBER: _____

AGENCY NAME: _____

AGENT NAME: _____

ADDRESS: _____

_____

_____

PHONE NUMBER: _____

Sincerely,

_____
(Lessee's Name)

By: _____
(Signature of Officer of Lessee)

Title: _____

SAPP Coverage Summary
11/1/2010 to 11/1/2011

Property Coverage	Property Limits-per location	Deductible
Business Personal Property (BPP) – Agreed Value (AV)	Up to $300,000*	$1,000
Tenant Improvements & Betterments – Agreed Value (AV)	Included in Business Personal Property	$1,000
Business Income w/ Extra Expense	Actual Loss Sustained (ALS)	72 Hours
Equipment Breakdown	Per policy limits with additional sublimits	$1,000

*If higher limits are required, please contact SAP Plan Administrator directly at 1-877-771-6557.

Property Coverage Extensions – Deductible Applies	Limits
• Debris Removal	$10,000
• Pollutant Cleanup and Removal	$10,000
• Fire Department Service Charge	$5,000
• Electronic Data	$15,000
• Personal Effects and Property of Others	$10,000
• Accounts Receivable Valuable Papers and Records	$15,000
• Property Off-Premises included at Fairs or Exhibitions	$10,000
• Property in Transit	$25,000
• Identity Theft Recovery	$15,000
• Fine Arts	$15,000
• Crime Coverage – Inside/Outside	$5,000
• Outside Signs	$10,000
• Building Glass (Deductible $250)	$25,000
• Backup of Sewers and Drains	$25,000
• Wind/Hail Coverage (Except as noted below)	Included in Property Limits

- Wind/Hail Coverage – Locations with coastal wind exposure are subject to underwriter review and approval. If wind/hail coverage is not excluded in wind prone areas a $10,000 wind/hail deductible may apply.
  Wind Exposed Locations include:
  i. Any location within 10 miles of the carrier defined coastline in TX, LA, AL, MS, GA, SC, NC, VA;
  ii: Any location in Florida and Hawaii; or
  iii. Any location within one mile of the coast from Maryland to Maine.

General Liability Coverage – Occurrence Form	Limits
Each Occurrence Limit – Applies per location	$1,000,000
General Aggregate – Applies per location	$2,000,000
Products/Completed Operations Aggregate	$2,000,000
Professional Liability – Employees Only	Included
Personal & Advertising Injury Liability	$1,000,000
Damage to premises rented to you	$500,000
Medical Expenses	$1,000
Hired and Nonowned Auto Liability (Excluding Canada)	$1,000,000
Defense Costs	In addition to policy limits

SAPP COVERAGE SUMMARY
11/1/2010 TO 11/1/2011

Coverage Extensions

- Premises Operations
- Off-Premises activities if they are related to your Fitness Operations
- Tanning Beds
- Security Service Safeguards endorsement-Closed circuit security camera system and card key entry system required
- Contractual Liability
- Host Liquor Liability
- Additional Insured – Franchisor, Lessors, Managers
- Additional Insured – Lessors of Leased Equipment
- Waiver of Subrogation – Where required by Lease
- Stop Gap where required

Coverage Exclusions – included but are not limited to:

- Employment-Related Practices
- Cancer resulting from tanning
- Distribution of Material in Violation of Statues – E-commerce exclusion
- Punitive or exemplary damages
- Asbestos, Lead, Fungi, Mold, Bacteria, Silica or Silica Related Dust
- Nuclear Energy
- Pollution
- Terrorism

Commercial Umbrella Liability – Occurrence

Limits of Liability: $10,000,000 Occurrence
$10,000,000 Aggregate
Per Location Limits
In excess of Schedule Underlying Limits of Liability
Defense costs are in addition to the limits of liability

Schedule of Underlying Coverage
Commercial General Liability – $1,000,000/$2,000,000
Professional Liability – Included
Auto Liability-Hired & Non-owned – $1,000,000
Stop Gap-Employers Liability – $1,000,000/$1,000,000/$1,000,000

This is a summary of coverages only and does not represent all coverages and exclusions.

UCC-1

For most collateral, the UCC-1 must be filed in the debtor's state of incorporation. The form required for filing a UCC-1 is jurisdiction specific. Contact the Secretary of State of the debtor's state of incorporation for the most current form.

