

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	Chapter 11
)	
BALLY TOTAL FITNESS OF)	
GREATER NEW YORK, INC., <u>et al.</u> ,)	Case No. 08-14818 (BRL)
)	
Debtors.)	
)	Jointly Administered
)	

**SECOND AMENDED JOINT PLAN OF REORGANIZATION OF THE DEBTORS
UNDER CHAPTER 11 OF THE BANKRUPTCY CODE**

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Dated: August 14, 2009
New York, New York



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INTRODUCTION

Bally Total Fitness Holding Corporation (“Bally”) and its direct and indirect subsidiaries in the above-referenced chapter 11 cases, as debtors and debtors in possession (collectively, the “Debtors”), propose the following joint plan of reorganization (the “Plan”) under section 1121(a) of the Bankruptcy Code. The Debtors’ Chapter 11 Cases are being jointly administered pursuant to an order of the Court. Claims against, and Interests in, the Debtors (other than Administrative Claims, Priority Tax Claims, and Fee Claims) are classified and treated in Article III hereof. Reference is made to the Disclosure Statement accompanying this Plan, including the exhibits thereto, for a discussion of the Debtors’ history, business, properties, results of operations, and projections for future operations and risk factors, together with a summary and analysis of this Plan. All Claim holders entitled to vote on this Plan are encouraged to consult the Disclosure Statement and to read this Plan carefully before voting to accept or reject this Plan.

NO SOLICITATION MATERIALS, OTHER THAN THE DISCLOSURE STATEMENT AND RELATED MATERIALS TRANSMITTED THEREWITH AND APPROVED BY THE COURT, HAVE BEEN AUTHORIZED BY THE COURT FOR USE IN SOLICITING ACCEPTANCES OR REJECTIONS OF THIS PLAN.

ARTICLE I. DEFINITIONS AND CONSTRUCTION OF TERMS

A. Definitions

Unless otherwise defined herein, or the context otherwise requires, the following terms shall have the respective meanings set forth below:

1. Administrative Claim: means any right to payment constituting a cost or expense of administration of the Chapter 11 Cases of a kind specified under section 503(b) of the Bankruptcy Code and entitled to priority under section 507(a)(2), 507(b) or 1114(e)(2) of the Bankruptcy Code, including, without limitation, (i) any actual and necessary costs and expenses of preserving the Debtors’ estates, (ii) any actual and necessary costs and expenses of operating the Debtors’ businesses, (iii) any indebtedness or obligations assumed by the Debtors in connection with the conduct of their businesses, (iv) all compensation and reimbursement of expenses to the extent awarded by the Court under sections 330, 331 or 503 of the Bankruptcy Code, (v) any fees or charges assessed against the Debtors’ estates under section 1930 of title 28 of the United States Code, and (vi) any Claim for goods delivered to the Debtors within twenty (20) days of the Petition Date and entitled to administrative priority pursuant to section 503(b)(9) of the Bankruptcy Code.

2. Allowed: means, with reference to any Claim, (i) any Claim against any of the Debtors that has been listed by the Debtors in the Schedules, as such Schedules may be amended by the Debtors from time to time in accordance with Bankruptcy Rule 1009, as liquidated in amount and not disputed or contingent, and with respect to which no contrary proof of claim has been filed, (ii) any Claim specifically allowed under the Plan, (iii) any Claim, which is not Disputed, which becomes allowed after the Claims Objection Deadline because no

objection was interposed against the Claim by the Claims Objection Deadline, or (iv) any Claim the amount or existence of which, if Disputed, (a) has been determined by a Final Order of a court of competent jurisdiction other than the Court, or (b) has been allowed by Final Order of the Court; provided, however, that any Claims allowed solely for the purpose of voting to accept or reject the Plan pursuant to an order of the Court shall not be considered “Allowed Claims” hereunder.

3. Ballots: means each of the ballot forms distributed with the Disclosure Statement to each holder of an Impaired Claim (other than to holders not entitled to vote on the Plan) upon which is to be indicated, among other things, acceptance or rejection of the Plan.

4. Bankruptcy Code: means title 11 of the United States Code, 11 U.S.C. §§ 101 et seq., as in effect on the date hereof.

5. Bankruptcy Rules: means the Federal Rules of Bankruptcy Procedure as promulgated by the United States Supreme Court under section 2075 of title 28 of the United States Code, and local rules of the Court, as the context may require.

6. Bar Date Order: means the Order Establishing Bar Dates for Filing Proofs of Claim and Approving Form and Manner of Notice Thereof, entered by the Bankruptcy Court on January 23, 2009 (Docket No. 514), as the same may be amended, modified or supplemented.

7. Business Day: means any day on which commercial banks are open for business, and not authorized to close, in the City of New York, New York, except any day designated as a legal holiday by Bankruptcy Rule 9006(a).

8. Cash: means legal tender of the United States of America.

9. Causes of Action: means any and all claims, causes of actions, crossclaims, counterclaims, third-party claims, indemnity claims, contribution claims, defenses, demands, rights, actions, debts, damages, judgments, remedies, Liens, indemnities, guaranties, suits, obligations, liabilities, accounts, offsets, recoupments, powers, privileges, licenses, and franchises of any kind or character whatsoever, known or unknown, contingent or non-contingent, matured or unmatured, suspected or unsuspected, disputed or undisputed, foreseen or unforeseen, direct or indirect, choate or inchoate, whether arising before, on or after the Petition Date, including through the Effective Date, in contract or in tort, in law or in equity, or pursuant to any other theory of law. “Causes of Action” shall include but are not limited to: (i) all rights of setoff, counterclaim, or recoupment and claims on contracts or for breaches of duties imposed by law or in equity; (ii) the right to object to Claims; (iii) all claims pursuant to sections 362, 510, 542, 543, 544 through 550, 552 or 553 of the Bankruptcy Code; (iv) such claims and defenses as fraud, mistake, duress, and usury and any other defenses set forth in section 558 of the Bankruptcy Code; and (v) any state law fraudulent transfer claims.

10. Chapter 11 Cases: means the chapter 11 cases commenced by the Debtors on December 3, 2008.

11. Claim: means any claim, as such term is defined in section 101(5) of the Bankruptcy Code.

12. Claims Agent: means Kurtzman Carson Consultants LLC or any successor thereto.

13. Claims Monitor: means the Person designated in accordance with Article V.G. of the Plan to monitor the Reorganized Debtors' post-Effective Date settlement of Disputed General Unsecured Claims.

14. Claims Objection Deadline: means the first business day that is one hundred eighty (180) days after the Effective Date, or such other later date the Court may establish upon a motion by the Reorganized Debtors, which motion may be approved without a hearing and without notice to any party.

15. Class: means a group of Claims or Equity Interests classified under the Plan.

16. Collateral: means any property or interest in property of the Debtors' estates subject to a Lien to secure the payment or performance of a Claim, which Lien has not been avoided or is not subject to avoidance under the Bankruptcy Code or otherwise invalid under the Bankruptcy Code or applicable state law.

17. Confirmation Date: means the date on which the Confirmation Order is entered by the Court.

18. Confirmation Hearing: means the hearing required by section 1128 of the Bankruptcy Code to consider confirmation of the Plan in accordance with section 1129 of the Bankruptcy Code, as it may be adjourned or continued from time to time.

19. Confirmation Order: means the order entered by the Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

20. Convenience Claims: means Claims against any of the Debtors that otherwise would be classified as General Unsecured Claims in Class 8, but, with respect to each such Claim, either (i) the aggregate amount of such Claim is equal to or less than \$300,000 or (ii) the aggregate amount of such Claim is reduced to \$300,000 pursuant to an election by the Claim holder made on the Ballot provided for voting on the Plan by the Voting Deadline; provided, however, that where any portion(s) of a single Claim has been transferred to a transferee, (a) the amount of all such portions will be aggregated to determine whether a Claim qualifies as a Convenience Claim and for purposes of the Convenience Claim election and (b) unless all transferees make the Convenience Claim election on the applicable Ballots, the Convenience Claim election will not be recognized for such Claim.

21. Corporate Personnel Incentive Plan: means the post-Effective Date Corporate Personnel Incentive Plan referenced in Article VI.F. of this Plan, the terms of which are set forth more fully in Exhibit I to the Plan.

22. Court: means, (i) the United States Bankruptcy Court for the Southern District of New York, having jurisdiction over the Chapter 11 Cases; (ii) to the extent there is no reference pursuant to section 157 of title 28 of the United States Code, the United States District

Court for the Southern District of New York; and (iii) any other court having jurisdiction over the Chapter 11 Cases or proceedings arising therein.

23. Credit Agreement: means that certain Credit Agreement, dated as of October 1, 2007, between Bally and Morgan Stanley Senior Funding, Inc., as Administrative Agent and Collateral Agent, Wells Fargo Foothill, LLC, as Revolving Credit Agent, and the CIT Group/Business Credit, Inc., as Revolving Syndication Agent and certain other lenders party thereto.

24. Cure Claim: means a Claim in an amount equal to all unpaid monetary obligations under an executory contract or unexpired lease assumed by a Debtor under section 365 of the Bankruptcy Code, to the extent such obligations are enforceable under the Bankruptcy Code and applicable non-bankruptcy law.

25. Cure Claim Bar Date: means the deadline for filing requests for payment of a Cure Claim in amount different from the amount listed on Exhibit B to the Plan or as set forth in Article X.B. of the Plan, which shall be 10 days after the Effective Date, unless otherwise ordered by the Bankruptcy Court or agreed to by the Debtors and the counterparty to the applicable executory contract or unexpired lease.

26. Debtor: means, individually, any of the Debtors.

27. Disbursing Agent: means an entity designated by a Debtor or Reorganized Debtor to act as a disbursing agent, which may be Reorganized Bally.

28. Disclosure Statement: means the written disclosure statement that relates to this Plan, as approved by the Court pursuant to section 1125 of the Bankruptcy Code and Bankruptcy Rule 3017, as such disclosure statement may be amended, modified or supplemented from time to time.

29. Disputed: means, with reference to any Claim, (i) a Claim that is listed on a Debtor's Schedules as either disputed, contingent or unliquidated; (ii) a Claim that is listed on a Debtor's Schedules as other than disputed, contingent or unliquidated, but the nature or amount of the Claim as asserted by the holder varies from the nature or amount of such Claim as it is listed on the Schedules; (iii) a Claim as to which the applicable Debtor or Reorganized Debtor, or, prior to the Confirmation Date, any other party in interest, has filed an objection and such objection has not been withdrawn or denied by a Final Order; (vi) Tort Claims, and (v) a Claim or request for payment of Administrative Claim that is required to be filed and no such Claim or request for payment of Administrative Claim is timely filed.

30. Distributions: means the distribution in accordance with this Plan of (i) Cash, (ii) New Bally Common Stock, (iii) New Bally Warrants, or (iv) other forms of consideration, as the case may be.

31. Effective Date: means the first Business Day on which all of the conditions specified in Article XI of the Plan have been satisfied or waived in accordance with Article XI of the Plan; provided, however, that if a stay of the Confirmation Order is in effect on such date, the Effective Date will be the first Business Day after such stay is no longer in effect.

32. Equity Interest: means any equity security within the meaning of section 101(16) of the Bankruptcy Code or any other instrument evidencing an ownership interest in any of the Debtors, whether or not transferable, and any option, warrant, or right, contractual or otherwise, to acquire, sell or subscribe for any such interest.

33. Estates: means the estates of the Debtors, individually or collectively, as is appropriate in the context, created in the Chapter 11 Cases pursuant to section 541 of the Bankruptcy Code.

34. Exit Facilities: means, collectively, the Exit Revolver Facility and the Exit Term Loan Facility, on substantially the terms set forth on Exhibit D.

35. Exit Lenders: means, collectively, the Exit Revolver Lenders and the Exit Term Loan Lenders.

36. Exit Revolver Facility: means that certain exit financing facility to be entered into by the Reorganized Debtors on or prior to the Effective Date, the obligations under which shall be secured by a first priority security interest in substantially all of the Reorganized Debtors' assets.

37. Exit Revolver Lenders: means the lenders, banks, financial institutions or non-Debtor entities that are or may become parties to the Exit Revolver Facility.

38. Exit Term Loan Facility: means that certain exit financing facility to be entered into by the Reorganized Debtors on or prior to the Effective Date, the obligations under which shall be secured by a first priority security interest in substantially all of the Reorganized Debtors' assets, which financing shall be utilized to make distributions under the Plan, to satisfy certain Plan-related expenses, and to fund the Reorganized Debtors' working capital needs.

39. Exit Term Loan Lenders: means the lenders, banks, financial institutions or non-Debtor entities that are or may become parties to the Exit Term Loan Facility.

40. Fee Claims: means (i) any Administrative Claim under section 330(a), 331 or 503 of the Bankruptcy Code for compensation of a Professional for services rendered or expenses incurred in the Chapter 11 Cases on or prior to the Effective Date (including reasonable expenses of the members of the Unsecured Creditors' Committee incurred as members of the Unsecured Creditors' Committee in discharge of their duties as such), and (ii) any Claim by persons asserting that they provided a "substantial contribution" to these Chapter 11 Cases pursuant to section 503(b)(3)(D) of the Bankruptcy Code for services rendered prior to the Effective Date.

41. Final Order: means an order or judgment of the Bankruptcy Court, or other court of competent jurisdiction, as entered on the docket in the Chapter 11 Cases or the docket of any other court of competent jurisdiction, that has not been reversed, stayed, modified or amended, and as to which the time to appeal or petition for certiorari or move for a new trial, reargument or rehearing has expired, and as to which no appeal or petition for certiorari or other proceeding for a new trial, reargument or rehearing that has been timely taken is pending, or as to which any appeal that has been taken or any petition for certiorari that has been timely filed

has been withdrawn or resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought or the new trial, reargument or rehearing shall have been denied or resulted in no modification of such order.

42. General Unsecured Claim: means a Claim against any of the Debtors that is not an Administrative Claim, Priority Tax Claim, Other Priority Claim, Fee Claim, Letter of Credit Claim, Prepetition Term Loan Secured Claim, Prepetition Revolver Facility Claim, Prepetition Swap Claim, Other Secured Claim, Senior Note Claim, Subordinated Note Claim, or Prepetition Term Loan Deficiency Claim and shall include, without limitation, (i) Claims of vendors or customers of the Debtors that are not Priority Claims, (ii) Claims of employees of the Debtors that are not Priority Claims, (iii) Claims arising as a result of the rejection by any of the Debtors of executory contracts, including, but not limited to, rejection of indemnification obligations under Article X.H. hereof, and rejection of unexpired leases pursuant to section 365 of the Bankruptcy Code, (iv) litigation Claims, (v) the Tort Claims, and (vi) the Previous Plan Claims.

43. Governmental Unit: has the meaning ascribed to such term in section 101(27) of the Bankruptcy Code.

44. Impaired: means, when used with reference to a Class of Claims or Equity Interests, Claims or Equity Interests that are impaired within the meaning of section 1124 of the Bankruptcy Code.

45. Indenture Trustee Fee Claim: means a Claim against the Debtors pursuant to the Senior Secured Notes Indenture or the Subordinated Notes Indenture relating to any compensation disbursements, fees and expenses accrued and unpaid through the Effective Date.

46. Initial Distribution Date: means the Effective Date or as soon thereafter as practicable, but no later than sixty (60) days after the Effective Date.

47. Insider: has the meaning set forth in section 101(31) of the Bankruptcy Code.

48. Insured Claim: means any Claim or portion of a Claim (other than a Workers Compensation Claim) that is insured under the Debtors' insurance policies.

49. Intercompany Claims: means any Claim held by one of the Debtors against any other Debtor, including, without limitation, (i) any account reflecting intercompany book entries by such Debtor with respect to any other Debtor, (ii) any Claim not reflected in book entries that is held by such Debtor, and (iii) any derivative Claim asserted or assertable by or on behalf of such Debtor against any other Debtor.

50. Letter of Credit Claims: means any Claim under the Credit Agreement on account of a letter of credit to the extent the letter of credit has not been drawn as of the Effective Date.

51. Lien: has the meaning set forth in section 101(37) of the Bankruptcy Code.

52. Litigation Rights: means the Causes of Action that the Debtors or their Estates may hold against any Person (except to the extent such Causes of Action are expressly released under the Plan).

53. Management Contracts: means the employment contracts to be entered into between Reorganized Bally's management and Reorganized Bally.

54. Management Incentive Plan: means the post-Effective Date Management Incentive Plan referenced in Article VI.E. of this Plan, the terms of which are set forth more fully in Exhibit H to the Plan.

55. New Board: means the board of directors of Reorganized Bally to be constituted as of the Effective Date pursuant to Article VI.B. of the Plan.

56. New Bally Common Stock: means the shares of common stock of Reorganized Bally, authorized pursuant to the Plan and the Amended and Restated Certificate of Incorporation of Reorganized Bally, of which 10,000,000 shares will be issued by Reorganized Bally pursuant to the Plan.

57. New Bally Warrants: means the warrants, issuable pursuant to the New Bally Warrant Agreement, to purchase New Bally Common Stock, exercisable for a period of five years from the Effective Date, representing 5% of the fully diluted equity of Reorganized Bally issuable in accordance with the Plan (after taking into account the exercise of the New Bally Warrants but not including New Bally Common Stock issuable upon exercise of options under the Management Incentive Plan), of which 526,316 warrants will be issued by Reorganized Bally pursuant to the Plan..

58. New Bally Warrant Agreement: means the New Bally Warrant Agreement attached as Exhibit F to the Plan.

59. New Subsidiary Equity Interests: means with respect to a particular Reorganized Debtor, the Equity Interests in such Reorganized Debtor authorized to be issued pursuant to the Plan and the amended certificate of incorporation of such Subsidiary Debtor.

60. Ordinary Course Administrative Claims: means Administrative Claims against the Debtors that represent liabilities (i) to sellers of goods or services on account of such sellers' provision of goods and/or services and (ii) that were incurred in the ordinary course of business by the Debtors.

61. Other Priority Claim: means a Claim entitled to priority pursuant to section 507(a) of the Bankruptcy Code (other than Administrative Claims and Priority Tax Claims), including, without limitation, certain allowed employee compensation and benefit claims of the Debtors' employees incurred within one hundred eighty (180) days prior to the Petition Date.

62. Other Secured Claims: means any Claim, other than the Prepetition Revolver Facility Claims, the Prepetition Term Loan Secured Claims, the Prepetition Swap Claims, and the Letter of Credit Claims, to the extent reflected in the Schedules or a proof of claim filed as a Secured Claim, which is secured by a Lien on Collateral to the extent of the value of such Collateral, as determined in accordance with section 506(a) of the Bankruptcy Code, or, in the event that such Claim is subject to setoff under section 553 of the Bankruptcy Code, to the extent of such setoff.

63. Person: means any individual, corporation, partnership, limited liability company, association, indenture trustee, organization, joint stock company, joint venture, estate, trust, governmental unit or any political subdivision thereof, or any other entity.

64. Petition Date: means December 3, 2008.

65. Plan: means this Plan, as it may be amended, modified, or supplemented from time to time, together with all addenda, exhibits, schedules or other attachments, if any, including the Plan Exhibits.

66. Plan Exhibits: means, collectively, the documents listed on the “Table of Exhibits” included herein, which documents will be filed no later than five business days before the Confirmation Hearing, to the extent not filed earlier; *provided, however*, that Exhibits A, B, C, F, G, and J will be filed no later than five Business Days prior to the Voting Deadline. The Plan Exhibits may be inspected in the office of the Clerk of the Court during normal court hours and shall be available online at <https://ecf.nysb.uscourts.gov> and <http://www.kccllc.net/bally>. Holders of Claims or Equity Interests may obtain a copy of the Plan Exhibits upon written request to counsel to the Debtors. The Debtors reserve the right, in accordance with the terms hereof, to modify, amend, supplement, restate or withdraw any of the Plan Exhibits after they are filed and shall promptly make such changes available online at <https://ecf.nysb.uscourts.gov> and <http://www.kccllc.net/bally>.

67. Prepetition Administrative Agent: means Morgan Stanley Senior Funding, Inc., in its capacity as Administrative Agent and Collateral Agent under the Credit Agreement.

68. Prepetition Revolver Facility Lenders: means Wells Fargo Foothill, LLC and CIT Group/Business Credit, Inc., as the revolver facility lenders under the Credit Agreement.

69. Prepetition Revolver Facility: means the five year senior secured revolving credit facility under the Credit Agreement in an aggregate principal amount of \$50,000,000.

70. Prepetition Revolver Facility Claims: means the Claims under or evidenced by the Prepetition Revolver Facility.

71. Prepetition Swap Agreements: means the interest expense hedging agreements, dated May 16 and 19, 2008, between Bally and Morgan Stanley Capital Services.

72. Prepetition Swap Claims: means the Claims under or evidenced by the Prepetition Swap Agreements allowed in the aggregate amount of \$7,415,000.

73. Prepetition Term Loan Holders: means the holders of the Prepetition Term Loan.

74. Prepetition Term Loan: means the six-year senior secured term loan facility under the Credit Agreement in an aggregate principal amount of \$242,000,000.

75. Prepetition Term Loan Claims: means the Claims under or evidenced by the Prepetition Term Loan.

76. Prepetition Term Loan Distribution: means 9,400,000 shares of New Bally Common Stock, representing 94% of the total amount of New Bally Common Stock, subject to dilution from the New Bally Warrants and the Management Options, to be issued in connection with the Plan, to be distributed to the holders of the Prepetition Term Loan Secured Claims pursuant to Article III of this Plan.

77. Prepetition Term Loan Deficiency Claims: means the Claims in the amount by which the Prepetition Term Loan exceeds the value of the Collateral securing the Prepetition Term Loan, which Claims are expressly Allowed in an amount equal to \$80,000,000 pursuant to the Plan; provided however, that so long as the Unsecured Creditors' Committee supports, and does not object, to the Plan, the Allowed Prepetition Term Loan Deficiency Claim shall be capped at \$40 million.

78. Prepetition Term Loan Secured Claims: means the Prepetition Term Loan Claims up to the value of the Collateral securing the Prepetition Term Loan, which Claims are expressly Allowed in an amount equal to \$162,000,000 pursuant to the Plan.

79. Previous Chapter 11 Cases: means the chapter 11 cases commenced by the Debtors on July 31, 2007.

80. Previous Plan: means the plan of reorganization confirmed by the Court on October 1, 2007 in the Previous Chapter 11 Cases.

81. Previous Plan Claims: means any Claim arising out of or relating to any remaining unperformed obligations under the Previous Plan, including without limitation any obligation to make any further distribution to holders of claims or interests under the Previous Plan. Without limiting the generality of the foregoing, Previous Plan Claims shall include (i) those Claims and/or interests classified in Class 7 of the Previous Plan, (ii) Claims of individuals who served as officers or directors of the Debtors prior to the petition date of the Previous Chapter 11 Cases, including, but not limited to, Claims classified in classes 6-B-1 and 6-B-2 of Previous Plan, and (iii) litigation Claims that were unimpaired by the Previous Plan.

82. Priority Tax Claim: means any unsecured Claim that is entitled to a priority in right of payment under sections 502(i) and 507(a)(8) of the Bankruptcy Code.

83. Professional: means (i) any professional employed in the Chapter 11 Cases pursuant to sections 327 or 328 of the Bankruptcy Code and (ii) any professional or other entity seeking compensation or reimbursement of expenses in connection with the Chapter 11 Cases pursuant to section 503(b)(4) of the Bankruptcy Code.

84. Proof of Claim: A proof of Claim filed against any of the Debtors in the Chapter 11 Cases.

85. Pro Rata: means, with respect to any Claim, at any time, the proportion that the amount of a Claim in a particular Class or group of Classes bears to the aggregate amount of all Claims (including Disputed Claims) in such Class or group of Classes, unless in each case the Plan provides otherwise.

86. Record Date: means, (i) for purposes of making distributions under the Plan on account of Allowed Claims, the Confirmation Date, and (ii) for purposes of casting Ballots, the date set forth in the order approving the Disclosure Statement that accompanies this Plan.

87. Released Parties: has the meaning assigned to such term in Article VII of the Plan.

88. Reorganized Bally: means Bally or any successor thereto by merger, consolidation or otherwise, on and after the Effective Date.

89. Reorganized Debtors: means the Debtors, or any successors thereto by merger, consolidation, or otherwise, on and after the Effective Date.

90. Reorganized Subsidiaries: means the Subsidiaries, or any successors thereto by merger, consolidation, or otherwise, on and after the Effective Date.

91. Restructuring Transactions: means, collectively, those mergers, consolidations, restructurings, dispositions, liquidations or dissolutions that the Debtors determine to be necessary or appropriate to effect a corporate restructuring of their respective businesses or otherwise to simplify the overall corporate structure of the Reorganized Debtors, as described in greater detail in Article V.H.

92. Scheduled: means, with respect to any Claim or Equity Interest, the status and amount, if any, of such Claim or Equity Interest as set forth in the Schedules.

93. Schedules: means the schedules of assets and liabilities, statements of financial affairs, and lists of holders of Claims and Equity Interests filed with the Court by each of the Debtors, including any amendments or supplements thereto.

94. Senior Note Claims: means the Claims under or evidenced by the Senior Notes, Allowed in the aggregate amount of \$259,663,152.08.

95. Senior Notes: means the 13% Notes due 2011 issued pursuant to the Senior Secured Notes Indenture in the principal amount of \$247,337,500.

96. Senior Secured Notes Indenture: means that certain Indenture, dated as of October 1, 2007, between Bally and the Senior Secured Notes Indenture Trustee pursuant to which the Senior Notes were issued.

97. Senior Secured Notes Indenture Trustee: means U.S. Bank National Association, as indenture trustee under the Senior Secured Notes Indenture.

98. Shareholder Agreement: means the Shareholder Agreement of Reorganized Bally, the terms of which are set forth more fully in Exhibit J to the Plan.

99. Subordinated Note Claims: means the Claims of the holders of the Subordinated Notes, Allowed in the aggregate amount of \$237,472,873.

100. Subordinated Notes: means the 15-5/8%/14% Notes due 2013 pursuant to the Subordinated Notes Indenture in the principal amount of \$231,250,000.

101. Subordinated Notes Indenture: means that certain Senior Subordinated Toggle Notes Indenture, dated as of October 1, 2007, between Bally and the Subordinated Notes Indenture Trustee pursuant to which the Subordinated Notes were issued.

102. Subordinated Notes Indenture Trustee: means HSBC Bank USA, National Association, as indenture trustee under the Subordinated Notes Indenture.

103. Subordinated Notes Plan Distribution: means the Pro Rata share of the Unsecured Claims Distribution based upon the Allowed Subordinated Note Claims, together with all dividends and distributions accruing after the Effective Date on such portion of the Unsecured Claims Distribution.

104. Subordination Dispute: means any pending motion, adversary proceeding, action or other request (together with all related proceedings and appeals) filed by the Subordinated Notes Indenture Trustee, the Senior Secured Notes Indenture Trustee, or the holders of at least 25% of the Senior Secured Notes or the Subordinated Notes, respectively, on or prior to the Subordination Dispute Deadline seeking a determination regarding entitlement to all or any portion of the Subordinated Notes Plan Distribution by reason of the subordination provisions of the Subordinated Notes Indenture or other applicable law.

105. Subordination Dispute Deadline: means five (5) days prior to the Voting Deadline.

106. Subsidiaries: means Bally Total Fitness Corporation, Bally ARA Corporation, Bally Fitness Franchising, Inc., Bally Franchise RSC, Inc., Bally Franchising Holdings, Inc., Bally-Holmes Place S.L. (Spain), Bally Matrix Fitness Centre, Ltd. (Canada), Bally Real Estate I LLC, Bally REFS West Hartford, LLC, Bally Sports Clubs, Inc., Bally Total Fitness Franchising, Inc., Bally Total Fitness International, Inc., Bally Total Fitness of California, Inc., Bally Total Fitness of Colorado, Inc., Bally Total Fitness of Connecticut Coast, Inc., Bally Total Fitness of Connecticut Valley, Inc., Bally Total Fitness of Greater New York, Inc., Bally Total Fitness of Minnesota, Inc., Bally Total Fitness of Missouri, Inc., Bally Total Fitness of Philadelphia, Inc., Bally Total Fitness of Rhode Island, Inc., Bally Total Fitness of the

Mid-Atlantic, Inc., Bally Total Fitness of the Midwest, Inc., Bally Total Fitness of the Southeast, Inc., Bally Total Fitness of Toledo, Inc., Bally Total Fitness of Upstate New York, Inc., BTF Canada Corporation (Canada), BTF Cincinnati Corporation, BTF Europe Corporation, BTF Indianapolis Corporation, BTF Minneapolis Corporation, BTF/CFI, Inc., BTFCC, Inc., BTFF Corporation, CSI Bally Total Fitness Company, Ltd. (China), Greater Philly No. 1 Holding Company, Greater Philly No. 2 Holding Company, Health & Tennis Corporation of New York, Holiday Health Clubs of the East Coast, Inc., Holiday/Southeast Holding Corp., Jack LaLanne Holding Corp., Lincoln Indemnity Company (VT), New Fitness Holding Co., Inc., Nycon Holding Co., Inc., Rhode Island Holding Company, Tideland's Holiday Health Clubs, Inc., and U.S. Health, Inc.

107. Swap Note: means a note with the same maturity date and interest rate as the Exit Revolver Facility, with annual principal payments to be made from excess cash flow, and secured on a *pari passu* basis with the Exit Revolver Facility, to be issued in accordance with Article III of the Plan on account of the Prepetition Swap Claims.

108. Tort Claims: means any Claim that has not been settled, compromised or otherwise resolved that: (i) arises out of allegations of personal injury, wrongful death, property damage, products liability or similar legal theories of recovery; or (ii) arises under any federal, state or local statute, rule, regulation or ordinance governing, regulating or relating to health, safety, hazardous substances or the environment.

109. Unsecured Claims: means, collectively, the General Unsecured Claims, the Senior Note Claims, the Subordinated Note Claims, the Convenience Claims, and the Prepetition Term Loan Deficiency Claims.

110. Unsecured Claims Distribution: means (i) the New Bally Warrants and (ii) 300,000 shares of New Bally Common Stock, representing 3% of the total amount of New Bally Common Stock, subject to dilution from the New Bally Warrants and the Management Options, to be issued in accordance with Article III of the Plan on account of Allowed General Unsecured Claims, the Senior Note Claims, the Subordinated Note Claims, and the Prepetition Term Loan Deficiency Claims.

111. Unsecured Claims Reserve: has the meaning ascribed to such term in Article VIII of the Plan.

112. Unsecured Creditors' Committee: means the Official Committee of Unsecured Creditors appointed by the United States Trustee in the Debtors' Chapter 11 Cases, as constituted from time to time.

113. Voting Deadline: means the deadline for submitting Ballots to either accept or reject the Plan in accordance with section 1126 of the Bankruptcy Code that is specified in the Disclosure Statement, the Ballots or related solicitation documents approved by the Bankruptcy Court.

114. Workers Compensation Claim: means a Claim held by a current or former employee of the Debtors for workers' compensation insurance coverage under the workers'

compensation laws applicable in the particular state in which the employee is or was employed by the Debtors.

B. Interpretation, Application of Definitions and Rules of Construction

Capitalized terms in the Plan that are not defined herein shall have the same meanings assigned to such terms by the Bankruptcy Code or Bankruptcy Rules, as the case may be. The words “herein,” “hereof,” and “hereunder” and other words of similar import refer to the Plan as a whole and not to any particular section or subsection in the Plan unless expressly provided otherwise. The words “includes” and “including” are not limiting and mean that the things specifically identified are set forth for purposes of illustration, clarity or specificity and do not in any respect qualify, characterize or limit the generality of the class within which such things are included. Captions and headings to articles, sections and exhibits are inserted for convenience of reference only, are not a part of this Plan, and shall not be used to interpret this Plan. The rules of construction set forth in section 102 of the Bankruptcy Code shall apply to this Plan. In computing any period of time prescribed or allowed by this Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.

**ARTICLE II.
ADMINISTRATIVE AND PRIORITY CLAIMS**

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, Priority Tax Claims, and Fee Claims, as described below, have not been classified and thus are excluded from the classes of Claims and Equity Interests set forth in Article III.

A. Administrative Claims.

Each holder of an Allowed Administrative Claim as of the Effective Date shall receive from the Debtors (i) Cash in an amount equal to the amount of such Allowed Administrative Claim as soon as practicable after the later of (a) the Effective Date and (b) thirty days after the date such Administrative Claim becomes an Allowed Administrative Claim, or (ii) such other treatment as the Debtors and such holder shall have agreed upon in writing; provided, however, that Allowed Ordinary Course Administrative Claims shall be paid in full in the ordinary course of business of the Reorganized Debtors in accordance with the terms and subject to the conditions of any agreements governing, instruments evidencing, or other documents relating to, such transactions.

B. Fee Claims.

All requests for compensation or reimbursement of Fee Claims shall be filed and served on the Reorganized Debtors, counsel to the Reorganized Debtors, the United States Trustee, counsel to the Unsecured Creditors’ Committee, and counsel to the Exit Lenders and such other entities who are designated by the Bankruptcy Rules, the Confirmation Order or other order of the Court, no later than 45 days after the Effective Date. Holders of Fee Claims that are required to file and serve applications for final allowance of their Fee Claims and that do not file and serve such applications by the required deadline shall be forever barred from asserting such Claims against the Debtors, Reorganized Debtors or their respective properties, and such Fee

Claims shall be deemed discharged as of the Effective Date. Objections to any Fee Claims must be filed and served on the Reorganized Debtors, counsel for the Reorganized Debtors, and the requesting party no later than 75 days after the Effective Date (unless otherwise agreed by the party requesting compensation).

C. Priority Tax Claims.

Except to the extent that a holder of an Allowed Priority Tax Claim agrees to a different treatment, each holder of an Allowed Priority Tax Claim shall receive, at the sole option of the Reorganized Debtors, after consultation with the Exit Term Loan Lenders, in full satisfaction, settlement, release, and discharge, of and in exchange for such Priority Tax Claims: (i) payment in full in Cash as soon as practicable after the Effective Date; (ii) payment equal to the principal amount of such Priority Tax Claim plus statutory interest on any outstanding balance from the Effective Date, calculated at the prevailing rate under applicable nonbankruptcy law for each taxing authority, and in a manner not less favorable than the most favored nonpriority Unsecured Claim provided for by the Plan (other than cash payments made to a class of creditors pursuant to Code § 1122(b)), (a) in full within thirty (30) days after such Priority Tax Claim becomes an Allowed Priority Tax Claim; or (b) in equal Cash installments made on a quarterly basis in accordance with § 1129(a)(9)(C) of the Bankruptcy Code, over a period not to exceed sixty (60) months following the Petition Date. In the event that an Allowed Priority Tax Claim is not paid in accordance with the Plan, the holder of such Allowed Priority Tax Claim may provide the Reorganized Debtors with written notice of default by mail in accordance with Article XII.J. of the Plan. If default is not cured within thirty (30) days after service of the notice, the holder of such Allowed Priority Tax Claim may: (i) seek to exercise all of its rights and remedies under applicable nonbankruptcy law and/or (ii) seek such relief as may be appropriate in this Court.

ARTICLE III.

CLASSIFICATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS

All Claims and Equity Interests, except Administrative Claims, Priority Tax Claims, and Fee Claims are placed in the Classes set forth below. A Claim or Equity Interest is placed in a particular Class only to the extent that the Claim or Equity Interest falls within the description of that Class, and is classified in other Classes to the extent that any portion of the Claim or Equity Interest falls within the description of such other Classes. A Claim is also placed in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim is an Allowed Claim in that Class and such Claim has not been paid, released, or otherwise settled prior to the Effective Date.

A. Class Identification and Status

Below is a chart identifying each separate Class, a description of whether the Class is impaired and the Class's voting rights:

<u>Class</u>	<u>Claim or Equity Interest</u>	<u>Status</u>	<u>Voting Rights</u>
1	Other Priority Claims	Unimpaired	Deemed to Accept

2	Other Secured Claims	Unimpaired	Deemed to Accept
3	Prepetition Revolver Facility Claims	Impaired	Entitled to Vote
4	Prepetition Swap Claims	Impaired	Entitled to Vote
5	Prepetition Term Loan Secured Claims	Impaired	Entitled to Vote
6	Prepetition Term Loan Deficiency Claims	Impaired	Entitled to Vote
7	Senior Note Claims	Impaired	Entitled to Vote
8	General Unsecured Claims	Impaired	Entitled to Vote
9	Convenience Claims	Impaired	Entitled to Vote
10	Subordinated Note Claims	Impaired	Entitled to Vote
11	Intercompany Claims	Impaired	Deemed to Accept
12	Equity Interests	Impaired	Deemed to Reject

B. Treatment of Classified Claims and Equity Interests

1. Class 1 - Other Priority Claims. Except to the extent that a holder of an Allowed Other Priority Claim agrees in writing to different treatment, in full satisfaction of and in exchange for each Allowed Other Priority Claim, each holder of an Allowed Other Priority Claim shall receive payment in an amount equal to such Allowed Other Priority Claim in full in Cash as soon as practicable after the later of (a) the Effective Date and (b) thirty days after the date when such Other Priority Claim becomes an Allowed Other Priority Claim.

2. Class 2 - Other Secured Claims. Except to the extent that a holder of an Allowed Other Secured Claim agrees in writing to different treatment, at the sole option of the Debtors, after consultation with the Exit Term Loan Lenders, in full satisfaction of and in exchange for each Allowed Other Secured Claim, (i) each Allowed Other Secured Claim shall be reinstated and rendered unimpaired in accordance with section 1124(2) of the Bankruptcy Code, notwithstanding any contractual provision or applicable nonbankruptcy law that entitles the holder of an Allowed Other Secured Claim to demand or receive payment of such Allowed Other Secured Claim prior to the stated maturity of such Allowed Other Secured Claim from and after the occurrence of a default, (ii) each holder of an Allowed Other Secured Claim shall receive Cash in an amount equal to such Allowed Other Secured Claim, including any interest on such Allowed Other Secured Claim, if such interest is required to be paid pursuant to sections 506(b) and/or 1129(a)(9) of the Bankruptcy Code, as soon as practicable after the later of (a) the Effective Date, and (b) thirty days after the date such Other Secured Claim becomes an Allowed Other Secured Claim, or (iii) each holder of an Allowed Other Secured Claim shall receive the Collateral securing its Allowed Other Secured Claim in full and complete satisfaction of such Allowed Other Secured Claim as soon as practicable after the later of (a) the Effective Date and (b) thirty days after the date such Other Secured Claim becomes an Allowed Other Secured Claim.

Notwithstanding the foregoing, to the extent an Allowed Other Secured Claim arises on account of property taxes, any liens imposed on account of such Allowed Other Secured Claim shall remain unimpaired until such Allowed Other Secured Claim is paid in full, and such Allowed Other Secured Claim shall be treated as an Allowed Priority Tax Claim, *provided, however*, that such Allowed Other Secured Claim shall be satisfied in full if the holder of such Allowed Other Secured Claim receives on account of such Allowed Other Secured cash equal to the principal amount of such Allowed Other Secured, plus statutory interest on any outstanding balance accruing from the Petition Date rather than the Effective Date.

3. *Class 3 - Prepetition Revolver Facility Claims.* In full satisfaction of and in exchange for each Allowed Prepetition Revolver Facility Claim, each holder of an Allowed Prepetition Revolver Facility Claim shall receive a Pro Rata share of the Exit Revolver Facility. Any Letter of Credit Claim shall be satisfied with the issuance of one or more replacement letter of credit facilities as part of the Exit Revolver Facility unless cash collateralized at the sole election of the Debtors.

4. *Class 4 – Prepetition Swap Claims.* In full satisfaction of and in exchange for the Allowed Prepetition Swap Claims, the holder(s) of the Allowed Prepetition Swap Claims shall receive the Swap Note.

5. *Class 5 - Prepetition Term Loan Secured Claims.* In full satisfaction of and in exchange for each Allowed Prepetition Term Loan Secured Claim, each holder of a Prepetition Term Loan Secured Claim shall receive a Pro Rata share of the Prepetition Term Loan Distribution.

6. *Class 6 - Prepetition Term Loan Deficiency Claims.* In full satisfaction of and in exchange for each Allowed Prepetition Term Loan Deficiency Claim, each holder of a Prepetition Term Loan Deficiency Claim shall receive a Pro Rata share of the Unsecured Claims Distribution, provided, however, that in no event shall the holders of Prepetition Term Loan Deficiency Claims recover any value in excess of the Allowed amount of such Claims, provided further, that if Classes 7 and 8 vote in favor of the Plan, the Prepetition Term Loan Holders shall be deemed to waive the Prepetition Term Loan Deficiency Claim in full.

7. *Class 7 - Senior Note Claims.* In full satisfaction of and in exchange for each Allowed Senior Note Claim, each holder of an Allowed Senior Note Claim shall receive a Pro Rata distribution of the Unsecured Claims Distribution; provided, however, that in no event shall the holders of Senior Note Claims recover value in excess of the Allowed amount of such Claims; provided further, however, that if a Subordination Dispute is not timely commenced, the Subordinated Notes Plan Distribution shall be distributed to the Senior Secured Notes Indenture Trustee for the benefit of holders of Allowed Class 7 Claims, and there shall be no distributions to Class 10. If a Subordination Dispute is timely commenced, then the Debtors shall retain the Subordinated Notes Plan Distribution until the Subordination Dispute is resolved by Final Order, and shall distribute the Subordinated Notes Plan Distribution to holders of Class 7 Claims only to the extent provided for in a Final Order entered in the Subordination Dispute. The Subordinated Notes Indenture Trustee's rights under the Subordinated Notes Indenture shall not be reduced or impaired by reason of the Debtors' retention of the Subordinated Notes Plan Distribution.

8. Class 8 - General Unsecured Claims. In full satisfaction of and in exchange for each Allowed General Unsecured Claim, each holder of an Allowed General Unsecured Claim shall receive a Pro Rata distribution of the Unsecured Claims Distribution, provided, however, that in no event shall the holders of General Unsecured Claims recover value in excess of the Allowed amount of such Claims.

9. Class 9 - Convenience Claims. In full satisfaction of and in exchange for each Allowed Convenience Claim, each holder of an Allowed Convenience Claim shall receive a distribution in Cash equal to 1.17% of such holder's Allowed Convenience Claim (the "Convenience Claims Consideration") within the later of (i) 30 days after the Effective Date, or (ii) 30 days after the date on which such holder's claim becomes an Allowed Convenience Claim.

10. Class 10 - Subordinated Note Claims. In full satisfaction of and in exchange for each Allowed Subordinated Note Claim, each holder of an Allowed Subordinated Note Claim shall receive a Pro Rata distribution of the Unsecured Claims Distribution, provided, however, that in no event shall the holders of Subordinated Note Claims recover value in excess of the Allowed amount of such claims; provided further, however, that the treatment and distributions to be paid to holders of Allowed Subordinated Note Claims and Senior Note Claims shall give effect to the subordination provisions of the Subordinated Notes Indenture to the extent and in the manner set forth therein and section 510(a) of the Bankruptcy Code; provided further, however, if a Subordination Dispute is not timely commenced, the Subordinated Notes Plan Distribution shall be distributed to the Senior Secured Notes Indenture Trustee for the benefit of holders of Allowed Class 7 Claims, and there shall be no distributions to holders of Class 10 Claims. If a Subordination Dispute is timely commenced, then the Debtors shall retain the Subordinated Notes Plan Distribution until the Subordination Dispute is resolved by Final Order, and shall distribute the Subordinated Notes Plan Distribution to holders of Class 10 Claims only to the extent provided for in a Final Order entered in the Subordination Dispute. Nothing in the Plan shall affect, limit or impair the rights that the Senior Secured Indenture Trustee and the holders of Class 7 Claims may have as holders of Senior Indebtedness (as defined in the Subordinated Notes Indenture) with respect to the Subordinated Notes Plan Distribution. Nothing in this Plan shall affect, limit or impair the respective rights of the Senior Secured Notes Indenture Trustee and holders of Allowed Senior Notes Claims, or the Subordinated Notes Indenture Trustee and holders of Allowed Subordinated Notes Claims, in respect of the Subordinated Notes Indenture, including provisions pertaining to subordination.

11. Class 11 - Intercompany Claims. Intercompany Claims that are not specifically reinstated by the Debtors on or before the Effective Date will be deemed eliminated in full on the date following the Effective Date through contribution or distribution of the Intercompany Claim, depending on the relationship of the parties, to the Debtor liable for the Intercompany Claim, or as otherwise provided by the Debtors.

12. Class 12 - Equity Interests. The holders of Equity Interests in the Debtors shall neither receive distributions nor retain any property under the Plan on account of such Equity Interests.

ARTICLE IV.
CONSOLIDATION OF THE DEBTORS FOR DISTRIBUTION PURPOSES

Solely in connection with Distributions to be made to the holders of Allowed Claims, the Plan is predicated upon, and it is a condition precedent to confirmation of the Plan, that the Court provide in the Confirmation Order for the consolidation of the Debtors' Estates into a single Estate for purposes of this Plan and the Distributions hereunder. Holders of Allowed Claims in each Class shall be entitled to their share of assets available for distribution to such Class without regard to which Debtor was originally liable for such Claim. Intercompany Claims shall be treated as provided in Class 11 of this Plan.