EXHIBIT H-4

Re-Snap Program Sample Agreement

EQUIPMENT FINANCE AGREEMENT

Agreement Number: Federal tax ID#

This document was written in "Plain English". The words YOU and YOUR refer to the customer. The words WE, US and OUR refer to the financer.

CUSTOMER INFORMATION

FULL LEGAL NAME OF CUSTOMER DBA

STREET ADDRESS CITY STATE ZIP PHONE

BILLING NAME (IF DIFFERENT FROM ABOVE BILLING STREET ADDRESS

CITY STATE ZIP PHONE

EQUIPMENT LOCATON (IF DIFFERENT FROM ABOVE

SUPPLIER INFORMATION

See Schedule "D"

NAME OF SUPPLIER STREET ADDRESS

CITY STATE ZIP PHONE

QUANTITY	**ITEM DESCRIPTION**	**MODEL NO.**	**SERIAL**
	See Equipment Schedule "A"		

TERMS	**MONTHLY PAYMENT AMOUNT**	**SECURITY DEPOSIT**
Term in months (MOS.)	Payments of **$**	**$** Received
Commencement Date:	Payment Period is Monthly Unless Otherwise Indicated	

THIS IS A NONCANCELABLE/IRREVOCABLE AGREEMENT, THIS AGREEMENT CANNOT BE CANCELLED OR TERMINATED.

TERMS AND CONDITIONS

(THIS AGREEMENT CONTAINS PROVISIONS SET FORTH ON THE REVERSE SIDE, ALL OF WHICH ARE MADE PART OF THIS AGREEMENT)

SECURED PARTY

Dated:

SECURED PARTY: **Lease Servicing Center, Inc.**

SIGNATURE:

TITLE::

CUSTOMER AGREEMENT

DATED:

CUSTOMER:

SIGNATURE: **X**

Signature of

TITLE::

ACCEPTANCE OF DELIVERY

You certify that all the equipment listed above has been furnished, that delivery and installation has been fully completed and satisfactory Further, all conditions and terms of this agreement have been reviewed and acknowledged Upon your signing below, your promises herein will be irrevocable and unconditional in all respects You understand and agree that we have made payment for the equipment to the supplier, and you may contact the above supplier for your warranty rights, if any, which we transfer to you for the term of this Agreement

Date of Delivery Customer **X** Signature of Title

As additional inducement for us to enter into the Agreement (including each Supplement), the undersigned ("Guarantor") jointly, severally and unconditionally personally guarantees that the customer will make all payments and meet all obligations required under this Agreement and any Supplements fully and promptly Guarantor agrees that we may make other arrangements including compromise or settlement with the borrow names above the Guarantor waives all defenses and notice of those changes and will remain responsible for the payment and obligations of this Agreement We do not have to notify Guarantor if the borrower is in default If the borrower defaults, Guarantor will immediately pay in accordance with the default provision of the Agreement all sums due under the terms of the Agreement and will perform all the obligations of the borrower under the Agreement If it is necessary for us to proceed legally to enforce this guaranty, Guarantor expressly consents to the jurisdiction of the court set out in paragraph 14 and agree to pay all costs, including attorneys fees incurred in enforcement of this guaranty It is not necessary for us to proceed first against the borrower before enforcing this guaranty By signing this guaranty, the Guarantor authorizes us to obtain personal credit bureau reports for credit and collection purposes

X
Signature of Print Name of Guarantor Date

X
Signature of Print Name of Guarantor Date

1. FINANCE AGREEMENT: Subject to the terms of this Equipment Finance Agreement signed by you and us, rather than pay cash price, you have chosen to request we finance for you the purchase price of personal property described under "ITEM DESCRIPTION" in this Agreement (such personal property and any upgrades, replacements, repairs and additions referred to as "Equipment") which you will use for business purposes only. You hereby grant to us a first priority, purchase money security interest in the Equipment and its proceeds to secure your obligations hereunder and under all other agreements with us, and you agree to all of the terms and conditions contained in this Agreement, which together are a complete statement of our agreement regarding the Equipment (this "Agreement"). This Agreement may be modified only by written agreement and not by course of performance. This Agreement becomes valid upon execution by us and will begin on the commencement date for the number of consecutive months shown above. You also agree to pay to us interim payments in the amount equal to $1/30^{th}$ of the monthly payment multiplied by the number of days lapsing between the date on which the payment is made to supplier and the agreed upon first payment date. If any provision of this Agreement is declared unenforceable, the other provisions shall remain in full force and effect.
2. PAYMENTS: Payments will be paid monthly, each in the amount of the monthly payment shown above plus any applicable tax. You will pay the security deposit on the date you sign this Equipment Finance Agreement. Subsequent payments will be due the first day of each payment period shown beginning after the first payment period. We will have the right to apply all sums received from you to any amounts due and owed to us under the terms of this Agreement. In the event this Agreement is not fully repaid, the security deposit will be retained by us to compensate us for our documentation, processing and other expenses. If for any reason, your check is returned for nonpayment, a $25.00 bad check charge will be assessed.
3. NONCANCELLABLE. This is a noncancellable agreement and may not be cancelled or prepaid by you for any reason whatsoever. You may prepay only in accordance herewith. In the event this Agreement is paid off prior to end of full term, you will pay us all amounts due plus all future payments discounted to a present value using 4% annual rate (in addition to all other accrued and unpaid charges including but not limited to fees and taxes.) You will make all payments whether or not you are satisfied with the Equipment and without deduction for any claim you may have against the supplier of the Equipment or against us.
4. Warranty Disclaimer: **WE MAKE NO WARRANTY, EXPRESS OR IMPLIED, OR THAT THE EQUIPMENT IS FIT FOR A PARTICULAR PURPOSE OR THAT THE EQUIPMENT IS MERCHANTABLE.** YOU AGREE THAT YOU HAVE SELECTED THE SUPPLIER AND EACH ITEM OF EQUIPMENT BASED UPON YOUR OWN JUDGMENT AND DISCLAIM ANY RELIANCE UPON ANY STATEMENTS OR REPRESENTATIONS MADE BY US. WE DO NOT TAKE RESPONSIBILITY FOR THE INSTALLATION OR PERFORMANCE OF THE EQUIPMENT. THE SUPPLIER IS NOT AN AGENT OF OURS AND NOTHING THE SUPPLIER STATES CAN AFFECT YOUR OBLIGATION UNDER THE AGREEMENT. YOU WILL CONTINUE TO MAKE ALL PAYMENTS UNDER THIS AGREEMENT REGARDLESS OF ANY CLAIM OR COMPLAINT AGAINST SUPPLIER. If Agreement includes financing for software licenses(s), then you agree that as to such software: (a) we have not had, do not have, nor shall have, any title to such software, but instead is only providing financing for the license. (b) You have executed or will execute a separate software license agreement and we are not a party to, nor have any responsibilities whatsoever, e.g., fees or other payments, in regard to such license agreement and supplier is solely responsible for all support, billing and collection of which may be done by us. (c) You have selected such software, (d) Your payment and other obligations under this Agreement shall in no way be diminished on account of or in any way related to the above said software license agreement and/or the supplier's obligations. **WE MAKE ABSOLUTELY NO WARRANTY OF ANY KIND IN REGARDS TO SUCH SOFTWARE AND HAVE ABSOLUTELY NO RESPONSIBILITY FOR THE FUNCTION OR PERFORMANCE OF SUCH SOFTWARE.**
5. Location of Equipment/Inspection: You are the owner of the Equipment and will keep the Equipment free and clear of all liens and encumbrances and use only at your address shown above and you agree not to move it unless we agree to it in advance. We may inspect the Equipment at any time during normal business hours.
6. Loss or Damage: You are the owner of the Equipment and are responsible for the risk of loss or for any destruction of or damage to the Equipment. No such loss or damage relieves you from the payment obligations under this Agreement. You agree to promptly notify us in writing of any loss or damage and you will then pay to us the present value of the total of all unpaid payments for the full term all discounted at four percent. Any proceeds of insurance will be paid to us and credited against the outstanding balance.
7. COLLATERAL PROTECTION AND INSURANCE: You agree to keep the equipment fully insured against loss with us as loss payee in an amount not less than the replacement cost until this Agreement is terminated. You also agree to obtain a general public liability insurance policy from anyone who is acceptable to us and to include us as an insured on the policy. You agree to provide us certificates or other evidence of insurance acceptable to us, before this Agreement begins or, should you wish us to waive this requirement we will bill you and you will pay a monthly property damage surcharge of up to .0035 of the original equipment cost related to our administrative costs, and credit risk and other costs and on which we may make a profit. As long as you are not in default at the time of the loss (excluding losses resulting from intentional acts), the remaining balance owed on the Agreement will be forgiven. You cannot be in default and benefit from this program. NOTHING IN THIS PARAGRAPH WILL RELIEVE YOU OF YOUR RESPONSIBILITY FOR LIABILITY INSURANCE COVERAGE ON THIS EQUIPMENT.