Pursuant to the Confirmation Order (i) all assets and liabilities of the consolidated Debtors will be deemed to be merged solely for purposes of this Plan and Distributions to be made hereunder, (ii) the obligations of each Debtor will be deemed to be the obligation of the consolidated Debtors solely for purposes of this Plan and Distributions hereunder, (iii) any Claims filed or to be filed in connection with any such obligations will be deemed Claims against the consolidated Debtors, (iv) each Claim filed in the Chapter 11 Case of any Debtor will be deemed filed against the Debtors in the consolidated Chapter 11 Cases in accordance with the consolidation of the assets and liabilities of the Debtors, (v) all transfers, disbursements and distributions made by any Debtor hereunder will be deemed to be made by the consolidated Debtors, and (vi) all guarantees of the Debtors of the obligations of any other Debtors shall be deemed eliminated so that any Claim against any Debtor and any guarantee thereof executed by any other Debtor and any joint or several liability of any of the Debtors shall be deemed to be one obligation of the consolidated Debtors.

Notwithstanding the foregoing, such consolidation shall not affect (i) the legal and corporate structure of the Reorganized Debtors; (ii) guarantees that are required to be maintained post-Effective Date (a) in connection with executory contracts or unexpired leases that were entered into during the Chapter 11 Cases or that have been, or will hereunder be, assumed, (b) pursuant to the express terms of the Plan, or (c) in connection with the Exit Facilities; or (iii) each Debtor's obligation to file the necessary operating reports and pay any required fees pursuant to 28 U.S.C. § 1930(a)(6) (such obligations shall continue until an order is entered closing, dismissing or converting each such Debtor's Chapter 11 Case).

The Plan shall serve as, and shall be deemed to be, a motion for entry of an order consolidating the Estates as set forth in this Plan. If no objection to consolidation under this Plan is timely filed and served, then the holders of Claims will be deemed to have consented to consolidation for the purpose of this Plan only and the Court may approve consolidation of the Debtors' Estates in the Confirmation Order. If such objection to the consolidation provided for in this Plan is timely filed and served, a hearing with respect to the consolidation of the Estates and the objections thereto shall be scheduled by the Court, which hearing may coincide with the Confirmation Hearing.

ARTICLE V.
MEANS FOR IMPLEMENTATION OF THE PLAN

A. Exit Facilities

On or prior to the Confirmation Date, the Debtors shall have entered into the Exit Facilities.

1. The Exit Revolver Facility. The Exit Revolver Facility shall be utilized to roll the Prepetition Revolver Facility into a post-Effective Date revolver facility.

2. The Exit Term Loan Facility. The amounts borrowed under the Exit Term Loan Facility shall be used to make distributions under the Plan, to satisfy certain Plan-related expenses, and to fund the Reorganized Debtors' working capital needs.

B. Voting of Claims

Each holder of an Allowed Claim in an Impaired Class of Claims, not otherwise deemed to have accepted or rejected the Plan, shall be entitled to vote to accept or reject the Plan as provided in such order as may be entered by the Court establishing certain procedures with respect to the solicitation and tabulation of votes to accept or reject the Plan, or any other order or orders of the Court.

C. Nonconsensual Confirmation

If less than all Impaired Classes accept the Plan, but at least one Class of Claims impaired under the Plan has accepted the Plan (and which Class's acceptance is determined without inclusion of Claims of Insiders), the Debtors may seek to have the Court confirm the Plan under section 1129(b) of the Bankruptcy Code. The Debtors request confirmation of the Plan under section 1129(b) of the Bankruptcy Code with respect to any impaired Class that has not accepted or is deemed not to have accepted the Plan pursuant to section 1126 of the Bankruptcy Code.

D. Issuance of New Bally Common Stock, New Bally Warrants and New Subsidiary Equity Interests

1. Issuance and Shareholder Agreement. On the Effective Date, Reorganized Bally shall issue and distribute the New Bally Common Stock and New Bally Warrants pursuant to the terms of this Plan, and each Reorganized Subsidiary shall issue and distribute the New Subsidiary Equity Interests subject to the Restructuring Transactions. The number of shares, ownership and terms of the New Subsidiary Equity Interests shall be the same as the number of shares, ownership and terms of the Equity Interests in the Subsidiaries immediately prior to the Effective Date subject to the Restructuring Transactions. Each Person who receives a distribution of New Bally Common Stock under the Plan shall be deemed to have executed the Shareholder Agreement and shall be bound thereunder.

2. Section 1145 Exemption. Pursuant to, in accordance with, and solely to the extent provided under section 1145 of the Bankruptcy Code, the offering, issuance, and

distribution of the New Bally Common Stock, the New Bally Warrants and the New Bally Common Stock underlying the New Bally Warrants, shall be exempt from, among other things, the registration requirements of section 5 of the Securities Act and any other applicable law requiring registration prior to the offering, issuance, distribution, or sale of the New Bally Common Stock, the New Bally Warrants and the New Bally Common Stock underlying the New Bally Warrants.

E. The New Bally Common Stock

All New Bally Common Stock distributed under the Plan will be issued in book-entry form, and The Depository Trust Company (“DTC”) or its nominee will be the holder of record of such New Bally Common Stock, except for New Bally Common Stock issued to affiliates of the Debtors. One or more global stock certificates representing the New Bally Common Stock will be registered with a transfer agent for the New Bally Common Stock, in the name of, and will be deposited with, DTC or its nominee. For so long as New Bally Common Stock is held through DTC, the ownership interest of each holder of New Bally Common Stock, and transfers of ownership interests, will be recorded on the records of the direct and indirect participants in DTC. DTC participants include securities brokers and dealers, banks, trust companies, clearing corporations and other organizations. To receive distributions of New Bally Common Stock, holders of Claims who are not affiliates of the Debtors will be required to designate a direct or indirect participant in DTC with whom such holder has an account into which the New Bally Common Stock may be deposited. If DTC is unwilling or unable to continue as a depository for the New Bally Common Stock, or Reorganized Bally otherwise decides to do so, Reorganized Bally will either exchange the New Bally Common Stock represented in book-entry form by global stock certificates for registered stock certificates or record ownership of the New Bally Common Stock through a direct registration system.

New Bally Common Stock issued to affiliates of the Debtors will be in the form of registered stock certificates and may bear a legend indicating that transfer may be restricted under federal and state securities laws. To the extent New Bally Common Stock is issued in registered form, no stockholder may sell, exchange, assign, pledge, encumber or otherwise transfer such New Bally Common Stock if such transfer would result in the New Bally Common Stock being held of record by more than 275 Persons as determined pursuant to Section 12(g) of the Securities Exchange Act of 1934, as amended, unless such transfer is expressly approved by the board of directors of Reorganized Bally. Any transfer of New Bally Common Stock in violation of these provisions will be void.

F. The New Bally Warrants

The New Bally Warrants will be issued pursuant to the terms of the New Bally Warrant Agreement.

Each New Bally Warrant will initially be exercisable for one share of New Bally Common Stock at an exercise price set forth in the New Bally Warrant Agreement. The exercise price of the New Bally Warrants and the number of shares issuable upon exercise will be subject to customary adjustment for any stock dividends, stock distributions, stock subdivisions or stock combinations. The exercise price of the New Bally Warrants and the number of shares issuable

upon exercise will also be subject to customary adjustment for any extraordinary cash dividends or distributions of debt securities or other assets to all holders of New Bally Common Stock. In the event of any reclassification, capital reorganization or other change of the outstanding shares of New Bally Common Stock, or any consolidation or merger of Reorganized Bally with or into another corporation or entity (other than a consolidation or merger in which Reorganized Bally is the continuing entity) or any sale or conveyance of the property of Reorganized Bally substantially as an entirety, each New Bally Warrant will entitle the holder to purchase the kind and number of shares of stock or other securities or property receivable upon such reclassification, capital reorganization or other change, consolidation, merger, sale or conveyance by a holder of the number of shares of New Bally Common Stock that would have been purchased upon exercise of the New Bally Warrant immediately prior thereto.

In case Reorganized Bally declares a dividend or other distribution on the New Bally Common Stock that would require an adjustment in the exercise price of the New Bally Warrants; authorizes the granting to all of the holders of the New Bally Common Stock rights to subscribe for shares or warrants; effects any reclassification, reorganization, consolidation, merger or sale of substantially all of the assets of Reorganized Bally that would require adjustment to the New Bally Warrants; or effects any liquidation, dissolution or winding-up of the Debtors, Reorganized Bally will provide holders of the New Bally Warrants at least 15 business days advance notice of such action,

All New Bally Warrants distributed under the Plan will be issued in book-entry form, and DTC or its nominee will be the holder of record of such New Bally Warrants, except for New Bally Warrants issued to affiliates of the Debtors. One or more global warrant certificates representing the New Bally Warrants will be registered with a warrant agent for the New Bally Warrants, in the name of, and will be deposited with, DTC or its nominee. For so long as New Bally Warrants are held through DTC, the ownership interest of each holder of New Bally Warrants, and transfers of ownership interests, will be recorded on the records of the direct and indirect participants in DTC. To receive distributions of New Bally Warrants, holders of Claims who are not affiliates of the Debtors will be required to designate a direct or indirect participant in DTC with whom such holder has an account into which the New Bally Warrants may be deposited. If DTC is unwilling or unable to continue as a depository for the New Bally Warrants, or Reorganized Bally otherwise decides to do so, Reorganized Bally will exchange the New Bally Warrants represented in book entry form by global warrant certificates for registered warrant certificates or record ownership of the New Bally Warrants through a direct registration system.

So long as the New Bally Warrants are held of record by DTC or its nominee, beneficial owners of such New Bally Warrants will be required to follow such procedures as DTC or its direct or indirect participants may establish for exercising their rights in respect of the New Bally Warrants, including exercise and transfer thereof. Also, for so long as New Bally Common Stock is held through DTC, shares of New Bally Common Stock issuable upon exercise of the New Bally Warrants will be issued in book-entry form and held through DTC.

New Bally Warrants issued to affiliates of the Debtors will be in the form of registered warrant certificates and may bear a legend indicating that transfer may be restricted under federal and state securities laws. The New Bally Warrant Agreement will provide that, to

the extent New Bally Warrants are issued in registered form, no warrant holder may sell, exchange, assign, pledge, encumber or otherwise transfer of all or any portion of a New Bally Warrant if such transfer would result in the New Bally Warrants being held of record by more than 450 Persons as determined pursuant to Section 12(g) of the Securities Exchange Act of 1934, as amended, unless such transfer is expressly approved by the board of directors of Reorganized Bally. Any transfer of a New Bally Warrant in violation of these provisions will be void.

G. Claims Monitor

1. Retention. The Debtors, in consultation with the Unsecured Creditors' Committee, will negotiate and enter into an engagement letter with the Claims Monitor prior to the Effective Date.

2. Powers, Rights and Responsibilities. The powers, rights and responsibilities of the Claims Monitor shall be to: (i) consult with the Reorganized Debtors with respect to any proposed stipulation or settlement that would result in an Allowed General Unsecured Claim in excess of \$1,000,000; (ii) file an objection to any proposed stipulation or settlement which would result in an Allowed General Unsecured Claim in excess of \$1,000,000; and (iii) object to (and thereafter settle) any General Unsecured Claim in excess of \$1,000,000 where the Claims Monitor has expressly requested in writing that the Reorganized Debtors object to a General Unsecured Claim and the Reorganized Debtors have not filed the objection requested by the Claims Monitor within 30 days of the Reorganized Debtors' receipt of such request.

3. Funding of Claims Monitor. The reasonable, documented and necessary fees and expenses of the Claims Monitor (including the reasonable and necessary fees and expenses of any professionals assisting the Claims Monitor in carrying out its responsibilities as set forth above) will be funded by the Reorganized Debtors in an amount not to exceed \$200,000 (which amount may be increased in the sole discretion of the Reorganized Debtors) without further order from the Bankruptcy Court.

4. Termination of Claims Monitor. The Claims Monitor's engagement will terminate on the date that the last Disputed General Unsecured Claim in excess of \$1,000,000 is resolved.

H. Restructuring Transactions

1. Restructuring Transactions Generally. On or after the Confirmation Date, the applicable Debtors or Reorganized Debtors may enter into such Restructuring Transactions and may take such actions as the Debtors or Reorganized Debtors may determine to be necessary or appropriate to effect, in accordance with applicable non-bankruptcy law, a corporate restructuring of their respective businesses or simplify the overall corporate structure of the Reorganized Debtors, including but not limited to the restructuring transactions identified on Exhibit C, all to the extent not inconsistent with any other terms of the Plan. All such Restructuring Transactions will be deemed to occur on the date set under the terms of the applicable Restructuring Transaction. The Restructuring Transactions may include one or more

mergers, consolidations, restructurings, dispositions, liquidations or dissolutions, as may be determined by the Debtors or the Reorganized Debtors to be necessary or appropriate. The actions to effect these transactions may include: (i) the execution and delivery of appropriate agreements or other documents of merger, consolidation, restructuring, disposition, liquidation or dissolution containing terms that are consistent with the terms of the Plan and that satisfy the requirements of applicable state law and such other terms to which the applicable entities may agree; (ii) the execution and delivery of appropriate instruments of transfer, assignment, assumption or delegation of any asset, property, right, liability, duty or obligation on terms consistent with the terms of the Plan and having such other terms to which the applicable entities may agree; (iii) the filing of appropriate certificates or articles of merger, consolidation, dissolution or change in corporate form pursuant to applicable state law; and (iv) the taking of all other actions that the applicable entities determine to be necessary or appropriate, including making filings or recordings that may be required by applicable state law in connection with such transactions. Any such transactions may be effected on or subsequent to the Effective Date without any further action by the stockholders or directors of any of the Debtors or the Reorganized Debtors.

2. Continued Corporate Existence and Vesting of Assets. Except as otherwise provided herein (including with respect to the Restructuring Transactions described above): (i) each Debtor will, as a Reorganized Debtor, continue to exist after the Effective Date as a separate legal entity, with all of the powers of such a legal entity under applicable law and without prejudice to any right to alter or terminate such existence (whether by merger, dissolution or otherwise) under applicable state law; and (ii) on the Effective Date, all property of the Estate of a Debtor, and any property acquired by a Debtor or Reorganized Debtor under the Plan, will vest, subject to the Restructuring Transactions, in such Reorganized Debtor free and clear of all Claims, Liens, charges, other encumbrances, Interests and other interests. On and after the Effective Date, each Reorganized Debtor may operate its business and may use, acquire and dispose of property and compromise or settle any claims without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by the Plan or the Confirmation Order. Without limiting the foregoing, each Reorganized Debtor may pay the charges that it incurs on or after the Effective Date for Fee Claims, disbursements, expenses or related support services (including fees relating to the preparation of Professional fee applications) without application to, or the approval of, the Bankruptcy Court.

3. Successor Obligations. The Restructuring Transactions may result in substantially all of the respective assets, properties, rights, liabilities, duties and obligations of certain of the Reorganized Debtors vesting in one or more surviving, resulting or acquiring corporations. In each case in which the surviving, resulting or acquiring corporation in any such transaction is a successor to a Reorganized Debtor, such surviving, resulting or acquiring corporation will perform the obligations of the applicable Reorganized Debtor pursuant to the Plan to pay or otherwise satisfy the Allowed Claims against such Reorganized Debtor, except as provided in the Plan or in any contract, instrument or other agreement or document effecting a disposition to such surviving, resulting or acquiring corporation, which may provide that another Reorganized Debtor will perform such obligations.

ARTICLE VI.
PROVISIONS REGARDING CORPORATE GOVERNANCE
OF THE REORGANIZED DEBTORS

A. Amendments to Certificates of Incorporation

1. Bally Total Fitness Holding Corporation. On the Effective Date, the certificate of incorporation of Bally shall be amended and restated to (i) increase the authorized capital stock of New Bally, (ii) prohibit the issuance of nonvoting equity securities only so long as, and to the extent that, the issuance of nonvoting equity securities is prohibited, and (iii) provide for restrictions on trading New Bally Common Stock and New Bally Warrants to the extent provided in Article V.E. The Amended and Restated Certificate of Incorporation of Reorganized Bally is attached to the Plan as Exhibit E, and will be filed on or immediately prior to the Effective Date with the applicable Secretaries of State and/or the applicable authorities in their respective states of incorporation in accordance with the corporate laws of the respective states of incorporation.

2. The Debtor Subsidiaries. On the Effective Date, or as soon thereafter as is practicable, the certificate of incorporation of each Debtor Subsidiary shall be amended (to the extent such provision is not already included in the applicable certificate of incorporation) to prohibit the issuance of nonvoting equity securities only so long as, and to the extent that, the issuance of nonvoting equity securities is prohibited. Under the Restructuring Transactions, the Debtors shall take all necessary steps and make all necessary filings to consolidate the Subsidiaries into [7] operating subsidiaries. The amended certificates of incorporation of the Reorganized Subsidiaries will be filed with the applicable Secretaries of State and/or the applicable authorities in their respective states of incorporation in accordance with the corporate laws of the respective states of incorporation.

B. Appointment of Officers and Directors

As of the Effective Date, the term of the current members of the board of directors of Bally shall expire, and the initial boards of directors, including the New Board, and the officers of each of the Reorganized Debtors shall consist of the individuals identified on Exhibit G to the Plan. The initial board of directors of Reorganized Bally shall be an eight-member board comprised of Michael Sheehan, and seven directors designated by the Exit Term Loan Lenders (one of which will be Gene Davis). The initial boards of directors of the Reorganized Subsidiaries shall have substantially the same composition and membership as such Subsidiaries had immediately prior to the Effective Date. The identities, affiliations and the amount of compensation of the initial board members of Reorganized Bally will be disclosed in Exhibit G to the Plan. Any successors to the Reorganized Debtors' initial boards will be appointed in compliance with the applicable Reorganized Debtor's bylaws, certificates of incorporation or other applicable corporate formation and governance documents. Each such director and officer shall serve from and after the Effective Date pursuant to the terms of the new certificates of incorporation, new by-laws, and other constituent documents of the Reorganized Debtors.

C. Powers of Officers

The officers of the Debtors or the Reorganized Debtors, as the case may be, shall have the power to enter into or execute any documents or agreements that they deem reasonable and appropriate to effectuate the terms of the Plan.

D. Management of Reorganized Debtors

The officers of the Reorganized Debtors shall be substantially the same as the officers of the Debtors on the Effective Date. The Reorganized Debtors' officers shall be employed and serve the Reorganized Debtors in accordance with the Management Contracts.

E. Reorganized Debtors' Management Incentive Plan

The Management Incentive Plan shall become effective on the Effective Date. Pursuant to the Management Incentive Plan, (i) 3% of the shares of the New Bally Common Stock, subject to dilution from the New Bally Warrants and the Management Options (as defined below), shall be reserved for issuance and distribution to management with respect to the grant of restricted stock units, (ii) management will be granted options to purchase up to 8% of New Bally Common Stock, on a fully diluted basis, on the terms set forth in the Management Incentive Plan (the "Management Options"), and (iii) Reorganized Bally will distribute emergence bonuses in an aggregate amount of \$1 million to management on the Effective Date. A summary of the Management Incentive Plan shall be attached as Exhibit H to the Plan.

F. Reorganized Debtors' Corporate Personnel Incentive Plan

The Corporate Personnel Incentive Plan shall become effective on the Effective Date. Pursuant to the Corporate Personnel Incentive Plan the Reorganized Debtors will offer incentive based cash compensation to certain corporate personnel. A summary of the Corporate Personnel Incentive Plan shall be attached as Exhibit I to the Plan.

G. Indemnification of Directors, Officers and Employees

Upon the Effective Date, the charter and by-laws of each Reorganized Debtor shall contain provisions which (i) eliminate the personal liability of the Debtors' and the Reorganized Debtors' then-present and future directors and officers for post-emergence monetary damages resulting from breaches of their fiduciary duties to the fullest extent permitted by applicable law in the state in which the subject Reorganized Debtor is organized; and (ii) require such Reorganized Debtor, subject to appropriate procedures, to indemnify the Debtors' and the Reorganized Debtors' directors, officers, and other employees (as such employees are identified by the New Board) serving on or after the Effective Date for all claims and actions to the fullest extent permitted by applicable law in the state in which the subject Reorganized Debtor is organized, it being expressly understood that in no event shall the Reorganized Debtors be responsible for the indemnification claims of individuals who did not serve as officers or directors of the Debtors after October 1, 2007.

ARTICLE VII.
CONFIRMATION OF THE PLAN

A. Conditions to Confirmation

The following conditions are conditions to the entry of the Confirmation Order unless such conditions, or any of them, have been satisfied or duly waived:

1. The Confirmation Order is reasonably acceptable in form and substance to the Debtors, the Exit Lenders, and the Unsecured Creditors' Committee.

2. The Plan is reasonably satisfactory in form and substance to the Debtors, the Exit Lenders, and the Unsecured Creditors' Committee.

3. The Plan Exhibits are reasonably satisfactory in form and substance to the Debtors and the Exit Lenders after consultation with the Unsecured Creditors' Committee.

4. Any modification of, amendment, supplement or change to the Plan that alters in any way the distributions under the Plan or the parties to whom it shall be made available shall not have been made without the consent of the Exit Lenders and the Unsecured Creditors' Committee.

5. The Bankruptcy Court shall have approved the Disclosure Statement in form and substance reasonably satisfactory to the Debtors and the Exit Lenders, as containing adequate information with respect to the Plan within the meaning of section 1125 of the Bankruptcy Code.

6. All Plan Exhibits shall have been filed with the Bankruptcy Court.

7. The Debtors shall have executed all material documents relating to the Exit Facilities.

8. The Debtors shall have executed the Management Contracts.

B. Waiver of Conditions Precedent to Confirmation

The Debtors may waive conditions 1, 2 and 4 set forth in Article VII.A. above at any time with the consent of the Exit Lenders and the Unsecured Creditors' Committee, which consent shall not be unreasonably withheld, and without leave of or order of the Court and without any formal action. The Debtors may waive conditions 3, 5, 6, 7 and 8 set forth in Article VII.A. above at any time with the consent of the Exit Lenders, which consent shall not be unreasonably withheld, and without leave of or order of the Court and without any formal action.

C. Continued Corporate Existence

The Debtors, as Reorganized Debtors, shall continue to exist after the Effective Date with all powers of a corporation or limited liability company, as the case may be, under the laws of the respective states governing their formation and without prejudice to any right to alter

or terminate such existence (whether by merger or otherwise) under such applicable state law, except as such rights may be limited and conditioned by the Plan and the documents and instruments executed and delivered in connection therewith. In addition, the Reorganized Debtors may operate their businesses free of any restrictions imposed by the Bankruptcy Code, the Bankruptcy Rules or the Court, subject only to the terms and conditions of the Plan as well as the documents and instruments executed and delivered in connection therewith, including without limitation, the Plan Exhibits. The Reorganized Debtors shall be responsible for filing required post-confirmation reports and paying quarterly fees due to the Office of the United States Trustee.

D. Dissolution of Unsecured Creditors' Committee

The Unsecured Creditors' Committee shall continue in existence until the Effective Date to exercise those powers and perform those duties specified in section 1103 of the Bankruptcy Code. On the Effective Date, the Unsecured Creditors' Committee shall be dissolved and its members shall be deemed released of all their duties, responsibilities and obligations in connection with the Chapter 11 Cases or this Plan and its implementation, and the retention or employment of the Unsecured Creditors' Committee's attorneys, financial advisors, and other agents shall terminate as of the Effective Date; provided, however, such attorneys and financial advisors shall be entitled to pursue their own Fee Claims and represent the Unsecured Creditors' Committee in connection with the review of and the right to be heard in connection with all Fee Claims.

E. Benefit Plans

As of and subject to the Effective Date, except as provided in Article X and Exhibit A, all employment and severance agreements and policies, and all employee compensation and benefit plans, policies, and programs of the Debtors applicable generally to their employees, including agreements and programs subject to section 1114 of the Bankruptcy Code, as in effect on the Effective Date, including, without limitation, all savings plans, retirement plans, health care plans, disability plans, severance benefit plans, incentive plans, and life, accidental death, and dismemberment insurance plans, shall be deemed to be, and shall be treated as though they are, executory contracts that are assumed under the Plan, and the Debtors' obligations under such agreements and programs shall survive the Effective Date of the Plan, without prejudice to the Reorganized Debtors' rights under applicable non-bankruptcy law to modify, amend, or terminate the foregoing arrangements, except for (i) such executory contracts or plans specifically rejected pursuant to the Plan (to the extent such rejection does not violate section 1114 of the Bankruptcy Code), and (ii) such executory contracts or plans as have previously been terminated or rejected, pursuant to a Final Order, or specifically waived by the beneficiaries of such plans, contracts, or programs.

F. Vesting of Property

The property of the Debtors' estates, including, without limitation, all of the Litigation Rights, shall be revested in the Reorganized Debtors on the Effective Date.

G. Discharge of the Debtors

The rights afforded herein and the treatment of all Claims and Equity Interests herein shall be in exchange for and in complete satisfaction, discharge, and release of all Claims of any nature whatsoever, including any interest accrued on such Claims from and after the Petition Date, against the Debtors, the Reorganized Debtors or any of their respective assets or properties, arising prior to the Effective Date. Pursuant to section 1141(d) of the Bankruptcy Code and except as otherwise expressly specified in section 1141(d)(6) of the Bankruptcy Code or the Plan, upon the Effective Date the Confirmation Order shall act as a discharge of all debts of, Claims against, and Liens on the Debtors, their respective assets and properties, arising at any time before the Effective Date, regardless of whether a proof of Claim with respect thereto was filed, whether the Claim is Allowed, or whether the holder thereof votes to accept the Plan or is entitled to receive a distribution hereunder. Except as otherwise expressly specified in the Plan, after the Effective Date, any holder of such discharged Claim shall be precluded from asserting against the Debtors, the Reorganized Debtors, or any of their respective assets or properties, any other or further Claim based on any document, instrument, act, omission, transaction, or other activity of any kind or nature that occurred before the entry of the Confirmation Order.

H. Injunction

Except as otherwise expressly provided in the Plan, the Confirmation Order, or a separate order of the Court, all Persons or entities who have held, hold, or may hold Claims against the Debtors that arose before or were held as of the Effective Date, are permanently enjoined, on and after the Effective Date, from (i) commencing or continuing in any manner any action or other proceeding of any kind against or affecting a Debtor, its Estate or its Assets, with respect to any such Claim, (ii) the enforcement, attachment, collection, or recovery by any manner or means of any judgment, award, decree, or order against the Debtors or the Reorganized Debtors on account of any such Claim, (iii) creating, perfecting, or enforcing any encumbrance of any kind against the Debtors or the Reorganized Debtors or against the property or interests in property of the Debtors on account of any such Claim, (iv) asserting any right of setoff, or subrogation of any kind against any obligation due from the Debtors or the Reorganized Debtors or against the property or interests in property of the Debtors on account of any such Claim; and (v) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests released or settled pursuant to the Plan. Such injunction shall extend to successors of the Debtor (including, without limitation, the Reorganized Debtors) and their respective properties and interests in property. Such injunction shall not apply in respect of Ordinary Course Administrative Claims.

I. Preservation of Causes of Action

In accordance with section 1123(b) of the Bankruptcy Code, the Reorganized Debtors shall retain all Litigation Rights, other than as expressly provided below. Nothing contained in this Plan or the Confirmation Order shall be deemed a waiver or relinquishment of any claim, Litigation Right, right of setoff, or other legal or equitable defense of the Debtors that is not specifically waived or relinquished by this Plan. The Reorganized Debtors shall have, retain, reserve and be entitled to assert all such claims, Litigation Rights, rights of setoff and

other legal or equitable defenses that the Debtors had immediately prior to the Petition Date as fully as if the Chapter 11 Cases had not been commenced, and all of the Reorganized Debtors' legal and equitable rights respecting any claim that is not specifically waived or relinquished by this Plan may be asserted after the Effective Date to the same extent as if the Chapter 11 Cases had not been commenced. No Person may rely on the absence of a specific reference in the Plan or the Disclosure Statement to any Cause of Action against them as any indication that the Debtors or Reorganized Debtors, as applicable, will not pursue any and all available Causes of Action against such person. The Debtors or Reorganized Debtors, as applicable, expressly reserve all rights to prosecute any and all Causes of Action against any Person, except as otherwise expressly provided in the Plan.

J. Votes Solicited in Good Faith

The Debtors have, and upon confirmation of the Plan shall be deemed to have, solicited acceptances of the Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code. The Debtors (and each of their respective affiliates, agents, directors, officers, members, employees, advisors, and attorneys) have participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code in the offer and issuance of the securities offered and sold under the Plan and therefore have not been, and on account of such offer and issuance will not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or the offer or issuance of the securities offered and distributed under the Plan.

K. Administrative Claims Incurred After the Effective Date

Administrative Claims incurred by the Debtors after the Effective Date including (without limitation) Claims for Professionals' fees and expenses incurred after such date, may be paid by the Reorganized Debtors in the ordinary course of business and without application for or Court approval, subject to any agreements with any Claim holders.

L. Releases by the Debtors

On the Effective Date, and notwithstanding any other provisions of the Plan, the Debtors and the Reorganized Debtors, on behalf of themselves and their estates, shall be deemed to release unconditionally (i) all of their respective officers, directors, employees, partners, advisors, attorneys, financial advisors, accountants, and other professionals who served or were employed by the Debtors at any time between October 1, 2007, and the Effective Date, (ii) the Prepetition Administrative Agent, (iii) the officers, directors, principals, members, employees, partners, subsidiaries, affiliates, advisors, attorneys, financial advisors, accountants, and other professionals of the Prepetition Administrative Agent, (iv) the Prepetition Term Loan Holders and the Prepetition Revolver Facility Lenders, (v) the officers, directors, principals, members, employees, partners, subsidiaries, affiliates, advisors, attorneys, financial advisors, accountants, and other professionals of the Prepetition Term Loan Holders and the Prepetition Revolver Facility Lenders, (vi) the Exit Revolver Lenders and the Exit Term Loan Lenders, (vii) the officers, directors, principals, members, employees, partners, subsidiaries, affiliates, advisors, attorneys, financial advisors, accountants, and other professionals of the Exit

Revolver Lenders and the Exit Term Loan Lenders, (viii) the members of the Unsecured Creditors' Committee, (ix) the officers, directors, principals, members, employees, partners, subsidiaries, affiliates, advisors, attorneys, financial advisors, accountants, and other professionals of the Unsecured Creditors' Committee, (x) the Senior Secured Notes Indenture Trustee, (xi) the Subordinated Notes Indenture Trustee, (xii) Harbinger Capital Partners Master Fund I, Ltd. and Harbinger Capital Partners Special Situations Fund, LP. (collectively "Harbinger") as the former equity owners of Bally, and (xiii) the officers, directors, principals, members, employees, partners, subsidiaries, affiliates, advisors, attorneys, financial advisors, accountants, and other professionals of Harbinger (collectively the "Released Parties," and each a "Released Party") from any and all claims, obligations, suits, judgments, damages, rights, Causes of Action and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, based in whole or in part upon actions taken solely in their respective capacities described above or any omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date in any way relating to the Debtors, the Chapter 11 Cases, or the Plan, provided, however, that (a) no individual shall be released from any act or omission that constitutes gross negligence or willful misconduct, (b) the Reorganized Debtors shall not relinquish or waive the right to assert any of the foregoing as a legal or equitable defense or right of set-off or recoupment against any Claims of any such persons asserted against the Debtors, (c) the foregoing release shall not apply to any obligations that remain outstanding in respect of loans or advances made to individuals by the Debtors or to any obligations under the Exit Facilities outstanding as of the Effective Date, and (d) the foregoing release applies to the Released Parties solely in their respective capacities described above.

M. Releases by Holders of Claims and Equity Interests

On the Effective Date, and notwithstanding any other provisions of the Plan, (i) Persons who directly or indirectly, have held, hold, or may hold Claims or Interests who voted to accept the Plan, and (ii) to the fullest extent permissible under applicable law, as such law may be extended or interpreted subsequent to the Effective Date, all Persons who directly or indirectly, have held, hold, or may hold Claims or Interests, will be deemed, by virtue of their receipt of Distributions and/or other treatment contemplated under the Plan, to have forever released and covenanted with the Reorganized Debtors and the Released Parties not to (y) sue or otherwise seek recovery from any of the Reorganized Debtors or any Released Party on account of any Claim, including but not limited to any Claim based upon tort, breach of contract, violations of federal or state securities laws or otherwise, based upon any act, occurrence, or failure to act from the beginning of time through the Effective Date in any way related to the Debtors or their business and affairs or (z) assert against any of the Reorganized Debtors or any Released Party any claim, obligation, right, cause of action or liability that any holder of a Claim or Interest may be entitled to assert, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, or occurrence from the beginning of time through the Effective Date in any way relating to the Debtors, the Chapter 11 Cases, or the Plan, provided, however, (i) the foregoing release will not apply to obligations arising under the Plan, (ii) the foregoing release will not be construed to prohibit a party in interest from seeking to enforce the terms of the Plan, and (iii) nothing

in the Confirmation Order or the Plan shall effect a release of any claim by the United States Government or any of its agencies or any state and local authority whatsoever, including without limitation any claim arising under the Internal Revenue Code, federal securities laws, the environmental laws or any criminal laws of the United States or any state and local authority against the Released Parties, nor shall anything in the Confirmation Order or the Plan enjoin the United States or any state or local authority from bringing any claim, suit, action or other proceedings against the Released Parties for any liability whatever, including without limitation any claim, suit or action arising under the Internal Revenue Code, federal securities laws, the environmental laws or any criminal laws of the United States or any state or local authority, nor shall anything in the Confirmation Order or the Plan exculpate any party from any liability to the United States Government or any of its agencies or any state and local authority whatsoever, including any liabilities arising under the Internal Revenue Code, federal securities laws, the environmental laws or any criminal laws of the United States or any state and local authority against the Released Parties (provided that the foregoing shall in no way affect or limit the discharge or injunction granted to the Debtors under sections 524 and 1141 of the Bankruptcy Code.

N. Exculpation With Respect of Released Parties

The Debtors, the Reorganized Debtors, and the other Released Parties (i) shall have no liability whatsoever to any holder or purported holder of an Administrative Claim, Claim, or Equity Interest for any act or omission in connection with, or arising out of, the Plan, the Disclosure Statement, the negotiation of the Plan, the negotiation of the documents included in the Plan Exhibits, the pursuit of approval of the Disclosure Statement or the solicitation of votes for confirmation of the Plan, the Chapter 11 Cases, the consummation of the Plan, the administration of the Plan or the property to be distributed under the Plan, or any transaction contemplated by the Plan or Disclosure Statement or in furtherance thereof except for any act or omission that constitutes willful misconduct or gross negligence as determined by a Final Order, and (ii) in all respects, shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan. This exculpation shall be in addition to, and not in limitation of, all other releases, indemnities, exculpations and any other applicable law or rules protecting such Released Parties from liability.

O. Injunction With Respect of Released Parties

Pursuant to section 105 of the Bankruptcy Code, no holder or purported holder of an Administrative Claim, Claim or Equity Interest shall be permitted to commence or continue any action, employment of process, or any act to collect, offset, or recover any Claim against a Released Party that accrued on or prior to the Effective Date and that has been released or waived pursuant to this Plan.

P. Term of Bankruptcy Injunction or Stays

All injunctions or stays provided for in the Chapter 11 Cases under sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date.

Q. Preservation of Insurance

The Debtors' discharge and release from all Claims as provided herein, except as necessary to be consistent with this Plan, shall not diminish or impair the enforceability of any insurance policy that may cover Claims against the Debtors, the Reorganized Debtors (including, without limitation, its officers and current and former directors) or any other person or entity. The Reorganized Debtors shall obtain tail coverage under their existing directors' and officers' liability insurance policy covering their officers and current and former directors, which coverage shall extend for a period of not less than 6 years after the Effective Date.

R. Indemnification Obligations Owed by the Debtors

Indemnification obligations owed by the Debtors to directors, officers, and employees of the Debtors (or the estates of any of the foregoing) who served or were employed by the Debtors at any time between October 1, 2007, and the Effective Date, excluding claims which have been determined by Final Order to have resulted from gross negligence, willful misconduct, breach of fiduciary duty, or intentional tort, shall be deemed to be, and shall be treated as though they are, executory contracts that are assumed pursuant to Sections 365 of the Bankruptcy Code under the Plan.

Indemnification obligations owed to any Professionals retained pursuant to sections 327 or 328 of the Bankruptcy Code and by order of the Court, to the extent that such indemnification obligations relate to the period after the Petition Date, shall be deemed to be, and shall be treated as though they are, executory contracts that are assumed pursuant to section 365 of the Bankruptcy Code under the Plan.

**ARTICLE VIII.
DISTRIBUTIONS UNDER THE PLAN**

A. Allowed Claims

1. Delivery of Distributions. Distributions under the Plan shall be made by the Reorganized Debtors to the holders of Allowed Claims in all Classes for which a Distribution is provided in this Plan at the addresses set forth on the Schedules, unless such addresses are superseded by proofs of claim or transfers of claim filed pursuant to Bankruptcy Rule 3001 by the Record Date (or at the last known addresses of such holders if the Debtors or the Reorganized Debtors have been notified in writing of a change of address).

2. Distribution of Cash. Any payment of Cash by the Reorganized Debtors pursuant to the Plan shall be made at the option and in the sole discretion of the Reorganized

Debtors by (i) a check drawn on, or (ii) wire transfer from, a domestic bank selected by the Reorganized Debtors.

3. Unclaimed Distributions of Cash. Any distribution of Cash under the Plan that is unclaimed after six months after it has been delivered (or attempted to be delivered) shall, pursuant to section 347(b) of the Bankruptcy Code, become the property of the Reorganized Debtor against which such Claim was Allowed notwithstanding any state or other escheat or similar laws to the contrary, and the entitlement by the holder of such unclaimed Allowed Claim to such distribution or any subsequent distribution on account of such Allowed Claim shall be extinguished and forever barred.

4. Distributions of New Bally Common Stock and New Bally Warrants. On the Effective Date, the Reorganized Debtors shall distribute the New Bally Common Stock from the Prepetition Term Loan Secured Claims Distribution to the holders of the Prepetition Term Loan Secured Claims. On the Initial Distribution Date, and from time to time thereafter, the Reorganized Debtors shall distribute the New Bally Common Stock and the New Bally Warrants from the Unsecured Claims Distribution to the holders of the Senior Note Claims, the Subordinated Note Claims, the General Unsecured Claims, and the Prepetition Term Loan Deficiency Claims. Distributions of New Bally Common Stock and New Bally Warrants made to holders of Allowed Class 7 Claims shall be delivered to the Senior Secured Notes Indenture Trustee for Pro Rata distribution to holders of Allowed Senior Note Claims in accordance with the Senior Secured Notes Indenture. Any Subordinated Notes Plan Distribution shall be distributed to the Subordinated Notes Indenture Trustee or the Senior Notes Indenture Trustee as provided in Article III.B.10 of the Plan.

5. Unclaimed Distributions of New Bally Common Stock and New Bally Warrants. Any distribution of New Bally Common Stock and New Bally Warrants under the Plan on account of an Allowed Unsecured Claim that is unclaimed after six months after it has been delivered (or attempted to be delivered) shall be held in the Unsecured Claims Reserve to be distributed to the other holders of such claims and, notwithstanding any state or other escheat or similar laws to the contrary, the entitlement by the holder of such Allowed Claim to such distribution or any subsequent distribution on account of such Allowed Claim shall be extinguished and forever barred.

6. Saturdays, Sundays, or Legal Holidays. If any payment, distribution or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, and shall be deemed to have been completed as of the required date.

7. Fractional New Bally Common Stock and New Bally Warrants and De Minimis Distributions. Notwithstanding any other provision in the Plan to the contrary, no fractional shares of New Bally Common Stock or New Bally Warrants shall be issued or distributed pursuant to the Plan. Whenever any payment of a fraction of a share of New Bally Common Stock or a New Bally Warrant would otherwise be required under the Plan, the actual distribution made shall reflect a rounding of such fraction to the nearest whole share (up or down), with half shares or less being rounded down and fractions in excess of a half of a share being rounded up. If two or more holders are entitled to equal fractional entitlements and the

number of holders so entitled exceeds the number of whole shares, as the case may be, that remain to be allocated, the Reorganized Debtors shall allocate the remaining whole shares to such holders by random lot or such other impartial method as the Reorganized Debtors deems fair, in their sole discretion. Upon the allocation of all of the whole New Bally Common Stock and New Bally Warrants authorized under the Plan, all remaining fractional portions of the entitlements shall be canceled and shall be of no further force and effect. The Reorganized Debtors shall not be required to, but may in their sole and absolute discretion, make any payment on account of any Claim in the event that the costs of making such payment exceeds the amount of such payment.

8. Distributions for Claims Allowed as of the Initial Distribution Date. On the Initial Distribution Date, the Reorganized Debtors shall distribute Cash, New Bally Common Stock, New Bally Warrants, or Collateral, as the case may be, to the holders of Allowed Claims as contemplated herein.

9. Distributions for Claims Allowed after the Initial Distribution Date. Each holder of a Claim that becomes an Allowed Claim subsequent to the Initial Distribution Date shall receive the Distribution to which such holder of an Allowed Claim is entitled at such time that the Reorganized Debtors determine, in their discretion, to make subsequent Distributions to holders of other Claims Allowed following the Initial Distribution Date, provided that the Reorganized Debtors shall make such Distributions at least annually after the Initial Distribution Date. Nothing set forth herein is intended to, nor shall it, prohibit the Reorganized Debtors, in their discretion, from making a Distribution on account of any Claim at any time after such Claim becomes an Allowed Claim.

10. The Record Date. As of the close of business on the Record Date, the claims register (for Claims) and transfer ledger (for Equity Interests) shall be closed, and there shall be no further changes in the record holders of any Claims or Equity Interests. The Reorganized Debtors shall have no obligation to, but may in their sole and absolute discretion, recognize any transfer of any Claims or Equity Interests occurring after the Record Date. The Reorganized Debtors shall instead be entitled to recognize and deal for purposes under the Plan with only those record holders stated on the claims register (for Claims) and transfer ledgers (for Equity Interests) as of the close of business on the Record Date.

11. Interest on Claims. Except as specifically provided for in the Plan, no Claims, Allowed or otherwise (including Administrative Claims, but excluding the claims of the Prepetition Revolver Lenders), shall be entitled, under any circumstances, to receive any interest on a Claim.

B. Disputed Claims

1. Objections to and Resolution of Unsecured Claims. The Reorganized Debtors shall have the right to file, settle, compromise, withdraw or litigate objections to Unsecured Claims. Unless otherwise ordered by the Court, objections to, or other proceedings concerning the allowance of, Unsecured Claims shall be filed and served upon the holders of the Unsecured Claims as to which the objection is made, or otherwise commenced, as the case may be, as soon as practicable, but in no event later than the Claims Objection Deadline. In the event

any Unsecured Claim is permitted to be filed after the Claims Objection Deadline, the Reorganized Debtors shall have ninety (90) days from the date of such order or agreement to object to such Claim, which deadline may be extended by the Court on motion of the Reorganized Debtors without a hearing or notice to Creditors. The Reorganized Debtors may settle any objections or proceedings without Court approval or may seek Court approval without notice to any Person.

2. Objections to and Resolution of Priority Tax Claims, Other Priority Claims, and Other Secured Claims. The Reorganized Debtors shall have the exclusive right to file, settle, compromise, withdraw or litigate objections to Priority Tax Claims, Other Priority Claims and Other Secured Claims. Unless otherwise ordered by the Court, objections to, or other proceedings concerning the allowance of Priority Tax Claims, Other Priority Claims and Other Secured Claims shall be filed and served upon the holders of such Claims, as soon as practicable, but in no event later than the Claims Objection Deadline. In the event any Priority Tax Claim, Other Priority Claim and Other Secured Claim is permitted to be filed after the Claims Objection Deadline, the Reorganized Debtors shall have ninety (90) days from the date of such order or agreement to object to such Claim, which deadline may be extended by the Court on motion of the Reorganized Debtors without a hearing or notice to Creditors. The Reorganized Debtors may settle any objections or proceedings without Court approval or may seek Court approval without notice to any Person.

3. Objections to and Resolution of Administrative Claims and Fee Claims. The Reorganized Debtors shall have the exclusive right to file, settle, compromise, withdraw or litigate objections to Administrative Claims (other than Fee Claims). Unless otherwise ordered by the Court, objections to, or other proceedings concerning the allowance of, filed Administrative Claims shall be filed and served upon the holders of the Administrative Claims as to which the objection is made, or otherwise commenced, as the case may be, as soon as practicable. The Reorganized Debtors may settle any such objections or proceedings without Court approval or may seek Court approval without notice to any Person. Objections to Fee Claims shall be filed and served within seventy-five (75) days of the Effective Date (or such longer period as may be allowed by order of the Court).

C. Insured Claims

Notwithstanding anything to the contrary in the Disclosure Statement or Plan, distributions under the Plan to each holder of an Allowed Insured Claim shall be in accordance with the treatment provided under the Plan for General Unsecured Claims; *provided, however*, that

1. an Allowed Insured Claim, all or a portion of which is within the applicable deductible or self-insured retention of the relevant insurance policy of the Debtors, shall be treated as an Allowed General Unsecured Claim for the amount which is within the applicable deductible or self-insured retention of such policy;

2. an Allowed Insured Claim, a portion of which exceeds the limits of coverage available under the relevant insurance policies of the Debtors, shall be treated as an

Allowed General Unsecured Claim in the amount by which such Allowed Insured Claim exceeds the limits of coverage available under such policies;

3. to the extent all or a portion of an Allowed Insured Claim is to be treated as an Allowed General Unsecured Claim under subsection 1 above, such Allowed Insured Claim or portion thereof shall be deemed to be paid in full, dollar for dollar, up to the amount of the Allowed General Unsecured Claim regardless of the value of Distributions on General Unsecured Claims under the Plan;

4. with respect to any Insured Claim, the Debtors' insurers shall have no duty or obligation to pay any amount within the deductible or self-insured retention of any applicable insurance policy of the Debtors unless otherwise required to do so by the terms of such policy;

5. in the event that any insurer pays any amount within the deductible or self-insured retention of any applicable insurance policy (whether or not obligated to do so under such policy), the Debtors shall have no obligation or liability to such insurer other than a General Unsecured Claim for the amount of such payment if such General Unsecured Claim has been timely filed;

6. each Workers' Compensation Claim shall be adjusted, settled and/or paid in the ordinary course in accordance with the terms of the applicable insurance policy of the Debtors;

7. nothing in this Article VIII.C. is intended to, shall, or shall be deemed to preclude any holder of an Allowed Insured Claim from seeking recovery from any insurer of the Debtors in addition to (but not in duplication of) any Distribution such holder may receive under the Plan or to preclude any insurer from contesting or asserting defenses to any such action by a holder. The Debtors do not waive, and expressly reserve, their rights to assert that any insurance coverage is property of the Estates;

8. nothing in the Disclosure Statement or Plan shall be construed as, or is, a determination as to coverage in connection with any Insured Claim under any applicable insurance policy; and

9. the Disclosure Statement and Plan shall not (i) modify the coverage provided under the Debtors' insurance policies, (ii) alter in any way the obligations of the Debtors' insurers under the insurance policies, or (iii) in any way permit any holder of a Workers Compensation Claim or Insured Claim to any duplicate recovery from the insurers and any other party including, but not limited to, the Debtors or the Reorganized Debtors.

Nothing in either the Confirmation Order or the Plan shall (i) affect, impair, limit or in any way prejudice the rescission claims or any defenses that may be available to ACE American Insurance Company and Fireman's Fund Insurance Company (whether or not such defenses are currently pled) in the litigation captioned *Great American Insurance Company v. Bally Total Fitness Holding Corporation*, Case No. 06-cv-4554, in the United States District Court for the Northern District of Illinois (the "Coverage Litigation"), or (ii) affect, impair, limit or in any way prejudice the Debtors' claims and defenses in the Coverage Litigation (including any right of the Debtors to challenge the timeliness of a pleading or a defense).

D. Tort Claims

1. Pending Tort Claims. Any unliquidated Tort Claim pending on the Effective Date that has not been resolved through a Final Order of the Bankruptcy Court will be determined and liquidated in the administrative or judicial tribunal(s) in which it is pending on the Effective Date. Upon the Effective Date, the discharge injunction will be deemed modified, without the necessity for further Bankruptcy Court approval, solely to the extent necessary to allow the parties to determine or liquidate the Tort Claims in the applicable administrative or judicial tribunal(s). For the avoidance of doubt, all Allowed Tort Claims, regardless of the forum in which they are liquidated and to the extent not covered by insurance, shall be treated as Class 8 General Unsecured Claims under the Plan and shall be limited to the recovery provided to Class 8 claimholders as their sole source of recovery against the Debtors or the Reorganized Debtors.

2. Non-Pending Tort Claims. Any unliquidated Tort Claim for which no action is pending on the Effective Date and that has not been resolved through a Final Order of the Bankruptcy Court will be determined and liquidated at the Debtors or Reorganized Debtors' option at any administrative or judicial tribunal of appropriate jurisdiction. The Debtors or the Reorganized Debtors may exercise the above option by service upon the holder of the applicable Tort Claim of a notice informing the holder of such Tort Claim that the Debtors or the Reorganized Debtors have exercised such option. Upon a Debtor's or Reorganized Debtor's service of such notice, the automatic stay provided under section 362 of the Bankruptcy Code, or after the Effective Date, the discharge injunction, will be deemed modified, without the necessity for further Bankruptcy Court approval, solely to the extent necessary to allow the parties to determine or liquidate the Tort Claim in the applicable administrative or judicial tribunal(s). For the avoidance of doubt, all Allowed Tort Claims, regardless of the forum in which they are liquidated and to the extent not covered by insurance, shall be treated as Class 8 General Unsecured Claims under the Plan and shall be limited to the recovery provided to Class 8 claimholders as their sole source of recovery against the Debtors or the Reorganized Debtors.

3. Bankruptcy Court Jurisdiction. At all times prior to or after the Effective Date, the Bankruptcy Court will retain jurisdiction relating to Tort Claims, including the Debtors' right to have such Claims determined and/or liquidated in the Bankruptcy Court (or the United States District Court having jurisdiction over the Chapter 11 Cases) pursuant to section 157(b)(2)(B) of title 28 of the United States Code, as may be applicable.

4. Automatic Dismissal of Tort Claim Upon Adverse Judgment. In the event a Tort Claim is liquidated pursuant to a judgment or order that is obtained in accordance with this Article and is no longer appealable or subject to review, and applicable non-bankruptcy law provides for no recovery against the applicable Debtor or Reorganized Debtor, such Tort Claim will be deemed expunged without the necessity for further Bankruptcy Court approval upon the applicable Debtor's or Reorganized Debtor's service of a copy of such judgment or order upon the holder of such Tort Claim.

5. Reservation of Rights. Nothing contained in this Article will constitute or be deemed a waiver of any claim, right or Cause of Action that a Debtor may have against any person or entity in connection with or arising out of any Tort Claim, including but not limited to

any rights under section 157(b)(5) of title 28 of the United States Code. All claims, demands, rights, defenses and Causes of Action that the Debtors or the Reorganized Debtors may have against any person or entity in connection with or arising out of any Tort Claim are expressly retained and preserved.

E. Reserve for Disputed General Unsecured Claims

1. Establishment of Unsecured Claims Reserve. In order to effect Distributions to holders of Allowed Unsecured Claims in a timely manner, within thirty (30) days after the Effective Date, the Reorganized Debtors shall file a motion for an order establishing a reserve of New Bally Common Stock and New Bally Warrants from the Unsecured Claims Distribution with respect to unliquidated and/or Disputed Unsecured Claims for Distribution purposes (the “Unsecured Claims Reserve”). The Unsecured Claims Reserve shall contain New Bally Common Stock and New Bally Warrants sufficient to provide the distributions to which holders of Disputed Unsecured Claims would be entitled under the Plan as of such date as if the Disputed Unsecured Claims were Allowed Unsecured Claims either in the amounts of the Claims as filed or in such amounts as estimated by the Court.

2. New Bally Common Stock and New Bally Warrants Held in Unsecured Claims Reserve. New Bally Common Stock and New Bally Warrants held in the Unsecured Claims Reserve shall be held in an account with a direct or indirect participant of DTC in the name of Reorganized Bally or its nominee, and distributed by the Disbursing Agent to the holders of Allowed Unsecured Claims in accordance with the Plan. New Bally Common Stock and New Bally Warrants held in the Unsecured Claims Reserve shall not constitute property of the Reorganized Debtors. New Bally Common Stock held in the Unsecured Claims Reserve will not be deemed outstanding, and shall not have any voting rights, unless and until they are distributed in accordance herewith. Any New Bally Common Stock or New Bally Warrants held in the Unsecured Claims Reserve after all Unsecured Claims have been Allowed or disallowed, including, but not limited to any unclaimed Distributions forfeited in accordance herein, shall be distributed by the Distributing Agent, in a supplemental distribution, Pro Rata, to holders of Allowed Unsecured Claims, provided, however, that to the extent such Pro Rata allocation results in a distribution of less than one share of New Bally Common Stock or one New Bally Warrant to over fifty percent (50%) of holders of Allowed Unsecured Claims otherwise entitled to such distribution, the Reorganized Debtors shall have no obligation to make such distribution and all then-undistributed New Bally Common Stock and New Bally Warrants shall be transferred to the Reorganized Debtors to be canceled.

3. Dividend and Interest Payments to the Unsecured Claims Reserve. The Reorganized Debtors shall hold in the Unsecured Claims Reserve any dividends, payments, or other distributions made on account of, as well as any obligations arising from, the New Bally Common Stock held in the Unsecured Claims Reserve, at the time such distributions are made or such obligations arise, and such dividends, payments, or other distributions shall be held for the benefit of holders of Disputed Unsecured Claims whose Claims, if Allowed, are entitled to distributions under the Plan. The Reorganized Debtors shall pay, or cause to be paid, out of any dividends paid on account of New Bally Common Stock or New Bally Warrants held in the Unsecured Claims Reserve, any tax imposed on the Unsecured Claims Reserve by any Governmental Unit with respect to income generated by New Bally Common Stock and New

Bally Warrants held in the Unsecured Claims Reserve and any costs associated with maintaining the Unsecured Claims Reserve.

4. *Tax Treatment of the Unsecured Claims Reserve.* The Reorganized Debtors may make an election pursuant to U.S. Treasury Regulations Section 1.468B-9(c) to treat the Unsecured Claims Reserve as a “disputed ownership fund” (the “DOF”). In the event that the Reorganized Debtors makes such an election, the DOF would be treated for United States federal income tax purposes as a taxable entity separate from the holders of Unsecured Claims. The DOF, and not the holders of Unsecured Claims, would be treated as the owner of the assets in the DOF, including the New Bally Common Stock or New Bally Warrants reserved for Allowed Unsecured Claims. The DOF would be responsible for the payment of any taxes (including by way of withholding) resulting from the transfer or holding of assets in the DOF.

F. Allocation of Consideration

The aggregate consideration to be distributed to the holders of Allowed Claims in each Class under the Plan shall be treated as first, satisfying an amount equal to the stated principal amount of the Allowed Claim for such holders, and any remaining consideration as satisfying accrued, but unpaid, interest and costs, if any, and attorneys’ fees, where applicable.

G. Cancellation and Surrender of Existing Securities and Agreements

Except for distributions to Class 7 and Class 10 described below, notwithstanding any other provision of the Plan, as a condition precedent to receiving any distribution under the Plan, each holder of a promissory note, or other instrument or security evidencing a Claim (other than the Exit Term Loan Lenders in their capacity as such) must tender such promissory note or other instrument or security to the Reorganized Debtors or must execute and deliver an affidavit of loss and furnish an indemnity or bond in substance and amount reasonably satisfactory to the Reorganized Debtors.

Any holder of a Claim that fails to surrender such instrument or to provide the affidavit and indemnity or bond before the later of six months following the (i) Effective Date or (ii) the date such holder’s Claim becomes an Allowed Claim shall be deemed to have forfeited all rights and/or Claims and may not receive or participate in any distribution under the Plan.

By reason of the Plan, the Debtors shall have no continuing duties under the Senior Secured Notes Indenture or the Subordinated Notes Indenture, the Debtors’ obligations under the Senior Secured Notes Indenture and the Subordinated Notes Indenture shall be discharged and all claims against the Debtors thereunder shall only be payable in accordance with the Plan. Notwithstanding the foregoing, if a Subordination Dispute occurs, the Senior Secured Notes Indenture and Subordinated Notes Indenture shall remain in effect until such Subordination Dispute has been resolved by entry of a Final Order and the Subordinated Notes Plan Distribution have been distributed in accordance with such Final Order, including without limitation: (1) all provisions relating directly or indirectly to the Subordination Dispute and the rights of holders of Senior Indebtedness (as defined in the Subordinated Notes Indenture; (2) all rights and powers of the indenture trustees under each respective indenture; and (3) all

protections each indenture trustee has under the respective indentures, including lien rights with respect to any Plan distributions.

Upon completion of the Distributions to Classes 7 and 10 in accordance with Article III (B)(7) and (10) of the Plan, the Senior Secured Notes Indenture Trustee and the Subordinated Notes Indenture Trustee shall coordinate with DTC to surrender the Senior Secured Notes and the Subordinated Notes and cancel the respective positions.

H. Estimation

The Reorganized Debtors may at any time, request that the Court estimate any Disputed Claim pursuant to section 502(c) of the Bankruptcy Code regardless of whether the Debtors or the Reorganized Debtors have previously objected to such Claim. The Court will retain jurisdiction to estimate any Claim at any time, including during proceedings concerning any objection to such Claim. In the event that the Court estimates any Disputed Claim, such estimated amount may constitute either (i) the Allowed amount of such Claim, (ii) the amount on which a reserve is to be calculated for purposes of any reserve requirement to the Plan, or (iii) a maximum limitation on such Claim, as determined by the Court. If the estimated amount constitutes a maximum limitation on such Claim, the Debtors or the Reorganized Debtors as the case may be, or the Unsecured Creditors' Committee (before the Effective Date) may elect to object to ultimate payment of such Claim. All of the aforementioned Claims objection, estimation and resolution procedures are cumulative and not necessarily exclusive of one another.

ARTICLE IX. RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, on and after the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of, or related to, the Chapter 11 Cases and the Plan pursuant to sections 105(a) and 1142 of the Bankruptcy Code, including jurisdiction to: (i) resolve any matters related to (a) the assumption, assumption and assignment, or rejection of any executory contract or unexpired lease to which a Debtor is party or with respect to which a Debtor may be liable and to hear, determine, and, if necessary, liquidate, any Claims arising therefrom, including Cure Claims pursuant to section 365 of the Bankruptcy Code; (b) the Reorganized Debtors amending, modifying, or supplementing, after the Effective Date, pursuant to Article X, any executory contracts or unexpired leases to the list of executory contracts and unexpired leases to be assumed or rejected or otherwise; and (c) any dispute regarding whether a contract or lease is or was executory or expired; (ii) to determine, adjudicate, or decide any other applications, adversary proceedings, contested matters, and any other matters pending on the Effective Date; (iii) to ensure that distributions to holders of Allowed Claims are accomplished as provided herein; (iv) to resolve disputes as to the ownership of any Claim or Equity Interest; (v) allow, disallow, determine, liquidate, classify, estimate, or establish the priority, secured or unsecured status, or amount of any Claim or Equity Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the secured or unsecured status, priority, amount, or allowance of Claims or Equity Interests; (vi) to enter and implement such orders as may be appropriate in the event the Confirmation Order is

for any reason stayed, revoked, reversed, modified or vacated; (vii) to issue such orders in aid of execution of the Plan, to the extent authorized by section 1142 of the Bankruptcy Code; (viii) to consider any modifications of the Plan, to cure any defect or omission, or to reconcile any inconsistency in any order of the Court, including, without limitation, the Confirmation Order; (ix) to hear and determine all applications for compensation and reimbursement of expenses of Professionals under sections 330, 331 and 503(b) of the Bankruptcy Code; (x) to hear and determine disputes arising in connection with the interpretation, implementation, consummation, or enforcement of the Plan; (xi) to hear and determine any issue for which the Plan requires a Final Order of the Court; (xii) to hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code; (xiii) to hear and determine disputes arising in connection with compensation and reimbursement of expenses of professionals for services rendered during the period commencing on the Petition Date through and including the Effective Date; (xiv) to hear and determine any Causes of Action preserved under the Plan; (xv) to hear and determine any matter regarding the existence, nature and scope of the Debtors' discharge; (xvi) to hear and determine any matter regarding the existence, nature, and scope of the releases and exculpation provided under the Plan; (xvii) to enter a final decree closing the Chapter 11 Cases; (xviii) issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any entity with consummation or enforcement of the Plan; (xix) adjudicate any and all disputes arising from or relating to distributions under the Plan; and (xx) hear any other matter not inconsistent with the Bankruptcy Code.

ARTICLE X. EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Assumption and Rejection of Executory Contracts and Unexpired Leases

To the extent not (i) assumed in the Chapter 11 Cases prior to the Confirmation Date, (ii) rejected in the Chapter 11 Cases prior to the Confirmation Date, or (iii) specifically rejected pursuant to this Plan, each executory contract and unexpired lease that exists between Debtor and any Person is specifically assumed by the Debtor that is a party to such executory contract or unexpired lease as of, and subject to the occurrence of, the Effective Date pursuant to the Plan.

The following executory contracts and unexpired leases are rejected:

1. executory contracts or unexpired leases that were rejected before the Confirmation Date;
2. employment agreements that were terminated or rejected prior to the Confirmation Date; and
3. contracts and unexpired leases identified on the attached Exhibit A to the Plan, which contracts and unexpired leases are deemed rejected by the applicable Debtor as of the corresponding rejection dates set forth on Exhibit A.

B. Cure

Except as otherwise agreed by the parties, the applicable Reorganized Debtor, will, on the Initial Distribution Date, cure any and all undisputed defaults under any executory contract or unexpired lease that is assumed by such Reorganized Debtor pursuant to the Plan in accordance with section 365 of the Bankruptcy Code. The Cure Claim for each unexpired lease and executory contract to be assumed pursuant to the plan shall be listed on Exhibit B to the Plan. The Cure Claim to be paid in connection with the assumption of any unexpired lease and executory contract that is not specifically identified on Exhibit B shall be \$0.00. The Debtors reserve the right to amend Exhibit B at any time prior to the Effective Date. Any provisions or terms of the Debtors' executory contracts or unexpired leases to be assumed pursuant to the Plan that are, or may be, alleged to be in default, shall be satisfied solely by payment (if any) of the Cure Claim, or by an agreed-upon waiver of the Cure Claim.

Except with respect to executory contracts and unexpired leases in which the Debtors and the applicable counterparties have stipulated in writing to the Cure Claim, all requests for payment of a Cure Claim that differ from the amounts proposed by the Debtors in Exhibit B or in this Article X.B. of the Plan, must be filed with the Court and served on the Debtors on or before the Cure Claim Bar Date. Any request for payment of Cure Claim that is not timely filed and served shall be disallowed automatically, forever barred and not be enforceable against any Reorganized Debtor, without the need for an objection by the Reorganized Debtors or order of the Bankruptcy Court.

The Reorganized Debtors may settle any dispute on the amount of a Cure Claim without further notice to or approval of the Bankruptcy Court. If the Reorganized Debtors object to any request for payment of a Cure Claim, the Bankruptcy Court shall determine the Allowed amount of such Cure Claim and any related issues. Unless the parties to the contract or lease agree otherwise, all disputed defaults that are required to be cured shall be cured by the later to occur of (i) ten days after entry of a Final Order determining the amount, if any, of the Reorganized Debtors' liability with respect thereto and (ii) the Initial Distribution Date. The Reorganized Debtors reserve the right, either to reject or nullify the assumption of any executory contract or unexpired lease no later than thirty days after a Final Order determining a Cure Claim greater than that proposed by the Debtors.

C. Assumption

Assumption of any executory contract or unexpired lease pursuant to the Plan or otherwise shall result in the full release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed executory contract or unexpired lease at any time prior to the effective date of assumption. Any Proofs of Claim filed with respect to an executory contract or unexpired lease that has been assumed shall be deemed disallowed and expunged, without further notice to or action, order, or approval of the Bankruptcy Court. All objections from counterparties to executory contracts or unexpired leases to be assumed relating solely to assumption must be filed with the Court and served on the Debtors on or before the Cure Claim Bar Date.

Obligations arising under insurance policies assumed by the Debtors prior to the Effective Date shall be adequately protected in accordance with any order authorizing such assumption.

D. Limited Extension of Time to Assume or Reject

In the event of a dispute as to whether a contract or lease is executory or unexpired, the right of the Debtors or Reorganized Debtors to move to assume or reject such contract or lease shall be extended until the date that is thirty (30) days after the entry of a Final Order by the Court determining that the contract or lease is executory or unexpired. The deemed assumptions and rejections provided for in this Article of the Plan shall not apply to such contract or lease.

In the event the Reorganized Debtors become aware after the Effective Date of the existence of an executory contract or unexpired lease that was not included in the Schedules, on Exhibit A, or on Exhibit B, the right of the Reorganized Debtors to move to assume or reject such contract or lease shall be extended until the date that is thirty (30) days after the date on which the Debtors or the Reorganized Debtors become aware of the existence of such executory contract or unexpired lease. The deemed assumptions and rejections provided for in this Article of the Plan shall not apply to any such contract or lease.

The Debtors reserve the right to amend Exhibit A at any time prior to the Effective Date.

E. Rejection Damage Claims

All Claims for damages arising from the rejection of executory contracts or unexpired leases must be filed with the Court in accordance with the terms of the Bar Date Order. Any Claims not filed within such time will be forever barred from assertion against the Debtors, their respective estates, or the Reorganized Debtors. All Allowed Claims arising from the rejection of executory contracts or unexpired leases shall be treated as General Unsecured Claims or Convenience Claims, as appropriate under the circumstances.

F. Assignment

As of the effective time of an applicable Restructuring Transaction, any executory contract or unexpired lease to be held by any Debtor or Reorganized Debtor and assumed hereunder or otherwise in the Chapter 11 Cases, if not expressly assigned to a third party previously in the Chapter 11 Cases, will be deemed assigned to the surviving, resulting or acquiring corporation in the applicable Restructuring Transaction, pursuant to section 365 of the Bankruptcy Code. If an objection to a proposed assumption, assumption and assignment or Cure Claim is not resolved in favor of the Debtors or the Reorganized Debtors, the applicable executory contract or unexpired lease may be designated by the Debtors or the Reorganized Debtors for rejection within five Business Days of the entry of the order of the Bankruptcy Court resolving the matter against the Debtors. Such rejection shall be deemed effective as of the Effective Date.

G. No Change in Control

The consummation of the Plan, the implementation of the Restructuring Transactions or the assumption or assumption and assignment of any executory contract or unexpired lease to another Reorganized Debtor is not intended to, and shall not, constitute a change in ownership or change in control under any employee benefit plan or program, financial instrument, loan or financing agreement, executory contract or unexpired lease or contract, lease or agreement in existence on the Effective Date to which a Debtor is a party.

H. Obligations to Indemnify Directors, Officers and Employees

The obligations of each Debtor or Reorganized Debtor to indemnify any person who was serving as one of its directors, officers or employees on or after October 1, 2007, by reason of such person's prior or future service in such a capacity or as a director, officer or employee of another corporation, partnership or other legal entity, to the extent provided in the applicable certificates of incorporation, bylaws or similar constituent documents, by statutory law or by written agreement, policies or procedures of or with such Debtor or Reorganized Debtor, will be deemed and treated as executory contracts that are assumed by the applicable Debtor or Reorganized Debtor pursuant to the Plan and section 365 of the Bankruptcy Code as of the Effective Date. Accordingly, such indemnification obligations will survive and be unaffected by entry of the Confirmation Order, irrespective of whether such indemnification is owed for an act or event occurring before or after the Petition Date.

Any obligations of each Debtor or Reorganized Debtor to indemnify any person who ceased serving as one of its directors, officers or employees prior to October 1, 2007, by reason of such person's prior service in such a capacity or as a director, officer or employee of another corporation, partnership or other legal entity, to the extent provided in the applicable certificates of incorporation, bylaws or similar constituent documents, by statutory law or by written agreement, policies or procedures of or with such Debtor – to the extent such obligations are found to still exist - will terminate and be discharged pursuant to section 502(e) of the Bankruptcy Code or otherwise as of the Effective Date; provided, however, that to the extent that such indemnification obligations no longer give rise to contingent Claims that can be disallowed pursuant to section 502(e) of the Bankruptcy Code, such indemnification obligations will be deemed and treated as executory contracts that are rejected by the applicable Debtor or Reorganized Debtor pursuant to the Plan and section 365 of the Bankruptcy Code as of the Effective Date, and any Claims arising from such indemnification obligations (including any rejection damage claims) must be filed with the Court no later than thirty (30) days after the Effective Date. Any Claims not filed within such time will be forever barred from assertion against the Debtors, their respective estates, or the Reorganized Debtors.

**ARTICLE XI.
EFFECTIVENESS OF THE PLAN**

A. Conditions Precedent to Effectiveness

The Plan shall not become effective unless and until it has been confirmed and the following conditions have been satisfied in full or waived:

1. the Confirmation Order entered by the Court is in form and substance reasonably satisfactory to the Debtors, the Exit Lenders and the Unsecured Creditors' Committee;
2. the Confirmation Order shall have become a Final Order;
3. the final version of the Plan Exhibits and all schedules, documents, and exhibits contained therein shall have been filed in form and substance reasonably acceptable to the Exit Lenders after consultation with the Unsecured Creditors' Committee;
4. all authorizations, consents and regulatory approvals required (if any) for the Plan's effectiveness shall have been obtained;
5. the certificate of incorporation for Bally shall have been amended as provided in Article VI.A.;
6. the New Bally Common Stock, New Bally Warrants and New Subsidiary Equity Interests to be issued pursuant to Article V.D. shall be consistent with the Plan;
7. the Debtors' management has been granted options to purchase New Bally Common Stock on the terms set forth in the Management Incentive Plan; and
8. the Reorganized Debtors shall have consummated the Exit Facilities.

B. Waiver of Conditions Precedent to Effectiveness

The Debtors may waive conditions 1, 3 and 6 set forth in Article XI.A. above at any time with the consent of the Exit Lenders and the Unsecured Creditors' Committee, which consent shall not be unreasonably withheld, and without leave of or order of the Court and without any formal action. The Debtors may waive conditions 2, 4, 5, 7 and 8 set forth in Article XI.A. above at any time with the consent of the Exit Lenders, which consent shall not be unreasonably withheld, and without leave of or order of the Court and without any formal action.

C. Effect of Failure of Conditions

In the event that the Effective Date does not occur on or before one hundred and twenty (120) days after the Confirmation Date, upon notification submitted by the Debtors to the Court: (i) the Confirmation Order shall be vacated, (ii) no distributions under the Plan shall be made, (iii) the Debtors and all holders of Claims and Equity Interests shall be restored to the *status quo ante* as of the day immediately preceding the Confirmation Date as though the Confirmation Date had never occurred, and (iv) the Debtors' obligations with respect to the Claims and Equity Interests shall remain unchanged and nothing contained in the Plan shall constitute or be deemed a waiver, release, or discharge of any Claims or Equity Interests by or against the Debtors or any other person or to prejudice in any manner the rights of the Debtors or any person in any further proceedings involving the Debtors unless extended by Court order.

D. Vacatur of Confirmation Order

If a Final Order denying confirmation of the Plan is entered, or if the Confirmation Order is vacated, then the Plan shall be null and void in all respects, and nothing contained in the Plan shall (a) constitute a waiver, release or discharge of any Claims against or Equity Interests in the Debtors; (b) prejudice in any manner the rights of the holder of any Claim against, or Equity Interest in, the Debtors; (c) prejudice in any manner any right, remedy or claim of the Debtors; or (d) be deemed an admission against interest by the Debtors.

E. Modification of the Plan

Subject to the limitations contained in the Plan, and subject to the approval of the Exit Lenders and the Unsecured Creditors' Committee, which approval shall not be unreasonably withheld: (i) the Debtors reserve the right, in accordance with the Bankruptcy Code and the Bankruptcy Rules, to amend or modify the Plan prior to the entry of the Confirmation Order, including amendments or modifications to satisfy section 1129(b) of the Bankruptcy Code; and (ii) after entry of the Confirmation Order, the Debtors or the Reorganized Debtors, as the case may be, may, upon order of the Court, amend or modify the Plan, in accordance with Section 1127(b) of the Bankruptcy Code.

F. Revocation, Withdrawal, or Non-Consummation

1. Right to Revoke or Withdraw. The Debtors reserve the right to revoke or withdraw the Plan at any time prior to the Effective Date; provided, however, that if such revocation or withdrawal is made without the consent of the Exit Lenders, which is not to be unreasonably withheld, the Debtors shall pay the break up fee required in the Exit Facilities.

2. Effect of Withdrawal, Revocation, or Non-Consummation. If the Debtors revoke or withdraw the Plan prior to the Effective Date, or if the Confirmation Date or the Effective Date does not occur, the Plan, any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain any Claim or Interest or Class of Claims or Interests), the assumption or rejection of executory contracts, unexpired leases, or benefit plans effected by the Plan, any release, exculpation or indemnification provided for in the Plan, and any document or agreement executed pursuant to the Plan shall be null and void. In such event, nothing contained herein, and no acts taken in preparation for consummation of the Plan shall be deemed to constitute a waiver or release of any Claims by or against or Interests in the Debtors or any other Person, to prejudice in any manner the rights of the Debtors or any Person in any further proceedings involving the Debtors, or to constitute an admission of any sort by the Debtors or any other Person.

ARTICLE XII. MISCELLANEOUS PROVISIONS

A. Payment of Statutory Fees

All fees payable on or before the Effective Date pursuant to section 1930 of title 28 of the United States Code shall be paid by the Debtors on or before the Effective Date and all such fees payable after the Effective Date shall be paid by the applicable Reorganized Debtor.

B. Payment of Indenture Trustee Fees

The Reorganized Debtors shall pay the reasonable and documented Indenture Trustee Fee Claims in an amount not to exceed \$125,000 in Cash for each of the Senior Secured Notes Indenture Trustee and the Subordinated Notes Indenture Trustee in respect of invoices submitted by the Senior Secured Notes Indenture Trustee and the Subordinated Notes Indenture Trustee, in each case without the need for the Senior Secured Notes Indenture Trustee and the Subordinated Notes Indenture Trustee to file an application for allowance with the Bankruptcy Court; provided, however, that to receive payment pursuant to this Article XII.B., the Senior Secured Notes Indenture Trustee and the Subordinated Notes Indenture Trustee shall provide reasonable and customary detail or invoices in support of their Indenture Trustee Fee Claims to counsel to the Reorganized Debtors after the Effective Date and parties in interest shall have the right to file objections to such Indenture Trustee Fee Claims based on a “reasonableness” standard within ten (10) days after receipt of supporting documentation. Any disputed amount of the Indenture Trustee Fee Claim shall be subject to the jurisdiction of, and resolution by, the Bankruptcy Court. Upon payment of a Indenture Trustee Fee Claim in full or by resolution of the Bankruptcy Court, the Senior Secured Notes Indenture Trustee or the Subordinated Notes Indenture Trustee (as applicable) will be deemed to have released its lien and priority rights for its fees and expenses under the respective Senior Secured Notes Indenture and the Subordinated Notes Indenture solely to the extent of such Indenture Trustee Fee Claim. Distributions under the Plan to holders of Allowed Senior Note Claims and Allowed Subordinated Note Claims will not be reduced by the amount of the Indenture Trustee Fee Claims paid by the Debtors pursuant to this Article, but may be reduced by charging liens and other rights that the respective indenture trustees may assert to the extent that Debtors do not pay the entire amount owed by the Debtors to the indenture trustees under their respective indentures for fees and expenses incurred by the indenture trustees after the Effective Date.

C. Governing Law

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or the Delaware General Corporation Law, the laws of the State of New York (without reference to the conflicts of laws provisions thereof) shall govern the construction and implementation of the Plan and any agreements, documents, and instruments executed in connection with the Plan, unless otherwise specified.

D. Filing or Execution of Additional Documents

On or before the Effective Date, the Debtors or the Reorganized Debtors, shall file with the Court or execute, as appropriate, such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

E. Information

For so long as Reorganized Bally is not required to publicly file financial information with the SEC, Reorganized Bally will furnish or make available to the holders of the New Bally Common Stock and the New Bally Warrants: (i) on a quarterly basis within 45 days of each quarter end, consolidated unaudited financial statements of Reorganized Bally, including the balance sheet, income statement, and statement of cash flow detailing the quarter-to-date and year-to-date results, together with the footnotes thereto; and (ii) on an annual basis within 120 days of each year end, audited consolidated financial statements of Reorganized Bally including the balance sheet, income statement, and cash flow detailing year-to-date results, together with the footnotes thereto, in each case in reasonable detail and prepared in accordance with GAAP, except as otherwise noted therein.

F. Withholding and Reporting Requirements

In connection with the Plan and all instruments issued in connection therewith and distributions thereon, the Reorganized Debtors shall comply with all withholding and reporting requirements imposed by any federal, state, local or foreign taxing authority and all distributions hereunder shall be subject to any such withholding and reporting requirements.

G. Exemption From Transfer Taxes

Pursuant to section 1146(c) of the Bankruptcy Code, all transfers of property pursuant hereto, including (i) the issuance, transfer or exchange under the Plan of New Bally Common Stock, New Bally Warrants and the security interests in favor of the lenders under the Exit Facilities, (ii) the making or assignment of any lease or sublease, or (iii) the making or delivery of any other instrument whatsoever, in furtherance of or in connection with the Plan shall not be subject to any stamp, conveyance, mortgage, real estate transfer, recording or other similar tax, or governmental assessment.

H. Waiver of Federal Rule of Civil Procedure 62(a)

The Debtors may request that the Confirmation Order include (a) a finding that Fed. R. Civ. P. 62(a) shall not apply to the Confirmation Order, and (b) authorization for the Debtors to consummate the Plan immediately after entry of the Confirmation Order.

I. Plan Exhibits

All Plan Exhibits are incorporated into and constitute a part of the Plan as if set forth herein.

J. Notices

All notices, requests, and demands hereunder to be effective shall be in writing and unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

1. To the Debtors: Bally Total Fitness Corporation, 8700 W Bryn Mawr Ave., Third Floor, Chicago, IL 60631-3507, attention: General Counsel, Tel (773) 399-7626, Fax: (773) 399-0126, with a copy to Kramer Levin Naftalis & Frankel, 1177 Avenue of the Americas, New York, NY 10036, attention: Kenneth Eckstein, Esq., Tel: (212) 715-9100, Fax: (212) 715-8000.

2. To the Unsecured Creditors' Committee: Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, New York 10036, attention: David Botter, Esq., Tel: (212) 872-1000, Fax: (212) 872-1000.

3. To the Prepetition Administrative Agent: Skadden, Arps, Slate, Meagher & Flom LLP, 300 South Grand Avenue, Suite 3400, Los Angeles, California 90071, attention: Gregory Robins, Esq., Tel: (213) 687-5270, Fax: (213) 621-5270.

4. To the Exit Revolver Lenders: Buchalter Nemer, A Professional Corporation, 1000 Wilshire Blvd., Ste. 1500, Los Angeles, California 90017, attention: Pamela Kohlman Webster, Esq., Tel: (213) 891-0700, Fax: (213) 896-0400; Hahn & Hessen LLP, 488 Madison Avenue, New York, NY 10022, Attention: Rosanne Thomas Matzat, Esq., Tel. (212) 478-7410, Fax (212) 478-7400

5. To the Exit Term Loan Lenders: Dewey & LeBoeuf LLP, 1301 Avenue of the Americas, New York, New York 10019, attention: Irena Goldstein, Esq., Tel: (212) 259-8000, Fax: 212-259-6333.

6. The Office of the United States Trustee: 33 Whitehall Street, 21st Floor, New York, New York 10004, attention: Paul K. Schwartzberg, Esq., Tel.: (212) 510-0500, Fax: (212) 668-2255.

K. Conflicts

The terms of this Plan shall govern in the event of any inconsistency with the summaries of the Plan set forth in the Disclosure Statement.

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Dated: August 14, 2009

**BALLY TOTAL FITNESS HOLDING
CORPORATION**

(on its own behalf and on behalf of each affiliate
Debtor)

By: /s/ Michael W. Sheehan

Name: Michael W. Sheehan

Title: Chief Executive Officer

EXHIBIT A
EXECUTORY CONTRACTS AND UNEXPIRED LEASES TO BE REJECTED

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
3S SYSTEM SUPPLY AKA 3S CORPORATION 1251 EAST WALNUT STREET CARSON, CA 90746	SERVICES AGREEMENT	Bally Total Fitness Corporation
4 SIGHT MARKETING INC 433 E TARPON AVE TARPON SPRINGS, FL 34689	SERVICES AGREEMENT	Bally Total Fitness Corporation
A & Y CLEANING SERVICE 31 PRAIRIE DR N BABYLON, NY 11703	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
A Advanced Fire & Safety 22607 S Dixie Hwy Miami, FL 33170	SERVICES AGREEMENT	Bally Total Fitness Corporation
A EXPERT EXTERMINATION CO INC 1782 CONEY ISLAND AVE BROOKLYN, NY 11230	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
AARON SLOTA 9024 ANGORA ST. DALLAS, TX 75218	INDEPENDENT CONTRACTOR AGREEMENT DATED 11/26/07	Bally Total Fitness Corporation
ABHISHEK PEDAPATI 1307 PRESIDENT ST. GLENDALE HTS., IL 60139	INDEPENDENT CONTRACTOR AGREEMENT DATED 4/28/08	Bally Total Fitness Corporation

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the filers do not know of any additional unexpired leases or executory contracts exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected by the Debtor to the contract or lease.

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Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
Absolute Electrical Contracting Inc One Cross Island Plz Ste 109 Rosedale, NY 11422	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
ACADEMY PLACE OFFICE & STORAGE 2345 N ACADEMY PLACE NO 10 COLORADO SPRINGS, CO 80909	LEASE OF NON-RESIDENTIAL PROPERTY	Bally Total Fitness Corporation
ACCOUNTING OPTIONS INC 43 CORPORATE PARK STE 106 IRVINE, CA 92606	SERVICES AGREEMENT	Bally Total Fitness Corporation
Acquaviva, Earl	Retention Agreement dated 12/26/07	Bally Total Fitness Corporation
Adams, Julie	Guaranteed Severance Agreement dated 4/23/08	Bally Total Fitness Corporation
Adams, Julie	Key Employee Change of Control, Confidentiality, Non-Solicitation and Non-Compete Agreement dated 11/23/05	Bally Total Fitness Holding Corporation
ADCONION INC 1322 3RD ST PROMENADE 2ND LEVEL SANTA MONICA, CA 90401	SERVICES AGREEMENT	Bally Total Fitness Corporation
Adconion Media Inc 1322 3rd St Promenade 2nd Level Santa Monica, CA 90401	SERVICES AGREEMENT	Bally ARA Corporation

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ADDISON PROFESSIONAL FINANCIAL SEARCH, LLC c o Ed Balogh 222 S Riverside Plz Ste 1710 Chicago, IL 60606	SERVICES AGREEMENT	Bally Total Fitness Corporation
Addison Search LLC c o Ed Balogh 222 S Riverside Plz Ste 1710 Chicago, IL 60606	CONSULTING AGREEMENT	Bally Total Fitness Corporation
Addison Search LLC c o Ed Balogh 222 S Riverside Plz Ste 1710 Chicago, IL 60606	SERVICES AGREEMENT	Bally Total Fitness Corporation
Adolfo Lopez 31 Prairie Dr North Babylon, NY 11703	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
Advanced Restorations Specialists Inc 2548 Strozier Ave S El Monte, CA 91733	SERVICES AGREEMENT	Bally Total Fitness Corporation
ADVANTAGE ELECTRIC INC 702 W 20TH ST HOUSTON, TX 77008	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
ADVANTAGE ELECTRIC INC 720 W 20TH ST HOUSTON, TX 77008	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.

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Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
ADVANTAGE ELECTRIC INC720 W 20TH STREETHOUSTON, TX 77008	SERVICES AGREEMENT	Bally Total Fitness Corporation
Advantage Human Resourcing 855 Main St 7th Fl Bridgeport, CT 06604-4915	SERVICES AGREEMENT	Bally Total Fitness Corporation
Advantage Human Resourcing 855 Main St 7th Fl Bridgeport, CT 06604-4915	SERVICES AGREEMENT	Bally Total Fitness of the Mid-Atlantic, Inc.
ADVERTISING COM 24143 NETWORK PLACE CHICAGO, IL 60673-1241	SERVICES AGREEMENT	Bally Total Fitness Corporation
Agape Hair Salon 8735 SW Stono Dr Tualatin, OR 97062	SUBLEASE AGREEMENT	Bally Total Fitness Corporation
Air Heat America LLC c o Stokes Lazarus & Carmichael LLP 80 Peachtree Park Dr NE Atlanta, GA 30309	SERVICES AGREEMENT	BTF/CFI, Inc.
AIR/HEAT AMERICA LLC 3840 OAKCLIFF INDUSTRIAL COURT ATLANTA, GA 30340	SERVICES AGREEMENT	BTF/CFI, Inc.

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Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
ALKLEM PLUMBING INC P O BOX 8308 LONG ISLAND CITY, NY 11101	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
All American Construction & Plumbing c o Betty S Chain 15233 Ventura Blvd No 1200 Sherman Oaks, CA 91403	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
All Out Bulding Services Inc Craig Marino 40G Corbin Ave Bayshore, NY 11706	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
ALL OVER MEDIA MEDIA 40732 OLIVER DRIVE STERLING HEIGHTS, MI 48313	ADVERTISING/MEDIA AGREEMENT	Bally Total Fitness Corporation
Alliance Heating and Airconditioning Incc o Claudia TropilaAttorney at Law 25 Mauchly Ste 327Irvine, CA 92618	SERVICES AGREEMENT	Bally Total Fitness of California, Inc.
ALLOY MEDIA & MARKETING 14878 COLLECTIONS CENTER DRIVE CHICAGO, IL 60693	MARKETING AGREEMENT	Bally Total Fitness Corporation

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Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
Alloy Media LLC Attn Adam Silverman 151 W 26th St 11th Fl New York, NY 10001	MARKETING AGREEMENT	Bally Total Fitness Corporation
ALMEIDA INDUSTRIES INC 5300 POWERLINE RD STE 203 FT LAUDERDALE, FL 33309	SERVICES AGREEMENT	Bally Total Fitness Corporation
ALSCO American Industrial Division aka Portland Industrial Accurate Collection Services LLC 708 Main St Ste 204 Oregon City, OR 97045	SERVICES AGREEMENT	Bally Total Fitness Holding Corporation
ALSCO PO BOX 82269 PORTLAND, OR 97282	SERVICES AGREEMENT	Bally Total Fitness Corporation
ALT ARCHITECTURE 2440 DAYTON XENIA RD STE B BEAVER CREEK, OH 45434	SERVICES AGREEMENT	Bally Total Fitness of the Midwest, Inc.
Altra Construction Co Inc c/o Law Offices of John J Meehan 33 N Dearborn St Suite 300 Chicago, IL 60602	SERVICES AGREEMENT	Bally Total Fitness Corporation

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AMERICAN ELECTRICAL SERVICES ROBERT L HOVFEK PO BOX 975 SIMI VALLEY, CA 93062	SERVICES AGREEMENT	Bally Total Fitness of California, Inc.
AMERICAN LOCKER SECURITY SYSTEMS DUP SEE VNO 030348 12 16 MARTHA ST ELLICOTTVILLE, NY 14731	SERVICES AGREEMENT	Bally Total Fitness Corporation
AMERICAN REGISTRY FOR INTERNETNUMBERS LTDPO BOX 79010BALTIMORE, MD 21279-0010	SERVICE AGREEMENT	Bally Total Fitness Corporation
Anchor Computer Inc c o Ruskin Moscou Faltischek PC 1425 RexCorp Plz Uniondale, NY 11556	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
ANDRES IMAGING & GRAPHICS 2643 W CHICAGO AVENUE CHICAGO, IL 60622	SERVICES AGREEMENT	Bally Total Fitness Corporation
Animal Planet c o SS Sampliner & Co Inc 505 Eighth Ave New York, NY 10018	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.

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APPLE ONE EMPLOYMENT SVC P O BOX 29048 GLENDALE, CA 91209-9048	SERVICES AGREEMENT	Bally Total Fitness Corporation
APRIL ARNOLD 4467 N. RESERVE CHICAGO, IL 60656	RETENTION BONUS AND SEPERATION AGREEMENT (DATED 5/14/08)	Bally Total Fitness Corporation
AQUA PURE ENTERPRISES INC 1404 JOLIET RD STE A ROMEIOVILLE, IL 60446	SERVICES AGREEMENT	Bally Total Fitness Corporation
AQUA TOTS JOHN A CHRISTY SCHREEDER WHEELER & FLINT LLP 1100 PEACHTREE ST NE STE 800 ATLANTA, GA 30309-4516	SERVICES AGREEMENT	Bally Total Fitness Corporation
ARAMARK REFRESHMENT SERVICE 13772 SHORELINE DRIVE EARTH CITY, MO 63045	SERVICES AGREEMENT	Bally Total Fitness Corporation
ARAMARK REFRESHMENT SERVICE 13772 SHORELINE DRIVE EARTH CITY, MO 63045	SERVICES AGREEMENT	Bally Total Fitness of California, Inc.

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Aramark Uniform & Career Apparel LLC fka Aramark Uniform & Career Apparel Inc dba Aramark Uniform Services c o Sheila R Schwager Hawley Troxell Ennis & Hawley LLP PO Box 1617 Boise, ID 83701	SERVICES AGREEMENT	Bally Total Fitness Corporation
Aramark Uniform & Career Apparel LLC fka Aramark Uniform & Career Apparel Inc dba Aramark Uniform Services c o Sheila R Schwager Hawley Troxell Ennis & Hawley LLP PO Box 1617 Boise, ID 83701	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
Aramark Uniform & Career Apparel LLC fka Aramark Uniform & Career Apparel Inc dba Aramark Uniform Services c o Sheila R Schwager Hawley Troxell Ennis & Hawley LLP PO Box 1617 Boise, ID 83701	SERVICES AGREEMENT	Bally Total Fitness of the Midwest, Inc.