8. Indemnity: We are not responsible for any loss or injuries caused by the installation or use of the Equipment. You agree to hold us harmless and reimburse us for loss and to defend us against any claim for costs, losses or injury caused by the Equipment or its use or related to this Agreement. Your indemnity obligation includes any cost, expense or liability we incur, including court costs, attorney fees, interest and penalties.
9. TAXES AND FEES: You agree to pay when due all taxes (including personal property tax, fines and penalties) and fees relating to this Agreement or the Equipment. If we pay any of the above for you, you agree to reimburse us and to pay us a processing fee for each payment we make on your behalf. In addition, you also agree to pay us any filing fees prescribed by the Uniform Commercial Code or other law and reimburse us for all costs and expenses involved in documenting and servicing this transaction. You further agree to pay us an origination fee in an amount up to $500 on the date the first payment due. You also acknowledge that in addition to the lease payments, we may assess and you may be required to pay additional taxes and/or fees. Such fees many not only cover our costs they may also include a profit.
10. **Assignment: YOU HAVE NO RIGHT TO SELL, TRANSFER, ASSIGN OR SUBLEASE THE EQUIPMENT OR THIS AGREEMENT. You understand that we, without prior notice, have the right to assign this Agreement to another financing source without your consent. You understand that the assignee will have the same rights and benefits but they do not have to perform any of our obligations. You agree that the rights of assignee will not be subject to any claims, defenses, or setoffs that you may have against us.**
11. Default and Remedies: If you do not pay any payment or other sum due to us or other party when due or if you break any of your promises in this Agreement or any other agreement with us, you will be in default. If any part of a payment is late, you agree to pay a late charge of 15% of the payment, which is late, or if less, the maximum charge allowed by law. If you are ever in default, we may retain your security deposit and at our option, we can terminate or cancel this Agreement and require that you (1) pay the unpaid balance of this Agreement, including accrued but unpaid payments, discounted to present value at four percent per annum and (2) unless you have paid the amount in (1), return the Equipment to us to a location designated by us. We may sell, lease or otherwise dispose of all or any part of the Equipment at public or private sale, with or without notice and may bid and purchase the Equipment or any of it at such sale. The proceeds of sale, lease or other disposition shall first be applied to all costs and expenses incurred in taking, removing, holding, repairing and selling or otherwise disposing of the Equipment, attorneys fees and court costs, and our other obligations hereunder (excluding repayments); then to pay all sums remaining unpaid hereunder, with any remaining surplus belonging to you. You will be obligated to pay any deficiency remaining after such application of proceeds. We may recover interest on any unpaid balance at the rate of 8% per annum. We may also use any of the remedies available to us under Article 9 of the Uniform Commercial Code as enacted in the State of Minnesota or any other law. If we refer this Agreement to an attorney for collection, you agree to pay our reasonable attorney's fees and actual court costs. If we have to take possession of the equipment, you agree to pay the cost of repossession. YOU AGREE THAT WE WILL NOT BE RESPONSIBLE TO PAY YOU ANY CONSEQUENTIAL OR INCIDENTAL DAMAGES FOR ANY DEFAULT BY US UNDER THIS AGREEMENT. You agree that any delay or failure to enforce our rights under this Agreement does not prevent us from enforcing any rights at a later time, and the exercise of any remedy shall not prevent the exercise of any other remedy. It is further agreed that your rights and remedies are governed exclusively by this Agreement.
12. UCC Filings: You authorize us to record a UCC-1 financing statement or similar instrument electronically or otherwise to show our interest in the Equipment. You agree to take any other action we request to protect our rights under this Agreement from time to time and that we may report a copy of this Agreement as a financing statement. You will provide any landlord or mortgage waiver we request to protect our interest in the Equipment. You authorize us to endorse your name to any notes, checks, or other instruments for the payment of money relating to the Equipment (including insurance).
13. Security Deposit: Each security deposit is non-interest bearing and is to secure you performance under this Agreement. Any security deposit made may be applied by us to satisfy any amount owed by you, in which event you will promptly restore the security deposit to its full amount as set forth above. We may commingle the security deposit with other funds.
14. Law and Jurisdiction: This Agreement will be deemed fully executed and performed in Minnesota or the home state of our assignee as it may be assigned from time to time per Paragraph 10. This Agreement shall be governed by and construed in accordance with the laws of Minnesota or the laws of the home state of assignee. You expressly and unconditionally consent to the jurisdiction and venue of any court in the State of Minnesota or assignee's home state and waive right to trial by jury for any claim or action arising out of or relating to this Agreement or the Equipment. Furthermore, you waive the defense of inconvenient forum. In no event will this Agreement be enforced in any way that permits us to collect excessive interest. If any interest payment hereunder exceeds the highest amount allowed by law, it shall be reduced to such rate and the excess interest refunded to you. In such event, you agree we will not be subject to any penalties provided by law for collecting or charging interest in excess of lawful rates.