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ARAMARK UNIFORM SERVICES INC 1900 PROGRESS AVENUE COLUMBUS, OH 43207	SERVICES AGREEMENT	Bally Sports Clubs, Inc.
ASSET ACCEPTANCE LLC ATTN BONNIE LAMBERT 28405 VAN DYKE WARREN, MI 48093	PORTFOLIO FLOW PURCHASE AGREEMENT	Bally Total Fitness Corporation
ASSET ACCEPTANCE LLC Box 2036 Warren, MI 48090	PORTFOLIO FLOW PURCHASE AGREEMENT	Bally Total Fitness Corporation
ATHALON SPORTGEAR INC C/O WELLS FARGO CENTURY INC PO BOX 360286 PITTSBURGH, PA 15250	SERVICES AGREEMENT	Bally Total Fitness Corporation
Avant Garde Printing & Promotions 120 N Main St Ste 202 New City, NY 10956	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
AVANTE LLC 1228 CAPITOL DRADDISON, IL 60101	SERVICES AGREEMENT	Bally Total Fitness Corporation
AVANTE LLC 1228 CAPITOL DR ADDISON, IL 60101	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.

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Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
AVAYA FINANCIAL SERVICES P O BOX 93000 CHICAGO, IL 60673-3000	SERVICES AGREEMENT	Bally Total Fitness Corporation
Avaya Inc c o RMS Bankruptcy Services PO Box 5126 Timonium, MD 21094	SERVICES AGREEMENT	Bally Total Fitness of California, Inc.
B PITTS CONSTRUCTION INC 2000 MALLARD LN ABERDEEN, WA 98520	SERVICES AGREEMENT	Bally Total Fitness Corporation
BACK IN SHAPE 4960 WEST RAY ROAD, STE A CHANDLER, AZ 85226	MASTER CONCESSION AGREEMENT	Bally Total Fitness Corporation
BALANCED BODY UNIVERSITY INC 8220 FERGUSON AVE SACRAMENTO, CA 95828-0931	SERVICES AGREEMENT	Bally Total Fitness Corporation
BAXTER MECHANICAL CONT PO BOX 5102 KANSAS CITY, KS 66119	SERVICES AGREEMENT	Bally Total Fitness Corporation
BeFit Enterprises Inc Edward S Labowitz Esq Alexander Nau Lawrence Frumes & Labowitz LLP 1925 Century Park E No 850 Los Angeles, CA 90067	RELEASE & SETTLEMENT AGREEMENT	Bally Total Fitness Corporation

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2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the listed documents may not include all additional unexpired leases or executory contracts that exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected by the Debtor to the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
BeFit Enterprises Inc Edward S Labowitz Esq Alexander Nau Lawrence Frumes & Labowitz LLP 1925 Century Park E No 850 Los Angeles, CA 90067	RELEASE & SETTLEMENT AGREEMENT	Bally Total Fitness of Greater New York, Inc.
BeFit Enterprises IncEdward S Labowitz EsqAlexander Nau Lawrence Frumes & Labowitz LLP1925 Century Park E No 850Los Angeles, CA 90067	RELEASE & SETTLEMENT AGREEMENT	Jack LaLanne Holding Corp.
BEL AQUA POOL SUPPLY INC 20 COMMERCE DRIVE NEW ROCHELLE, NY 10801	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
BELKIN BURDEN WENIG & GOLDMAN, LLP 270 MADISON AVENUE NEW YORK, NY 10016	RENTENTION LETTER	Bally Total Fitness Corporation
BELLA KARANFILIAN 2039 N. BERENDO ST. LOS ANGELES, CA 90027	RETENTION BONUS AND GUARANTEED SEVERANCE PAYMENT (DATED 12/20/07)	Bally Total Fitness Corporation
Bergensons Property Services Inc 3605 Ocean Ranch Blvd Ste 200 Oceanside, CA 92056	SERVICES AGREEMENT	Bally Total Fitness Corporation

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3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected and the claimant shall be deemed to have rejected the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
BERUMEN CONSTRUCTION 14960 ROXFORD STREET SYLMAR, CA 91342	SERVICES AGREEMENT	Bally Total Fitness of California, Inc.
BFRC RETAIL & COMMERCIAL OPERATIONS 333 EAST LAKE RD. BLOOMINGDALE, IL 60108	SERVICE PROVIDER AGREEMENT (PT)	Bally Total Fitness Corporation
BG CONTRACTORS LLC 6477 PEPPERELL LN CINCINNATI, OH 45236	SERVICES AGREEMENT	Bally Total Fitness of the Midwest, Inc.
BG CONTRACTORS LLC 6477 PEPPERELL LN CINCINNATI, OH 45236	SERVICES AGREEMENT	BTF Cincinnati Corporation
Bi State Pool Management Inc c o Rick Woemmel 509 Civic Park Dr OFallon, MO 63366	SERVICES AGREEMENT	Bally Total Fitness of Missouri, Inc.
BLUE PHOENIX SOLUTIONS USA, INC 8000 REGENCY PARKWAY SUITE 300 CARY, NC 27511	IT SERVICES AGREEMENT	Bally Total Fitness Corporation
BOCA MEDICAL THERAPY21069 S. MILITARY TRAILBOCA RATON, FL 33486	MASTER CONCESSION AGREEMENT	Bally Total Fitness Corporation

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3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected by the Debtor to the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
Boege, Kate	Retention Agreement dated 2/14/08	Bally Total Fitness Corporation
BRICKMAN GROUP LTD 18227 FLOWER HILL WAY STE D GAITHERSBURG, MD 20879	SERVICES AGREEMENT	Bally Total Fitness of the Midwest, Inc.
BRILLANTE BUILDING SERVICES INC 2425 EAST DEVON AVENUE ELK GROVE VILLAGE, IL 60007	SERVICES AGREEMENT	Bally Total Fitness International, Inc.
BRILLANTE BUILDING SERVICES INC 2425 EAST DEVON AVENUE ELK GROVE VILLAGE, IL 60007	SERVICES AGREEMENT	Bally Total Fitness of Toledo, Inc.
Brillante Building Services Inc Attn Don Magee Brillante Building Services 456 N Oakley Blvd Chicago, IL 60612	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
Broomell, Paul	Retention Agreement dated 12/26/07	Bally Total Fitness Corporation
BURR CONSULTING 939 W MADISON STREET UNIT 203 CHICAGO, IL 60607	CONSULTING AGREEMENT	Bally Total Fitness Corporation

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3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected and the claimant shall be deemed to have rejected the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
BUZZ NIGHTCLUB 308 W ERIE CHICAGO, IL 60610	SERVICES AGREEMENT	Bally Total Fitness Corporation
CANDICE WAUGH 7408 SCHOOL AVE. BALTIMORE, MD 21222	RETENTION BONUS AND GUARANTEED SEVERANCE DATED 12/20/07	Bally Total Fitness Corporation
CAPITAL CONTRACTORS INC PO BOX 3079 HUNTINGTON STATION, NY 11746	SERVICES AGREEMENT	Bally Total Fitness of the Mid-Atlantic, Inc.
CAREERBUILDER LLC 13047 COLLECTION CENTER DR CHICAGO, IL 60693	SERVICES AGREEMENT	Bally Total Fitness Corporation
CareerBuilder LLC 200 N LaSalle St Ste 1100 Chicago, IL 60601	SERVICES AGREEMENT	Bally Total Fitness Corporation
CARPET WORKSHOP LLC535 EAST 42 STREETPATERSON, NJ 07513	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
CARRIER CORPORATION Attn Joyce Kupper PO Box 4808 Bldg TR 5 Syracuse, NY 13221	SERVICES AGREEMENT	Bally Total Fitness International, Inc.

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3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected and the claimant shall be deemed to have rejected the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
CARRIER SALES & DISTRIBUTION LLC DBA CARRIER NORTH TEXAS/OKLAHOMA PO BOX 730246 DALLAS, TX 75373-0246	SERVICES AGREEMENT	Bally Total Fitness Corporation
CARRIER SALES & DISTRIBUTION LLC DBA CARRIER NORTH TEXAS/OKLAHOMA PO BOX 730246 DALLAS, TX 75373-0246	SERVICES AGREEMENT	Bally Total Fitness of the Mid-Atlantic, Inc.
CARRIER 655 W GRAND AVE SUITE 320 ELMHURST, IL 60126	PACKAGE COOLING UNIT	Bally Total Fitness Corporation
CARTUS ATTN WAYNE RIGIC CARTUS FKA CENDANT MOBILITY 40 APPLE RIDGE RD DANBURY, CT 06810	SERVICES AGREEMENT	Bally Total Fitness Corporation
Castle Craft Products Inc 1150 Powis Rd Unit 5 West Chicago, IL 60185	SERVICES AGREEMENT	Bally Total Fitness Corporation
CASTLECRAFT PRODUCTS 1150 POWIS RD UNIT 5 DOCK No 9	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.

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3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected by the Debtor to the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
WEST CHICAGO, IL 60185		
Catalina Marketing Corporation Attn Kevin Coughlin 200 Carillon Pkwy St Petersburg , FL 33716	SERVICES AGREEMENT	Bally Total Fitness Corporation
CATALYST IT SERVICES 1501 W MOUNT ROYAL AVE BALTIMORE, MD 21217-4247	IT SERVICES AGREEMENT	Bally Total Fitness Corporation
CATALYST IT SERVICES 1501 W MOUNT ROYAL AVE BALTIMORE, MD 21217-4247	SERVICE	Bally Total Fitness Corporation
Catherine Monzon 21 B Crampton Avenue Woodbridge, NJ 07095	LICENSE AGREEMENT	Bally Total Fitness of Greater New York, Inc.
CENTRAL BUILDING SERVICES INC PO BOX 8050 BARTLETT, IL 60103	SERVICES AGREEMENT	Bally Total Fitness Corporation
CENTURY POOLS INC AKA CENTURY POOL MANAGEMENT LLC 5020 NICHOLSON COURT STE 201 KENSINGTON, MD 20895	SERVICES AGREEMENT	Bally Total Fitness of the Mid-Atlantic, Inc.

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Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
Chatter Marketing Inc Sterling Lanier Chatter Inc 251 Arden Rd Menlo Park, CA 94025	BRAND STRATEGY DEVELOPMENT AGREEMENT	Bally Total Fitness Corporation
CHG Building Systems 1120 SW 16th Ste A4 Renton, WA 98057	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
Chicago O Hare Garden 8201 W Higgins Rd Chicago , IL 60631	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
CHIPMAN ADAMS & DEFILIPPIS ARCHITECTS INC 1550 N NORTHWEST HWY SUITE 400 PARK RIDGE, IL 60068	SERVICES AGREEMENT	Bally Total Fitness Corporation
CHRISTOPHER JOHNSON 1800 19TH AVENUE CT MILTON, WA	GOLF LICENSE AGREEMENT	Bally Total Fitness Corporation
Chuck & Kami Betker 7705 Grant Drive Everett, WA 98203	LICENSE AGREEMENT	Bally Total Fitness Corporation
CITYWIDE SECURITY GROUP INC 4032 N MILWAUKEE AVE CHICAGO, IL 60641-1833	SERVICES AGREEMENT	Bally Total Fitness Corporation

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Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
CLARITAS INC.PO BOX 533028ATLANTA, GA 30353-2028	LICENSE AGREEMENT	Bally Total Fitness Corporation
Cleanfully Yours Building Maintenance Inc & All Out Building Services Inc Craig Marino 40G Corbin Ave Bayshore, NY 11706	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
Cleanfully Yours Building Maintenance Inc c/o Law Office of Stewart H Friedman One Hollow Lane Suite 216 Lake Success, NY 11042	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
Cleanfully Yours Building Maintenance Inc Craig Marino 40G Corbin Ave Bayshore, NY 11706	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
CLEARBLUE C4 EXPLOSIVE COMMUNICATIONS JESSIE L THOMAS PRESIDENT MINTEX INC 800 WEST FIFTH AVE STE 100A NAPERVILLE, FL 60563	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.

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Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
CLIMATECH INC 200 BILMAR DRIVE PITTSBURGH, PA 15205	SERVICES AGREEMENT	Bally Total Fitness of the Midwest, Inc.
COLOR IMAGE APPAREL 6670 FLOTILLA ST CITY OF COMMERCE, CA 90040-1816	SERVICES AGREEMENT	Bally Total Fitness Corporation
COMBUSTION SERVICES 1432 FRONT AVE LUTHERVILLE, MD 21093	SERVICES AGREEMENT	Bally Total Fitness of the Mid-Atlantic, Inc.
Compuware Corporation c o Michael Gruse Warner Norcross & Judd LLP 2000 Town Center Ste 2700 Southfield, MI 48075	SOFTWARE LICENSE AGREEMENT	Bally Total Fitness Corporation
CONDITIONED AIR MECH SRV INC 3733 E ATLANTA AVE PHOENIX, AZ 85040	SERVICES AGREEMENT	Bally Total Fitness Corporation
CONTROL SOLUTIONS INTERNATIONAL, INCATTN: ACCOUNTS RECEIVABLE400 AMHERST ST STE 201NASHUA, NH 03063	ENGAGEMENT LETTER	Bally Total Fitness Corporation
CONVERGYS CMG 1450 SOLUTIONS CENTER DR CHICAGO, IL 60677-1004	SERVICES AGREEMENT	Bally Total Fitness Corporation

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Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
Convergys Customer Management Group Inc Jennifer McGrath 201 E 4th St Loc 14 0201 Cincinnati, OH 45202	SERVICES AGREEMENT	Bally Total Fitness Corporation
CORPORATE MAILING SERVICES PO BOX 24255 BALTIMORE, MD 21227	SERVICES AGREEMENT	Bally Total Fitness Corporation
CORPORATE REAL ESTATE SERVICE INC 40 MONMOUTH PARK HIGHWAY W LONG BRANCH, NJ 07764	SERVICES AGREEMENT	Bally Total Fitness Corporation
CPT NETWORK SOLUTIONS 1271 HAMILTON PKWAY ITASCA, IL 60143	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
CRANDALL & SONS INC PO BOX 55070 RIVERSIDE, CA 92517	SERVICES AGREEMENT	Bally Total Fitness of California, Inc.
Creative Promotional Products 7300 N Monticello Skokie, IL 60076	SERVICES AGREEMENT	Bally Total Fitness Corporation
Crystal Management Maintenance Services Corp 1699 Wall St Ste 504 Mount Prospect, IL 60056	SERVICES AGREEMENT	Bally Total Fitness of the Midwest, Inc.

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Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
CULLIGAN ENTERPRISES LP ET AL/DBA OCEANVIEW VILLAGE C O UNION BANK OF CA PO BOX 45370 SAN FRANCISCO, CA 94145-0370	SERVICES AGREEMENT	Bally Total Fitness Corporation
CURBSIDE DIV DEPENDABLE PARKING INC 100 CUMMINGS CENTER No 227 C BEVERLY, MA 01915	SERVICES AGREEMENT	Bally Total Fitness of the Mid-Atlantic, Inc.
Current and former officers and directors	Any other retention agreement, severance agreement or bonus plan, to the extent deemed executory, that is not specifically approved by the Bankruptcy Court	Bally Total Fitness Holding Corporation, Bally Total Fitness Corporation
CUSHMAN & WAKEFIELD VALUATION 455 NORTH CITYFRONT PLAZA DR STE 2800 CHICAGO, IL 60611-5325	REAL ESTATE VALUATION SERVICES	Bally Total Fitness Corporation
DALLAS STARS LP PO BOX 910380 DALLAS, TX 75391-0380	ADVERTISING & PROMOTIONAL AGREEMENT	Bally Total Fitness Corporation
DataPipe Inc 10 Exchange Pl Ste 1200 Jersey City, NJ 07302	SERVICES AGREEMENT	Bally Total Fitness Corporation

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Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
DATATEL COMMUNICATIONS INC C/O USA ACCOUNT PROCESSING 1200 EGLINTON AVENUE EAST SUITE 712 TORONTO, ON M3C 1H9 CANADA	SERVICES AGREEMENT	Bally Total Fitness Corporation
DATATEL COMMUNICATIONS INC Bruce Sinclair 1960 7 N Commerce Pkwy Weston, FL 33326	SERVICE AGREEMENT	Bally Total Fitness Corporation
DC ARENA L P PO BOX 630442 BALTIMORE, MD 21263-0442	SPONSORSHIP AGREEMENT	Bally Total Fitness Corporation
DC Arena LP 821 Capital Center Blvd Largo, MD 20774	SERVICES AGREEMENT	Bally Total Fitness Corporation
DC Arena LP 821 Capital Centre Blvd Largo, MD 20774	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
DCC INC 2929 STOREY LANE DALLAS, TX 75220	SERVICES AGREEMENT	Bally Total Fitness Corporation
DELL MARKETING L P C/O DELL USA LLP PO BOX 802816 CHICAGO, IL 60680-2816	SERVICES AGREEMENT	Bally Total Fitness Corporation

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Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
Dell Marketing LP c/o Sabrina L Streusand Esq Streusand & Landon LLP 816 Congress Ave Ste 1600 Austin, TX 78701	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
DG FASTCHANNEL INC PO BOX 951392 DALLAS, TX 75395-1392	SERVICES AGREEMENT	Bally Total Fitness Corporation
DHL EXPRESS USA INC PO BOX 60000 SAN FRANCISCO, CA 94160	SERVICES AGREEMENT	Bally Total Fitness Corporation
Dig Communications LLC Pete Marino 549 W Randolph Ste 201 Chicago, IL 60661	SERVICES AGREEMENT	Bally Total Fitness Holding Corporation
DIG COMMUNICATIONS 549 W RANDOLPH STE 201 CHICAGO, IL 60661	SERVICES AGREEMENT	Bally Total Fitness Corporation
Direct Logistics Inc Glenn A Lemons PO Box 612488 DFW Airport, TX 75261	SERVICES AGREEMENT	Bally Total Fitness Corporation

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3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected and the claimant shall file a motion to reject the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
DIRECT LOGISTICS Attn Glenn Lemons 1625 Vantage Dr Ste 102 Carrollton, TX 75006	SERVICES AGREEMENT	Bally Total Fitness Corporation
Discovery Com LLC Charles Kohler Discovery Communications 401 N Michigan Ave No3000 Chicago , IL 60611	SERVICES AGREEMENT	Bally Total Fitness Holding Corporation
Discovery Health Channel c o SS Sampliner & Co Inc 505 Eighth Ave New York, NY 10018	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
DISCOVERY ON LINE DISCOVERY COMMUNICATIONS INC PO BOX 79971 BALTIMORE, MD 21279-0971	SERVICES AGREEMENT	Bally Total Fitness Corporation
Discoverycom LLCc o SS Sampliner & Co Inc505 Eighth Ave New York, NY 10018	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the Debtor may not be aware of additional unexpired leases or executory contracts exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected and the claimant shall be deemed to have rejected the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
Dish Network LLC fka EchoStar Satellite LLC Brett J Kitei Dish Network LLC 9601 S Meridian LLC Englewood, CO 80112	SERVICES AGREEMENT	Bally Total Fitness Corporation
DISTRIBUTECH D/B/A HAAS PUBLISHING CO. 9535 FOREST LANE, SUITE 120 DALLAS, TX 75243	RACK PLACEMENT AGREEMENT	Bally Total Fitness Corporation
DO IT YOURSELF STORAGE CENTER INC 4835 SOUTH AVE TOLEDO, OH 43615	LEASE OF NON-RESIDENTIAL PROPERTY	Bally Total Fitness of Toledo, Inc.
Dream Seeker Green Apple Continental Business Credit Inc 21031 Ventura Blvd Suite 200 Woodland Hills, CA 91364-6502	SERVICES AGREEMENT	Bally Total Fitness Corporation
Dream Seeker Inc Law Offices of Michael David Daniels 20700 Ventura Blvd St 227 Woodland Hills, CA 91364	SERVICES AGREEMENT	Bally Total Fitness Corporation
Dream Seeker Inc Law Offices of Michael David Daniels 20700 Ventura Blvd St 227 Woodland Hills, CA 91364	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the filers do not know of any additional unexpired leases or executory contracts exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected to the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
Dwyer, John W. **	<p>General Release and Settlement Agreement dated as of April 28, 2004, by and between John W. Dwyer and Bally Total Fitness Holding Corporation</p> <p>Indemnification Agreement dated as of January 3, 1996, by and between John W. Dwyer and Bally Total Fitness Holding Corporation</p> <p>Award Agreement dated as of February 28, 1996 between Bally Total Fitness Holding Company and John W. Dwyer</p> <p>Restricted Stock Award Agreement dated as of May 15, 2003 by and between Bally total Fitness Holding Corporation and John W. Dwyer</p>	Bally Total Fitness Holding Corporation, Bally Total Fitness Corporation
Dyn O Mite Promotions Inc 2268 Howes St Merrick, NY 11566	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
DYNAMICS WORLD INC 245 14 JERICHO TPKE FLORAL PARK, NY 11001	SUPPLY AGREEMENT	Bally Total Fitness Corporation
E&B GIFTWARE LLC 4 EXECUTIVE PLAZA YONKERS, NY 10701	MERCHANDISE LICENSE AGREEMENT	Bally Total Fitness Corporation

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the listed documents may not include all additional unexpired leases or executory contracts exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected and the claimant shall be deemed to have rejected the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
East Coast Commercial Cleaning Corp 74 Hunter Ave Miller Place, NY 11764	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
Edwards Electrical & Mechanical Inc Chad T Walker Tabbert Hahn Earnest & Weddle LLP 1 Indiana Sq Ste 1900 Indianapolis, IN 46204	SERVICES AGREEMENT	BTF Cincinnati Corporation
EDWARDS ELECTRICAL & MECHANICAL P O BOX 3671 EVANSVILLE, IN 47736	SERVICES AGREEMENT	Bally Total Fitness of the Midwest, Inc.
ELOYALTY CORPORATION 6466 PAYSPIRE CIRCLE CHICAGO, IL 60674	MASTER SERVICES AGREEMENT	Bally Total Fitness Corporation
EMPATHICA INC2121 ARGENTIA RD STE 200MISSISSAUGA, ON L5N 2X4 CANADA	SERVICES AGREEMENT	Bally Total Fitness Corporation
Entertainment Publications LLC Attn Gwen Koehler 1414 E Maple Rd Ste 500 Troy, MI 48083-4019	NATIONAL PARTICIPATION AGREEMENT	Bally Total Fitness Corporation

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the listed documents may not include all additional unexpired leases or executory contracts exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected and the claimant shall be deemed to have rejected the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
Epsilon Data Management LLC Attn Molly Suttles 4401 Regent Blvd Irving, TX 75063	SERVICES AGREEMENT	Bally Total Fitness Corporation
EPSILON A RELIZON COMPANY L 2749 COLUMBUS, OH 43260	SERVICES AGREEMENT	Bally Total Fitness Corporation
EQUATION CONSULTING INC 2650 SOUTH DECKER LAKE BLVD NO 122 SALT LAKE CITY, UT 84119	SERVICES AGREEMENT	Bally Total Fitness Corporation
Fanelli, William G.	Employment Agreement dated 1/1/03, as amended	Bally Total Fitness Holding Corporation
FEDERAL HEATH SIGN CO LLC PO BOX 678203 DALLAS, TX 75267-8203	SERVICES AGREEMENT	Bally Total Fitness Corporation
FEDERAL HEATH SIGN CO LLC PO BOX 678203 DALLAS, TX 75267-8203	SERVICES AGREEMENT	Bally Total Fitness of the Mid-Atlantic, Inc.
FEDERAL HEATH SIGN CO LLC PO BOX 678203 DALLAS, TX 75267-8203	SERVICES AGREEMENT	Bally Total Fitness of the Midwest, Inc.

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the listed documents may not include all additional unexpired leases or executory contracts exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims. They should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected by the Debtor to the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
Federal Heath Sign Co LLC 2300 N Highway 121 Euless, TX 76039	SERVICES AGREEMENT	Bally Total Fitness Holding Corporation
FINTESS EDUCATION WORLDWIDE, INC D/B/A NATIONAL ACADEMY OF SPORTS MEDICINE 5850 E. STILL CIRCLE MESA, AZ 85206	EDUCATION AGREEMENT	Bally Total Fitness Corporation
First Class Plumbing LLC Mary Ann Judith President / Owner First Class Plumbing LLC 17032 Silver Charm PI Leesburg, VA 20176	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
FIRST EQUIPMENT COMPANY PO BOX 2129 ADDISON, TX 75001-2129	LEASE AGREEMENT	Bally Total Fitness Corporation
FIRST EQUITY CARD CORPORATION 1180 WELSH SUITE 160 NO. WALES, PA 19454	BALANCE TRANSFER PROGRAM AGREEMENT	Bally Total Fitness Corporation
FIRST USA BUILDING MAINTENANCE 17807 MISTY GROVE DR DALLAS, TX 75287	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the claimants may not know of additional unexpired leases or executory contracts exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected and the claimant shall file a Rejection Claim to the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
FIT TV c o SS Sampliner & Co Inc 505 Eighth Ave New York, NY 10018	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
FLORIDA MARLINS LP 2267 DAN MARINO BLVD MIAMI, FL 33056	PROMOTIONAL AGREEMENT	Bally Total Fitness Corporation
FLORIDA PANTHERS HOCKEY CLUB ATTN: ACCOUNTS RECEIVABLE ONE PANTHER PARKWAY SUNRISE, FL 33323	PROMOTIONAL AGREEMENT	Bally Total Fitness Corporation
FLYNN CONSTRUCTION INC 600 PENN AVENUE PITTSBURGH, PA 15221	CONSTRUCTION CONTRACT	Bally Total Fitness of the Mid-Atlantic, Inc.
Flynn Construction c o Gregory C Michaels Dickie McCamey & Chilcote PC 2 PPG PI Ste 400 Pittsburgh, PA 15222	CONSTRUCTION CONTRACT	Bally Total Fitness Corporation
FOCUS MICRO INC 4640 CAMPUS PLACE No 100 MUKILTEO, WA 98275-5310	SERVICES AGREEMENT	Bally Total Fitness Corporation
FOCUS MICRO INC4640 CAMPUS PLACE NO 100MUKILTEO, WA 98275-5310	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the listed documents may not include all additional unexpired leases or executory contracts that exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected by the Debtor to the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
FOCUS MICRO, INC Attn Michael C Brown Authorized Agent 4640 Campus PI 100 Mukilteo, WA 98275-5310	SERVICES AGREEMENT	Bally Total Fitness Corporation
Former Officers and Directors of Bally who ceased serving as directors, officers or employees prior to October 1, 2007**	Restated Certificate of Incorporation of Bally Total Fitness Holding Corporation and Amended and Restated Bylaws of Bally Total Fitness Holding Corporation	Bally Total Fitness Holding Corporation
FOX INTERACTIVE MEDIA FILE 50497 LOS ANGELES, CA 90074	SERVICES AGREEMENT	Bally Total Fitness Corporation
FRANKLIN CONTRACTORS INC 1040 NW 52ND ST FT LAUDERDALE, FL 33309	CONSTRUCTION CONTRACT	Bally Total Fitness Corporation
FRANKLIN CONTRACTORS INC 1040 NW 52ND ST FT LAUDERDALE, FL 33309	CONSTRUCTION CONTRACT	Bally Total Fitness of the Midwest, Inc.
FRANKLIN CONTRACTORS INC 1040 NW 52ND ST FT LAUDERDALE, FL 33309	CONSTRUCTION CONTRACT	Bally Total Fitness of the Midwest, Inc.
FREEMOTION FITNESS INC PO BOX 99661 CHICAGO, IL 60690	SERVICES AGREEMENT	Bally Total Fitness Corporation

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the Bankruptcy Court may find that additional unexpired leases or executory contracts exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected by the Bankruptcy Court as to the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
FRESH AIR CO INC PO BOX 399 TUALATIN, OR 97062	SERVICES AGREEMENT	Bally Total Fitness Corporation
FRIES COMMERCIAL HTG & A/C 2022 SW 325TH PLACE FEDERAL WAY, WA 98023	SERVICES AGREEMENT	Bally Total Fitness Corporation
GAIAM AMERICAS PKA SPRI PRODUCTS INC DEPARTMENT 1384 DENVER, CO 80291	SERVICES AGREEMENT	Bally Total Fitness Corporation
GAIAM AMERICAS PKA SPRI PRODUCTS INC DEPARTMENT 1384 DENVER, CO 80291	SERVICES AGREEMENT	Bally Total Fitness of California, Inc.
GAIAM AMERICAS PKA SPRI PRODUCTS INC DEPARTMENT 1384 DENVER, CO 80291	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
GAIAM AMERICAS PKA SPRI PRODUCTS INC DEPARTMENT 1384 DENVER, CO 80291	SERVICES AGREEMENT	Bally Total Fitness of Rhode Island, Inc.

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

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3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected and the claims arising therefrom shall be deemed rejected to the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
GAIAM AMERICAS PKA SPRI PRODUCTS INC DEPARTMENT 1384 DENVER, CO 80291	SERVICES AGREEMENT	Bally Total Fitness of the Mid-Atlantic, Inc.
GAIAM AMERICAS PKA SPRI PRODUCTS INC DEPARTMENT 1384 DENVER, CO 80291	SERVICES AGREEMENT	Bally Total Fitness of Upstate New York, Inc.
Galavision Inc Attn Basil Mavrovitis 500 Frank W Burr Blvd Ste 20 Teaneck, NJ 07666	SERVICES AGREEMENT	Bally Total Fitness Corporation
Gall, Rebecca	Guaranteed Severance Agreement dated 4/23/08	Bally Total Fitness Corporation
Gall, Rebecca	Key Employee Change of Control, Confidentiality, Non-Solicitation and Non-Compete Agreement dated 5/2/06	Bally Total Fitness Holding Corporation
GARTNER INC PO BOX 911319 DALLAS, TX 75391-1319	MASTER AGREEMENT	Bally Total Fitness Corporation
Gartner Inc 12600 Gateway Blvd Fort Myers, FL 33913	RESEARCH SERVICES AGREEMENT	Bally Total Fitness Holding Corporation

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Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
General Sheet Metal Co LLC 2330 Louisiana Ave N Minneapolis, MN 55427	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
German, John	Key Employee Change of Control, Confidentiality, Non-Solicitation and Non-Compete Agreement dated 11/23/05	Bally Total Fitness Holding Corporation
Glide Fitness Products Inc Attn James Wright Glide Fitness 231 E Dyer Rd No J Santa Ana, CA 92707	SERVICES AGREEMENT	Bally Total Fitness Corporation
GLIDE PRODUCTS 231 E DYER ROAD SUITE No J SANTA ANA, CA 92707	SERVICES AGREEMENT	Bally Total Fitness of California, Inc.
GLOBAL LINKING SOLUTIONS PO BOX 410743 CHARLOTTE, NC 28241	SERVICES AGREEMENT	Bally Total Fitness Corporation
GLOTEL, INC 30 SOUTH WACKER DRIVE SUITE 2800 CHICAGO, IL 60606	SERVICES AGREEMENT	Bally Total Fitness Corporation
GRACE CONSULTING SERVICES, INC. 7223 SOUTH ROUTE 83 #312 WILLOWBROOK, IL 60527	CONSULTING AGREEMENT	Bally Total Fitness Corporation

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Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
GRACE CONSULTING SERVICES, INC. 7223 SOUTH RT. 83 #312 WILLOWBROOK, IL 60527	SERVICES AGREEMENT	Bally Total Fitness Corporation
GRANT THORNTON LLP C O MARK E TONEY 666 THIRD AVENUE 13TH FLOOR NEW YORK, NY 10017	CONSULTING AGREEMENT	Bally Total Fitness Corporation
Green Light Inc Daniel Sansoni Esq 8040 Roosevelt Blvd Ste 218 Philadelphia, PA 19152	SERVICES AGREEMENT	Bally Total Fitness Corporation
GREEN LIGHT INC LAW OFFICES OF DANIEL SANSONI 8040 ROOSEVELT BLVD STE 218 PHILADELPHIA, PA 19152	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
GREEN LIGHT INCLAW OFFICES OF DANIEL SANSONI 8040 ROOSEVELT BLVD STE 218 PHILADELPHIA, PA 19152	SERVICES AGREEMENT	Bally Total Fitness of Philadelphia, Inc.
GREEN LIGHT INC LAW OFFICES OF DANIEL SANSONI 8040 ROOSEVELT BLVD STE 218 PHILADELPHIA, PA 19152	SERVICES AGREEMENT	Bally Total Fitness of the Mid-Atlantic, Inc.

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

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Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
GRM INFORMATION MANAGEMENT SERVICES INC LAW OFFICES OF FRANK MULNICK PARKER FRAN MULNICK PARKER 450 WEST 15TH ST PENTHOUSE NEW YORK, NY 10011	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
Grupo Gallegos a California Corporation Jesse Moore & Gregory Hesse Hunton & Williams LLP 1445 Ross Ave Ste 3700 Dallas, TX 75202-2799 NOTE: excludes addendum which is being assumed	MARKETING AGREEMENT	Bally Total Fitness Corporation
GUARDIAN ASPHALT INC 3529 EAGLE DR NE OLYMPIA, WA 98516	SERVICES AGREEMENT	Bally Total Fitness Corporation
GUARDIAN PROTECTIVE SERVICES 174 THORN HILL RD WARRENDALE, PA 15086	SERVICES AGREEMENT	Bally Total Fitness Corporation
GUIDANCE SOFTWARE, INC ATTN: JAMES DOYLE 250 PARK AVE STE 520 NEW YORK, NY 10177	PROFESSIONAL SERVICES AGREEMENT	Bally Total Fitness Corporation

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

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Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
GYM Interactive 331 W 57th St No 180 New York, NY 10019	PARTICIPATION AGREEMENT	Bally Total Fitness Corporation
GYMTICKET COM 331 W 57TH STE No 180 NEW YORK, NY 10019	SERVICES AGREEMENT	Bally Total Fitness Corporation
H HENDY ASSOCIATES 4770 CAMPUS DRIVE SUITE 100 NEWPORT BEACH, CA 92660	SERVICES AGREEMENT	Bally Total Fitness Corporation
HALOGEN SUPPLY COMPANY4653 W LAWRENCE AVECHICAGO, IL 60630	SERVICES AGREEMENT	Bally Total Fitness of the Midwest, Inc.
HANCOCK POOL SERVICES INC PO BOX 670345 HOUSTON, TX 77267-0345	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
HARALAMBOS BEVERAGE COMPANY PO BOX 6005 EL MONTE, CA 91734-2005	SERVICES AGREEMENT	Bally Total Fitness Corporation
Hasan, Faud	Retention Agreement dated 12/20/07	Bally Total Fitness Corporation
Hastings and Vaughan 1560 Santa Fe Ave Long Beach, CA 90813	SERVICES AGREEMENT	Bally Total Fitness of California, Inc.

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the listed documents may not include all additional unexpired leases or executory contracts that exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected by the Debtor to the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
HEALTHWAYS HEALTH SUPPORT PO BOX 12318 9280 S KYRENE RD STE 134 TEMPE, AZ 85284	CORPORATE SALES/PROVIDER AGREEMENT	Bally Total Fitness Corporation
Helen Conty 1817 Central Avenue Northbrook, IL 60062	LICENSE AGREEMENT	Bally Total Fitness Corporation
HIGGINS FIRE PROTECTION INC PO BOX 797 MANHASSET, NY 11030-0797	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
HIGH POTENTIAL INC ROBERT S WILSON PRESIDENT 33 WEST MONROE ST STE 2100 CHICAGO, IL 60603-5411	SERVICES AGREEMENT	Bally Total Fitness Corporation

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the filers do not know of any additional unexpired leases or executory contracts exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected and the claimant shall file a motion to reject the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
Hillman, Lee S.**	<p>Separation Agreement dated as of December 10, 2002, by and between Lee S. Hillman and Bally Total Fitness Holding Corporation</p> <p>Indemnification Agreement dated as of January 3, 1996, by and between Lee S. Hillman and Bally Total Fitness Holding Corporation</p> <p>Registration Rights Agreement dated as of January 21, 2003 by between Lee S. Hillman and Bally Total Fitness Holding Corporation</p> <p>Warrant Agreement dated December 29, 1995 between Bally Entertainment Corporation and Bally Total Fitness Holding Corporation</p> <p>First Amendment to Warrant Agreement dated January 21, 2003 between Lee S. Hillman and Bally Total Fitness Holding Corporation</p>	Bally Total Fitness Holding Corporation, Bally Total Fitness Corporation
HIRSCH PIPE & SUPPLY 15025 OXNARD STREET No 200 VAN NUYS, CA 91411	SERVICES AGREEMENT	Bally Total Fitness of California, Inc.
Holland Roofing RMM Indy Attn Latrina 7450 Industrial Rd Florence, KY 41042	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the filer does not know of any additional unexpired leases or executory contracts exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected to the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
Howard Schwartz 6881 Finamore Circle Lake Worth, FL 33467	SERVICES AGREEMENT	Bally Total Fitness Corporation
Howroyd Wright Employment Agency Inc dba Apple One Employment Services Ltd PO Box 29048 Glendale, CA 91209	SERVICES AGREEMENT	Bally Total Fitness Corporation
HYPERION SOLUTIONS CORPORATION 5450 GREAT AMERICA PARKWAY SANTA CLARA, CA 95054	MAINTENANCE SUPPORT SERVICES	Bally Total Fitness Corporation
HYPERION 5450 GREAT AMERICA PARKWAY SANTA CLARA, CA 95054	CONTRACT	Bally Total Fitness Corporation
I D Like That Inc DBA Jawco GraphicsI D Like That Inc8122 Allport AveSanta Fe Springs, CA 90670	SERVICES AGREEMENT	Bally Total Fitness of California, Inc.
I.SPA, INC. 309 TURTLE RD. SAN ANTONIO, TX 78209 SAN ANTONIO, TX 78209	LICENSE AGREEMENT	Bally Total Fitness Corporation

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the listed documents may not include all additional unexpired leases or executory contracts exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected by the Debtor to the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
IKON OFFICE SOLUTIONS LDS WESTERN DISTRICT PO BOX 31001 0743 PASADENA, CA 91110-0743	SERVICES AGREEMENT	Bally Total Fitness Corporation
IMPERIAL FIRE PROTECTION SYSTEMS INC P O BOX 1111 LONG ISLAND CITY, NY 11101	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
IMPERIAL PRODUCTS INC 1585 W BRDWAY ANAHEIM, CA 92802	SERVICES AGREEMENT	Bally Total Fitness of California, Inc.
INDTECH 130 SATELLITE BLVD. SUWANEE, GA 30024	AMENDMENT	Bally Total Fitness Corporation
INNOVATIVE FLOOR SYSTEMS INC 812 W PATAPSCO AVE STE M BALTIMORE, MD 21230	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
INSITE INTERACTIVE ("I2") 1176 YONGE ST. TORONTO ONTARIO, CN M4W2L9	SERVICE	Bally Total Fitness Corporation
INTERCARE INSURANCE SERVICES 3010 LAVA RIDGE COURT SUITE 200	INSURANCE SERVICES AGREEMENT	Bally Total Fitness Corporation

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the listed documents may not include all additional unexpired leases or executory contracts that exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims, and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected by the Debtor to the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
ROSEVILLE, CA 95661		
INTER-LINK PROMOTIONS, INC. 1712 NEWPORT BLVD COSTA MESA, CA 92627	SERVICES AGREEMENT	Bally Total Fitness Corporation
IOVATE HEALTH SCIENCES U S A INCC O ROCH VAILLANCOURT381 N SERVICE RD WOAKVILLE, ONTARIO L6M 0H4 Canada	SERVICES AGREEMENT	Bally Total Fitness Corporation
iPromoteu 321 Commonwealth Rd Ste 103 Wayland, MA 01778	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
IPROMOTEU DEPT CH 17195 PALATINE, IL 60055-7195	SERVICES AGREEMENT	Bally Total Fitness Corporation
IRT 4500 N. STATE RD. 7 SUITE 301 FT. LAUDERDALE, FL 33319	SERVICES AGREEMENT	Bally Total Fitness Corporation
J Grothe Electric Inc Brian Villeneuve 15632 El Prado Rd Chino, CA 91710	SERVICES AGREEMENT	Bally Total Fitness of California, Inc.

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the listed documents may not include all additional unexpired leases or executory contracts that exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected by the Debtor to the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
J J COLLINS SONS INC 6918 RELIABLE PARKWAY CHICAGO, IL 60686	SERVICES AGREEMENT	Bally Total Fitness Corporation
JAC HEATING & A C 4213 IRONWOOD DR CHINO HILLS, CA 91709	SERVICES AGREEMENT	Bally Total Fitness Corporation
JAZZNATT INVESTMENTS LLC 1030 E ORANGE GROVE AVE BURBANK, CA 91501	SERVICES AGREEMENT	Bally Total Fitness of California, Inc.
JEFFERIES & COMPANY INC C/O MAXINE SYRJAMAKI 11100 SANTA MONICA BLVD 12TH FLOOR LOS ANGELES, CA 90025	RESTRUCTURING SERVICES AGREEMENT	Bally Total Fitness Corporation
JEFFERY THORP 2156 W. OHIO ST. #2W CHICAGO, IL 60612	INDEPENDENT CONTRACTOR AGREEMENT DATED 11/26/07	Bally Total Fitness Corporation
JESUIT HIGH SCHOOL 9000 SW BEAVERTON HILLSDALE HWY PORTLAND, OR 97225-2491	LEASE OF NON-RESIDENTIAL PROPERTY	Bally Total Fitness Corporation
JG SERVICE COMPANY 15632 EL PRADO ROAD CHINO, CA 91710	SERVICES AGREEMENT	Bally Total Fitness of California, Inc.