X _____ _____

Signature of Title

DELIVERY AND ACCEPTANCE CERTIFICATE

Equipment Finance Agreement #_____ between Lease Servicing Center, Inc., Secured Party, and _____ ,Customer.

You certify that all the equipment listed in said Equipment Finance Agreement has been furnished, that delivery and installation has been fully completed and satisfactory. Further, all conditions and terms of said Equipment Finance Agreement have been reviewed and acknowledged. Upon your signing below, your promises herein will be irrevocable and unconditional in all respects. You understand and agree that we have made payment for the equipment to the supplier, and you may contact the supplier for your warranty rights, if any, which we transfer to you for the term of this Agreement.

_____

Delivery Date

_____

Customer

X _____

Signature of

_____

Title

EQUIPMENT SCHEDULE "A"

Agreement # _____

This Equipment Schedule "A" is to be attached to and become part of that Schedule of Financed Equipment dated _____ by and between the undersigned and, Lease Servicing Center, Inc., Secured Party.

Qty	Description	Model No.	Serial No.

This Equipment Schedule "A" is hereby verified as correct by the undersigned Customer, who acknowledges receipt of a copy.

Customer: _____

Signature: **X** _____
Signature of

Title: _____

Schedule “D”

Agreement # _____

This Schedule “D” is to be attached to and become part of the Equipment Finance Agreement dated _____.
This Schedule “D” is a description of the Suppliers for this Equipment Finance Agreement.

Supplier Information:

This Schedule “D” is hereby verified as correct by the undersigned Customer, who acknowledges receipt of a copy.

Customer: _____

Signature: **X** _____
Signature of

Title: _____

RESOLUTION OF BOARD OF DIRECTORS

I, _____, Secretary of _____ , a corporation, and keeper of its records and corporate seal, do hereby certify that the following is a true and correct copy of a resolution duly adopted at a regular special (strike one) meeting of the Board of Directors of said corporation duly convened in accordance with the by-laws, on _____.

RESOLVED: That

_____

Name Title

_____

Name Title

of this corporation, or any one of them, be and they are hereby authorized for and on behalf of this corporation, to finance equipment from Lease Servicing Center, Inc. or its assigns.

FURTHER RESOLVED: That the said officer(s), be and they are hereby authorized, from time to time, to execute and deliver to Lease Servicing Center, Inc. or its assigns, for and on behalf of this corporation, all the necessary instruments evidencing said Agreements, including notes, mortgages, assignments, and other income and assets, all upon such terms and conditions as to them shall seem proper.

FURTHER RESOLVED: That the foregoing resolution shall remain in effect until written notice of amendment or rescission shall have been received by Lease Servicing Center, Inc. or its assigns, and that receipt of such notice shall not affect any action taken prior thereto.

I, _____, do hereby certify that I am the duly elected and qualified secretary and custodian of the records and corporate seal of _____, a corporation organized and existing under and by the virtue of the laws of the state of ____; that the foregoing is a true and correct copy of a certain resolution duly adopted in accordance with law and the by-laws of said corporation, at a meeting of the Board of Directors of said Corporation convened and held its office at _____ on _____, at which meeting a quorum was present, and that such resolutions is now in full force and effect, and is duly recorded in the minutes of said meeting.

IN WITNESS WHEREOF, I have affixed my name and Secretary and caused the corporate seal of said Corporation to hereunto affixed, on _____.

"Seal"

_____

Secretary

AUTHORIZATION AGREEMENT FOR ACH TRANSACTIONS

I (we) hereby authorize **Lease Servicing Center, Inc.** to initiate **debit** entries to my (our) account(s) as indicated below and the financial institution name below, hereinafter called Financial Institution, to **debit** the same to such account. I (we) agree to have available funds in my (our) account on the designated date to effect this transfer. I (we) agree to pay any applicable fees for this service as disclosed in the Fee Schedule I (we) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of U.S. law.

_____
(Financial Institution Name - sending to)

_____
(Address / City / State / Zip)

Type of Account: _____ Checking _____ Savings

_____ _____
(Routing Number) (Account Number)

Type of Transaction ____ Debit ____ Credit ____ Loan

Payment Amt _____ @ *_____
Transaction Fee _____
Transaction Amt _____ @ *_____

* Plus applicable taxes, late charges and renewal payments and applicable fees.

(Frequency of Transfer) _____ (Date/Day of Transfer) _____

If this date falls on a Saturday, Sunday, or bank holiday, this transfer will automatically be made on the following business day. **There will be a $25.00 fee for all ACH items returned to us.**

Lease Servicing Center, Inc. will make every effort to complete this transfer unless circumstances beyond our control prevent the transfer, despite reasonable precautions that we have taken. All terms and conditions of your account agreement apply to this agreement.

_____ _____
(Customer Name) (Date)

_____ **X** _____
(Individual ID Number) (Signature of)

_____ **X** _____
(Individual ID Number) (Signature of)

_____ **X** _____
(Customer Name - if applicable) (Signature of)

_____ _____
(Individual ID Number) (Date)

****Please attach a voided check…….**

Signer Identification Addendum

(Must Be Completed For All Signers)

Agreement # _____

Please include a copy of your valid driver's license including photo and signature. (Front and back may be required in certain states)

ATTACH PHOTO IDENTIFICATION WITH SIGNATURE

Photocopy Clear & Legible Driver's License Here

X_____

Signature of Driver's License Bearer,

Exhibit I
Sample Franchise Agreement Renewal Addendum

RENEWAL ADDENDUM

TO

SNAP FITNESS FRANCHISE AGREEMENT

This RENEWAL ADDENDUM (this "**Addendum**") is made and entered into as of the Effective Date of the Franchise Agreement by and between SNAP FITNESS, INC. (referred to as "**we**," "**us**," or "**Snap Fitness**") and _____ (referred to as "**you**," "**your**," or "**Franchisee**").

RECITALS

A. Snap Fitness and Franchisee are entering into a renewal Franchise Agreement (the "Franchise Agreement") effective as of the date of this Addendum for the Franchisee's existing Snap Fitness Club operated at the location identified in the Franchise Agreement.

B. Snap Fitness and Franchisee desire to make certain modifications to the Franchise Agreement as further described in this Addendum.

AGREEMENT

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Initial Franchise Fee/GO FAST Kit. The Franchise Agreement is amended to provide that no Initial Franchise Fee shall be due under the Franchise Agreement and that the GO FAST Kit is not required.

2. Provisions Deleted Due to Renewal Franchise Agreement. Sections 5.A (Site Selection) and 5.D (Opening) of the Franchise Agreement are deleted.

3. Remodeling Requirements. Franchisee agrees to remodel the Business in accordance with the requirements and deadlines on Exhibit A. Franchisee's failure to complete the remodeling requirements as provided in this Addendum shall be a default under the Franchise Agreement.

4. Release. Franchisee must provide Franchisor a fully signed General Release Agreement.

5. Miscellaneous. Except as specifically amended or modified by this Addendum, all terms and conditions of the Franchise Agreement shall remain in full force and effect.

6. Counterparts. This Addendum may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have duly signed and delivered this Addendum as of the date first written above.

US:	**FRANCHISEE:**
SNAP FITNESS, INC.	
By:_____	By:_____
Printed Name: Peter Taunton	Printed Name:
Title: President	Title:_____
Date: _____	Date: _____

EXHIBIT A

MODERNIZATION REQUIREMENTS

The following items must be completed by _____

Each of the following must be updated or replaced to meet the current requirements for new Snap Fitness clubs:

1.
2.
3.