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2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the listed documents may not include all additional unexpired leases or executory contracts that exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims, and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected by the Debtor to the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
Jones Lang LaSalle Americas Inc 200 E Randolph Dr Chicago, IL 60601	SERVICES AGREEMENT	Bally Total Fitness Corporation
JOSE CHACON 11646 CHANLDER BLVD NORTH HOLLYWOOD, CA 91601	SERVICES AGREEMENT	Bally Total Fitness Corporation
JUST WATER HEATERS INC 3400 INVESTMENT BLVD HAYWARD, CA 94545	SERVICES AGREEMENT	Bally Total Fitness Corporation
Karanfilian, Bella	Retention Agreement dated 12/20/07	Bally Total Fitness Corporation
Kaza Azteca America Inc 1139 Grand Central Ave Glendale, CA 91201	SERVICES AGREEMENT	Bally Total Fitness Corporation
KB TEAM PROMOTIONS PO BOX 609 FAIRVIEW, OR 97024	SERVICES AGREEMENT	Bally Total Fitness Corporation
KENNETH S. POWELL/WTP LLC 4466 WEST PINE #228 ST. LOUIS, MO 63108	LICENSE AGREEMENT	Bally Total Fitness Corporation
KETCHUM DIRECTORY ADVERTISING PO BOX 640750 PITTSBURGH, PA 15264-0750	ADVERTISING & PROMOTIONAL AGREEMENT	Bally Total Fitness Corporation

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2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the claimants may not know of additional unexpired leases or executory contracts exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected and the claimant shall be deemed to have rejected the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
Knott, William	Retention Agreement dated 12/20/07	Bally Total Fitness Corporation
KNOW WHERE 31700 LOBO CANYON ROAD AGOURA, CA 91301	ANNUAL FEES - LOCATOR FOR BTF	Bally Total Fitness Corporation
KNOW-WHERE 31700 LOBO CANYON RD. AGOURA, CA 91301	ANNUAL FEES - LOCATOR FOR BTF	Bally Total Fitness Corporation
KNUDSEN CONSTRUCTION INC 1440 HUNTINGTON DRIVE CALUMET CITY, IL 60409	SERVICES AGREEMENT	Bally Total Fitness Corporation
KORN FERRY INTERNATIONALNW 5064 PO BOX 1450MINNEAPOLIS, MN 55485-5064	SERVICES AGREEMENT	Bally Total Fitness Corporation
Kos USA Krissy Op Shin USA Inc DBA Kos USA 2408 S Broadway Los Angeles, CA 90007	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
KRONOS INC PO BOX 845748 BOSTON, MA 02284	CONTRACT	Bally Total Fitness Corporation
KRONOS INC PO BOX 845748 BOSTON, MA 02284	SOFTWARE LICENSE AGREEMENT	Bally Total Fitness Corporation

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2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the filers do not know of any additional unexpired leases or executory contracts exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected by the Debtor to the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
LaManna, Mike	Key Employee Change of Control, Confidentiality, Non-Solicitation and Non-Compete Agreement dated 11/23/05, as amended	Bally Total Fitness Holding Corporation
LEADFOOT INC JENNIFER DAVIDSON 4920 MARLBOROUGH DR SAN DIEGO, CA 92116	SERVICES AGREEMENT	Bally Total Fitness Corporation
LEE TECHNOLOGIES INC 12150 MONUMENT DR SUITE 150 FAIRFAX, VA 22033	PREVENTATIVE MAINTENANCE	Bally Total Fitness Corporation
LEE TECHNOLOGIES INC 12150 MONUMENT DR SUITE 150 FAIRFAX, VA 22033	SERVICE	Bally Total Fitness Corporation
Leo Burnett Company Inc fka Leo Burnett USA Inc Attn Patrick C Maxcy Sonnenschein Nath & Rosenthal 7800 Sears Tower 233 S Wacker Dr Chicago, IL 60606	ADVERTISING CAMPAIGN AGREEMENT	Bally Total Fitness Corporation
Leo Burnett Company Inc fka Leo Burnett USA Inc Attn Patrick C Maxcy Sonnenschein Nath & Rosenthal 7800 Sears Tower 233 S Wacker Dr Chicago, IL 60606	ADVERTISING CAMPAIGN AGREEMENT	Bally Total Fitness Holding Corporation

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the listed documents may not include all additional unexpired leases or executory contracts exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected by the Debtor to the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
Liberman Broadcasting Inc1845 Empire StBurbank, CA 91504	SERVICES AGREEMENT	Bally Total Fitness Corporation
Life Fitness 10601 W Belmont Ave Franklin Park, IL 60131 NOTE: All leases expiring on or before July 31, 2009	EQUIPMENT AGREEMENT	Bally Total Fitness Holding Corporation
LIFE FITNESS DEPT 77 2716 CHICAGO, IL 60678-2716 NOTE: All leases expiring on or before July 31, 2009	EQUIPMENT AGREEMENT	Bally Total Fitness Corporation
LifeTips com Inc Lifetips 77 N Washington St No 3B Boston, MA 02114	SERVICES AGREEMENT	Bally Total Fitness Corporation
LINKEDIN CORPORATION DEPT CH 19165 PALATINE, IL 60055	SERVICES AGREEMENT	Bally Total Fitness Corporation

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the filer is not aware of any additional unexpired leases or executory contracts exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected to the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
Live Nation Marketing Inc Richard Munisteri Live Nation 9348 Civic Center Dr Beverly Hills, CA 90210	SERVICES AGREEMENT	Bally Total Fitness Corporation
Logical Ventures Inc TA System Source Attn Raymond Newton 338 Clubhouse Rd Hunt Valley, MD 21031	SERVICES AGREEMENT	Bally Total Fitness Corporation
Longs Drug Stores California LLC Attn Joseph M DiOrio Esq c o Law Office of Joseph M DiOrio Inc 144 Westminster St Ste 302 Providence, RI 02903	SERVICES AGREEMENT	Bally Total Fitness Corporation
Loyalty Lab Inc Attn Nich Sois 111 Sutter St 13th Fl San Francisco, CA 94104	SUBSCRIPTION AGREEMENT	Bally Total Fitness Corporation
LOYOLA ELECTRICAL CONSTRUCTION CO INC 5632 NORTH WESTERN AVECHICAGO, IL 60659	SERVICES AGREEMENT	Bally Total Fitness Corporation
Lydia Laura 7040 S 12th No 3905 Tacoma, WA 98465	LICENSE AGREEMENT	Bally Total Fitness Corporation

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the listed documents may not include all additional unexpired leases or executory contracts that exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected by the Debtor to the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
MACKENZIE PARTNERS, INC. 105 MADISON AVE NEW YORK, NY 10016	STOCK GRANT AGREEMENT	Bally Total Fitness Corporation
Magenic Technologies MI 07 PO BOX 9201 MINNEAPOLIS, MN 55480-9201	SERVICES AGREEMENT	Bally Total Fitness Corporation
MAGIC/BMC (NETWORK ASSOCIATES) 3965 FREEDOM CIRCLE SANTA CLARA, CA 95054	LICENSE AGREEMENT	Bally Total Fitness Corporation
MANIFEST DIGITAL INC 1200 W LAKE CHICAGO, IL 60607	WEBSITE REDESIGN AGREEMENT	Bally Total Fitness Corporation
MARATHON SPORTSWEAR INC 12751 S HOMAN AVE BLUE ISLAND, IL 60406	SERVICES AGREEMENT	Bally Total Fitness Corporation
MARKETSPHERE CONSULTING LLC PO BOX 30123 OMAHA, NE 68103	SERVICES AGREEMENT	Bally Total Fitness Corporation
Markettools Inc 150 Spear St No 600 San Francisco, CA 94105	SUBSCRIPTION AND LICENSE AGREEMENT	Bally Total Fitness Corporation

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the filers do not know of any additional unexpired leases or executory contracts exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected by the court and the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
MARSH MANAGEMENT SERVICES, INC. C/O MARSH & MCLENNAN PO BOX 19022 NEWARK, NJ 07195-0022	MANAGEMENT AGREEMENT	Bally Total Fitness Corporation
Massimino, Thomas S.	Guaranteed Severance Agreement dated 4/23/08	Bally Total Fitness Holding Corporation
Markettools Inc 150 Spear St No 600 San Francisco, CA 94105	SUBSCRIPTION AND LICENSE AGREEMENT	Bally Total Fitness Corporation
Master Lock Company LLC Kohner Mann & Kailas SC 4650 N Port Washington Rd Washington Bldg Milwaukee, WI 53212	SERVICES AGREEMENT	Bally Total Fitness Corporation
MASTERCARD INTERNATIONAL INC Attn: David Rohde 2000 Purchase StreetPurchase, NY 10577	PROGRAM SERVICES AGREEMENT	Bally Total Fitness Corporation
MAURICIO MEDINA 1628 W. 38TH ST. CHICAGO, IL 60609	INDEPENDENT CONTRACTOR AGREEMENT (DATED 11/26/07)	Bally Total Fitness Corporation

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the listed documents may not include all additional unexpired leases or executory contracts that exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected by the Debtor to the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
MAXIM HEALTH SYSTEMS ATTN MARSHA RIDLON 7221 LEE DEFOREST DRIVE COLUMBIA, MD 21046	SERVICES AGREEMENT	Bally Total Fitness Corporation
MAXWELL PLUMB MECHANICAL CORP 43 20 203RD ST BAYSIDE, NY 11361	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
MAXX WIRELESS INC 1360 CHESTNUT ST SAN FRANCISCO, CA 94123	SERVICES AGREEMENT	Bally Total Fitness Corporation
McDonald Hopkins LLC c o Richard N Kessler Esq 640 N LaSalle St Ste 590 Chicago, IL 60654	SERVICES AGREEMENT	Bally Total Fitness Corporation
MEGAPATH INC ATTN BILLING DEPT PO BOX 120324 DEPT 0324 DALLAS, TX 75312-0324	SERVICES AGREEMENT	Bally Total Fitness Corporation
Meredith Corporation c o Jacquelyn Johnson 1716 Locust St Des Moines, IA 50309	SERVICES AGREEMENT	Bally Total Fitness Corporation

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

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3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected and the claimant shall be deemed to have rejected the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
Metro Home Services Network Debbie Nutter Metro Home Serv DBA Pleasant Lake Landscape 19925 Butternut St NW Cedar, MN 55011	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
Microsoft Corporation and Microsoft Licensing GPC o Joseph E Shickich Jr Riddell Williams PS1001 4th Ave Ste 4500 Seattle, WA 98154-1192	SOFTWARE LICENSE AGREEMENT	Bally Total Fitness of Greater New York, Inc.
MIDWAY BUILDING SERVICES LTD 2425 E DEVON AVE ELK GROVE VILLAGE, IL 60007	SERVICES AGREEMENT	Bally Total Fitness Corporation
MIDWAY BUILDING SERVICES LTD 2425 E DEVON AVE ELK GROVE VILLAGE, IL 60007	SERVICES AGREEMENT	Bally Total Fitness of the Midwest, Inc.
Midway Building Services LTD c/o Knight Hoppe Kurnik & Knight LTD Paul B Johnso 2860 River Road Suite 400 Des Plaines, IL 60018-6009	SERVICES AGREEMENT	Bally Total Fitness Corporation

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the filers do not know of any additional unexpired leases or executory contracts exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected to the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
Midway Building Services LTD c/o Knight Hoppe Kurnik & Knight Ltd 2860 River Road Suite 400 Des Plaines, IL 60018-6009	SERVICES AGREEMENT	Bally Total Fitness Corporation
Midway Building Services Attn Don Magee 456 N Oakley Blvd Chicago, IL 60612	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
MIDWAY BUILDING SOLUTIONS INC 2425 E DEVON AVE ELK GROVE VILLAGE, IL 60007	SERVICES AGREEMENT	Bally Total Fitness Corporation
MIDWAY BUILDING SOLUTIONS INC 2425 E DEVON AVE ELK GROVE VILLAGE, IL 60007	SERVICES AGREEMENT	Bally Total Fitness of Minnesota, Inc.
MIDWAY BUILDING SOLUTIONS INC 2425 E DEVON AVE ELK GROVE VILLAGE, IL 60007	SERVICES AGREEMENT	Bally Total Fitness of the Midwest, Inc.
MIDWEST ENERGY MANAGEMENT INC 10 E 22ND STREET STE 111 LOMBARD, IL 60148	SERVICES AGREEMENT	Bally Total Fitness Corporation
Midwig, William C.	Key Employee Change of Control, Confidentiality, Non-Solicitation and Non-Compete Agreement dated 11/23/05, as amended	Bally Total Fitness Holding Corporation

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the listed documents may not include all additional unexpired leases or executory contracts exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected by the Debtor to the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
Midwig, William C.	Guaranteed Severance Agreement dated 4/23/08	Bally Total Fitness Corporation
Mike Valente/Docs Juice & Smoothies 2113 W Moffat Apt 2 Chicago, IL 60641	LICENSE AGREEMENT	Bally Total Fitness Corporation
MOBILE GRAPHICS LLC 33 S COMMERCIAL ST STE 302 MANCHESTER, NH 03101	SERVICES AGREEMENT	Bally Total Fitness Corporation
MONA ELECTRIC GROUP INC PO BOX 79280 BALTIMORE, MD 21279-0280	SERVICES AGREEMENT	Bally Total Fitness of the Mid-Atlantic, Inc.
MONDO AMERICA INC 2655 FRANCIS HUGHES LAVAL, QB H7L 3S8 CANADA	SERVICES AGREEMENT	Bally Total Fitness Corporation
Mosaic Rehabilitation Inc 2445 140th Ave NE No B105 Bellevue, WA 98005	SERVICES AGREEMENT	Bally Total Fitness Corporation
MPLC MOTION PICTURE LICENSING CORP PO BOX 66970 LOS ANGELES, CA 90066-6970	LICENSE AGREEMENT	Bally Total Fitness Corporation
Mueller & Wilson Inc 12747 Cimarron Path San Antonio, TX 78249	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the claimants may not know of additional unexpired leases or executory contracts exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected and the claimant shall be deemed to have rejected the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
MUELLER & WILSON INC PO BOX 691387 SAN ANTONIO, TX 78269-1387	SERVICES AGREEMENT	Bally Total Fitness Corporation
NATURES BEST INC 195 ENGINEERS RD HAUPPAUGE, NY 11788-4003	SERVICES AGREEMENT	Bally Total Fitness Corporation
NCO PORTFOLIO ACQUISITIONS LLC ATTN CHERYL FEDERICO 507 PRUDENTIAL RD HORSHAM, PA 19044	INFORMATION DISSEMINATION REQUEST	Bally Total Fitness Corporation
NEI PRINT GROUP 200 CLIFTON BLVD CLIFTON, NJ 07011	SERVICES AGREEMENT	Bally Total Fitness Corporation
NETWORK ASSOCIATES, INC. 3965 FREEDOM CIRCLE SANTA CLARA, CA 95054	NETWORK ASSOCIATES SOFTWARE; PRIMESUPPORT SERVICE	Bally Total Fitness Corporation
NEW BALANCE 20 GUEST ST.BRIGHTON, MA 02135	COMPANY PURCHASE AGREEMENT	Bally Total Fitness Corporation
NEW HORIZON COMPUTER LEARNING CENTERS OF SOUTHERN CALIFORNIA 1900 S STATE COLLEGE BLVD STE 100 ANAHEIM, CA 92806	TRAINING AGREEMENT	Bally Total Fitness Corporation

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the filers do not know of any additional unexpired leases or executory contracts exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected and the claimant shall be deemed to have rejected the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
NEW WEST PAINTING INC 2201 E WINSTON ROAD SUITE N ANAHEIM, CA 92806	SERVICES AGREEMENT	Bally Total Fitness of California, Inc.
NEW YORK POST PO BOX 7247 7702 PHILADELPHIA, PA 19170-7702	SERVICES AGREEMENT	Bally Total Fitness Corporation
NEW YORK POST PO BOX 7247 7702 PHILADELPHIA, PA 19170-7702	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
NGS 3835 N. FREEWAY BLVD. SACRAMENTO, CA 95834	LICENSE	Bally Total Fitness Corporation
No Static Pro A V Inc Eugene Gordon CEO 3083 N California St Burbank, CA 91504	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
NO STATIC PRO AUDIO INC 3083 N CALIFORNIA STREET BURBANK, CA 91504	SERVICES AGREEMENT	Bally Total Fitness Corporation
NO STATIC PRO AUDIO INC 3083 N CALIFORNIA STREET BURBANK, CA 91504	SERVICES AGREEMENT	Bally Total Fitness of California, Inc.
NO STATIC PRO AUDIO INC 3083 N CALIFORNIA STREET BURBANK, CA 91504	SERVICES AGREEMENT	Bally Total Fitness of Upstate New York, Inc.

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the list of additional unexpired leases or executory contracts exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected by the Debtor to the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts) ²	Debtor Name ³
<p>Noncek, Theodore P.**</p>	<p>Agreement and Release, dated February 8, 2005 Amendment to Agreement and Release dated August 9, 2005</p> <p>Second Amendment to Agreement and Release dated September 30, 2005</p> <p>Third Amendment to Agreement and Release dated November 4, 2005</p> <p>Fourth Amendment to Agreement and Release dated December 5, 2005</p> <p>Fifth Amendment to Agreement and Release dated March 8, 2006</p> <p>Sixth Amendment to Agreement and Release dated December 6, 2006</p> <p>Amendment No. 7 to Agreement and Release dated July 20, 2007</p> <p>Eighth Amendment to Agreement and Release dated January 25, 2008</p> <p>Settlement Agreement and Release dated July 26, 2007, between Bally Total Fitness Holding Corporation, Noncek and Jones Day</p>	<p>Bally Total Fitness Holding Corporation, Bally Total Fitness Corporation</p>
<p>1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.</p>		

2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the listing of additional unexpired leases or executory contracts exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected to the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
North Town Refrigeration Division of North Town Mechanical c o Law Offices of Mark A Schramm One E Wacker Dr Ste 2850 Chicago, IL 60601	SERVICES AGREEMENT	Bally Total Fitness Corporation
NORTHERN BAY ENVIRONMENTAL SYSTEMS INC 7505 D CONNELLEY DR HANOVER, MD 21076	SERVICES AGREEMENT	Bally Total Fitness of the Mid-Atlantic, Inc.
Nuance Communications Inc fka Viecore IncAttn Tim StevensonOne Wayside RdBurlington, MA 01803	SERVICE	Bally Total Fitness Corporation
NUTRI FORCE NUTRITION PO BOX 864289 ORLANDO, FL 32886	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
NW NATURAL PO BOX 6017 PORTLAND, OR 97228-6017	SERVICES AGREEMENT	Bally Total Fitness Corporation
NYSE Market Inc Attn Controllors Dept 20 Broad St 8th Fl New York, NY 10005	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
O'Hara, Ralph	Guaranteed Severance Agreement dated 4/23/08	Bally Total Fitness Corporation

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the filers do not know of any additional unexpired leases or executory contracts exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected by the Debtor to the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
OAK BROOK MECHANICAL SERVICES INC 961 S ROUTE 83 ELMHURST, IL 60126-4993	HEATING AND AIR CONDITIONING	Bally Total Fitness Corporation
OAK BROOK MECHANICAL SERVICES INC 961 S ROUTE 83 ELMHURST, IL 60126-4993	SERVICE & MAINTENANCE	Bally Total Fitness Corporation
OKS AMERIDIAL ATTN MARY STEENROD 4535 STRAUSSER ST N W NORTH CANTON, OH 44720	SERVICES AGREEMENT	Bally Total Fitness Corporation
Omnicom Media Group Holdings Inc Shane Leahey 195 Broadway New York, NY 10007	SERVICES AGREEMENT	Bally Total Fitness Corporation
OMNITURE INC DEPT CH 17426 PALATINE, IL 60055-7426	SERVICES AGREEMENT	Bally Total Fitness Corporation
OPTIMUM NUTRITION 3979 PAYSPHERE CIRCLE CHICAGO, IL 60674	CONTRACT MANUFACTURING AGREEMENT	Bally Total Fitness Corporation

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

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Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
ORCA PACIFIC INC 280 44TH STREET NW AUBURN, WA 98001	SERVICES AGREEMENT	Bally Total Fitness Corporation
ORKIN EXTERMINATING CO INC DBA ORKIN PEST CONTROL PO BOX 1504 ATLANTA, GA 30301-1504	SERVICES AGREEMENT	Bally Total Fitness Corporation
ORKIN EXTERMINATING CO INC DBA ORKIN PEST CONTROL PO BOX 1504 ATLANTA, GA 30301-1504	SERVICES AGREEMENT	Bally Total Fitness of the Mid-Atlantic, Inc.
ORKIN EXTERMINATING CO INC DBA ORKIN PEST CONTROL PO BOX 1504 ATLANTA, GA 30301-1504	SERVICES AGREEMENT	Bally Total Fitness of the Midwest, Inc.
OVERTURE PREMIUMS & PROMOTIONS LLC 595 N LAKEVIEW PKWY STE A VERNON HILLS, IL 60061	SERVICES AGREEMENT	Bally Total Fitness Corporation
OZBURN-HESSEY LOGISTICS PO BOX 692192 CINCINNATI, OH 45269-2192	WAREHOUSE AGREEMENT	Bally Total Fitness Corporation
PACIFIC TILE & CONSTRUCTION INC 7857 BURNET AVE UNIT A VAN NUYS, CA 91405	SERVICES AGREEMENT	Bally Total Fitness of California, Inc.

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

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3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected by the Debtor to the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
PARAGON INTERNATIONAL INC 36520 TREASURY CENTER CHICAGO, IL 60694-6500	SERVICES AGREEMENT	Bally Total Fitness Corporation
Paragon Valuation Group A Division of Paragon International Inc Paragon International Inc 1901 N Roselle Rd Ste 711 Schaumburg, IL 60195-5711	SERVICES AGREEMENT	Bally Total Fitness Corporation
Parking Systems Valet Service Parking Systems 28 4th St Valley Stream, NY 11581	SERVICES AGREEMENT	Bally Total Fitness Corporation
Parton, Zachary	Retention Agreement dated 12/20/07	Bally Total Fitness Corporation
PC HELPS SUPPORT INC PO BOX 95000 2035 PHILADELPHIA, PA 19195-2035	SUPPORT	Bally Total Fitness Corporation
PC HELPS1 BALA PLAZASUITE 434BALA CYNWYD, PA 19004	SUPPORT	Bally Total Fitness Holding Corporation
Petra Chemical Acquisition Company DCC Inc 2929 Storey Ln Dallas, TX 75220	SERVICES AGREEMENT	Bally Total Fitness Corporation

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

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3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected and the claimant shall be deemed to have rejected the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
PETRA HYGIENIC SYSTEMS INTERNATIONAL LTD P O BOX 18217 RENO, NV 89511	SERVICES AGREEMENT	Bally Total Fitness Corporation
Pinkerton Consulting & Investigations Inc John Moriorty 2 Campus Dr Parsippany, NJ 07054	SERVICES AGREEMENT	Bally Total Fitness Corporation
PITT CLEAN INC 9661 FERNWOOD DR OLMSTEAD FALLS, OH 44138	SERVICES AGREEMENT	Bally Total Fitness of the Midwest, Inc.
Pitt Clean Inc McCafferty & Dorman LLC 2001 Crocker Rd Ste 130 Westlake, OH 44145	SERVICES AGREEMENT	Bally Total Fitness Corporation
Planet Green c o SS Sampliner & Co Inc 505 Eighth Ave New York, NY 10018	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
PLANTE & MORAN, PLLC P.O. BOX 79001 DRAWER 2003 DETROIT, MI 48279-2003	CONSULTING AGREEMENT	Bally Total Fitness Corporation

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

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3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected and the claimant shall be deemed to have rejected the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
Platform A fka Advertisingcom an AOL LLC Company Tiffany Strelow Cobb Esq Vorys Sater Seymour and Pease LLP 52 E Gay St PO Box 1008 Columbus, OH 43216-1008	SERVICES AGREEMENT	Bally Total Fitness Corporation
PODFITNESS, INC. 235 W. SEGO LILY DR. 2ND FLOOR SANDY, UT 84070	LETTER OF INTENT	Bally Total Fitness Corporation
Polar Electro IncAttn Arthur E Rosenberg Esqc o Holland & Knight LLP195 BroadwayNew York, NY 10007-3189	EQUIPMENT AGREEMENT	Bally Total Fitness Corporation
POLAR HEALTH 31755 1111 MARCUS AVENUE LAKE SUCCESS, NY 11042	EQUIPMENT AGREEMENT	Bally Total Fitness Corporation
POOL PEOPLE INC 5525 WILKINS COURT ROCKVILLE, MD 20852	SERVICES AGREEMENT	Bally Total Fitness of the Mid-Atlantic, Inc.

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the filers do not know of any additional unexpired leases or executory contracts exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected to the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
PREMIER FITNESS PRODUCTS INC 27475 YNEZ ROAD STE 367 TEMECULA, CA 92591-4612	SERVICES AGREEMENT	Bally Total Fitness Corporation
PREMIER SPECIALTY FLOORING P O BOX 153 EAST SETAUKET, NY 11733	SERVICES AGREEMENT	Bally Total Fitness Corporation
PREMIER SPECIALTY FLOORING P O BOX 153 EAST SETAUKET, NY 11733	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
PREMIER SPECIALTY FLOORING PO BOX 153 EAST SETAUKET, NY 11733	SERVICES AGREEMENT	Bally Total Fitness of the Midwest, Inc.
Premier Tiles Premier Specialty Flooring PO Box 153 E Setauket, NY 11733	SERVICES AGREEMENT	Bally Total Fitness Corporation
PRIME CONSULTING (RENEA GOOD) 401 E. ONTARIO ST. UNIT 4301 CHICAGO, IL 60611	SOW	Bally Total Fitness Corporation
PRODIGY PROMOS 691 W 1200 N STE 400 SPRINGVILLE, UT 84663	SERVICES AGREEMENT	Bally Total Fitness Corporation

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the listed documents may not include all additional unexpired leases or executory contracts that exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected by the court and the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
PROFESSIONAL BUSINESS COMMUNICATIONS SOLUTIONS, INC., 17011 BEACH BLVD. #820 HUNTINGTON BEACH, CA 92647	MEMBERSHIP MAILING AGREEMENT	Bally Total Fitness Corporation
Proforma Solutionsco Coface North America Inc50 Millstone Rd Bldg 100 Ste 360E Windsor, NJ 08520	SERVICES AGREEMENT	Bally Total Fitness Corporation
PROGRESSIVE COMMERCIAL AQUATICS INC 2510 FARRELL RD HOUSTON, TX 77073	SERVICES AGREEMENT	Bally Total Fitness Corporation
PROPERTY TAX ASSISTANCE CO INC 16600 WOODRUFF AVE No 200 BELLFLOWER, CA 90706	SERVICES AGREEMENT	Bally Total Fitness Corporation
PUMA North America Inc Leslie OMalley 10 Lyberty Way Westford, MA 01886	SERVICES AGREEMENT	Bally Total Fitness Corporation
PUSSYCAT DOLLS, LLC C/O INTERSCOPE RECORDS 2220 COLORADO AVE. SANTA MONICA, CA 90404	PROMOTIONAL AGREEMENT	Bally Total Fitness Corporation

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

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3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected and the claimant shall file a motion to reject the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
QC INC PO BOX 514 SOUTHAMPTON, PA 18966	CERTIFICATE OF INSURANCE	Bally Total Fitness Corporation
QUARRY HEALTH & REHAB (PORTER) 255 EAST BASSE ROAD, SUITE 310A SAN ANTONIO, TX 78209	MASTER CONCESSION AGREEMENT	Bally Total Fitness Corporation
Qwest Communications Company LLC Attn Jane Frey Qwest Communications Company LLC fka Qwest Communications Corporation 1801 California St 9th Fl Denver, CO 80202	SERVICES AGREEMENT	Bally Total Fitness Corporation
Qwest Communications Company LLC Attn Jane Frey Qwest Communications Company LLC fka Qwest Communications Corporation 1801 California St 9th Fl Denver, CO 80202	SERVICES AGREEMENT	Bally Total Fitness Holding Corporation

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the listed documents may not include all additional unexpired leases or executory contracts exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected and the claims arising therefrom shall be deemed rejected claims to the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
Qwest Communications Company LLC Attn Jane Frey Qwest Communications Company LLC fka Qwest Communications Corporation 1801 California St 9th Fl Denver, CO 80202	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
Qwest Corporation Attn Jane Frey 1801 California St 9th Fl Denver, CO 80202	SERVICES AGREEMENT	Bally Total Fitness Corporation
Qwest Corporation Attn Jane Frey 1801 California St 9th Fl Denver, CO 80202	SERVICES AGREEMENT	Bally Total Fitness Holding Corporation
Qwest Corporation Attn Jane Frey 1801 California St 9th Fl Denver, CO 80202	SERVICES AGREEMENT	Bally Total Fitness of Colorado, Inc.
Qwest Corporation Attn Jane Frey 1801 California St 9th Fl Denver, CO 80202	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
QWEST PO BOX 91155 SEATTLE, WA 98111-9255	SERVICES AGREEMENT	Bally Total Fitness Corporation

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the listed documents may not include all additional unexpired leases or executory contracts exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected and the claimant shall be deemed to have rejected the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
QWEST PO BOX 91155 SEATTLE, WA 98111-9255	SERVICES AGREEMENT	Bally Total Fitness of Colorado, Inc.
QWEST PO BOX 91155 SEATTLE, WA 98111-9255	SERVICES AGREEMENT	Bally Total Fitness of Minnesota, Inc.
R & T MECHANICAL SERVICES INC C O ROBERT BUDDIE 3165 W ATLANTIC BLVD POMPANO BEACH, FL 33069	SERVICES AGREEMENT	Bally Total Fitness of the Midwest, Inc.
R H CONSTRUCTION INC 11720 WARFIELD SAN ANTONIO, TX 78216	SERVICES AGREEMENT	Bally Total Fitness Corporation
RAPIDTRON3151 AIRWAY AVE BLDG.BLDG. QCOSTA MESA, CA 92626	SOFTWARE LICENSE AGREEMENT	Bally Total Fitness Corporation
READ TILE & STONE INC 27 JENSEN DR ROCHESTER, NY 14624	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
Rehorst, Susan	Retention Agreement dated 12/26/07	Bally Total Fitness Corporation

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the list of additional unexpired leases or executory contracts exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected to the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
RENEA GOOD PRIME CONSULTING 401 E. ONTARIO, #4301 CHICAGO, IL 60611	CONSULTING SERVICES AGREEMENT	Bally Total Fitness Corporation
RESPONSE MECHANICAL INC 1101 NEGLEY PLACE DAYTON, OH 45402-6258	SERVICES AGREEMENT	Bally Total Fitness Corporation
RETAIL RESOURCE GROUP LLC 226 NEW GATE LOOP LAKE MARY, FL 32746	SERVICES AGREEMENT	Bally Total Fitness Corporation
RETCON PO BOX 1629 TEMECULA, CA 92593-1629	SERVICES AGREEMENT	Bally Total Fitness of California, Inc.
REVERE GROUP, LTD 2166 PAYSPPHERE CIRCLE CHICAGO, IL 60674	SERVICES AGREEMENT	Bally Total Fitness Corporation
REXALL SUNDOWN ACTIVE NUTRITION PO BOX 9010 RONKONKOMA, NY 11779-9010	SERVICES AGREEMENT	Bally Total Fitness Corporation
RH Construction Inc Law Offices of Glenn J Deadman 508 S Main Ave San Antonio , TX 78204	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the listed documents may not include all additional unexpired leases or executory contracts exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected by the Debtor to the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
RIAL HEATING & AIR CONDITIONING INC 3606 N STONE AVE NO A COLORADO SPRINGS, CO 80907	SERVICES AGREEMENT	Bally Total Fitness of Colorado, Inc.
RICK REIMANN CONSTRUCTION 1875 BROOKHILL SALT LAKE CITY, UT 84121	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
RightStar Inc dba RightStar Systems Inc100 East St SE Ste 202Vienna, VA 22180-4800	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
RIGHTSTAR SYSTEMS 100 EAST STREET SE STE 202 VIENNA, VA 22180	SERVICES AGREEMENT	Bally Total Fitness Corporation
RISETIME 547 W JACKSON 8TH FL CHICAGO, IL 60661	CONSULTING AGREEMENT	Bally Total Fitness Corporation
RIVERPOINT GROUP OF IL LLC 2200 E DEVON AVE STE 385 DES PLAINS, IL 60018	CONSULTING AGREEMENT	Bally Total Fitness Corporation
ROBERT H. GELENES 10102 178TH AVENUE CT BONNIE LAKE, WA 98391	GOLF LICENSE AGREEMENT	Bally Total Fitness Corporation

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the listed documents may not include all additional unexpired leases or executory contracts exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected by the Debtor to the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
Robert Half Finance & Accounting Attn Karen Lima Div of Robert Half International 5720 Stoneridge Dr Ste 3 Pleasanton, CA 94588	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
ROBERT HALF MANAGEMENT RESOURCES 12400 COLLECTIONS CENTER DR CHICAGO, IL 60693	SERVICES AGREEMENT	Bally Total Fitness Corporation
RODALE INC C O JOE SALIBA 33 E MINOR ST EMMAUS, PA 18098	SERVICES AGREEMENT	Bally Total Fitness Corporation
RUDOLPHS OFFICE & COMPUTER SUPPLY INC 5020 CAMPBELL BLVD No C BALTIMORE, MD 21236	SERVICES AGREEMENT	Bally Total Fitness Corporation
S & D Cleaning Texas Inc The Law Office of Bertram C Oparaku 2323 South Voss Ste 560 Houston, TX 77057	SERVICES AGREEMENT	Bally Total Fitness Corporation
S & D Cleaning Texas Inc The Law Office of Bertram C Oparaku 2323 South Voss Ste 560 Houston, TX 77057	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the filers do not know of any additional unexpired leases or executory contracts exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected and the claimant shall be deemed to have rejected the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
S & D CLEANING TX INC 11015 HUNDRED BRIDGE LNSUGARLAND, TX 77478	SERVICES AGREEMENT	Bally Total Fitness Corporation
SAGE SOFTWARE INC P O BOX 404927 ATLANTA, GA 30384-4927	SOFTWARE LICENSE AGREEMENT	Bally Total Fitness Corporation
SAHLE LTD 3120 S HAMILTON ROAD COLUMBUS, OH 43232	SERVICES AGREEMENT	Bally Total Fitness of the Midwest, Inc.
SargeCorp LLC dba The Sergeants Program Attn Robert Grimes SargeCorp LLC 10220 River Rd Ste 115 Potomac, MD 20854	SERVICES AGREEMENT	Bally Total Fitness Corporation
SEARCH FINANCE GROUP ATTN JOHN SHIER 915 WILSHIRE BLVD STE 1600 LOS ANGELES, CA 90017	SERVICES AGREEMENT	Bally Total Fitness Corporation
SECURE LOGIX 13750 SAN PEDRO SUITE 230 SAN ANTONIO, TX 78232	SERVICE	Bally Total Fitness Corporation
Secureworks Inc 1 Concourse Pkwy Ste 500 Atlanta, GA 30328	SECURITY SERVICES	Bally Total Fitness Corporation

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the claimants may not know of additional unexpired leases or executory contracts exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected and the claimant shall file a motion to reject the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
Secureworks Inc 1 Concourse Pkwy Ste 500 Atlanta, GA 30328	SECURITY SERVICES RENEWAL	Bally Total Fitness Corporation
SELECT AIR SYSTEMS INC 41200 JOY ROAD PLYMOUTH, MI 48170	SERVICES AGREEMENT	Bally Total Fitness International, Inc.
SELECT RESOURCES INTERNATIONAL 1520 C CLOVERFIELD BLVD SANTA MONICA, CA 90404	SERVICES AGREEMENT	Bally Total Fitness Corporation
SETH SOJA 1287 NOBLE ST. CHICAGO, IL 60622	INDEPENDENT CONTRACTOR AGREEMENT DATED 11/26/07	Bally Total Fitness Corporation
Shannahan, James W.	Key Employee Change of Control, Confidentiality, Non-Solicitation and Non-Compete Agreement dated 5/2/06, as amended	Bally Total Fitness Holding Corporation
Shannahan, James W.	Guaranteed Severance Agreement dated 4/23/08	Bally Total Fitness Corporation
Sheehan, Michael W.	Employment Agreement dated 7/1/08, as amended	Bally Total Fitness Holding Corporation
Shields Meneley Partners LLC 311 South Wacker Dr Ste 4550 Chicago, IL 60606	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the listed documents may not include all additional unexpired leases or executory contracts that exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected by the Debtor to the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
Siegel, Ronald	Guaranteed Severance Agreement dated 1/4/08	Bally Total Fitness Corporation
SIMPLEXGRINNELL L P 50 Technology Dr Westminster, MA 01441	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
SIMPLY SPOTLESSLLC PO BOX 11424 CLAYTON, MO 63105	SERVICES AGREEMENT	Bally Total Fitness of Missouri, Inc.
SIRCO 914 47TH STREET STE FD2 BROOKLYN, NY 11219-2825	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
SIX DEGREES, INC. 541 N. FAIRBANKS COURT SUITE 925 CHICAGO, IL 60611	SERVICES AGREEMENT	Bally Total Fitness Corporation
Skyline Electrical Contracting Co 22755 Kelly Rd Eastpointe, MI 48021	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
SLATER GLASS & MIRROR 145 E SAINT JOSEPH STREET ARCADIA, CA 91006	SERVICES AGREEMENT	Bally Total Fitness of California, Inc.
Sloan, Tracy	Retention Agreements dated 12/26/07 and 2/6/08	Bally Total Fitness Corporation

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2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the listed documents may not include all additional unexpired leases or executory contracts that exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected by the Debtor to the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
SMART BUSINESS ADVISORY & CONSULTING LLC PO BOX 823 BRYN MAWR, PA 19010	PERSONAL PROPERTY TAX COMPLIANCE AGREEMENT	Bally Total Fitness Corporation
Smith Roberts National Corporation Attn Mark Caywood 100 NE 5th St Oklahoma City, OK 73104	SERVICES AGREEMENT	Bally Total Fitness Corporation
SOFTMART INC 450 ACORN LN DOWNINGTON, PA 19355	SERVICES AGREEMENT	Bally Total Fitness Corporation
SOUNDBITE COMMUNICATIONS INC PO BOX 200811 PITTSBURGH, PA 15251-0811	PRICING/VOICE CHANNEL AGREEMENT	Bally Total Fitness Corporation
SOUNDBITE COMMUNICATIONS INC PO BOX 200811 PITTSBURGH, PA 15251 0811 USA	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
SOURCECORP INC PO BOX 848198 DALLAS, TX 75284-8198	SERVICES AGREEMENT	Bally Total Fitness Corporation
SOURCECORP PO BOX 848043 DALLAS, TX 75284-8043	SERVICES AGREEMENT	Bally Total Fitness Corporation

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3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected by the Debtor to the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
SOUTHSTAR ENERGY SERVICES LLC FLORIDA NATURAL GAS P.O. BOX 934726 ATLANTA, GA 31193	ENERGY CONTRACT	Bally Total Fitness Corporation
SOUTHSTAR ENERGY SERVICES LLC P.O. BOX 105445 ATLANTA, GA 30160	ENERGY CONTRACT	Bally Total Fitness Corporation
Specialty Automotive Treatments Inc 901 NW 7th Avenue Ft Lauderdale, FL 33311	SUB-LEASE OF NON-RESIDENTIAL PROPETY	Bally Total Fitness of the Midwest, Inc.
SPORTS & LEISURE TECHNOLOGY PO BOX 951305 CLEVELAND, OH 44193	MERCHANDISE LICENSE AGREEMENT	Bally Total Fitness Corporation
SPORTS DISPLAY INC. 30051 COMERCIO RANCHO S. MARGARITA, CA 92688	NATIONAL DISPLAY AGREEMENT	Bally Total Fitness Corporation
SPORTS LOYALTY SYSTEMS, INC. 540 COMMONWEALTH AE. BOSTON, MA 02215	MERCHANT AGREEMENT	Bally Total Fitness Corporation

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the listed documents may not include all additional unexpired leases or executory contracts exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected by the Debtor to the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
Spotless Buildings Services LLC Mathew D Menghini Esq McCarthy Leonard & Kaemmerer LC400 S Woods Mill Rd Ste 250 Chesterfield, MO 63017	SERVICES AGREEMENT	Bally Total Fitness of Missouri, Inc.
SPSS INC 1213 PAYSPHERE CIRCLE CHICAGO, IL 60674	MAINTENANCE	Bally Total Fitness Corporation
STANDARD & POOR'S CORP. 2542 COLLECTION CENTER DR CHICAGO, IL 60693	CONSULTING AGREEMENT	Bally Total Fitness Corporation
STANLEY CONVERGENT SECURITY SOLUTIONS PKA HSM ELECTRONIC PROTECTIONS SVCS DEPT CH 10651 PALATINE, IL 60055	SERVICES AGREEMENT	Bally Total Fitness Corporation
STEEL CITY LANDSCAPE INC 8351 ROCHESTER RD PITTSBURGH, PA 15237	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
Stewart, Bob	Guaranteed Severance Agreement dated 4/23/08	Bally Total Fitness Corporation
Stewart, Bob	Key Employee Change of Control, Confidentiality, Non-Solicitation and Non-Compete Agreement dated 11/23/05	Bally Total Fitness Holding Corporation

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the list of additional unexpired leases or executory contracts exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected to the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
STOFFEL SEALS CORPORATION 400 HIGH AVE NYACK, NY 10960-0825	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
SUMMIT TEAM INC AS AGENTS FOR K T KALEIDOSCOPE INC 17165 NEWHOPE STREET STE H FOUNTAIN VALLEY, CA 92708	SERVICES AGREEMENT	Bally Total Fitness Corporation
Sunfare LLC 811 W Deer Valley Rd Phoenix, AZ 85027	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
SUNFARE 811 W DEER VALLEY RD PHOENIX, AZ 85027	SERVICES AGREEMENT	Bally Total Fitness Corporation
SUNGARD AVAILABILITY SERVICES PO BOX 91233 CHICAGO, IL 60693	SERVICES AGREEMENT	Bally Total Fitness Corporation
SUNGARD CORBELPO BOX 98698CHICAGO, IL 60643	SERVICES AGREEMENT	Bally Total Fitness Corporation
SunGaurd Availability Services LP Maureen A McGreevey Esq 680 E Swedesford Rd Wayne, PA 19087	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the listed documents may not include all additional unexpired leases or executory contracts exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected to the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
System Supply Stationery Geller & Stewart LLP 23205 Sunnymead Blvd Ste 100 PO Box 7599 Moreno Valley, CA 92552-7599	SERVICES AGREEMENT	Bally Total Fitness Corporation
TALISMA CORPORATION PO BOX 49200 SAN JOSE, CA 95161-9200	SOFTWARE LICENSE AGREEMENT	Bally Total Fitness Corporation
TALK2REP INC ACCOUNTING DEPT 8795 W MCNAB RD 3RD FLR TAMARAC, FL 33321	SERVICES AGREEMENT	Bally Total Fitness Corporation
TAX PARTNERS 3100 CUMBERLAND BLVD STE 900 ATLANTA, GA 30339	TAX COMPLIANCE AND CONSULTING SERVICES	Bally Total Fitness Corporation
TECHNOLOGY HARDWARE PLUS LLC CHAIYO MARTZALL 341838 E 960 RD CHANDLER, OK 74834	SERVICES AGREEMENT	Bally Total Fitness Corporation
TEKsystems Inc Attn Rich Rodgers 7437 Race Rd Hanover, MD 21076	SERVICES AGREEMENT	Bally Total Fitness Corporation

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the listed documents may not include all additional unexpired leases or executory contracts exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected by the Debtor to the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
Telefutura Network Inc Attn Basil Mavrovitis 500 Frank W Burr Blvd Ste 20 Teaneck, NJ 07666	SERVICES AGREEMENT	Bally Total Fitness Corporation
TELEMANGEMENT TECHNOLOGIES INC 2700 YGNACIO VALLEY RD STE 250 WALNUT CREEK, CA 94598-3463	SERVICES AGREEMENT	Bally Total Fitness Corporation
TELWARES COMMUNICATIONS, LLC5889 S. GREENWOOD PLAZA BLVD.SUITE 300GREENWOOD VILLAGE, CO 80111	CONSULTING SERVICES AGREEMENT	Bally Total Fitness Corporation
The Illuminating Company Bankruptcy Dept 6896 Miller Rd Rm 204 Brecksville, OH 44141	SERVICES AGREEMENT	Bally Total Fitness Corporation
THE ISOPURE COMPANY LLC D/B/A NATURES BEST RALPH R HOCKBERG PLATZER SWERGOLD KARLIN LEVINE GOLDBERG & JASLOW L 1065 AVE OF THE AMERICAS NEW YORK, NY 10018	SERVICES AGREEMENT	Bally Total Fitness Corporation
THERMOSEAL COMPANY INC PO BOX 2493 EVANSVILLE, IN 47728-0493	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the listed documents may not include all additional unexpired leases or executory contracts exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected by the Debtor to the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
Thier, Charles Guy	Retention Agreement dated 12/26/07	Bally Total Fitness Corporation
THOMSON FINANCIAL LLC PO BOX 5136 CAROL STREAM, IL 60197-5136	WEBCAST PURCHASE AGREEMENT	Bally Total Fitness Corporation
TILERAMA INC 5755 OXFORD AVE PHILADELPHIA, PA 19149	SERVICES AGREEMENT	Bally Total Fitness Corporation
TK STAR SPORTS 220 DUPONT AVE NEWBURGH, NY 12550	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
Toback, Paul A.**	Settlement Term Sheet between Paul A. Toback, Cary Gann and Bally Total Fitness Holding Corporation approved by the Bankruptcy Court on October 24, 2007	Bally Total Fitness Holding Corporation, Bally Total Fitness Corporation
TODD HARRIS COMPANY C O KREVSky SILBER & BERGEN 123 N UNION AVE PO BOX 99 CRANFORD, NJ 07016-0099	SERVICES AGREEMENT	Bally Total Fitness of Philadelphia, Inc.
TONY MARQUEZ POOL PLASTERING INC9100 DE GARMO AVESUN VALLEY, CA 91352	SERVICES AGREEMENT	Bally Total Fitness Franchising, Inc.

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2. In addition to the documents listed in this column and the claims arising therefrom, one or more of the foregoing claimants marked with a "***" may assert oral or written executory contracts or unexpired leases with Bally Total Fitness Holding Corporation or any of its direct or indirect subsidiaries. Although the list of additional unexpired leases or executory contracts exist, to the extent they do exist, they should be deemed to be included hereon as rejected contracts and claims and should be deemed to be included hereon as Rejection Claims.