Exhibit J

Sample Fitness on Demand License Agreement

FITNESS ON DEMAND LICENSE AGREEMENT

THIS LICENSE AGREEMENT ("**Agreement**") is made and entered into as of the date signed below (the "**Effective Date**") by and between Snap Fitness, Inc. ("**Company**") and the Licensee identified on the signature page ("**Licensee**").

RECITALS

A. Licensee owns and operates the SNAP FITNESS® Club ("**Club**") identified on the signature page pursuant to a Franchise Agreement with Company.

B. Company offers an optional Fitness on Demand system ("**FOD System**") through which Licensee may offer automated group fitness classes at the Club.

C. Licensee desires to license the FOD System on the terms and conditions set forth in this Agreement.

AGREEMENT

1. *License.* Subject to all the terms of this Agreement, Company grants to Licensee a nonexclusive, personal, revocable, nonassignable, non-sublicensable right to use the FOD System at the Club.

2. *Fee and Payment*. Licensee will pay Company a monthly fee of $149.99, due on the first day of the month and paid in the same manner as monthly franchise fees under the Franchise Agreement (prorated for the initial partial month).

3. *Term and Renewal*. The initial term of this Agreement begins the date the System is installed at your club and expires on the last day of the twelfth complete month following installation. Upon expiration of the initial term, this Agreement will continue on a month-to-month basis unless either party provides 30 days advance written notice of cancelation.

4. *Termination.* Either party may terminate this Agreement if the other party breaches any of its material terms or conditions and fails to cure such breach within 30 calendar days of written notice thereof, or, in the case of payment default, within 10 calendar days of written notice thereof. This Agreement terminates automatically upon termination of the Franchise Agreement for the Club.

5. *Restrictions*. Licensee must not, and must not allow any third party subject to its control to: (i) use the FOD System at any location other the Club identified on the signature page below, (ii) decompile, disassemble or otherwise reverse engineer or attempt to reconstruct the FOD System, (iii) alter or modify the FOD System, or (iv) use any expired video content. Other than the license granted, no right, title or interest in all or any portion of the FOD System is conveyed or assigned to Licensee, either expressly or by implication, by virtue of this License Agreement, including any patents, copyrights, trade secrets, trademarks, trade names, or other intellectual property rights associated with the Software.

6. *Equipment.* Licensee must purchase the equipment package from Company's designated source and is solely responsible for providing the hardware, third party software, peripherals, internet connection and other computer equipment required to run the FOD System.

7. *Updates*. From time to time, Company will provide updates, modifications or new releases of the software and videos for the FOD System. Licensee may use only the videos approved by Company and must discontinue use of any videos upon notice by Company. Any update, modification or new release of the FOD System is subject to all the terms of this Agreement.

8. *NO WARRANTY*. THE FOD SYSTEM IS LICENSED "AS IS" WITHOUT WARRANTIES OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING BUT NOT LIMITED TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OF NON-INFRINGEMENT.

9. *LIMITATION ON LIABILITY*. COMPANY IS NOT LIABLE TO LICENSEE FOR SPECIAL, DIRECT, INDIRECT OR CONSEQUENTIAL LOSSES WHATSOEVER OR HOWEVER CAUSED, ARISING OUT OF OR IN CONNECTION WITH THE FOD SYSTEM, ITS USE OR OTHERWISE. COMPANY'S TOTAL LIABILITY TO LICENSEE FOR DAMAGES RELATED TO THE FOD SYSTEM MUST NOT

EXCEED THE FEES PAID BY LICENSEE UNDER THIS AGREEMENT IN THE PREVIOUS SIX-MONTH PERIOD.

11. Company's expense. Licensee agrees that it will not disclose or permit any of its employees, agents or representatives to disclose to any party any data or information with respect to the FOD System or any information relating thereto without the prior written consent of Company. This obligation shall continue during the term of this Agreement and for a period of five (5) years thereafter, except with respect to trade secrets in which case such obligations will not expire.