3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected to the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
TOTAL AIR INC 131 18TH ST N ST PETERSBURG, FL 33713	SERVICES AGREEMENT	Bally Total Fitness Corporation
Total Tec Systems Inc Law Offices of William C Lewis 510 Waverley St Palo Alto, CA 94301	SERVICES AGREEMENT	Bally Total Fitness Corporation
Towers Perrin Forster & Crosby Inc Attn Joel Kranzel Towers Perrin 1500 Market St Ctr Sq E Philadelphia, PA 19102-4790	PROPOSAL LETTER	Bally Total Fitness Holding Corporation
TOWERS PERRIN P O BOX 8500 S6110 PHILADELPHIA, PA 19178-6110	PROPOSAL LETTER	Bally Total Fitness Corporation
TOWNE INC PO BOX 26889 SANTA ANA, CA 92799-6889	SERVICES AGREEMENT	Bally Total Fitness Corporation
Travel Channel c o SS Sampliner & Co Inc 505 Eighth Ave New York, NY 10018	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

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3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected and the claimant shall be deemed to have rejected the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
Tribune Company dba AM NY c o Carol Liotta 435 N Michigan Ave 3rd Fl 8SC Chicago, IL 60611	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
TYR SPORT INC P O BOX 1930 HUNTINGTON BEACH, CA 92649	SERVICES AGREEMENT	Bally Total Fitness Corporation
UNDER ARMOUR PO BOX 791022 BALTIMORE, MD 21279-1022	SERVICES AGREEMENT	Bally Total Fitness Corporation
UNISEN INC PO BOX 30547 LOS ANGELES, CA 90030-0547	SERVICES AGREEMENT	Bally Total Fitness Corporation
UNISEN INC PO BOX 30547LOS ANGELES, CA 90030-0547	SERVICES AGREEMENT	Bally Total Fitness of the Mid-Atlantic, Inc.
Unisys Corporation Dana S Plon Esq Sirlin Gallogly & Lesser PC 1529 Walnut St Ste 600 Philadelphia, PA 19102	CMS CLUB INSTALLATION AND PROJECT MANAGEMENT	Bally Total Fitness Corporation
United Apparel Group LLC Carlos Sanchez 5633 NW 86 Ave Coral Springs, FL 33067	SERVICES AGREEMENT	Bally Total Fitness Corporation

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Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
UNITED TOOL & DIE COMPANY DEPT 265 P O BOX 150473 HARTFORD, CT 06115-0473	LEASE OF NON-RESIDENTIAL PROPERTY	Bally Total Fitness of Connecticut Valley, Inc.
Univision Network Limited Partnership DBA Univision Network Attn Basil Mavrovitis Univision Network 500 Frank W Burr Blvd Ste 20 Teaneck, NJ 07666	SERVICES AGREEMENT	Bally Total Fitness Corporation
UPPER MORELAND HATBORO JOINT SEWER AUTHORITY PO BOX 535 WILLOW GROVE, PA 19090	SERVICES AGREEMENT	Bally Total Fitness of the Mid-Atlantic, Inc.
VAL PAK DIRECT MARKETING SYSTEMS INC ATTN LISA BORSCH 8605 LARGO LAKES DR LARGO, FL 33773	MARKETING AGREEMENT	Bally Total Fitness Corporation
VALASSIS DIRECT MAIL INC PKA ADVO 90469 COLLECTION CENTER DRIVE CHICAGO, IL 60693	SERVICES AGREEMENT	Bally Total Fitness Corporation

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3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected and the claimant shall be deemed to have rejected the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
Valassis Direct Mail Inc 235 Great Pond Dr Windsor, CT 06095	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
VALASSISPO BOX 3245BOSTON, MA 02241-3245	SERVICES AGREEMENT	Bally Total Fitness Corporation
VALLEY WIDE AIR CORP PO BOX 905 AGOURA HILLS, CA 91376-0905	MAINTENANCE	Bally Total Fitness Corporation
Valley Wide Air PO Box 905 Agoura Hills, CA 91376-0905	PREVENTATIVE MAINTENANCE	Bally Total Fitness of California, Inc.
VAROLII CORP. 821 2ND AVE, STE 1000 SEATTLE, WA 98104	AUDIO RECORDING AGREEMENT	Bally Total Fitness Corporation
VDC INC PO BOX 2781 CARTERSVILLE, GA 30120	SERVICES AGREEMENT	BTF/CFI, Inc.
Vend NW Dist Co 12505 NE Marx St Portland, OR 97230	SERVICES AGREEMENT	Bally Total Fitness of California, Inc.
VENTURE SYSTEM SOURCE 201 E. BALTIMORE STREET SUITE 1400 BALTIMORE, MD 21202	MASTER SALE AGREEMENT	Bally Total Fitness Corporation

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3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected by the Debtor to the contract or lease.

Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
VENTURE SYSTEM SOURCE 303 BRAME RD. RIDGELAND, MS 39157	SALES	Bally Total Fitness Corporation
VENUS RYAN 729 CHARLES CT. ADDISON, IL 60101	INDEPENDENT CONTRACTOR AGREEMENT AMENDED 1/4/08	Bally Total Fitness Corporation
VERIZON CALIFORNIA INC. 125 HIGH STREET ROOM 419 BOSTON, MA 2110	CORPORATE REWARDS	Bally Total Fitness Corporation
VERIZON CALIFORNIA INC. 52 E. SWEDESFORD ROAD FRAZER, PA 19355	NETWORK ACCESS SERVICES	Bally Total Fitness Corporation
VERIZON CALIFORNIA, INC. 112 LAKEVIEW CANYON RD. THOUSAND OAKS, CA 91362	TELECOMMUNICATIONS SERVICES	Bally Total Fitness Corporation
VERIZON CORPORATE REWARDS CA125 HIGH ST.ROOM 419BOSTON, MA 02110	TELECOMMUNICATIONS SERVICES	Bally Total Fitness Corporation
VERIZON F.C.C. 849 FAIRMONT DR. SUITE 500 TOWSON, MD 21286	TELECOMMUNICATIONS SERVICES	Bally Total Fitness Corporation

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Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
VERIZON INTERNET CA 52 E. SWEDSFORD RD. FRAZER, PA 19355	TELECOMMUNICATIONS SERVICES	Bally Total Fitness Corporation
VERIZON NETWORK INTEGRATION CORP. P.O. BOX 64283 BALTIMORE, MD 21264-4283	TELECOMMUNICATIONS SERVICES	Bally Total Fitness Corporation
VERIZON PRI TERM AND VOLUME TARIFF 849 FAIRMONT DR. SUITE 500 TOWSON, MD 21286	TELECOMMUNICATIONS SERVICES	Bally Total Fitness Corporation
VIECORE INC 1111 MACARTHUR BLVD MAHWAH, NJ 07430	CONSULTING AGREEMENT	Bally Total Fitness Corporation
VISION SOLUTIONS INC 6371 EAGLE WAY CHICAGO, IL 60678	SERVICES AGREEMENT	Bally Total Fitness Corporation
VISION TECHNOLOGY SERVICES LLC 1966 GREENSPRING DR STE 507 TIMONIUM, MD 21093	CONSULTING AGREEMENT	Bally Total Fitness of Greater New York, Inc.
VOICE PRINT INTERNATIONAL (VPI) 160 CAMINO RUIZ CAMARILLO, CA 93012	MAINTENANCE	Bally Total Fitness Corporation

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Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
VOICE PRINT INTERNATIONAL 975 FLYNN RD. CAMARILLO, CA 93012	PURCHASE	Bally Total Fitness Corporation
VOLT DELTA RESOURCES LLC PO BOX 730401 DALLAS, TX 75373-0401	ELECTRONIC ACCESS SERVICES	Bally Total Fitness Corporation
VOLT DELTARESOURCES LLC LSSIDATAATTN COLLECTIONS560 LEXINGTON AVE 14TH FLNEW YORK, NY 10022	SERVICES AGREEMENT	Bally Total Fitness Corporation
VOLT SERVICES GROUP 2401 N. GLASSELL STREET ORANGE, CA 92865	SERVICES AGREEMENT	Bally Total Fitness Corporation
VPI INC DIV VOICE PRINT INTERNATIONAL INC 160 CAMINO RUIZ CAMARILLO, CA 93012-6700	SOFTWARE	Bally Total Fitness Corporation
VSS LLC 303 BRAME RD RIDGELAND, MS 39157	SERVICES AGREEMENT	Bally Total Fitness Corporation
WAHLSTROM GROUP 21469 NETWORK PLACE CHICAGO, IL 60673-1214	INTERACTIVE MARKETING SERVICES AGREEMENT	Bally Total Fitness Corporation

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Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
WAI LANA PRODUCTIONS LLC ATTN MICHAEL ROBICHAUD WAI LANA PO BOX 1369 KAILUA, HI 96734	SERVICES AGREEMENT	Bally ARA Corporation
WAREHOUSE DIRECT INC 1601 WEST ALGONQUIN ROAD MT PROSPECT, IL 60056	SERVICES AGREEMENT	Bally Total Fitness Corporation
Waterline Technologies Inc 620 N Santiago St Santa Ana, CA 92701	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
WATERLINE TECHNOLOGIES AKA POOL SUPPLY OF ORANGE COUNTY INC 620 NORTH SANTIAGO STREET SANTA ANA, CA 92701	SERVICES AGREEMENT	Bally Total Fitness of California, Inc.
Waugh, Candice	Retention Agreement dated 12/20/07	Bally Total Fitness Corporation
WEBSTER MECHANICAL OF ROCHESTER INC 656 WILLOW LN WEBSTER, NY 14580	SERVICES AGREEMENT	Bally Total Fitness of Greater New York, Inc.
WELCH ALLYN INC PKA MEDICAL RESEARCH LAB PO BOX 73040 CHICAGO, IL 60673-7040	PURCHASE AGREEMENT	Bally Total Fitness Corporation

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Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
WELCH ALLYN INC PKA MEDICAL RESEARCH LAB PO BOX 73040 CHICAGO, IL 60673-7040	PURCHASE AGREEMENT	Bally Total Fitness of Greater New York, Inc.
Wells Fargo Trade Capital Services 119 W 40th St New York, NY 10018	SERVICES AGREEMENT	Bally Total Fitness Corporation
Wenner Media LLC Erik Hass 1290 Ave of the Americas New York, NY 10104	SERVICES AGREEMENT	Bally Total Fitness Corporation
WEST COAST PRINTING & GRAPHICS 16782 RED HILL AVE STE A IRVINE, CA 92606	SERVICES AGREEMENT	Bally Total Fitness Corporation
WEST COAST PRINTING & GRAPHICS 16782 RED HILL AVE STE A IRVINE, CA 92606	SERVICES AGREEMENT	Bally Total Fitness of California, Inc.
WEST COAST PRINTING & GRAPHICS 16782 RED HILL AVE STE A IRVINE, CA 92606	SERVICES AGREEMENT	Bally Total Fitness of Colorado, Inc.
WESTFIELD SHOPPINGTOWN CHICAGO RIDGE 444 CHICAGO RIDGE MALL DR CHICAGO RIDGE, IL 60415	RETAIL PROGRAM LEASE	Bally Total Fitness Corporation

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Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
WHITEHAT SECURITY, INC. 3003 BUNKER HILL SUITE 106 SANTA CLARA, CA 95054	EVALUATION AGREEMENT	Bally Total Fitness Corporation
WHITNEY BURR 939 W. MADISON ST. UNIT 203 CHICAGO, IL 60607	PAYROLL IMPLEMENTATION CONSULTANT	Bally Total Fitness Corporation
WHITTMANHART, INC. 550 WEST ADAMS SUITE 500 CHICAGO, IL 60661	CONSULTING SERVICES AGREEMENT	Bally Total Fitness Corporation
Wholesale Recycling Division of PXZR IncWholesale RecyclingPO Box 1810Manhattan Bch, CA 90267	SERVICES AGREEMENT	Bally Total Fitness Holding Corporation
WHOLESALE RECYCLING DIV OF PXZR INC PO BOX 1810 MANHATTAN BEACH, CA 90267-1810	SERVICES AGREEMENT	Bally Total Fitness Corporation
WIGINTON FIRE SYSTEMS ATTN L BARRETT 699 AERO LANE SANFORD, FL 32771	SERVICES AGREEMENT	Bally Total Fitness Corporation

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Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
Wildman, John H.	Employment Agreement dated 1/1/06, as amended	Bally Total Fitness Holding Corporation
Willows, Teresa	Key Employee Change of Control, Confidentiality, Non-Solicitation and Non-Compete Agreement dated 11/23/05	Bally Total Fitness Holding Corporation
Willows, Teresa	Guaranteed Severance Agreement dated 4/23/08	Bally Total Fitness Corporation
WING CONSTRUCTION INC 8149 MILLIS RD UTICA, MI 48317	SERVICES AGREEMENT	Bally Total Fitness Corporation
YAHOO INC ACCOUNTS RECEIVABLE PO BOX 3003 CAROL STREAM, IL 60132-3003	SERVICES AGREEMENT	Bally Total Fitness Corporation
ZACHARY PARTON 4037 LOG TRAIL WAY REISTERTOWN, MD 21136	RETENTION BONUS AND GUARANTEED SEVERANCE DATED 12/20/07	Bally Total Fitness Corporation
ZECRON TEXTILES INC 76 CONGRESS ST BROOKLYN, NY 11201-5911	SERVICES AGREEMENT	Bally Total Fitness Corporation
ZETA INTERACTIVE PKA ZUSTEK 99 PARK AVE 23RD FLOOR NEW YORK, NY 10016	SERVICES AGREEMENT	Bally Total Fitness Corporation

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

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Supplement to Exhibit A
Executory Contracts and Unexpired Leases to be Rejected¹

Name and Address of Counterparty	Contracts or Leases Being Rejected (to the Extent they Constitute Executory Contracts)²	Debtor Name³
Nicole Kimbrough 645 Jersey Ave. Jersey City, NJ 07302	Employment Agreement dated 7/1/04, as amended	Bally Total Fitness Corporation
Russell Reynolds Associates, Inc. 225 South Sixth St. Suite 2550 Minneapolis, MN 55402	Agreement re. CFO Search dated 7/8/08	Bally Total Fitness Corporation

1. Each rejected executory contract and unexpired lease identified on this Exhibit includes any modifications, amendments, addenda or supplements thereto. Listing of a contract or lease on this Exhibit is not an admission that the contract or lease is executory or unexpired within the meaning of section 365 of the Bankruptcy Code. Debtors reserve the right to contest any such characterization in the future.

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3. To the extent additional Debtors are party to an executory contract or unexpired lease listed herein, each such contract or lease shall be deemed rejected by the Debtor to the contract or lease.

EXHIBIT B
EXECUTORY CONTRACTS AND UNEXPIRED LEASES TO BE ASSUMED AND
CURE COSTS

EXHIBIT B
Executory Contracts and Unexpired Leases to be Assumed with Cure Costs¹

Name and Address of Counterparty	Debtor Name	Document	
American Express Travel Related Services Company Inc c o Becket & Lee LLP Attorneys Agent for Creditor PO Box 3001 Malvern, PA 19355-0701	Bally Total Fitness Corporation	CREDIT CARD AGREEMENT	
American Express Travel Related Services Company Inc Eugene J Chikowski Esq Flaster/Greenberg PC 1628 John F Kennedy Blvd 15th Fl Philadelphia, PA 19103	Bally Total Fitness Corporation	CREDIT CARD AGREEMENT	
AT&T AT&T ATTORNEY JAMES GRUDUS ESQ ONE AT&T WAY RM 3A218 BEDMINSTER, NJ 07921	Bally Total Fitness Corporation	SERVICES AGREEMENT	
BLUE STAR ENERGY SERVICES 363 WEST ERIE ST. SUITE 700 CHICAGO, IL 60610	Bally Total Fitness Corporation	ENERGY CONTRACT	
BROADCAST MUSIC INC BMI BMI GENERAL LICENSING PO BOX 406741 ATLANTA, GA 30384-2137	Bally Total Fitness Corporation	MUSIC LICENSING AGREEMENT	
CHARLOTTES WEB MARKETING LTD2013 W HADDON AVECHICAGO, IL 60622	Bally Total Fitness Corporation	MARKETING AGREEMENT	

1. Each executory contract and unexpired lease identified on this Exhibit B to the Plan includes any modifications, amendments, addenda or supplements thereto. Each executory contract and unexpired lease to which a Debtor is a party that has not been previously assumed or rejected in the Debtors' chapter 11 case, if not to be rejected, is specifically assumed by the Debtor that is a party to such executory contract or unexpired lease as of, and subject to the occurrence of, the Effective Date. The cure amount to be paid in connection with the assumption of any unexpired lease and executory contract under the Plan that is not specifically identified herein shall be \$0.00.

EXHIBIT B
Executory Contracts and Unexpired Leases to be Assumed with Cure Costs¹

Name and Address of Counterparty	Debtor Name	Document	
Life Fitness 10601 W Belmont Ave Franklin Park, IL 60131 NOTE: all leases expiring after July 31, 2009	Bally Total Fitness Holding Corporation	EQUIPMENT AGREEMENT	
LIFE FITNESS DEPT 77 2716 CHICAGO, IL 60678-2716 NOTE: All leases expiring after July 31, 2009	Bally Total Fitness Corporation	EQUIPMENT AGREEMENT	
Owl Energy Resources Inc Dylan G Trache Wiley Rein LLP 7925 Jones Branch Dr Ste 6200 McLean, VA 22102	Bally Total Fitness Corporation	SERVICES AGREEMENT	
T-MOBILE USA, INC. C/O CORPORATION SERVICES CORP. 1010 UNION AVE. S.E. OLYMPIA, WA 98501	Bally Total Fitness Corporation	SERVICES AGREEMENT	
Wachovia Securities PO Box 60253 Charlotte, NC 28260-0253	BTF Indianapolis Corporation	MORTGAGE AGREEMENT	
Wachovia Securities PO Box 60253 Charlotte, NC 28260-0253	BTF Cincinnati Corporation	MORTGAGE AGREEMENT	

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EXHIBIT C
RESTRUCTURING TRANSACTIONS

Description of Restructuring Transactions

Bally plans to reorganize its existing subsidiaries in order to simplify the overall corporate structure through a series of Restructuring Transactions as described below. See the attached structure charts for illustrations of the Bally corporate structure prior to and following the Reorganization Transactions.¹

- Through a series of transactions, the following subsidiaries will ultimately be merged or liquidated into Bally Total Fitness of the Mid-Atlantic, Inc.:
 - U.S. Health, Inc.
 - Bally Total Fitness of Rhode Island, Inc.
 - Bally Total Fitness of Connecticut Coast, Inc.
 - Bally Total Fitness of Connecticut Valley, Inc.
 - Rhode Island Holding Company
 - New Fitness Holding Company, Inc.
 - Nycon Holding Company, Inc.
 - Bally Total Fitness of Philadelphia
 - Greater Philly No. 1 Holding Company
 - Greater Philly No. 2 Holding Company
 - Bally Total Fitness of the Southeast, Inc.
 - Tidelands Holiday Health Clubs, Inc.
 - Holiday/Southeast Holding Corp.
 - BTF/CFI, Inc.
 - Holiday Health Clubs of the East Coast, Inc.
 - Bally Real Estate I, LLC
 - Bally Real Estate II, LLC
- Through a series of transactions, the following subsidiary will ultimately be merged or liquidated into Bally Total Fitness of California, Inc.:
 - Bally Total Fitness of Colorado, Inc.
- Through a series of transactions, the following subsidiaries will ultimately be merged or liquidated into Bally Total Fitness Corporation:
 - Bally ARA Corporation
 - Bally REFS West Hartford, LLC
 - BTFCC, Inc.
- Through a series of transactions, the following subsidiaries will ultimately be merged or liquidated into Bally Total Fitness of the Midwest, Inc. (formerly Bally Total Fitness of Minnesota, Inc.):
 - Bally Total Fitness of Missouri, Inc.
 - Bally Total Fitness of Toledo, Inc.

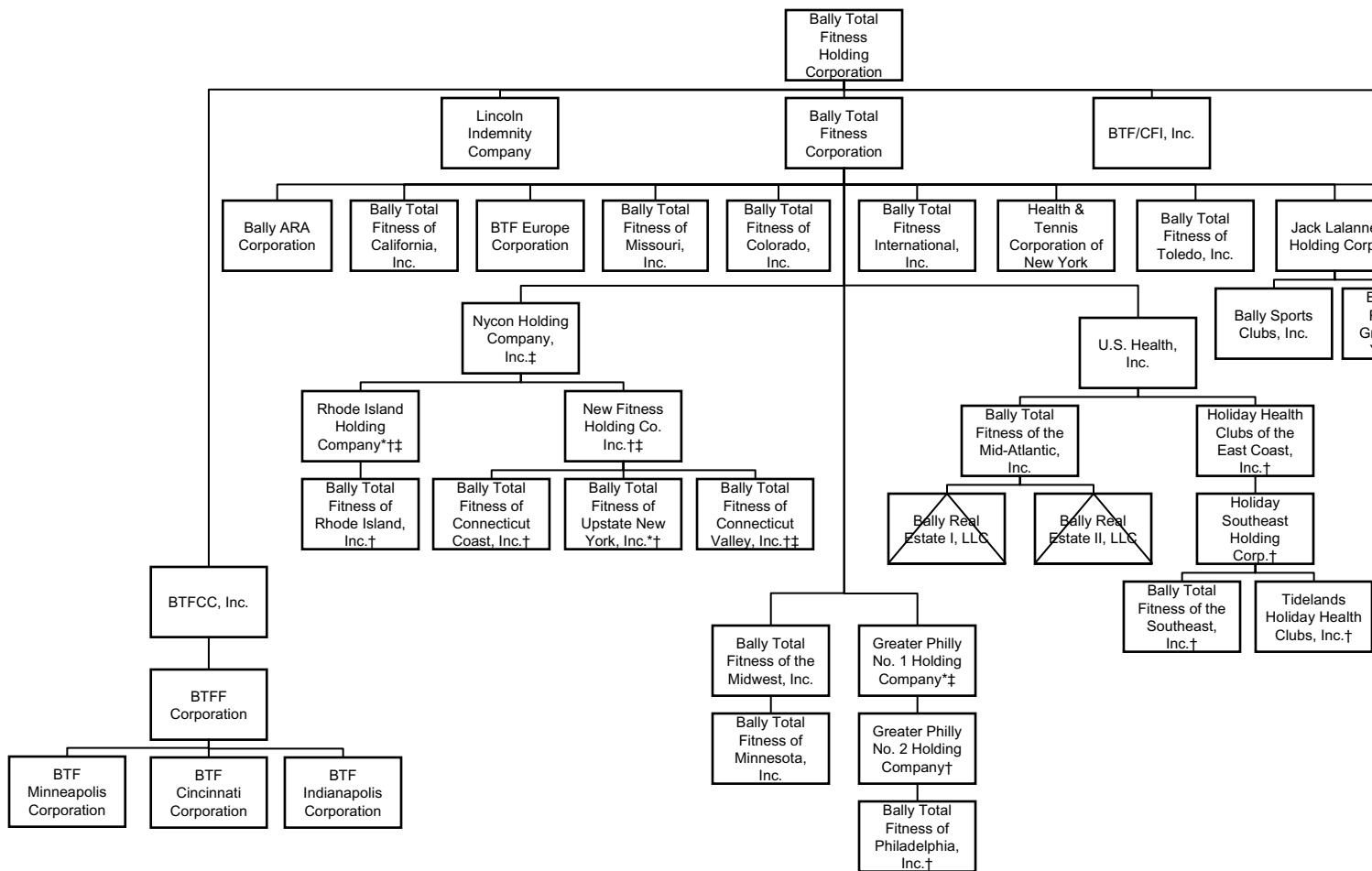
¹ This list and the attached structure charts do not include non-Debtor subsidiaries.

- Bally Total Fitness International, Inc.
 - BTF Cincinnati Corporation
 - BTF Indianapolis Corporation
 - BTF Minneapolis Corporation
 - BTFF Corporation
 - Bally Total Fitness of the Midwest, Inc.
- Through a series of transactions, the following subsidiaries will ultimately be merged or liquidated into Bally Total Fitness of Greater New York, Inc.:
 - Bally Sports Clubs, Inc.
 - Jack LaLanne Holding Corp.
 - Health & Tennis Corporation of New York
 - Bally Total Fitness of Upstate New York, Inc.
- Through a series of transactions, the following subsidiaries will ultimately be merged or liquidated into Bally Total Fitness Franchising, Inc.:
 - Bally Fitness Franchising, Inc.
 - Bally Franchise RSC, Inc.
 - Bally Franchising Holdings, Inc.

Following completion of the Restructuring Transactions, the following corporations will remain in existence: Bally Total Fitness Holding Corporation; Bally Total Fitness Corporation; Lincoln Indemnity Company; Bally Total Fitness Franchising, Inc.; Bally Total Fitness of California, Inc.; Bally Total Fitness of Greater New York, Inc.; Bally Total Fitness of the Midwest, Inc. (formerly Bally Total Fitness of Minnesota, Inc.); BTF Europe Corporation; and Bally Total Fitness of the Mid-Atlantic, Inc.

As of the effective time of an applicable Restructuring Transaction, any executory contract or unexpired lease to be held by any Reorganized Debtor and assumed under the Plan or otherwise in the Chapter 11 Cases, if not expressly assigned to a third party previously in the Chapter 11 Cases, will be deemed assigned to the surviving, resulting or acquiring corporation in the applicable Restructuring Transaction, pursuant to section 365 of the Bankruptcy Code.

Corporate Structure Prior to Restructuring Transactions



* Minority interest held by Bally Total Fitness Holding Corp.

† Minority interest held by Bally Total Fitness Corp.

‡ Minority interest held by Holiday Fitness Holding Corp.

Corporate Structure Following Restructuring Transactions

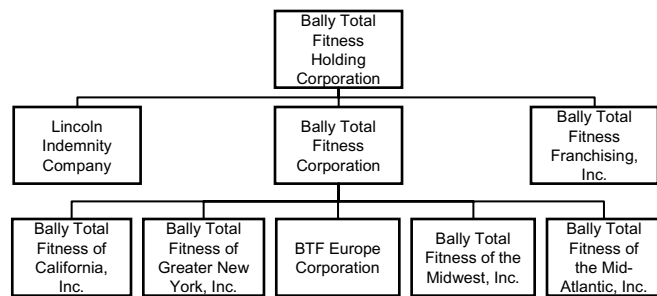


EXHIBIT D
EXIT FACILITIES

**BALLY TOTAL FITNESS HOLDING CORPORATION
AND ITS SUBSIDIARIES**

FINANCING FACILITY

The following sets forth a summary of the terms and conditions of an exit financing agreement (the "Credit Agreement") for Bally Total Fitness Holding Corporation and certain of its subsidiaries. This Term Sheet does not purport to summarize all of the terms, conditions, covenants, representations, warranties and other provisions that would be contained in the definitive agreements with respect to this transaction.

SUMMARY OF TERMS AND CONDITIONS:

**PRINCIPAL
PARTIES:**

Borrowers and Guarantors:	Bally Total Fitness Holding Corporation (" <u>Bally Total Fitness</u> ") and certain of its subsidiaries (collectively, the " <u>Borrowers</u> ") upon exit from their respective voluntary Chapter 11 bankruptcy cases (the " <u>Cases</u> ") commenced December 3, 2008 before the United States Bankruptcy Court, Southern District of New York (the " <u>Court</u> "). Bally Total Fitness and the other Borrowers (and in any event including all domestic subsidiaries of Bally Total Fitness) would guarantee all obligations of the Borrowers under the Financing Facility.
Exit Revolver Lenders:	Wells Fargo Foothill, LLC and The CIT Group/Business Credit, Inc. (" <u>CIT</u> ").
Exit Revolving Credit Agent:	Wells Fargo Foothill, LLC.
Term Loan Lenders:	Anchorage Capital Master Offshore, Ltd. (" <u>Anchorage</u> "), JPMorgan Chase Bank, N.A. (" <u>JPMorgan</u> "), other Pre-Petition Term Loan Holders and such other lenders as Anchorage and JPMorgan include within the syndicate providing the Term Loan (as defined below). The Term Loan Lenders together with the Exit Revolver Lenders and the holders of the Swap Term Loan (as defined below), the " <u>Lenders</u> ".
Term Loan Facilities Agent:	JPMorgan Chase Bank, N.A.
Collateral Agent:	Wells Fargo Foothill, LLC.
Pre-Petition Term Loan Holders:	Holders of the term loan under the pre-petition credit agreement.

STRUCTURE:

Financing Facility:	The Financing Facility shall consist of (a) a term loan facility (the " <u>Term Loan</u> "), (b) conversion of the termination value under the prepetition swap agreement into a term loan (the " <u>Swap Term Loan</u> " and together with the Term Loan, the " <u>Term Loan Facilities</u> ") and (c) a revolving line of credit (the " <u>Exit Revolver</u> ").
Terms of Exit	A committed revolving credit facility in an aggregate principal amount of at least \$50 million

Revolver: on terms and conditions (including covenants and prepayment provisions) acceptable to the Term Loan lenders (it being understood that the foregoing terms of the Exit Revolver may be modified by agreement among Bally Total Fitness, the Exit Revolving Lenders, Anchorage and JPMorgan).

Terms of Term Loan: Term loan of \$39 million (the net aggregate proceeds of which, after original issue discount, to equal \$30 million). Proceeds of which are to be used to repay outstanding amounts under the Exit Revolver (providing availability thereunder).

Interest payable in cash at Libor plus 6% or Prime plus 5% (all as determined by the Term Loan Lenders). Libor shall be deemed to have a floor of 3%. Interest on Prime Loans shall be payable quarterly and interest on Libor Loans shall be payable at the end of the applicable interest period. Libor Loans may be converted to Prime Loans and, unless an Event of Default shall have occurred and be continuing, Prime Loans may be converted to Libor Loans.

All principal of and fees on the Term Loan, together with interest thereon, to be secured by lien on all assets of the reorganized Borrowers and their domestic subsidiaries (and guaranteed by such subsidiaries), on a first priority basis *pari passu* with the Exit Revolver (including any Exit Revolver deferred or PIK fees) and the Swap Term Loan (including any Swap Term Loan deferred or PIK fees), provided that all fee interests in real property held by the Borrowers and the Guarantors shall be subject to mortgages or deeds of trust, as applicable, in favor of the Collateral Agent, or assignments to the Collateral Agent of existing mortgages or deeds of trust, or otherwise pledged to secure the Term Loan Facilities, in each case as may be deemed acceptable to the Term Loan Facilities Agent. All leased interests in real property held by the Borrowers or Guarantors shall be subject to a lien in favor of the Collateral Agent, provided that the extent of lien and collateral documentation and perfection steps taken with respect to such collateral will be mutually agreed upon by the Term Loan Facilities Agent and the Borrowers, based upon, among other things, landlord consents required with respect thereto, the difficulty in obtaining such consents and a "desktop" appraisal determined to be reasonably acceptable to the Term Loan Facilities Agent. Notwithstanding the foregoing, with respect to that portion of the outstanding principal amount of the Term Loan which exceeds \$31.5 million, such excess, together with interest thereon, shall be payable only after the Exit Revolver and the Swap Term Loan have been paid in full. Notwithstanding the foregoing, unless waived by the lenders under the Exit Revolver with respect to the Exit Revolver, the Term Loan and the Swap Term Loan shall benefit equally with the Exit Revolver with respect to any additional collateral (or more beneficial terms with respect to any collateral) obtained for the Exit Revolver.

Maturity: June 15, 2014.

Voluntarily prepayable at par (in whole or in part) at any time without premium or penalty.

Option to convert to secured swap or repurchase agreement.

A breakup fee of \$2.5 million payable to the Term Loan Lenders in the event the Term Loan is for any reason not consummated (other than, in the case of any Term Loan Lender, such lender's failure to fund its pro rata portion of the Term Loan notwithstanding that all conditions precedent thereto had been met).

Swap Term Loan: The termination value under the pre-petition Morgan Stanley swap agreement shall be converted into a term loan of \$7,662,687.25 (the net proceeds of which, after original issue discount, to equal \$7,439,502.18).

Interest payable in cash at Libor plus 6% or Prime plus 5% (all as determined by the Swap

Term Loan Lenders). Libor shall be deemed to have a floor of 3%. Interest on Prime Loans shall be payable quarterly and interest on Libor Loans shall be payable at the end of the applicable interest period. Libor Loans may be converted to Prime Loans and, unless an Event of Default shall have occurred and be continuing, Prime Loans may be converted to Libor Loans.

Principal of and fees on the Swap Term Loan, together with cash interest thereon, to be secured by lien on all assets of the reorganized Borrower and its domestic subsidiaries (and guaranteed by such subsidiaries), on a first priority basis pari passu with the Exit Revolver and the Term Loan (except to the extent any portion of the Term Loan is required to be paid after the Swap Term Loan because the principal amount outstanding under the Term Loan exceeds \$31.5 million).

Maturity: December 31, 2011.

Voluntarily prepayable at par (in whole or in part) at any time without premium or penalty.

**Mandatory
Prepayments and
Commitment
Reductions:**

Commitments under the Exit Revolver shall be mandatorily reduced and the Term Loan Facilities shall be mandatorily prepaid, pro rata (based upon the then outstanding commitments under the Exit Revolver, the then outstanding principal of the Term Loan (but not exceeding \$31.5 million in the aggregate) and the then outstanding principal amount of the Swap Term Loan), in the aggregate amounts as follows:

- in an amount equal to 25% of Bally Total Fitness's Excess Cash Flow (defined as annual operating cash EBITDA, less restructuring and other one time expenses, less net cash proceeds from asset dispositions, less debt service, less capital expenditures, and shall exclude one-time cash receipts (e.g., landlord rent deferrals or refunds and the release of cash deposits incurred during chapter 11), to be tested on an annual basis;
- in an amount equal to 50% of the net cash proceeds of asset dispositions (after the first \$5 million, which amount may be retained by Bally Total Fitness);
- in an amount equal to 50% of the net cash proceeds of any debt issued by Bally Total Fitness or its subsidiaries (other than certain permitted debt, provided that such debt is on terms acceptable to the Lenders, it being understood that such permitted debt will include up to \$15 million of subordinated debt secured pari passu with the amount of the Exit Term Loan that exceeds \$31.5 million);
- in an amount equal to 50% of the net cash proceeds of any equity issuance by Bally Total Fitness or its subsidiaries (excluding management equity, options and warrants issued pursuant to the Plan); and
- in an amount equal to 100% of the net cash proceeds of casualty insurance and condemnation receipts received by Bally Total Fitness or its subsidiaries; provided that such proceeds may be reinvested within a 365 day period subject to customary reinvestment provisions.

All mandatory prepayments of the Term Loan Facilities shall be applied first to the Swap Term Loan until paid in full and thereafter to the Term Loan.

**CONDITIONS
PRECEDENT:**

In addition to the conditions precedent referred to in the commitment letter to which this Term Sheet is attached, the Credit Agreement shall contain conditions precedent regarding:

execution of the Credit Agreement, guarantees, and other financing documents; delivery of legal opinions, financial statements and reports, incorporation papers, corporate resolutions, incumbency certificates, officer's certificates and good standing certificates, membership certificates, lien searches, consents; evidence of authority, valid insurance, payment of fees and expenses (including without limitation the reasonable and documented fees, charges and disbursements of Dewey & LeBoeuf LLP incurred since October 1, 2008); USA Patriot Act compliance; first-priority perfected security interests in the Collateral (free and clear of all liens, subject to customary and limited exceptions to be agreed upon); and the Plan (as defined below) shall be in form and substance satisfactory to the Lenders and shall have become effective (as provided below).

All conditions to the effectiveness of the Plan of Reorganization (the "Plan") shall have been satisfied and the Plan shall have been approved by the Bankruptcy Court. The Plan shall provide that at emergence the Pre-Petition Term Loan Holders (or their designees) receive 94%, the management receives 3%, and the Bally unsecured creditors receive 3%, of the equity of reorganized Bally Total Fitness (all on a fully diluted basis and in each case, subject to dilution from warrants and options and on terms reasonably satisfactory to the Term Loan Lenders) and the Borrowers, prior to or in connection with confirmation of the Plan, shall assume real property leases only on terms (including binding amendments reflecting rent reductions and other modifications) reasonably acceptable to the Term Loan Lenders. In addition, (i) the Bally unsecured creditors shall receive 5 year warrants for 5% on a fully diluted basis (except to the extent of the management options as noted below) struck at \$200 million total equity of Bally Total Fitness and (ii) management will receive options for an additional 8% on a fully diluted basis struck at the following values for total equity of Bally Total Fitness: 4% at \$200 million, 2% at \$300 million and 2% at \$400 million. Pre-Petition Term Loan Holders to waive deficiency claims if the unsecured creditor classes vote in favor of the Plan.

VOTING:

(i) Holders of a 66-2/3% majority of the Exit Revolver then outstanding; *provided* that, if and only if, CIT then holds a commitment under the Exit Revolver of at least \$7,500,000, when there are three or fewer unaffiliated Exit Revolver Lenders all Exit Revolver Lenders shall be required to constitute a majority, and (ii) holders of a majority of the Term Loan and the Swap Term Loan then outstanding (except that the consent of each Lender shall be required for customary all-lender issues).

**EARLY
TERMINATION:**

In no event shall the Lenders be obligated to extend the Financing Facility upon and after the occurrence of any of the following (unless waived in writing by Exit Revolver Lenders holding a majority of the commitments under the Exit Revolver and Term Loan Lenders holding a majority of the commitments under the Term Loan):

(A) Allowed administrative claims and expenses in the Cases (other than (1) professional fees, (2) administrative claims and expenses incurred in the ordinary course of business and (3) administrative claims and expenses covered by insurance) exceed, in the aggregate, the amounts set forth in the Budget (to be agreed upon) by more than \$2,500,000 ("Excess Administrative Amounts"); or

(B) Concurrently with the funding of the Financing Facility the minimum availability under the Exit Revolver plus cash of the Borrowers at closing, after giving effect to the availability block under the Exit Revolver and the initial use of proceeds from the Exit Revolver and the Term Loan (including the payment of all fees due on the closing date and expenses (including expenses incurred through the closing date) does not equal at least \$7,500,000.

**REPRESENTATIONS &
WARRANTIES:**

The Credit Agreement will include such representations and warranties to be made by the Borrowers and Guarantors and their respective subsidiaries as are usual and customary for financings of this type. Including representations and warranties (certain of which will be subject to materiality thresholds, baskets and customary exceptions and qualifications to be mutually agreed upon) regarding: due organization and qualification; subsidiaries, due authorization; no conflict; governmental consents; binding obligations; perfected liens; title to assets; no encumbrances; jurisdiction of organization; location of chief executive office; organizational identification number; commercial tort claims; litigation; compliance with laws; no material adverse change; fraudulent transfer; employee benefits; environmental condition; intellectual property; leases; deposit accounts and securities accounts; complete disclosure; material contracts; Patriot Act and OFAC; indebtedness; payment of taxes; margin stock; governmental regulation; Bally Fitness Corporation as holding company; location of collateral; location of collateral records.

AFFIRMATIVE COVENANTS:

The Credit Agreement will include such affirmative covenants (certain of which will be subject to materiality thresholds, baskets and customary exceptions and qualifications to be mutually agreed upon) applicable to the Borrowers and the Guarantors and their respective subsidiaries as are usual and customary for financings of this type, including covenants regarding: financial statements, reports, and certificates; collateral reporting; existence; maintenance of properties; taxes; insurance; inspection; compliance with laws; environmental; disclosure updates; formation of subsidiaries; further assurances; lender meetings; material contracts; employee benefits and location of collateral.

NEGATIVE COVENANTS:

The Credit Agreement will include such negative covenants (certain of which will be subject to materiality thresholds, baskets and customary exceptions and qualifications to be mutually agreed upon) applicable to the Borrowers and the Guarantors and their respective subsidiaries as are usual and customary for financings of this type, including covenants regarding: limitations on: indebtedness; liens; fundamental changes; disposal of assets; change of name; nature of business; prepayments and amendments; change of control; distributions; accounting methods; investments; transactions with affiliates; use of proceeds; Bally Total Fitness as holding company.

FINANCIAL COVENANTS:

For purposes of the financial covenants the following terms shall have the following meanings:

"Consolidated EBITDA" means, with respect to Borrowers and their Subsidiaries on a consolidated basis, without duplication, for any period of determination, Consolidated Net Income (loss) plus to the extent deducted in determining Consolidated Net Income (loss): (a) income, withholding (including foreign), franchise or similar taxes paid or accrued during such period, (b) consolidated interest expense calculated in accordance with GAAP and Letter of Credit fees, (c) depreciation, amortization (including non-cash amortization of debt discount or deferred financing costs) and non-cash impairment charges, (d) all other non-cash charges, (e) cash restructuring charges, fees, expenses, settlements and claims related to Borrowers' restructuring/reorganization efforts associated with its Chapter 11 proceeding, (f) other cash restructuring charges, including third-party professional fees for operational and financial advisory services, (g) cash public company expenses in the event the Borrowers are subject to SEC reporting requirements, (h) cash expenses incurred by Borrowers or any Subsidiary to the extent actually reimbursed by a third party, (i) cash severance payments made to employees or officers, (j) cash fees, costs and expenses incurred in connection with this financing and any other debt or equity issuances, refinancings, acquisitions, investments or dispositions permitted by the Credit Agreement, (k) to the extent covered by insurance under which insurer has been notified and has not denied coverage, expenses with respect to liability or casualty events or business interruption, (l) cash fees and expenses associated with litigation relating to matters not in the ordinary course of business, (m) any operating losses,

including pre-opening expenses and losses, attributable to new clubs open for less than 12 months, not to exceed \$3.0 million in any fiscal year, (n) extraordinary cash one time IT expenses and business process improvements related expenses not to exceed \$5.0 million in any fiscal year and \$9.0 million in the aggregate following the Closing Date, and (o) costs associated with club closings, minus (a) cash payments made during such period in respect of non-cash items added back in a prior period, plus or minus (a) changes in deferred revenue for such period, as applicable and (b) the difference between GAAP rental expense reflected on Borrowers' Consolidated Income Statement and cash rent expense and (c) rent reductions resulting from the waiver of previously unpaid rent.

"Consolidated Net Income" of Borrowers means, for any period, the consolidated net income (or loss) of Borrowers and their Subsidiaries for such period as determined in accordance with GAAP, adjusted, to the extent included in calculating such net income (or loss), minus (i) all extraordinary gains or losses (less all fees, costs, and expenses relating thereto), (ii) the portion of net income (or loss) of Borrowers and their Subsidiaries allocable to minority interests in unconsolidated Persons to the extent that cash dividends or distributions have not actually been received by Borrowers or one of their Subsidiaries, (iii) net income (or loss) of any Person combined with Borrowers or any of their subsidiaries on a "pooling of interests" basis attributable to any period prior to the date of combination, (iv) any gain or loss, net of taxes, realized upon the termination of the Plan, (v) any gains or losses (less all fees, costs, and expenses relating thereto) in respect of dispositions of assets other than in the ordinary course of business, and (vi) the net income of any Subsidiary to the extent that the declaration of the dividends or similar distributions by that Subsidiary of that income is not at the time permitted, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulations applicable to that Subsidiary or its stockholders.

Borrowers, on a consolidated basis, shall be required to maintain a minimum fixed charge coverage ratio and a maximum net senior leverage ratio at the following levels:

Covenant Test Date	Fixed Charge Coverage	Net Senior Leverage
December 31, 2009	1.10x	2.50x
March 31, 2010	1.10x	2.50x
June 30, 2010	1.10x	2.50x
September 30, 2010	1.10x	2.50x
December 31, 2010	1.10x	2.50x
March 31, 2011	1.10x	2.25x
June 30, 2011	1.10x	2.25x
September 30, 2011	1.10x	2.25x
December 31, 2011	1.10x	2.25x

"Fixed Charge Coverage" shall mean the ratio of (a) Consolidated EBITDA for the most recent four fiscal quarters less capital expenditures for the most recent four fiscal quarters to (b) (i) for the period ended December 31, 2009, cash interest expense for the most recent fiscal quarter multiplied by 4, (ii) for the period ended March 31, 2010, cash interest expense for the most recent two fiscal quarters multiplied by 2, (iii) for the period ended June 30, 2010, cash interest expense for the most recent three fiscal quarters multiplied by 4/3 and (iv) for each successive period, cash interest expense for the most recent four fiscal quarters.

"Net Senior Leverage Ratio" shall mean the ratio of (a) consolidated debt for the most recent fiscal quarter minus cash and cash equivalents to (b) Consolidated EBITDA for the most recent four fiscal quarters. For purposes of the calculation of Net Senior Leverage Ratio, consolidated debt shall include only the Exit Revolver, the Swap Term Loan and up to \$31.5

million of the Term Loan.

Consolidated EBITDA and capital expenditures shall be measured on a last twelve month basis. Interest expense shall be annualized quarterly during the first three quarters after exiting Chapter 11 and on a rolling four quarter basis thereafter. The financial covenants shall be subject to cure rights by the Borrowers by obtaining additional subordinated capital or by reducing the Maximum Revolver Amount under the Exit Revolver by an amount equal to the shortfall in Consolidated EBITDA for any quarter (such addition or reduction to be counted in calculating Consolidated EBITDA for such quarter and for all calculations thereafter). Borrowers, on a consolidated basis, shall not be permitted to spend more than 30% of its annual capital expenditure budget in any one quarter, with any unused amounts rolling forward to future periods.

**FINANCIAL
REPORTING:**

Borrowers shall provide on a monthly basis within 30 days of each calendar month end consolidated financial statements including balance sheet, income statement detailing the month-to-date and year-to-date results.

Borrowers shall provide on a quarterly basis within 45 days of each quarter end: (i) consolidated financial statements including balance sheet, income statement, and statement of cash flow detailing the quarter-to-date and year-to-date results, together with management's discussion and analysis; and (ii) for each quarter only, a compliance certificate that includes a detailed calculation of cash EBITDA, Consolidated EBITDA, fixed charges, and the fixed charge coverage ratio and net senior leverage ratio covenant compliance.

Borrowers shall provide within 100 days of each year end on an annual basis, consolidated financial statements including balance sheet, income statement, and cash flow detailing year-to-date results together with management's discussion and analysis.

**EVENTS OF
DEFAULT:**

The Credit Agreement will include such events of default applicable to the Borrowers and Guarantors and their respective subsidiaries as are usual and customary for financings of this type, including (and certain of which will be subject to materiality thresholds, exceptions and grace periods to be mutually agreed upon): non-payment of obligations; non-performance of covenants and obligations; material judgments; bankruptcy or insolvency; any restraintment against all or a material portion of business affairs; default on other material debt (including secured hedging agreements); breach of any representation or warranty; limitation or termination of any guarantee with respect to the Term Loan Facilities; impairment of security; employee benefits; and actual or asserted invalidity or unenforceability of any Term Loan Facility documentation or liens securing obligations under the Term Loan Facilities documentation.

DOCUMENTATION:

The terms and conditions of the transaction shall be pursuant to written documentation, in form and substance acceptable to Lenders and their counsel (to include without limitation customary fee and expense reimbursement (which fees and expenses shall be reasonable and documented), indemnification, increased cost and yield protection, assignment/participation provisions, waiver of jury trial, applicable law of the State of New York, and submission to jurisdiction).

TERM SHEET

This Term Sheet is part of the commitment letter, dated May 29, 2009 (the "*Commitment Letter*"), addressed to "*Company*" by Wells Fargo Foothill, LLC ("*WFF*") and the CIT Group/Business Credit, Inc. ("*CIT*") and is subject to the terms and conditions of the Commitment Letter. Capitalized terms used herein and the accompanying Annexes shall have the meanings set forth in the Commitment Letter unless otherwise defined herein or therein.

Borrowers:

Company and certain of its subsidiaries (collectively, the "*Borrowers*") upon exit from their respective voluntary Chapter 11 bankruptcy cases (the "*Cases*") commenced December 3, 2008 before the United States Bankruptcy Court, Southern District of New York (the "*Court*").

Guarantors:

Except as otherwise agreed, substantially all of Company's present and future subsidiaries (other than Borrowers). Such Guarantors, together with Borrowers, each a "*Loan Party*" and collectively, the "*Loan Parties*").

Lenders and Agent:

WFF, CIT and such other lenders (the "*Lenders*") as Agent includes within the syndicate providing the Facility. WFF shall act as the sole agent for the Lenders under the Facility and as collateral agent for the Lenders, the Swap Lenders and the Term Loan Lenders (as defined below) (in such capacity, the "*Agent*").

Facility:

A senior secured credit facility (the "*Facility*") with a maximum credit amount ("*Maximum Credit Amount*") of \$50,000,000. Under the Facility, Lenders will provide Borrowers with a revolving credit facility (the "*Revolver*").

Revolver:

Advances under the Revolver ("*Advances*") will be available up to a maximum amount outstanding at any one time of \$50,000,000 (the "*Maximum Revolver Amount*"). A permanent \$5,000,000 availability reserve against the Maximum Revolver Amount would be established under the Revolver (the "*Availability Block*"), subject to increase as provided below under Mandatory Prepayments.

Letter of Credit Subfacility:

Under the Revolver, Borrowers will be entitled to request that Agent issue guarantees of payment ("*Letters of Credit*") with respect to letters of credit issued by Wells Fargo Bank, N.A. in an aggregate amount not to exceed \$10,000,000 at any one time outstanding. The aggregate amount of outstanding Letters of Credit will be reserved against the Maximum Revolver Amount.

Optional Prepayment:

The Advances may be prepaid in whole or in part from time to time without penalty or premium and the Facility may be

prepaid and the commitments terminated in whole or reduced in part at any time upon 10 business days prior written notice. Such prepayment shall not be a permanent reduction in the Maximum Credit Amount.

Cash Dominion:

If the total liquidity of the Company (cash on hand plus unused portion of the Revolver) is less than \$10 million at any time, the Agent shall have the right to implement cash dominion. In connection with its emergence from chapter 11, the Company will transfer its collection and concentration accounts to Wells Fargo Bank.

Mandatory Reductions and Prepayments:

Except as otherwise provided below with respect to Extraordinary Receipts, commitments under the Facility shall be mandatorily reduced, and the Swap Term Loan (as defined below) and, if required by its terms, the Term Loan (as defined below) shall be mandatorily prepaid, pro rata (based upon the then outstanding commitments under the Facility, the then outstanding principal amount of the Swap Term Loan and, if applicable, the then outstanding principal of the Term Loan (but not exceeding \$31.5 million in the aggregate), in the aggregate amounts as follows:

- in an amount equal to 25% of Company's Excess Cash Flow (defined as annual operating cash EBITDA, less restructuring and other one time expenses, less net cash proceeds from asset dispositions, less debt service, less capital expenditures, and shall exclude one-time cash receipts (e.g., landlord rent deferral or refunds and the release of cash deposits incurred during chapter 11), to be tested on an annual basis;
- in an amount equal to 50% of the net cash proceeds of asset dispositions (after the first \$5 million, which amount may be retained by the Company);
- in an amount equal to 50% of the net cash proceeds of any debt issued by Company or its subsidiaries (other than certain permitted debt, provided that such debt is on terms acceptable to the Lenders);
- in an amount equal to 50% of the net cash proceeds of any equity issuance by Company or its subsidiaries (excluding management equity and warrants issued

pursuant to the Plan);

- in an amount equal to 100% of the net cash proceeds of casualty insurance and condemnation receipts received by Company or its subsidiaries; provided that such proceeds may be reinvested within a 365 day period subject to customary reinvestment provisions; and
- in amount equal to 100% of the net proceeds of Extraordinary Receipts (defined as any cash received by Borrowers not in the ordinary course of business consisting of (a) proceeds of judgments, proceeds of settlements or other consideration of any kind in connection with any cause of action, (b) indemnity payments, (c) any purchase price adjustment (other than a working capital adjustment) received in connection with any purchase agreement, (d) proceeds of condemnation, casualty insurance, business interruption insurance and life insurance, and (e) tax refunds).

All mandatory prepayments to the term loans shall be first applied to the Swap Term Loan and then, if applicable, to the Term Loan. All mandatory reductions applied to the Facility other than those arising from Extraordinary Receipts shall permanently reduce the Maximum Revolver Amount (and, to the extent any amounts are then outstanding under the Facility, shall prepay such amounts). All mandatory reductions applied to the Facility arising from Extraordinary Receipts shall prepay amounts then outstanding under the Facility but shall not permanently reduce the Maximum Revolver Amount.

In addition, if at any time the Borrowers' cash and cash equivalents exceed \$15 million, Borrowers shall prepay the Revolver in the amount of such excess. Such prepayment shall not be a permanent reduction in the Maximum Revolver Amount.

Use of Proceeds:

Together with the proceeds of the Term Loan, to (i) refinance Borrowers' existing indebtedness (including issued and outstanding letters of credit) of approximately \$50,000,000 under the senior revolving credit facility under the Credit Agreement dated as of October 1, 2007, (ii) fund certain fees and expenses associated with the chapter 11 case and the Facility, and (iii) finance the ongoing general corporate needs

of Borrowers.

Fees and Interest Rates:

As set forth on Annex A-I.

Term:

December 31, 2011 ("***Maturity Date***").

Collateral:

A first priority perfected security interest (shared pari-passu with the Term Loan Lenders (up to an aggregate principal amount of \$31.5 million) and the Swap Lenders, as reduced by principal payments thereon, and to the extent of interest at rates and fees in amounts not exceeding those payable on the Facility and only to the extent such interest and fees apply to such principal amounts) (a) in substantially all of the Loan Parties' now owned or hereafter acquired property and assets and all proceeds and products thereof, subject to permitted liens and customary exceptions and subject to such other limitations on perfection and collateral protection documentation and efforts, all as to be mutually agreed upon by Agent and Company, and (b) in all of the stock (or other ownership interests) owned by each Loan Party and all proceeds and products thereof. All fee interests in real property held by Loan Parties shall be subject to mortgages or deeds of trust, as applicable, in favor of Agent, or assignments to Agent of existing mortgages and deeds of trust, or otherwise pledged to secure the Facility, in each case as may be deemed acceptable to Agent. All leased interests in real property held by Loan Parties shall be subject to a lien in favor of Agent, provided that the extent of lien and collateral documentation and perfection steps taken with respect to such collateral will be mutually agreed upon by Agent and Company, based upon, among other things, landlord consents required with respect thereto, the difficulty in obtaining such consents, and a "desktop" appraisal determined to be reasonably acceptable by Agent.

Representations and Warranties:

The credit agreement governing the Facility will include such representations and warranties to be made by the Loan Parties and their respective subsidiaries as are usual and customary for Agent's financings of this type, including representations and warranties (certain of which will be subject to materiality thresholds, baskets and customary exceptions and qualifications to be mutually agreed upon) regarding: due organization and qualification; subsidiaries; due authorization; no conflict; governmental consents; binding obligations; perfected liens; title to assets; no encumbrances; jurisdiction of organization; location of chief executive office;

organizational identification number; commercial tort claims; litigation; compliance with laws; no material adverse change; fraudulent transfer; employee benefits; environmental condition; intellectual property; leases; deposit accounts and securities accounts; complete disclosure; material contracts; Patriot Act and OFAC; indebtedness; payment of taxes; margin stock; governmental regulation; Company as holding company; location of collateral; location of collateral records.

Affirmative Covenants:

The credit agreement governing the Facility will include such affirmative covenants (certain of which will be subject to materiality thresholds, baskets and customary exceptions and qualifications to be mutually agreed upon) applicable to the Loan Parties and their respective subsidiaries as are usual and customary for Agent's financings of this type, including covenants regarding: financial statements, reports, and certificates; collateral reporting; existence; maintenance of properties; taxes; insurance; inspection; compliance with laws; environmental; disclosure updates; formation of subsidiaries; further assurances; lender meetings; material contracts; employee benefits and location of collateral.

Negative Covenants:

The credit agreement governing the Facility will include such negative covenants (certain of which will be subject to materiality thresholds, baskets and customary exceptions and qualifications to be mutually agreed upon) applicable to the Loan Parties and their respective subsidiaries as are usual and customary for Agent's financings of this type, including covenants regarding: limitations on: indebtedness; liens; fundamental changes; disposal of assets; change of name; nature of business; prepayments and amendments; change of control; distributions; accounting methods; investments; transactions with affiliates; use of proceeds; Company as holding company.

Financial Covenants:

Company, on a consolidated basis, shall be required to maintain a minimum fixed charge coverage ratio and a maximum senior leverage ratio at covenant levels, together with a definition of EBITDA, to be mutually agreed upon by Agent, the Lenders and Company. The financial covenants will be tested quarterly on a year-to-date basis during the first 12 months and on a rolling four-quarter basis thereafter. The financial covenants shall be subject to cure rights by the Borrowers by obtaining additional subordinated capital or by reducing the Maximum Revolver Amount by an amount equal to the shortfall in EBITDA for any quarter (such addition or

reduction to be counted in calculating EBITDA for such quarter and for all calculations thereafter). Company, on a consolidated basis, shall not be permitted to spend more than 30% of its annual capital expenditure budget in any one quarter, with any unused amounts rolling forward to future periods.

Financial Reporting:

Company shall provide on a monthly basis within 30 days of each calendar month end consolidated financial statements including balance sheet, income statement detailing the month-to-date and year-to-date results.

The Company shall provide on a quarterly basis within 45 days of each quarter end: (i) consolidated financial statements including balance sheet, income statement, and statement of cash flow detailing the quarter-to-date and year-to-date results, together with management's discussion and analysis; and (ii) for each quarter only, a compliance certificate that includes a detailed calculation of cash EBITDA, fixed charges, and the fixed charge coverage ratio and leverage ratio covenant compliance.

The Company shall provide within 100 days of each year end on an annual basis, consolidated financial statements including balance sheet, income statement, and cash flow detailing year-to-date results together with management's discussion and analysis.

Events of Default:

The credit agreement governing the Facility will include such events of default applicable to the Loan Parties and their respective subsidiaries as are usual and customary for Agent's financings of this type, including (and certain of which will be subject to materiality thresholds, exceptions and grace periods to be mutually agreed upon): non-payment of obligations; non-performance of covenants and obligations; material judgments; bankruptcy or insolvency; any restraintment against all or a material portion of business affairs; default on other material debt (including secured hedging agreements); breach of any representation or warranty; limitation or termination of any guarantee with respect to the Facility; impairment of security; employee benefits; and actual or asserted invalidity or unenforceability of any Facility documentation or liens securing obligations under the Facility documentation.

Conditions Precedent to Closing:

Customary for Agent's loans of this type and those additional deemed appropriate by Agent and Lenders for this transaction,

including those conditions set forth on Annex B.

Voting:

With respect to the Facility, holders of 66-2/3% of the Revolver shall constitute Required Lenders (except, if and only if, CIT then holds a commitment under the Facility of at least \$7,500,000, when there are three or fewer unaffiliated Lenders in which case all Lenders shall constitute Required Lenders). With respect to the Collateral, an intercreditor agreement (the "*Intercreditor Agreement*") among Agent, the Swap Lenders and the Term Loan Lenders shall govern the respective rights of the Lenders, the Swap Lenders and the Term Loan Lenders, but in any event certain material actions with respect to the Collateral under the Intercreditor Agreement shall require consent of Required Lenders under the Facility together with consent of a majority of the term loans extended by the Term Loan Lenders and the Swap Lenders.

Assignments:

Each Lender shall be permitted to assign its rights and obligations under the Loan Documents, or any part thereof, to any person or entity with the consent of Agent and Borrowers (such consent not to be unreasonably withheld or conditioned); provided that no consent by Borrowers shall be required for assignments (a) to another Lender, an affiliate of a Lender or an approved fund under common control with a Lender or (b) after the occurrence and during the continuance of an event of default. Subject to customary voting limitations, each Lender shall be permitted to sell participations in such rights and obligations, or any part thereof to any person or entity without the consent of Borrowers.

Governing Law and Forum:

State of New York

Counsel to Agent:

Buchalter Nemer

Annex A-I

Interest Rates and Fees

Interest Rate Options Borrowers may elect that the loans bear interest at a rate *per annum* equal to:
(i) the Base Rate plus the Applicable Margin; or
(ii) the LIBOR Rate plus the Applicable Margin.

As used herein:

The "**Base Rate**" means the greatest of (a) the prime lending rate as publicly announced from time to time by Wells Fargo Bank, N.A., (b) the Federal Funds Rate plus 0.50% and (c) 3.0% per annum.

The "**LIBOR Rate**" means the greater of (a) the rate per annum appearing on Bloomberg L.P.'s (the "Service") Page BBAM (official BBA USD Dollar Libor Fixings), or on any successor or substitute page of such Service or any successor to or substitute for such Service, 1 Business Day prior to the commencement of the requested Interest Period, adjusted by the reserve percentage prescribed by governmental authorities as determined by Agent, and (b) 3.0% per annum. The LIBOR Rate shall be available for interest periods of 1, 2, or 3 months.

"**Applicable Margin**" means (i) 5.0% in the case of Base Rate Loans under the Revolver and (ii) 6.0% in the case of LIBOR Rate Loans under the Revolver (the "**Revolver LIBOR Margin**").

Interest Payment Dates In the case of loans bearing interest based upon the Base Rate ("**Base Rate Loans**"), monthly in arrears.

In the case of Loans bearing interest based upon the LIBOR Rate ("**LIBOR Rate Loans**"), on the last day of each relevant interest period.

Letter of Credit Fees An amount equal to the Revolver LIBOR Margin per annum times the undrawn amount of each Letter of Credit, payable in cash monthly in arrears, plus the charges imposed by the letter of credit issuing bank; provided however, that if the Default Rate is in effect, the

Letter of Credit Fee shall be increased by an additional 2.0% per annum.

- Default Rate** At any time when an event of default has occurred and is continuing and upon written election of Required Lenders (to be defined in the Loan Documents) all amounts due under the Facility shall bear interest at 2.0% above the interest rate otherwise applicable thereto.
- Rate and Fee Basis** All *per annum* rates shall be calculated on the basis of a year of 360 days and the actual number of days elapsed.
- Commitment Fee** A fee of \$200,000 shall be due and payable in full on the date of acceptance of the Commitment Letter.
- Closing Fee** In addition to the Commitment Fee, a fee of \$300,000 shall be payable in full on the Closing Date.
- Deferred Closing Fee** A fee of \$500,000 shall be earned on the Closing Date and shall be due and payable in 12 equal monthly payments commencing on the Closing Date, but payable in full on the earlier termination of the Facility.
- Second Deferred Closing Fee** A fee of \$500,000 shall be earned on the Closing Date, shall bear interest at the same rate (based on the Base Rate) as Advances, which interest shall be capitalized and added to the amount of such fee, and such fee and all accrued interest thereon shall be due and payable on the date of maturity or earlier termination of the Facility.
- Unused Revolver Fee** A fee in an amount equal to 0.50% per annum times the unused portion of the Revolver shall be due and payable monthly in arrears.
- Audit, Appraisal, and Examination Fees:** Borrowers would be required to pay (a) a fee of \$1,000 per day, per auditor, plus reasonable out-of-pocket expenses for each financial audit of the Loan Parties performed by personnel, employed by the Agent, (b) if implemented a fee of \$1,000 per day, per applicable individual, plus reasonable out-of-pocket expenses for the establishment of electronic collateral reporting, and (c) the actual charges paid or incurred by Agent if it elects to employ the services of one or more third persons to perform financial audits or quality of earnings analyses of any Borrower or its subsidiaries, to appraise the Collateral, or any portion thereof, or to assess any

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May 29, 2009
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Borrower's or its subsidiaries' business valuation.
Within 180 days after closing, Borrower shall have
provided to Agent an appraisal of such of the Collateral
as Agent may require.

Annex B

The Closing of the Facility is subject to the satisfaction of each of the following conditions precedent:

(a) Delivery of Loan Documents customary for transactions of this type duly executed by the Loan Parties (or applicable third parties as the case may be) including a credit agreement, security agreements, control agreements, the Intercreditor Agreement (which shall provide, among other things, that the pari-passu sharing of the Collateral among the Lenders, the Swap Lenders and the Term Loan Lenders shall be limited to the outstanding principal balance of the Swap Term Loan and the Term Loan (up to a maximum amount of \$31.5 million), as reduced by any principal payments thereon, and to accrued interest at rates and fees in amounts not exceeding those payable on the Facility), landlord waivers, mortgages, deeds of trust, title insurance, landlord consents, pledge agreements, intercreditor agreements and subordination agreements, and receipt of other documentation customary for transactions of this type including legal opinions, officers' certificates, instruments necessary to perfect the Agent's first priority security interest in the Collateral, and certificates of insurance policies and/or endorsements naming Agent as additional insured or loss payee, as the case may be, all in form and substance reasonably satisfactory to Agent and Lenders;

(b) All conditions to the effectiveness of the Plan of Reorganization (the "**Plan**") respecting the Cases shall have been satisfied and the Plan shall have been confirmed by the Court. The Borrowers, prior to or in connection with confirmation of the Plan, shall assume only such liabilities as are reasonably acceptable to the Agent and Lenders;

(c) The order of the Court confirming the Plan shall have been obtained and the Plan shall have otherwise become effective (in each case in form and substance acceptable to the Agent and Lenders) on or before September 15, 2009;

(d) Allowed Administrative claims and expenses in the Cases (other than (1) professional fees, (2) administrative claims and expenses incurred in the ordinary course of business and (3) administrative claims and expenses covered by insurance) do not exceed, in the aggregate, the amounts set forth in the budget (to be agreed upon) by more than \$2,500,000;

(e) Receipt of evidence of corporate authority and certificates of good standing or existence with respect to each Loan Party issued by the jurisdictions of organization of each Loan Party, all in form and substance reasonably satisfactory to Agent and Lenders;

(f) Receipt of certified copies of each Loan Party's governing documents and material agreements;

(g) Completion of Patriot Act searches, OFAC/PEP searches and customary individual background checks for the Loan Parties' senior management, the results of which are reasonably satisfactory to Agent and Lenders;

(h) Minimum availability under the Facility plus cash of the Loan Parties at closing, after giving effect to the Availability Block and the initial use of proceeds from the Revolver and the Term Loan (including the payment of all fees due on the Closing Date and expenses (including Expenses incurred through the Closing Date), of not less than \$7,500,000;

(i) The following transactions shall have occurred prior to or concurrently with the initial extension of credit under the Facility:

(i) There shall have been consummated a \$37,000,000 term loan facility (the "*Term Loan*") pursuant to which JPMorgan Chase Bank, N.A., and such other lenders as participate therein (with the Swap Lender, the "*Term Loan Lenders*") shall have funded \$30,000,000 (after giving effect to original issue discount), on terms and conditions reasonably satisfactory to Agent (it being understood and agreed that the terms and conditions set forth in the commitment letter dated as of the date hereof, between the Company and the Term Loan Lenders are acceptable to Agent and Lenders) which terms shall include, without limitation, that the aggregate principal amount of Term Loans in excess of \$31,500,000 shall be junior in right of mandatory prepayment and proceeds from Collateral to the prepayment of the Swap Term Loan and the Revolver);

(ii) Conversion of the pre-petition swap agreements entered into by Morgan Stanley into a term loan (the "*Swap Term Loan*") of \$7,513,897.20 (the net proceeds of which, after original issue discount, to equal \$7,439,502.18) held by Anchorage Crossover Credit Finance, Ltd., Anchorage Crossover Credit Offshore Master Fund, Ltd. and Anchorage Capital Master Offshore, Ltd., and JPMorgan Chase Bank, N.A. (the "*Swap Lenders*"), on terms and conditions reasonably satisfactory to Agent and Lenders (it being understood and agreed that the terms and conditions of the Swap Term Loan set forth in the commitment letter dated as of the date hereof, between the Company and the Term Loan Lenders are acceptable to Agent);

(j) Receipt of all governmental and third party approvals necessary or, in the reasonable opinion of the Agent, advisable in connection with the Facility and effective of the Plan, which shall all be in full force and effect.

EXHIBIT E
AMENDED AND RESTATED CERTIFICATES OF INCORPORATION OF
REORGANIZED DEBTORS

**SECOND AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
BALLY TOTAL FITNESS HOLDING CORPORATION**

BALLY TOTAL FITNESS HOLDING CORPORATION (the “Corporation”), a corporation organized and existing under the General Corporation Law of the State of Delaware (as amended, the “DGCL”), hereby certifies as follows:

A. That this corporation was originally incorporated on March 29, 1983 under the name Bally’s Health & Tennis Corporation. A Restated Certificate of Incorporation of this corporation was filed with the Secretary of State of the State of Delaware on December 19, 1995. An Amended and Restated Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on October 1, 2007 and a further Amended and Restated Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on October 5, 2007 (collectively, as amended, the “Certificate of Incorporation”).

B. This Second Amended and Restated Certificate of Incorporation (this “Certificate”) restates and integrates and further amends the provisions of the Certificate of Incorporation. This Certificate was proposed by the Board of Directors and duly adopted by the stockholders of the Corporation in the manner and by the vote prescribed by Sections 228, 242 and 245 of the DGCL. The text of the Certificate of Incorporation is hereby amended and restated to read in its entirety as follows:

ARTICLE ONE
Name of Corporation

FIRST: The name of the Corporation is BALLY TOTAL FITNESS HOLDING CORPORATION.

ARTICLE TWO
Address of Registered Agent

The address of the registered office of the Corporation is 1209 Orange Street, in the City of Wilmington, County of New Castle, State of Delaware. The name of the Corporation’s registered agent is The Corporation Trust Company.

ARTICLE THREE
Purpose

The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the DGCL.

ARTICLE FOUR

Definitions

A. The following capitalized terms have the following meanings when used in this Certificate.

1. “Affiliate” means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such Person; provided that no Shareholder shall be deemed an Affiliate of any other Shareholder solely by reason of any investment in the Corporation. For the purpose of this definition, the term “control” (including, with correlative meanings, the terms “controlling,” “controlled by” and “under common control with”), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

2. “Business Day” means any day except a Saturday, Sunday or other day on which commercial banks in New York, New York are authorized by law to close.

3. “Change of Control” means (a) the sale, exclusive license or other disposition of all or substantially all of the assets of the Corporation in any single transaction or series of related transactions, other than to an Affiliate, (b) the sale of all of the Shares held by the Drag-Along Initiator(s) pursuant to a Drag-Along Sale (as such term is defined in Article Seven), or (c) any merger, reorganization, consolidation or other transaction or series of transactions (other than with an Affiliate) involving the Corporation which results in the holders of Common Stock outstanding immediately prior to such transaction(s) failing to continue to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the Corporation or the surviving entity outstanding immediately after such transaction(s).

4. “Corporation Securities” means (a) Common Stock, (b) securities convertible into or exchangeable for Common Stock and (c) options (including the Management Options and RSUs), warrants (including the Warrants) or other rights to acquire Common Stock.

5. “Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Securities and Exchange Commission promulgated thereunder from time to time.

6. “First Public Offering” means the first public offering of Common Stock after the date hereof pursuant to an effective registration statement under the Securities Act, other than pursuant to a registration statement on Form S-4 or Form S-8 or any similar or successor form.

7. “Management Incentive Plan” shall have the meaning given to such term in the Plan.

8. “Management Options” shall have the meaning given to such term in the Plan.

9. “Participant” means an institution that has an account with the depository, with respect to a warrant in its account.

10. “Person” means an individual, corporation, limited liability company, partnership, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof, and shall include any successor of such entity.

11. “Plan” means the Amended Joint Plan of Reorganization of the Debtors under Chapter 11 of the Bankruptcy Code filed by the Corporation on July 7, 2009 (as may be amended).

12. “Prohibited Transfer” means any purported Transfer of Capital Stock made in violation of the provisions of Article Six (A).

13. “Public Offering” means a public offering of Common Stock pursuant to an effective registration statement under the Securities Act, other than pursuant to a registration statement on Form S-4 or Form S-8 or any similar or successor form.

14. “Purported Transferee” means, with respect to any Prohibited Transfer, the intended Transferee in such Prohibited Transfer.

15. “Restriction Release Date” means the date on which the Corporation has a class of equity securities registered under Section 12(b) or Section 12(g) of the Exchange Act or is otherwise required to file reports under Section 13 or Section 15(d) of the Exchange Act.

16. “RSUs” means the restricted stock units to be granted under the Management Incentive Plan.

17. “Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations of the Securities and Exchange Commission promulgated thereunder from time to time.

18. “Shareholder” means each Person (other than the Corporation) who “beneficially owns” (as such term is defined in Rule 13d-3 of the Exchange Act) any Common Stock.

19. “Shareholders’ Agreement” means the Shareholders’ Agreement, dated _____, 2009 (as amended and/or restated), by and among the Corporation and the Shareholders of the Corporation.

20. “Transfer” means, with respect to any Corporation Securities, (i) when used as a verb, to sell, assign, dispose of, exchange, pledge, encumber, hypothecate or otherwise transfer such Corporation Securities or any participation or interest therein,

whether directly or indirectly, or agree or commit to do any of the foregoing and (ii) when used as a noun, a direct or indirect sale, assignment, disposition, exchange, pledge, encumbrance, hypothecation or other transfer of such Corporation Securities or any participation or interest therein or any agreement or commitment to do any of the foregoing.

21. “Transfer Agent” means a trust company, bank or other custodian assigned by the Corporation to maintain books and records with respect to the ownership of record of shares of any class of Capital Stock.

22. “Transferee” means the recipient of a Transfer.

23. “Warrants” means the New Bally Warrants (as such term is defined in the Plan).

ARTICLE FIVE

Capital Stock

A. Authorized Stock. The total number of shares of stock which the Corporation shall have authority to issue is 17,000,000 shares of stock (the “Capital Stock”) consisting of 15,000,000 shares of Common Stock, par value \$0.01 per share (the “Common Stock”), and 2,000,000 shares of Preferred Stock, par value \$0.01 per share (the “Preferred Stock”).

B. Right to Designate Preferred Stock. Subject to Section D of this Article Five, the Board of Directors of the Corporation (the “Board”) is hereby expressly authorized, subject to limitations prescribed by law, to provide by resolution or resolutions for the issuance of the shares of Preferred Stock in one or more series and, by filing a certificate of designations pursuant to the DGCL setting forth a copy of such resolution or resolutions, to establish from time to time the number of shares to be included in each such series, and to fix the designation, powers (including voting powers, if any), preferences, and rights of the shares of each series and the qualifications, limitations, and restrictions thereof. The authority of the Board with respect to each series of Preferred Stock shall include, but not be limited to, determination of the following:

1. the number of shares constituting such series and the distinctive designation of that series;

2. the dividend rate, if any, on the shares of such series, whether dividends shall be cumulative, and, if so, from which date or dates, and the relative rights of priority, if any, of payment of dividends on shares of that series;

3. whether such series shall have voting rights, in addition to the voting rights provided by law, and, if so, the terms of such voting rights;

4. whether such series shall have conversion privileges and, if so, the terms and conditions of conversion, including provision for adjustment of the conversion rate in such events as the Board shall determine;

5. whether or not the shares of such series shall be redeemable, and, if so, the terms and conditions of such redemption, including the date or date upon or after which they shall be redeemable and the amount per share payable in case of redemption, which amount may vary under different conditions and at different redemption dates;

6. whether such series shall have a sinking fund for the redemption or purchase of shares of the series, and, if so, the terms and amount of such sinking fund;

7. the rights of the shares of such series in the event of voluntary or involuntary dissolution or winding up of the Corporation, and the relative rights of priority, if any, of payment of shares of that series; and

8. any other powers, preferences, rights, qualifications, limitations, and restrictions of such series.

C. Common Stock. Except as otherwise provided in this Certificate or by applicable law, the voting, dividend and liquidation rights of the holders of Common Stock are as follows:

1. Voting. Each holder of Common Stock shall be entitled to one vote for each share of Common Stock held by such holder on all matters submitted to stockholders for a vote.

2. Dividends and Distributions. Subject to the rights, if any, of the holders of any outstanding series of Preferred Stock, the holders of shares of Common Stock shall be entitled to receive such dividends and other distributions in cash, property or shares of stock of the Corporation as may be declared thereon by the Board from time to time out of assets or funds of the Corporation legally available therefor.

3. Liquidation Rights. In the event of any dissolution, liquidation or winding-up of the affairs of the Corporation, whether voluntary or involuntary, after payment or provision for payment of the debts and other liabilities of the Corporation and subject to the rights, if any, of the holders of any outstanding series of Preferred Stock, the remaining assets and funds of the Corporation, if any, shall be divided among and paid ratably to the holders of Common Stock in proportion to the number of shares held by them.

D. Bankruptcy Code Limitations. To the extent prohibited by Section 1123 of Chapter 11 of the Bankruptcy Code, as amended, the Corporation shall not issue non-voting equity securities; provided, however, that the foregoing (i) will have no further force and effect beyond that required under Section 1123 of the Bankruptcy Code, (ii) will have such force and effect, if any, only for so long as such Section 1123 is in effect and applicable to the Corporation and (iii) may be amended or eliminated in accordance with applicable law as from time to time in effect.

ARTICLE SIX

Certain Restrictions on Transfer

A. Unless otherwise expressly approved by the Board, prior to the Restriction

Release Date, no shares of Capital Stock shall be Transferred, if such Transfer would (i) constitute a violation of applicable laws, (ii) result in there being more than 275 holders of record of such class of Capital Stock as determined pursuant to Section 12(g) of the Exchange Act, with each Participant being a single holder of record for these purposes, or (iii) otherwise require the Corporation to register any class of Capital Stock under the Exchange Act or any other applicable federal or state securities laws.

B. No employee or agent of the Corporation, including any Transfer Agent on the books maintained by such Transfer Agent for that purpose, will record any Prohibited Transfer, and a Prohibited Transfer will be null and void, and will not be recognized by the Corporation, for any or all purposes. Without limitation, the Purported Transferee in any Prohibited Transfer of Capital Stock will not be recognized as a stockholder of the Corporation for any purpose whatsoever and will not be entitled with respect to such Capital Stock to any rights of stockholders of the Corporation, including without limitation the rights to vote such Capital Stock and to receive dividends or distributions, whether liquidating or otherwise, in respect thereof, if any.

C. The Board will have the sole power to make determinations regarding compliance with this Article Six and any matters related thereto; and the good faith determination of the Board on such matters will be conclusive and binding for all purposes of this Article Six; provided, however, the Board may designate a sub-committee of the Board or an officer of the Corporation to make any determination or approval required by this Article Six.

D. Each certificate representing Capital Stock issued prior to the Restriction Release Date will contain the legend that refers to the restrictions set forth in this Article Six as follows:

“THE TRANSFER OF THE SECURITIES REPRESENTED HEREBY IS SUBJECT TO RESTRICTIONS PURSUANT TO ARTICLE SIX OF THE SECOND AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF BALLY TOTAL FITNESS HOLDING CORPORATION. BALLY TOTAL FITNESS HOLDING CORPORATION WILL FURNISH A COPY OF ITS SECOND AMENDED AND RESTATED CERTIFICATE OF INCORPORATION TO THE HOLDER OF RECORD OF THIS CERTIFICATE WITHOUT CHARGE UPON WRITTEN REQUEST ADDRESSED TO THE CORPORATION AT ITS PRINCIPAL PLACE OF BUSINESS.”

ARTICLE SEVEN

Drag-Along Rights

A. Drag-Along Rights

1. Subject to Sections B and C of this Article Seven, if any Person (or group of Persons) that is not a Shareholder or an Affiliate thereof makes a *bona fide* offer to engage in any transaction or series of transactions that would result in a Change of Control, and such transaction or transactions are approved by Shareholders holding a majority of the issued and outstanding Common Stock, (such transaction or transactions, a “Drag-Along Sale” and the Shareholder(s) approving such Drag-Along Sale, a “Drag-Along Initiator”), the Drag-Along Initiator shall have the right (a “Drag-Along Right”), but not the obligation, to require each other Shareholder (a “Dragged Person”) to tender for purchase to the proposed Transferee, on the same terms and conditions as apply to the Drag-Along Initiator, the same proportionate share of Corporation Securities held by such Dragged Person being sold by the Drag-Along Initiator; provided, each Dragged Person, in its capacity as a Shareholder, shall also vote in favor of any Drag-Along Sale to the extent such transaction(s) requires the approval of the Shareholders, provided the terms of the Drag-Along Sale are consistent with this Article Seven.

2. If a Drag-Along Initiator elects to exercise its Drag-Along Right under this Article Seven, such Drag-Along Initiator shall give each Dragged Person, at least ten (10) Business Days prior to the proposed Drag-Along Sale, a written notice (a “Drag-Along Notice”) containing (i) the number of Corporation Securities proposed to be Transferred in such Drag-Along Sale (with warrants, options, convertible securities and other common equivalents counted on an as-converted or as-exercised basis) (the “Drag-Along Terms”), (ii) the name and address of the proposed Transferee and (iii) the consideration for which the Transfer is proposed to be made, and all other material terms and conditions of the Drag-Along Terms, including the form of the proposed agreement, if any. Upon the receipt of a Drag-Along Notice, the Dragged Person shall be obligated to sell the Corporation Securities held by such Dragged Person.

3. No later than five (5) Business Days prior to the proposed closing for the Drag-Along Sale, each Dragged Person shall deliver to the Corporation (or its designated agent) (i) the certificate or certificates, if any, representing the Corporation Securities of such Dragged Person to be included in the Drag-Along Sale, together with a limited power-of-attorney authorizing the Drag-Along Initiator to Transfer such Corporation Securities on the terms set forth in the Drag-Along Notice or, in the case of Corporation Securities held in book-entry form or through direct registration, shall make other delivery arrangements reasonably satisfactory to the Corporation and (ii) wire transfer instructions for payment of the purchase price for the Corporation Securities to be sold in such Drag-Along Sale.

4. If any Dragged Person fails to make the deliveries described in the previous paragraph within the prescribed time, the Corporation shall have the right, but

not the obligation, to redeem, immediately prior to the consummation of the Drag-Along Sale, the Corporation Securities of such Dragged Person at a redemption price equal to the consideration set forth in the Drag-Along Notice, payable upon the terms and subject to the conditions contained in the Drag-Along Notice. Such Dragged Person shall surrender the Corporation Securities, including the certificates, if any, for any shares to be redeemed, properly endorsed or assigned for transfer, if the Corporation shall so require, and such Corporation Securities shall be redeemed by the Corporation at the redemption price. Such Corporation Securities shall no longer be deemed to be outstanding and shall not have the status of shares of Corporation Securities, and all rights of the Dragged Persons thereof as Shareholders (except the right to receive from the Corporation the redemption price, without interest) shall cease; provided, that, regardless of whether the certificates for any shares so redeemed are surrendered to the Corporation, all rights of such Dragged Persons as Shareholders shall cease.

5. The Drag-Along Initiator shall Transfer, on behalf of itself and all Dragged Persons, the Corporation Securities subject to the Drag-Along Sale at the same time and on the same terms and conditions as set forth in the Drag-Along Notice. Concurrently with the consummation of the Drag-Along Sale, (i) the Drag-Along Initiator shall notify the Dragged Persons thereof (including identifying the manner of delivery for any non-cash consideration) and (ii) the total consideration due to each Dragged Person shall be remitted to such party, with the cash portion of the purchase price paid by wire transfer of immediately available funds in accordance with the wire transfer instructions of such Dragged Person. Promptly after the consummation of such Drag-Along Sale, the Drag-Along Initiator shall furnish such other evidence of the completion and the date of completion of such Transfer as may be reasonably requested by such Dragged Person.

6. If the Drag-Along Initiator has not completed the Transfer of all such Corporation Securities on the same terms and conditions as set forth in the Drag-Along Notice within 90 calendar days of the date of the Drag-Along Notice (which 90 calendar day period shall be extended if any of the transactions contemplated by the Drag-Along Sale are subject to regulatory approval until the expiration of five (5) Business Days after all such approvals have been received, but in no event later than 180 calendar days from the date of the Drag-Along Notice), (i) the Corporation (or its designated agent) shall return to each Dragged Person, to the extent previously provided, the limited power-of-attorney (and all copies thereof) together with all Corporation Securities, including the certificates representing the Corporation Securities, if any, that such Dragged Person delivered for Transfer pursuant to this Article Seven and any other documents executed by the Dragged Persons in connection with the proposed Drag-Along Sale and (ii) the Drag-Along Initiator shall not conduct any Transfer of Corporation Securities prior to the return to each Dragged Person of all documents referred to in clause (i) and without again complying with this Article Seven.

7. The Corporation shall, and shall cause its employees, accountants and other advisors, representatives and agents to, use its and their commercially reasonable efforts to take all reasonable and necessary action to assist a Drag-Along Initiator in its efforts to effect a Drag-Along Sale, including permitting *bona fide* prospective purchasers to conduct customary due diligence of the Corporation in a reasonable manner, during

regular business hours and upon reasonable advance notice, subject to (a) the execution and delivery of a customary confidentiality agreement with the Corporation and (b) the Corporation's and its board of director's compliance with applicable laws, rules, regulations and orders and any restrictions or commitments in any contracts or agreements to which the Corporation or any of its subsidiaries is a party or by which it or any of them is bound.

B. Additional Conditions to Drag-Along Sales. Notwithstanding anything contained in Section A of this Article Seven, the obligations of Shareholders to participate in a Drag-Along Sale are subject to the following conditions:

1. upon the consummation of such Drag-Along Sale, all of the Shareholders participating therein will receive the same form and amount of consideration per share as the Drag-Along Initiator, or, if any Shareholder is given an option as to the form and amount of consideration to be received, all Shareholders participating therein will be given the same option;

2. no Person shall be obligated, pursuant to this Certificate to pay any expenses incurred in connection with any unconsummated Drag-Along Sale and each Shareholder shall be obligated to pay only its *pro rata* share (based on the number of shares of Corporation Securities Transferred) of expenses incurred in connection with a consummated Drag-Along Sale; and

3. each Dragged Person shall (i) make such representations, warranties and covenants and enter into such definitive agreements as are customary for transactions of the nature of the proposed Transfer and as are the same as those applicable to the Drag-Along Initiator; provided that, if such Dragged Persons are required to provide any representations or indemnities in connection with such Transfer (other than representations and indemnities concerning each such Dragged Person's title to the Corporation Securities and authority, power and right to enter into and consummate the Transfer without contravention of any law or agreement), liability for misrepresentation or indemnity shall (as to such Dragged Persons) be expressly stated to be several but not joint and each such Dragged Person shall not be liable for more than the net proceeds received by such Shareholder in connection with such Transfer; provided, further that, no Dragged Person shall be required to provide any representations or warranties other than with respect to each such Dragged Person's title to the Corporation Securities and authority, power and right to enter into and consummate the Transfer without contravention of any law or agreement, but each Shareholder may be required to bear its proportionate share of any indemnity, escrow, holdback or adjustment in purchase price in connection with any such representations or warranties; provided, further that, no Shareholder will be required or deemed to have agreed to any noncompete, nonsolicitation or any other nonfinancial terms without its express written consent, (ii) be subject to and benefit from all of the same provisions of the definitive agreements as the Drag-Along Initiator, and (iii) be required to bear their proportionate share of any escrows, holdbacks or adjustments in purchase price.

C. Termination of Drag-Along Rights. The rights and obligations under this Article

Seven shall terminate upon the First Public Offering.

ARTICLE EIGHT

Shareholders' Agreement

Each Shareholder who (i) acquires Common Stock prior to the consummation of the First Public Offering, (ii) acquires, by Transfer, Common Stock that was issued prior to the consummation of the First Public Offering, regardless of whether such Transfer occurs before or after the First Public Offering (other than, and with respect to, any shares of Common Stock that are acquired in the open market following the First Public Offering) or (iii) acquires Common Stock pursuant to the exercise of any Management Options or Warrants or pursuant to a distribution with respect to any RSU, regardless of whether such exercise or distribution occurs before or after the First Public Offering, shall be deemed to be a party to, and each such share of Common Stock shall be subject to, the Shareholders' Agreement until such Agreement shall cease to be in effect according to its terms.

ARTICLE NINE

Shareholder Approvals

A. Shareholder Approvals. Without the prior written approval of holders of a majority of the issued and outstanding Common Stock, the Corporation shall not, and shall not permit any of its subsidiaries to:

1. enter into a new line of business or materially change its existing business;
2. incur, amend or waive or enter into any agreement providing for the incurrence, amendment or waiver of any (i) obligations for borrowed money, (ii) obligations representing the deferred purchase price of property or services other than accounts payable arising in the ordinary course of business, (iii) capitalized lease obligations, or (iv) obligations with respect to guarantees (direct or indirect and however named) of any obligations of any Person, in each case, greater than \$25 million individually or in the aggregate (other than in connection with the refinancing of the Corporation's Exit Term Loan Facility (as such term is defined in the Plan)), or accelerate or enter into any agreement providing for the acceleration of the repayment of any of the foregoing;
3. authorize, issue or sell or enter into any agreement providing for the issuance or sale (contingent or otherwise) of any equity securities or debt securities with equity features or any other security directly or indirectly convertible, exercisable or exchangeable for any of the foregoing;
4. authorize, declare or approve or enter into any agreement providing for the authorization, declaration or approval of any direct or indirect dividend on any class of equity securities or debt securities with equity features or any other security directly or indirectly convertible, exercisable or exchangeable for any of the foregoing, or any redemption or repurchase thereof (other than mandatory redemption obligations and/or repurchase rights with regard to terminated employees);

5. authorize, approve or enter into any agreement providing for any material transaction with an Affiliate or with an Affiliate of any member of management or a family member thereof, except for salary, benefits, advances and expense reimbursement to employees in the ordinary course of business;

6. amend or waive or enter into any agreement providing for the amendment or waiver of any provision of its certificate of incorporation (by merger or otherwise), bylaws or other organizational documents, including an adoption of or amendment to a certificate of designation;

7. authorize, approve or enter into any agreement providing for any acquisition of any interest in any other business or entity (whether such transaction is structured as an asset purchase, an equity purchase, a merger or otherwise), any entry into (or material amendment of the terms of) any joint venture, strategic alliance, partnership or similar arrangement involving consideration (including any contingent consideration and any consideration tied to subsequent related acquisitions or other transactions) in excess of \$5 million;

8. authorize, engage or enter into any sales, leases, spin-offs and other dispositions of businesses or assets involving consideration (including any contingent consideration and any consideration tied to subsequent related dispositions or other transactions) in excess of \$5 million, individually, and \$25 million, in the aggregate;

9. undertake the First Public Offering;

10. authorize, approve or enter into any agreement providing for a Change of Control or other recapitalization or reorganization;

11. authorize, approve or enter into any merger, consolidation or similar transaction; and

12. authorize, approve or enter into agreement or commitment to take any of the foregoing actions.

B. Termination of Shareholder Approvals. The rights and obligations under this Article Nine shall terminate upon the First Public Offering.

ARTICLE TEN

Bylaws

In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the Board is expressly authorized to make, alter, amend and repeal the Bylaws of the Corporation.

ARTICLE ELEVEN

Election of Directors

The business and affairs of the Corporation shall be managed by or under the direction of the Board. The number of directors of the Corporation shall be as from time to time fixed by, or in the manner provided in, the Bylaws of the Corporation. Unless and except to the extent that the Bylaws of the Corporation shall so require, the election of directors need not be by written ballot.

ARTICLE TWELVE

Business Combinations with Interested Stockholders

The Corporation shall not be governed by the provisions of Section 203 of the DGCL.

ARTICLE THIRTEEN

Indemnification of Directors and Officers

To the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, the Corporation shall indemnify and hold harmless any person serving as a director or officer of the Corporation on or after August [], 2009 (a “Covered Person”) who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative, at any time before, on or after August [], 2009, by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was, at any time before, on or after August [], 2009, a director or officer of the Corporation or, while a director or officer of the Corporation, is or was, at any time before, on or after August [], 2009, serving at the request of the Corporation as a director, officer, employee, agent, fiduciary or in any other capacity of another corporation or of a partnership, joint venture, limited liability company, trust, unincorporated organization, association, estate, nonprofit entity, or other entity or enterprise, governmental or otherwise, including service with respect to employee benefit plans maintained or sponsored by the Corporation (each, a “Covered Proceeding”), against all liability and loss suffered and expenses (including attorneys’ fees) reasonably incurred by such Covered Person in connection with such Covered Proceeding. Notwithstanding the preceding sentence, except as otherwise provided in the Bylaws (as the same may provide from time to time), the Corporation shall be required to indemnify a Covered Person in connection with a proceeding (or a part thereof) commenced by such Covered Person only if the commencement of such proceeding (or part thereof) by the Covered Person was authorized by the Bylaws, in any written agreement with the Corporation, or in the specific case by the Board. If a claim for indemnification (following the final disposition of an action, suit or proceeding) is not paid in full within 30 days after a written demand therefor by the Covered Person has been received by the Corporation, the Covered Person may file suit to recover the unpaid amount of such claim, and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. Nothing contained in this Article Thirteen shall affect any rights to indemnification to which directors, officers, employees or agents of the Corporation otherwise may be entitled under the Bylaws, any written agreement with the Corporation or otherwise. The Corporation may, to the extent authorized from time to time by the Board, grant rights to indemnification to any employee or agent of the Corporation to the fullest extent of the provisions of this Article Thirteen with respect to the indemnification of directors and officers of the Corporation. Any amendment, modification or repeal of this Article Thirteen shall be prospective only, and shall not adversely affect any right or protection of a Covered Person existing at the time of, or increase the liability of any Covered Person with

respect to any acts or omissions of such Covered Person occurring prior to, such amendment, modification or repeal. The rights provided hereunder shall inure to the benefit of any Covered Person and such person's heirs, executors and administrators.