12. *Dispute Resolution.* Any dispute, claim or controversy between the parties related to this License Agreement is subject to the dispute resolution provisions of the Franchise Agreement and therefore Sections 12 (Dispute Resolution) and 15.H to 15.K (Interpretation of Rights and Obligations; Venue; Jury Waiver; Waiver of Punitive Damages) of the Franchise Agreement are hereby incorporated into this Agreement.

13. *Notices.* Any notice, demand or other communication provided for in this Agreement must be in writing signed by the party serving the same and (i) delivered personally or (ii) delivered by reputable overnight service (such as FedEx) or (iii) deposited in

10. *Confidentiality.* Licensee acknowledges that the FOD System is proprietary to Company and has been developed as valuable intellectual property at U.S. mail, service or postage pre-paid, and addressed as follows: If to Company: Snap Fitness, Inc., 2411 Galpin Court, Ste 110, Chanhassen, MN 55317, Attn: President. If you Licensee: at the Club address, the address for notices under the Franchise Agreement or the address on the signature page below. Or, in either case, to such other address as may be designated by notice to the other party. Notices for purposes of this section will be deemed to have been received if mailed or delivered as provided in this Section.

14. *Miscellaneous.* This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements, representations, negotiations and understandings between the parties. All amendments to this Agreement must be in writing signed by both parties. Licensee may assign this Agreement only to its successor in interest pursuant to the terms of the Franchise Agreement. If any provision of this Agreement is found by a court of competent jurisdiction to be illegal or unenforceable, then the remaining provisions shall remain in full force and effect.

SNAP FITNESS, INC.

Signature:_____
Printed Name: Peter Taunton
Title: President
Date: _____

LICENSEE: _____ **Club #___**
(Company Name, if any)

Signature:_____
Printed Name: _____
Title:_____
Date: _____

Address for Notices (not club address):
_____
_____
_____

EXHIBIT K

RECEIPTS

Exhibit K

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain English. Read this disclosure document and all agreements carefully.

If Snap Fitness, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale (or sooner if required by state law). New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan, Oregon, Washington and Wisconsin require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Snap Fitness, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agencies listed in Exhibit A to this disclosure document.

Issuance Date: March 9, 2011 or the Effective Date reflected on the State Effective Dates Page

I acknowledge receiving this Franchise Disclosure Document issued March 9, 2011 (or the date reflected on the State Effective Dates Page), including the following exhibits:

EXHIBIT A – List of State Administrators and List of Agents for Service of Process; ***EXHIBIT B*** – Financial Statements; ***EXHIBIT C*** – Franchise Agreement and State-Specific Addenda; ***EXHIBIT D*** – Franchisee List; ***EXHIBIT E*** – Operations Manual Table of Contents; ***EXHIBIT F*** – Copy of Sample Membership Agreement; ***EXHIBIT G*** – Form of Release; ***EXHIBIT H*** – Sample Financing Documents; ***EXHIBIT I*** – Sample Renewal Addendum; ***EXHIBIT J*** – Sample Fitness on Demand Agreement ***EXHIBIT K –*** Receipts

Date FDD Received: _____ Signed*: _____

Print Name: _____

Date FDD Received: _____ Signed*: _____

Print Name: _____

*Signed individually and as an authorized representative of the franchisee company.

FRANCHISE SELLER'S NAME AND CONTACT INFORMATION:

Peter Taunton, 2411 Galpin Ct., Suite 110, Chanhassen, MN 55317, Phone: 952-474-5422.
Gary Findley, 2411 Galpin Ct, Suite 110, Chanhassen, MN 55317, Phone: 952-474-5422.

_____

_____

You should return one copy of the signed receipt by signing and dating it, and either mailing it to Snap Fitness, Inc. at 2411 Galpin Ct, Suite 110, Chanhassen, Minnesota 55317, or faxing a copy to Snap Fitness, Inc. at 952-474-5416. You may keep the second copy for your records.

Copy for Franchisee

INTENTIONALLY LEFT BLANK

Exhibit K

RECEIPT

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If Snap Fitness, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale (or sooner if required by state law). New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan, Oregon, Washington and Wisconsin require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Snap Fitness, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agencies listed in Exhibit A to this disclosure document.

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Date FDD Received: _____ Signed*: _____

Print Name: _____

Date FDD Received: _____ Signed*: _____

Print Name: _____

*Signed individually and as an authorized representative of the franchisee company.

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Copy for Snap Fitness, Inc.