ARTICLE FOURTEEN ***Advancement of Expenses***

To the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, the Corporation shall advance expenses reasonably incurred by any Covered Person (which shall include attorneys' fees) to such Covered Person who was or is made or is threatened to be made a party or is otherwise involved in any Covered Proceeding. Nothing contained in this Article Fourteen shall affect any rights to advancement of expenses to which directors or officers of the Corporation otherwise may be entitled under the Bylaws, any written agreement with the Corporation or otherwise. If a claim for advancement of expenses is not paid in full within 30 days after a written demand therefor by the Covered Person has been received by the Corporation, the Covered Person may file suit to recover the unpaid amount of such claim, and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. The Corporation may, to the extent authorized from time to time by the Board, grant rights to advancement of expenses to any employee or agent of the Corporation to the fullest extent of the provisions of this Article Fourteen with respect to the advancement of expenses to directors and officers of the Corporation. Any amendment, modification or repeal of this Article Fourteen shall be prospective only, and shall not adversely affect any right or protection of a Covered Person existing at the time of such amendment, modification or repeal. Expenses shall be advanced only upon delivery to the Corporation of an undertaking, by or on behalf of a Covered Person, to repay such expenses if it shall ultimately be determined that he or she is not entitled to be indemnified by the Corporation as set forth in Article Thirteen or otherwise. The rights provided hereunder shall inure to the benefit of any Covered Person and such person's heirs, executors and administrators.

ARTICLE FIFTEEN ***Limitation on Director Liability***

The personal liability of directors to the Corporation and its stockholders shall be eliminated to the fullest extent permitted by Section 102(b)(7) of the DGCL, as may be amended and supplemented from time to time. Any amendment, modification or repeal of this Article Fifteen shall be prospective only, and shall not adversely affect any limitation on the personal liability of a director of the Corporation existing at the time of such amendment, modification or repeal.

ARTICLE SIXTEEN ***Corporate Opportunities***

In recognition and anticipation that (i) certain holders of Common Stock, their Affiliates (as defined below), and their respective directors, principals, officers, members, partners, shareholders, employees and/or other representatives may now engage, may continue to engage,

or may, in the future, decide to engage, in the same or similar activities or related lines of business as those in which the Corporation, directly or indirectly, may, now or in the future, engage and/or other business activities that overlap with or compete with those in which the Corporation, directly or indirectly, may, now or in the future, engage, and (ii) members of the Board who are not officers or employees of the Corporation (“Non-Employee Directors,” and together with their Affiliates and the persons identified in clause (i) above, collectively, the “Identified Persons”) and their respective Affiliates may now engage, may continue to engage, or may, in the future, decide to engage, in the same or similar activities or related lines of business as those in which the Corporation, directly or indirectly, may, now or in the future, engage and/or other business activities that overlap with or compete with those in which the Corporation, directly or indirectly, may, now or in the future, engage, the provisions of this Article Sixteen are set forth to regulate and define the conduct of certain affairs of the Corporation with respect to certain classes or categories of business opportunities as they may involve the Identified Persons and the powers, rights, duties and liabilities of the Corporation and its directors, officers and stockholders in connection therewith.

A. None of the Identified Persons shall have any duty to refrain, directly or indirectly, from (x) engaging in a Corporate Opportunity or (y) otherwise competing with the Corporation, and, to the fullest extent permitted by the DGCL, no Identified Person shall be liable to the Corporation or its stockholders for breach of any fiduciary duty solely by reason of the fact that such Identified Person engages in any such activities. The Corporation hereby renounces any interest or expectancy in, or in being offered an opportunity to participate in, any Corporate Opportunity for both an Identified Person and the Corporation or any of its Affiliates, except as specifically provided in Section C. A “Corporate Opportunity” is any matter, transaction or interest in the same or similar business activities or lines of business in which the Corporation or any of its Affiliates now engages or proposes to engage that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of any Identified Person, unless such matter, transaction or interest is presented to, or acquired, created or developed by, or otherwise comes into the possession of, an Identified Person expressly and solely in such Identified Person’s capacity as a director of the Corporation.

B. In the event that any Identified Person acquires knowledge of a potential transaction or other business opportunity which may be a Corporate Opportunity both for itself or himself and the Corporation or any of its Affiliates, such Identified Person shall have no duty to communicate or offer such transaction or other business opportunity to the Corporation or any of its Affiliates and, to the fullest extent permitted by the DGCL, shall not be liable to the Corporation or its stockholders for breach of any fiduciary duty as a stockholder, director or officer of the Corporation solely by reason of the fact that such Identified Person pursues or acquires such Corporate Opportunity for itself or himself, or offers or directs such Corporate Opportunity to another person.

C. The Corporation does not renounce its interest in any Corporate Opportunity offered to any Non-Employee Director if such Opportunity is expressly offered to such person expressly and solely in his or her capacity as a director of the Corporation and the provisions of Section A and Section B shall not apply to any such Corporate Opportunity.

D. In addition to and notwithstanding the foregoing provisions of this Article

Sixteen, a Corporate Opportunity shall be deemed not to be a potential Corporate Opportunity for the Corporation if it is a business opportunity that the Corporation is not financially able or contractually permitted or legally able to undertake, or that is, from its nature, not in the line of the Corporation's business or is of no practical advantage to it or that is one in which the Corporation has no interest or reasonable expectancy.

E. Solely for purposes of this Article Sixteen, "Affiliate" shall mean (A) in respect of any specified person (other than the Corporation), any other person that, directly or indirectly, is controlled by, controls or is under common control with such specified person and shall include any principal, member, director, partner, shareholder, officer, employee or other representative of any of the foregoing, (B) in respect of a Non-Employee Director, any person that, directly or indirectly, is controlled by such Non-Employee Director (other than the Corporation and any entity that is controlled by the Corporation) and (C) in respect of the Corporation, any person that, directly or indirectly, is controlled by the Corporation.

* * * * *

The UNDERSIGNED, being the Secretary of the Corporation, does hereby certify that the Corporation has restated its Certificate of Incorporation as set forth above, does hereby certify that this second amendment and restatement of the Certificate of Incorporation has been duly adopted in accordance with the applicable provisions of Sections 228, 242 and 245 of the General Corporation Law of the State of Delaware, as amended, and does hereby make and file this Certificate.

Dated: _____

[Name]
[Title]

AMENDED AND RESTATED BYLAWS
OF
BALLY TOTAL FITNESS HOLDING CORPORATION

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**AMENDED AND RESTATED BYLAWS
OF
BALLY TOTAL FITNESS HOLDING CORPORATION**

**ADOPTED ON
_____, 2009**

**ARTICLE I.
IDENTIFICATION; OFFICES**

Section 1. NAME. The name of the corporation is BALLY TOTAL FITNESS HOLDING CORPORATION (the “Corporation”).

Section 2. REGISTERED AGENT AND REGISTERED OFFICE. The registered office of the Corporation shall be 1209 Orange Street, in the City of Wilmington, County of New Castle, State of Delaware. The name of the Corporation’s registered agent is The Corporation Trust Company.

Section 3. OTHER OFFICES. The Corporation may also have offices at such other places, within or outside the State of Delaware, as the Board of Directors of the Corporation (the “Board”) may from time to time determine or the business of the Corporation may require.

Section 4. PLACE OF KEEPING CORPORATE RECORDS. The records and documents required by law to be kept by the Corporation permanently shall be kept at the Corporation’s principal office.

**ARTICLE II.
MEETINGS OF STOCKHOLDERS**

Section 1. PLACE OF MEETINGS. Meetings of stockholders shall be held at any place, within or outside the State of Delaware, designated by the Board. The Board may, in its sole discretion, determine that a meeting of stockholders shall not be held at any place, but may instead be held solely by means of remote communication as authorized by Section 211 (a)(2) of the General Corporation Law of the State of Delaware (as amended from time to time, the “DGCL”). In the absence of any such designation or determination, stockholders’ meetings shall be held at the principal executive office of the Corporation.

Section 2. ANNUAL MEETINGS OF STOCKHOLDERS. Unless directors are elected by written consent in lieu of an annual meeting as permitted by Section 10 of this Article II, an annual meeting of stockholders shall be held for the election of directors on a date and at a time designated by or in the manner provided in these Bylaws. Stockholders may, unless the

Corporation's Second Amended and Restated Certificate of Incorporation (as amended and/or restated from time to time, the "Certificate of Incorporation") provides otherwise, act by written consent to elect directors. Any other proper business may be transacted at the annual meeting.

Section 3. QUORUM; ADJOURNED MEETINGS AND NOTICE THEREOF. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, the holders of a majority in voting power of the shares of stock of the Corporation issued and outstanding and entitled to vote at the meeting, whether present in person, by means of remote communication or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of the stockholders. A quorum, once established, shall not be broken by the withdrawal of enough votes to leave less than a quorum and the votes present may continue to transact business until adjournment in accordance with Section 5 of this Article II. Any meeting of stockholders may be adjourned from time to time by the chairperson presiding over the meeting or by a majority in voting power of the stockholders present, and may be reconvened at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Corporation may transact any business that could have been transacted at the original meeting. If the adjournment is for more than thirty (30) days or, if after the adjournment, a new record date is fixed for the adjourned meeting, notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the adjourned meeting.

Section 4. CONDUCT OF BUSINESS. The Board may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations adopted by the Board, the chairperson presiding over any meeting of the stockholders shall have the right and authority to convene and to adjourn the meeting, to determine the order of business at the meeting, to prescribe such rules, regulations and procedures, including such regulation of the manner of voting and the conduct of business, and to do all such acts as, in the judgment of such chairperson, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board or prescribed by the chairperson of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the chairperson of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; (v) limitations on the time allotted to questions or comments by participants; (vi) the date and time of the opening and closing of the polls for each matter upon which the stockholders will vote; and (vii) a determination and declaration, if the facts warrant, that a matter or business was not properly brought before the meeting and if such chairperson should so determine, such chairperson shall so declare and any such matter or business not properly brought before the meeting shall not be transacted or considered. Unless and to the extent determined by the Board or the person presiding over the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

Section 5. VOTING. When a quorum is present at any meeting of stockholders, in all matters other than the election of directors, the vote of the holders of a majority in voting power of the shares of stock of the Corporation issued and outstanding and entitled to vote on the subject matter shall decide any question brought before such meeting, unless the question is one upon which a different vote is required by express provision of applicable law, the Certificate of Incorporation, these Bylaws or any regulation or law applicable to the Corporation or its securities, in which case such express provision shall govern and control the decision of such question. Unless otherwise provided in the Certificate of Incorporation, directors shall be elected by a plurality of the votes cast by shares present in person, by means of remote communication or represented by proxy at the meeting and entitled to vote on the election of directors. Unless otherwise provided in the Certificate of Incorporation, each stockholder shall have one vote for each share of stock having voting power, registered in such stockholder's name on the books of the Corporation on the record date set by the Board as provided in Article V, Section 4 hereof. Voting at meetings of stockholders need not be by written ballot.

Section 6. PROXIES. Except as otherwise provided by law or pursuant to the provisions of the Certificate of Incorporation, each stockholder entitled to vote at a meeting of stockholders or to express consent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy authorized by an instrument in writing or by an electronic transmission permitted by law that is filed in accordance with the procedure established for the meeting, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy that is not irrevocable by attending the meeting and voting in person or by delivering to the secretary of the Corporation a revocation of the proxy or a new proxy bearing a later date.

Section 7. SPECIAL MEETINGS. Unless otherwise provided by law or the Certificate of Incorporation, special meetings of the stockholders, for any purpose or purposes, may be called by (i) the chairperson of the Board, (ii) the chief executive officer of the Corporation, (iii) a majority of the Board, or (iv) stockholders holding a majority of the issued and outstanding common stock of the Corporation, and shall be held on such date and time as the Board determines. Such special meetings may not be called by any other person or persons. The request for special meetings shall state the purpose or purposes of the proposed meeting. Business transacted at any special meeting of stockholders shall be limited to the purpose or purposes stated in the notice.

Section 8. NOTICE OF STOCKHOLDERS' MEETINGS. Whenever stockholders are required or permitted to take any action at a meeting, a notice of the meeting shall be given stating the place, if any, date and hour of the meeting, the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by law, the Certificate of Incorporation or these Bylaws, the notice of any meeting shall be given to each stockholder entitled to vote at such meeting in accordance with Article VI, Section 4

hereof and not less than ten nor more than 60 days before the date of the meeting. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the Corporation. If electronically transmitted, notice is given as provided in Article VI, Section 4 of these Bylaws. An affidavit of the secretary or an assistant secretary of the Corporation or of the transfer agent or any other agent of the Corporation that the notice has been given by mail or by a form of electronic transmission, as applicable, shall, in the absence of fraud, be *prima facie* evidence of the facts stated therein. Notice of any meeting may be waived by any stockholder before or after such meeting.

Section 9. MAINTENANCE AND INSPECTION OF STOCKHOLDER LIST. The officer who has charge of the stock ledger of the Corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. The Corporation shall not be required to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to examination by any stockholder, for any purpose germane to the meeting, for a period of at least ten days prior to the meeting: (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours at the principal place of business of the Corporation. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. If the meeting is to be held at a place (instead of by remote communication), then the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. Except as otherwise provided by law, the stock ledger shall be the only evidence as to which of the stockholders are entitled to examine the stock ledger, the list of stockholders, the books of the Corporation or to vote in person or by proxy at any meeting of the stockholders.

Section 10. STOCKHOLDER ACTION BY WRITTEN CONSENT WITHOUT A MEETING. Unless otherwise restricted by the Certificate of Incorporation, any action required or permitted by the DGCL to be taken at any annual or special meeting of stockholders of the Corporation, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted, and shall be delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or to an officer or agent of the Corporation having custody of the book in which minutes of proceedings of stockholders are recorded. Every written consent shall bear the date of signature of each stockholder who signs the consent and no written consent shall be effective to take the corporate action referred to therein unless, within 60 days of the earliest

dated consent delivered to the Corporation in the manner required by this Article II, Section 10, written consents signed by a sufficient number of holders to take action are delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or to an officer or agent of the Corporation having custody of the book in which minutes of proceedings of stockholders are recorded. A telegram, cablegram or other electronic transmission consenting to an action to be taken and transmitted by a stockholder shall be deemed to be written, signed and dated for the purposes of this Article II, Section 10, provided that any such telegram, cablegram or other electronic transmission sets forth or is delivered with information from which the Corporation can determine (i) that the telegram, cablegram or other electronic transmission was transmitted by the stockholder or proxyholder or by a person or persons authorized to act for a stockholder or proxyholder and (ii) the date on which such stockholder or proxyholder or authorized person or persons transmitted such telegram, cablegram or electronic transmission. The date on which the telegram, cablegram or electronic transmission is transmitted shall be deemed to be the date on which such consent was signed. No consent given by telegram, cablegram or other electronic transmission shall be deemed to have been delivered until such consent is reproduced in paper form and until such paper form is delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which minutes of proceedings of stockholders are recorded. Delivery made to a Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. Any copy, facsimile or other reliable reproduction of a consent in writing may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used, provided that such copy, facsimile or other reproduction shall be a complete reproduction of the entire original writing. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall, to the extent required by law, be given to those stockholders who have not consented in writing and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for such meeting had been the date that written consents signed by a sufficient number of holders to take the action were delivered to the Corporation as provided above. In the event that the action which is consented to is such as would have required the filing of a certificate under any provision of the DGCL if such action had been voted on by stockholders at a meeting thereof, the certificate filed under such provision shall state, in lieu of any statement required by such provision concerning any vote of stockholders, that written consent has been given in accordance with Section 228 of the DGCL.

ARTICLE III. DIRECTORS

Section 1. THE NUMBER OF DIRECTORS. The number of directors which shall constitute the whole Board of Directors shall be not less than three or more than eleven, with the exact number of directors to be determined from time to time by resolution of the Board. The number of directors constituting the entire Board may be increased or decreased only pursuant to a resolution adopted by the affirmative vote of a majority of the directors then in office or a majority in voting power of the shares of stock of the Corporation issued and outstanding and entitled to vote thereon. The directors need not be

stockholders. Except as otherwise provided in Section 2 of this Article III, directors shall be elected at the annual meeting of the stockholders and each director elected shall hold office until such director's successor is elected and qualified or until the earlier of such director's resignation or removal. Any director may resign at any time upon notice given in writing or by electronic transmission to the Corporation as provided in Article VI, Section 4 of these Bylaws. When one or more directors so resigns, vacancies shall be filled as provided in Section 2 of this Article III.

Section 2. VACANCIES. Unless otherwise provided in the Certificate of Incorporation or these Bylaws, vacancies on the Board by reason of death, resignation, retirement, disqualification, removal from office or otherwise, and newly created directorships resulting from any increase in the authorized number of directors, may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director. Each director so chosen shall hold office until the next annual election of directors and until such director's successor is duly elected and qualified, or until such director's earlier resignation or removal.

Section 3. PLACE OF DIRECTORS' MEETINGS. The Board may hold meetings, both regular and special, either within or outside the State of Delaware. The chairperson of the Board shall preside over all meetings of the Board.

Section 4. REGULAR MEETINGS. Regular meetings of the Board may be held without notice at such time and place as shall from time to time be determined by the Board.

Section 5. SPECIAL MEETINGS. Special meetings of the Board shall be called, on not less than twenty-four (24) hours' prior notice to each director, either personally or by mail, by facsimile, by electronic transmission or by telegram, by the chairperson of the Board, the chief executive officer of the Corporation or two directors unless the Board consists of only one director, in which case special meetings of the Board shall be called by the sole director.

Section 6. QUORUM. At all meetings of the Board a majority of the directors then serving shall be necessary and sufficient to constitute a quorum for the transaction of business unless applicable law, the Certificate of Incorporation or these Bylaws require a greater number. The vote of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board, except as may be otherwise specifically provided by the DGCL, the Certificate of Incorporation or these Bylaws. If a quorum is not present at any meeting of the Board, then the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. If only one director is authorized, such sole director shall constitute a quorum. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

Section 7. ACTION WITHOUT MEETING. Any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting, without prior notice and without a vote, if all members of the Board or committee,

as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 8. TELEPHONIC MEETINGS. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, members of the Board, or any committee designated by the Board, may participate in a meeting of the Board, or any committee, by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at such meeting.

Section 9. COMMITTEES OF DIRECTORS. The Board may designate one or more committees, each such committee to consist of one or more of the directors of the Corporation. Each committee member shall serve a term on such committee coexistent with such member's term on the Board. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member. Notwithstanding the foregoing, the composition and duties of any committee shall comply with the rules and regulation or law applicable to the Corporation or its securities. The delegation of any decision to a committee of the Board, and the votes required for the making of such decision by such committee, shall have the same approval requirements as the taking of such action by the Board. Any such committee, to the extent permitted by law and to the extent provided in the resolution of the Board, any committee charter or in these Bylaws, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it.

Section 10. MINUTES OF COMMITTEE MEETINGS. Each committee shall keep regular minutes of its meetings and report the same to the Board when required.

Section 11. MEETINGS AND ACTION OF COMMITTEES. Unless the Board otherwise provides, each committee designated by the Board may make, alter and repeal rules for the conduct of its business. In the absence of such rules, each committee shall conduct its business in the same manner as the Board conducts its business pursuant to the applicable sections of Article III of these Bylaws.

Section 12. COMPENSATION OF DIRECTORS. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, the Board shall have the authority to fix the compensation of directors. The directors may be paid their expenses, if any, of attendance at each meeting of the Board and may be paid a fixed sum for attendance at each meeting of the Board or a stated salary as director. Except as required by the rules of any stock exchange or quotation system applicable to the Corporation or any regulation or law

applicable to the Corporation or its securities, no such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for service on such committee and/or for attending committee meetings.

Section 13. REMOVAL OF A DIRECTOR. Unless otherwise restricted by or provided in the DGCL or the Certificate of Incorporation, any director or the entire Board may be removed, either with or without cause, by the holders of a majority in voting power of the shares of stock of the Corporation then entitled to vote at an election of directors.

ARTICLE IV. OFFICERS

Section 1. OFFICERS. The officers of the Corporation shall be chosen by the Board and may include a chairperson of the Board, chief executive officer and/or a president, chief financial officer or any or all of the foregoing, and a secretary. The Corporation may also have at the discretion of the Board such other officers as are desired, including a treasurer, one or more vice chairpersons of the Board, one or more vice presidents, one or more assistant secretaries, one or more assistant treasurers and such other officers as may be appointed in accordance with the provisions of Section 3 of this Article IV. In the event there are two or more vice presidents, then one or more may be designated as executive vice president, senior vice president or other similar or dissimilar title. At the time of the election of officers, the directors may determine the order of their rank. Any number of offices may be held by the same person, unless the DGCL, the Certificate of Incorporation or these Bylaws otherwise provide.

Section 2. APPOINTMENT OF OFFICERS. The Board shall appoint the officers of the Corporation, except such officers as may be appointed in accordance with the provisions of Section 3 of this Article IV. The Corporation shall have such officers with such titles and duties as stated herein or as stated in a resolution of the Board that is not inconsistent with these Bylaws.

Section 3. SUBORDINATE OFFICERS. The Board and/or the chief executive officer of the Corporation, or in the absence of a chief executive officer, the president of the Corporation, may appoint such other “subordinate officers” as the business of the Corporation may require who shall hold their offices for such terms and shall exercise such powers and perform such duties as are provided in these Bylaws or as shall be determined from time to time by the Board and/or the chief executive officer, or in the absence of a chief executive officer, the president. For the avoidance of doubt, the term “subordinate officers” shall not include any officers of the Corporation with the title of vice president or above. The Board may appoint, or empower the chief executive officer or, in the absence of a chief executive officer, the president or a vice president, to appoint, such other officers and agents as the business of the Corporation may require who shall hold their offices for such terms and shall exercise such powers and perform such duties as are provided in these Bylaws or as shall be determined from time to time by the Board.

Section 4. **TERM OF OFFICE; REMOVAL AND VACANCIES.** Each officer of the Corporation shall hold office until such officer's successor is elected and qualified or until such officer's earlier resignation or removal. Any officer may resign at any time upon written notice to the Corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice. Unless otherwise specified in the notice of resignation, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party. Any officer may be removed at any time by the affirmative vote of the Board or, except in the case of an officer chosen by the Board, by any officer upon whom such power of removal may be conferred by the Board. If the office of any officer or officers becomes vacant for any reason, the vacancy shall be filled by the Board, or with respect to the office of any subordinate officers, by the Board or the chief executive officer of the Corporation, or in the absence of a chief executive officer, the president.

Section 5. **CHAIRPERSON OF THE BOARD.** The chairperson of the Board shall, if present, preside at all meetings of the stockholders and the Board, and, in general, shall exercise and perform such other powers and duties as may be from time to time assigned to him or her by the Board or prescribed by these Bylaws. The same individual may serve as both the chairperson of the Board and chief executive officer.

Section 6. **VICE CHAIRPERSONS OF THE BOARD.** In the absence or disability of the chairperson of the Board, any vice chairpersons designated by the Board, shall perform all the duties of the chairperson, and when so acting shall have all the powers of and be subject to all the restrictions upon the chairperson. Each vice chairperson shall have such other duties as from time to time may be prescribed for such vice chairperson by the Board.

Section 7. **CHIEF EXECUTIVE OFFICER.** The chief executive officer shall be the principal executive officer of the Corporation and, subject to the control and oversight of the Board, shall supervise the business and affairs of the Corporation. The chief executive officer shall, in the absence of the chairperson of the Board (or if the chief executive officer and chairperson of the Board be one and the same), preside at all meetings of the stockholders and the Board, and, in general, shall perform all duties incident to the office of chief executive officer and such other duties as may be prescribed by the Board from time to time. The chief executive officer may, from time to time, delegate such chief executive officer's powers and authority to such other officers, employees and other agents of the Corporation as the chief executive officer shall deem appropriate.

Section 8. **PRESIDENT.** Subject to the control of the Board and such supervisory powers, if any, as may be given by the Board to the chairperson of the Board and/or the chief executive officer, the president shall have general supervision, direction and control of the business and officers of the Corporation. In the absence of the chairperson of the Board and the chief executive officer, or if there be none, the president shall preside at all meetings of the stockholders and all meetings of the Board. The president shall have the general powers and duties of management usually vested in the office of president of

corporations and shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

Section 9. CHIEF FINANCIAL OFFICER. The chief financial officer shall keep or cause to be kept the books of account of the Corporation in a thorough and proper manner and shall render statements of the financial affairs of the Corporation in such form and as often as required by the Board or the chief executive officer. The books of account shall at all reasonable times be open to inspection by any director. The chief financial officer, subject to the order of the Board, shall have custody of all funds and securities of the Corporation. The chief financial officer shall disburse the funds of the Corporation as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the Board, at its regular meetings or when the Board so requires, an account of all transactions effected by the chief financial officer and of the financial condition of the Corporation. The chief financial officer shall perform other duties commonly incident to such office and shall also perform such other duties and have such other powers as the Board or the chief executive officer shall designate from time to time. If required by the Board, the chief financial officer shall give the Corporation a bond, in such sum and with such surety or sureties as shall be satisfactory to the Board, for the faithful performance of the duties of such office and for the restoration to the Corporation, in case of death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his/her possession or under his/her control belonging to the Corporation. The chief executive officer may direct the treasurer or assistant treasurer to assume and perform the duties of the chief financial officer in the absence or disability of the chief financial officer.

Section 10. VICE PRESIDENTS. In the absence or disability of the president, any vice president designated by the Board, shall perform all the duties of the president, and when so acting shall have all the powers of and be subject to all the restrictions upon the president. Each vice president shall have such other duties as from time to time may be prescribed for such vice president by the Board.

Section 11. SECRETARY. The secretary shall keep or cause to be kept, at the principal executive office of the Corporation or such other place as the Board may direct, a book of minutes of all meetings and actions of directors, committees of directors and stockholders. The secretary shall give, or cause to be given, notice of all meetings of the stockholders and the Board required to be given by law or by these Bylaws, and shall perform such other duties as may be prescribed by the Board or these Bylaws. The secretary shall keep in safe custody the seal of the Corporation, if one be adopted, and when authorized by the Board, affix the same to any instrument requiring it, and when so affixed it shall be attested by his/her signature or by the signature of an assistant secretary. The Board may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing by his/her signature.

Section 12. ASSISTANT SECRETARY. The assistant secretary, or if there be more than one, any assistant secretary designated by the Board, shall, in the absence or disability of the secretary, perform the duties and exercise the powers of the secretary and

shall perform such other duties and have such other powers as the Board may from time to time prescribe.

Section 13. TREASURER. The treasurer shall, in the absence of the chief financial officer, perform the duties and exercise the powers of the chief financial officer and shall perform such other duties and have such other powers as the Board may from time to time prescribe. If required by the Board, the treasurer shall give the Corporation a bond, in such sum and with such surety or sureties as shall be satisfactory to the Board, for the faithful performance of the duties of such office and for the restoration to the Corporation, in case of death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his/her possession or under his/her control belonging to the Corporation.

Section 14. ASSISTANT TREASURER. The assistant treasurer, or if there be more than one, any assistant treasurer designated by the Board, shall in the absence or disability of the chief financial officer and the treasurer, perform the duties and exercise the powers of the chief financial officer and the treasurer and shall perform such other duties and have such other powers as the Board may from time to time prescribe.

Section 15. REPRESENTATION OF SHARES OF OTHER CORPORATIONS. The chairperson of the Board, the chief executive officer or the president of this Corporation, the secretary of this Corporation, or any other person authorized by the Board or the chief executive officer, is authorized to vote, represent, and exercise on behalf of this Corporation all rights incident to any and all securities of any other corporation or corporations standing in the name of this Corporation. The authority granted herein may be exercised either by such person directly or by any other person authorized to do so by proxy or power of attorney duly executed by such person having the authority.

Section 16. AUTHORITY AND DUTIES OF OFFICERS. In addition to the foregoing authority and duties, all officers of the Corporation shall respectively have such authority and perform such duties in the management of the business of the Corporation as may be designated from time to time by the Board.

ARTICLE V. CERTIFICATES OF STOCK

Section 1. CERTIFICATES. The Corporation's shares shall be represented by certificates in the form approved by the Board or shall be uncertificated. In the case of shares represented by certificates, each certificate shall be signed by the Chairman, Chief Executive Officer, President or a Vice President, and by the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer, and shall be sealed with the Corporation's seal or a facsimile of the seal. Any or all of the signatures on the certificate may be a facsimile. In case any officer or transfer agent who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer or transfer agent before such certificate is issued, it may be issued by the Corporation with the same effect as if such person were such officer or transfer agent at the date of issue. If the Corporation shall be authorized to issue more than one class of stock or more than one series of any class, and if and to the extent that the stock is represented by

certificates, then the powers, designations, preferences and relative, participating, optional or other special rights of each such class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate which the Corporation shall issue to represent such class or series of stock, provided that, except as otherwise provided in Section 202 of the DGCL, in lieu of the foregoing requirements for such certificated shares, there may be set forth on the face or back of the certificate which the Corporation shall issue to represent such class or series of stock, a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

Section 2. **LOST, STOLEN OR DESTROYED STOCK CERTIFICATES; ISSUANCE OF NEW CERTIFICATES.** The Corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the owner thereof may file in the office of the Corporation an affidavit setting forth, to the best of its knowledge and belief, the time, place, and circumstance of such loss, destruction or theft and the Corporation may require the owner of the lost, stolen or destroyed certificate, or such owner's legal representative, to give the Corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

Section 3. **FIXING DATE FOR DETERMINATION OF STOCKHOLDERS OF RECORD.** In order that the Corporation may determine the stockholders (a) entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, (b) to express consent to corporate action in writing without a meeting, (c) to receive payment of any dividend or other distribution or allotment of any rights, (d) to exercise any rights in respect of any change, conversion or exchange of stock or (e) for the purpose of any other lawful action, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date: (i) in the case of determination of stockholders entitled to vote at any meeting of stockholders or adjournment thereof, shall, unless otherwise required by law, not be more than 60 nor less than ten days before the date of such meeting; (ii) in the case of determination of stockholders entitled to express consent to corporate action in writing without a meeting, shall not be more than ten days from the date upon which the resolution fixing the record date is adopted by the Board; and (iii) in the case of any other action, shall not be more than 60 days prior to such other action. If no record date is fixed: (1) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; (2) the record date for determining stockholders entitled to express consent to corporate action in writing without a meeting, when no prior action of the Board is required by law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation in accordance with applicable law, or, if prior action by the Board is required by law, shall be at the close of business on the day on which the Board adopts the resolution taking such prior action;

and (3) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for the adjourned meeting.

Section 4. REGISTERED STOCKHOLDERS. The Corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact thereof and accordingly shall not be bound to recognize any equitable or other claim or interest in such share on the part of any other person, whether or not it shall have express or other notice thereof, save as expressly provided by the DGCL.

ARTICLE VI. GENERAL PROVISIONS

Section 1. CHECKS. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers as the Board may from time to time designate.

Section 2. FISCAL YEAR. The fiscal year of the Corporation shall be from January 1 to December 31, or such other dates as shall be determined by resolution of the Board from time to time.

Section 3. CORPORATE SEAL. The corporate seal shall have the name of the Corporation inscribed thereon and shall be in such form as may be approved from time to time by the Board. The Corporation may use the corporate seal by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

Section 4. MANNER OF GIVING NOTICE. Whenever, under the provisions of applicable law, the Certificate of Incorporation or these Bylaws, notice is required to be given to any director or stockholder, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, addressed to such director or stockholder, at such director's or stockholder's address as it appears on the records of the Corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Notice to directors may also be given by facsimile, by electronic transmission, telephone, telegram, overnight courier or by other means of electronic transmission.

Except as otherwise provided by applicable law, notice to stockholders may also be given by a form of electronic transmission consented to by the stockholder to whom the notice is given. Any such consent shall be revocable by the stockholder by written notice to the Corporation. Notice given by a form of electronic transmission shall be deemed given (i) if by facsimile telecommunication, when directed to a number at which the stockholder has consented to receive notice, (ii) if by electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice, (iii) if by a posting on an electronic network together with separate notice to the stockholder of such specific posting, upon the later of (A) such posting and (B) the giving of such separate

notice, and (iv) if by any other form of electronic transmission, when directed to the stockholder. An affidavit of the secretary or an assistant secretary, the transfer agent or other agent of the Corporation that the notice has been given by a form of electronic transmission shall, in the absence of fraud, be *prima facie* evidence of the facts stated therein. “Electronic transmission” means any form of communication, not directly involving the physical transmission of paper, which creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

Section 5. WAIVER OF NOTICE. Whenever any notice is required to be given under the provisions of the DGCL, the Certificate of Incorporation or these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, or a waiver by electronic transmission by the person entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, which objection shall be made at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of any regular or special meeting of the stockholders, directors, or members of a committee of directors need be specified in any written waiver of notice or any waiver by electronic transmission unless so required by the Certificate of Incorporation or these Bylaws.

Section 6. INTERESTED DIRECTORS; QUORUM. No contract or transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any other corporation, partnership, association or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board or committee thereof which authorizes the contract or transaction, or solely because his or her or their votes are counted for such purpose, if: (1) the material facts as to his or her relationship or interest and as to the contract or transaction are disclosed or are known to the Board or the committee, and the Board or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (2) the material facts as to his or her relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (3) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified, by the Board, a committee thereof or the stockholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board or of a committee which authorizes the contract or transaction.

ARTICLE VII. AMENDMENTS

Section 1. AMENDMENT BY DIRECTORS OR STOCKHOLDERS. These Bylaws may be altered, amended or repealed or new Bylaws may be adopted by the Board, when such power is conferred upon the Board by the Certificate of Incorporation, or by the

stockholders upon the affirmative vote of at least a majority of all outstanding shares of stock of Corporation then entitled to vote, at any regular meeting of the Board or of the stockholders or at any special meeting of the Board or of the stockholders if notice of such alteration, amendment, repeal or adoption of new Bylaws is contained in the notice of such special meeting. If the power to alter, amend or repeal Bylaws is conferred upon the Board by the Certificate of Incorporation it shall not divest or limit the power of the stockholders to adopt, amend or repeal Bylaws.

**SECOND AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
BALLY TOTAL FITNESS HOLDING CORPORATION**

BALLY TOTAL FITNESS HOLDING CORPORATION (the “Corporation”), a corporation organized and existing under the General Corporation Law of the State of Delaware (as amended, the “DGCL”), hereby certifies as follows:

A. That this corporation was originally incorporated on March 29, 1983 under the name Bally’s Health & Tennis Corporation. A Restated Certificate of Incorporation of this corporation was filed with the Secretary of State of the State of Delaware on December 19, 1995. An Amended and Restated Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on October 1, 2007 and a further Amended and Restated Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on October 5, 2007 (collectively, as amended, the “Certificate of Incorporation”).

B. This Second Amended and Restated Certificate of Incorporation (this “Certificate”) restates and integrates and further amends the provisions of the Certificate of Incorporation. This Certificate was proposed by the Board of Directors and duly adopted by the stockholders of the Corporation in the manner and by the vote prescribed by Sections 228, 242 and 245 of the DGCL. The text of the Certificate of Incorporation is hereby amended and restated to read in its entirety as follows:

ARTICLE ONE
Name of Corporation

FIRST: The name of the Corporation is BALLY TOTAL FITNESS HOLDING CORPORATION.

ARTICLE TWO
Address of Registered Agent

The address of the registered office of the Corporation is 1209 Orange Street, in the City of Wilmington, County of New Castle, State of Delaware. The name of the Corporation’s registered agent is The Corporation Trust Company.

ARTICLE THREE
Purpose

The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the DGCL.

ARTICLE FOUR

Definitions

A. The following capitalized terms have the following meanings when used in this Certificate.

1. “Affiliate” means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such Person; provided that no Shareholder shall be deemed an Affiliate of any other Shareholder solely by reason of any investment in the Corporation. For the purpose of this definition, the term “control” (including, with correlative meanings, the terms “controlling,” “controlled by” and “under common control with”), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

2. “Business Day” means any day except a Saturday, Sunday or other day on which commercial banks in New York, New York are authorized by law to close.

3. “Change of Control” means (a) the sale, exclusive license or other disposition of all or substantially all of the assets of the Corporation in any single transaction or series of related transactions, other than to an Affiliate, (b) the sale of all of the Shares held by the Drag-Along Initiator(s) pursuant to a Drag-Along Sale (as such term is defined in Article Seven), or (c) any merger, reorganization, consolidation or other transaction or series of transactions (other than with an Affiliate) involving the Corporation which results in the holders of Common Stock outstanding immediately prior to such transaction(s) failing to continue to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the Corporation or the surviving entity outstanding immediately after such transaction(s).

4. “Corporation Securities” means (a) Common Stock, (b) securities convertible into or exchangeable for Common Stock and (c) options (including the Management Options and RSUs), warrants (including the Warrants) or other rights to acquire Common Stock.

5. “Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Securities and Exchange Commission promulgated thereunder from time to time.

6. “First Public Offering” means the first public offering of Common Stock after the date hereof pursuant to an effective registration statement under the Securities Act, other than pursuant to a registration statement on Form S-4 or Form S-8 or any similar or successor form.

7. “Management Incentive Plan” shall have the meaning given to such term in the Plan.

8. “Management Options” shall have the meaning given to such term in the Plan.

9. “Participant” means an institution that has an account with the depository, with respect to a warrant in its account.

10. “Person” means an individual, corporation, limited liability company, partnership, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof, and shall include any successor of such entity.

11. “Plan” means the Amended Joint Plan of Reorganization of the Debtors under Chapter 11 of the Bankruptcy Code filed by the Corporation on July 7, 2009 (as may be amended).

12. “Prohibited Transfer” means any purported Transfer of Capital Stock made in violation of the provisions of Article Six (A).

13. “Public Offering” means a public offering of Common Stock pursuant to an effective registration statement under the Securities Act, other than pursuant to a registration statement on Form S-4 or Form S-8 or any similar or successor form.

14. “Purported Transferee” means, with respect to any Prohibited Transfer, the intended Transferee in such Prohibited Transfer.

15. “Restriction Release Date” means the date on which the Corporation has a class of equity securities registered under Section 12(b) or Section 12(g) of the Exchange Act or is otherwise required to file reports under Section 13 or Section 15(d) of the Exchange Act.

16. “RSUs” means the restricted stock units to be granted under the Management Incentive Plan.

17. “Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations of the Securities and Exchange Commission promulgated thereunder from time to time.

18. “Shareholder” means each Person (other than the Corporation) who “beneficially owns” (as such term is defined in Rule 13d-3 of the Exchange Act) any Common Stock.

19. “Shareholders’ Agreement” means the Shareholders’ Agreement, dated _____, 2009 (as amended and/or restated), by and among the Corporation and the Shareholders of the Corporation.

20. “Transfer” means, with respect to any Corporation Securities, (i) when used as a verb, to sell, assign, dispose of, exchange, pledge, encumber, hypothecate or otherwise transfer such Corporation Securities or any participation or interest therein,

whether directly or indirectly, or agree or commit to do any of the foregoing and (ii) when used as a noun, a direct or indirect sale, assignment, disposition, exchange, pledge, encumbrance, hypothecation or other transfer of such Corporation Securities or any participation or interest therein or any agreement or commitment to do any of the foregoing.

21. “Transfer Agent” means a trust company, bank or other custodian assigned by the Corporation to maintain books and records with respect to the ownership of record of shares of any class of Capital Stock.

22. “Transferee” means the recipient of a Transfer.

23. “Warrants” means the New Bally Warrants (as such term is defined in the Plan).

ARTICLE FIVE

Capital Stock

A. Authorized Stock. The total number of shares of stock which the Corporation shall have authority to issue is 17,000,000 shares of stock (the “Capital Stock”) consisting of 15,000,000 shares of Common Stock, par value \$0.01 per share (the “Common Stock”), and 2,000,000 shares of Preferred Stock, par value \$0.01 per share (the “Preferred Stock”).

B. Right to Designate Preferred Stock. Subject to Section D of this Article Five, the Board of Directors of the Corporation (the “Board”) is hereby expressly authorized, subject to limitations prescribed by law, to provide by resolution or resolutions for the issuance of the shares of Preferred Stock in one or more series and, by filing a certificate of designations pursuant to the DGCL setting forth a copy of such resolution or resolutions, to establish from time to time the number of shares to be included in each such series, and to fix the designation, powers (including voting powers, if any), preferences, and rights of the shares of each series and the qualifications, limitations, and restrictions thereof. The authority of the Board with respect to each series of Preferred Stock shall include, but not be limited to, determination of the following:

1. the number of shares constituting such series and the distinctive designation of that series;

2. the dividend rate, if any, on the shares of such series, whether dividends shall be cumulative, and, if so, from which date or dates, and the relative rights of priority, if any, of payment of dividends on shares of that series;

3. whether such series shall have voting rights, in addition to the voting rights provided by law, and, if so, the terms of such voting rights;

4. whether such series shall have conversion privileges and, if so, the terms and conditions of conversion, including provision for adjustment of the conversion rate in such events as the Board shall determine;

5. whether or not the shares of such series shall be redeemable, and, if so, the terms and conditions of such redemption, including the date or date upon or after which they shall be redeemable and the amount per share payable in case of redemption, which amount may vary under different conditions and at different redemption dates;

6. whether such series shall have a sinking fund for the redemption or purchase of shares of the series, and, if so, the terms and amount of such sinking fund;

7. the rights of the shares of such series in the event of voluntary or involuntary dissolution or winding up of the Corporation, and the relative rights of priority, if any, of payment of shares of that series; and

8. any other powers, preferences, rights, qualifications, limitations, and restrictions of such series.

C. Common Stock. Except as otherwise provided in this Certificate or by applicable law, the voting, dividend and liquidation rights of the holders of Common Stock are as follows:

1. Voting. Each holder of Common Stock shall be entitled to one vote for each share of Common Stock held by such holder on all matters submitted to stockholders for a vote.

2. Dividends and Distributions. Subject to the rights, if any, of the holders of any outstanding series of Preferred Stock, the holders of shares of Common Stock shall be entitled to receive such dividends and other distributions in cash, property or shares of stock of the Corporation as may be declared thereon by the Board from time to time out of assets or funds of the Corporation legally available therefor.

3. Liquidation Rights. In the event of any dissolution, liquidation or winding-up of the affairs of the Corporation, whether voluntary or involuntary, after payment or provision for payment of the debts and other liabilities of the Corporation and subject to the rights, if any, of the holders of any outstanding series of Preferred Stock, the remaining assets and funds of the Corporation, if any, shall be divided among and paid ratably to the holders of Common Stock in proportion to the number of shares held by them.

D. Bankruptcy Code Limitations. To the extent prohibited by Section 1123 of Chapter 11 of the Bankruptcy Code, as amended, the Corporation shall not issue non-voting equity securities; provided, however, that the foregoing (i) will have no further force and effect beyond that required under Section 1123 of the Bankruptcy Code, (ii) will have such force and effect, if any, only for so long as such Section 1123 is in effect and applicable to the Corporation and (iii) may be amended or eliminated in accordance with applicable law as from time to time in effect.

ARTICLE SIX

Certain Restrictions on Transfer

A. Unless otherwise expressly approved by the Board, prior to the Restriction

Release Date, no shares of Capital Stock shall be Transferred, if such Transfer would (i) constitute a violation of applicable laws, (ii) result in there being more than 275 holders of record of such class of Capital Stock as determined pursuant to Section 12(g) of the Exchange Act, with each Participant being a single holder of record for these purposes, or (iii) otherwise require the Corporation to register any class of Capital Stock under the Exchange Act or any other applicable federal or state securities laws.

B. No employee or agent of the Corporation, including any Transfer Agent on the books maintained by such Transfer Agent for that purpose, will record any Prohibited Transfer, and a Prohibited Transfer will be null and void, and will not be recognized by the Corporation, for any or all purposes. Without limitation, the Purported Transferee in any Prohibited Transfer of Capital Stock will not be recognized as a stockholder of the Corporation for any purpose whatsoever and will not be entitled with respect to such Capital Stock to any rights of stockholders of the Corporation, including without limitation the rights to vote such Capital Stock and to receive dividends or distributions, whether liquidating or otherwise, in respect thereof, if any.

C. The Board will have the sole power to make determinations regarding compliance with this Article Six and any matters related thereto; and the good faith determination of the Board on such matters will be conclusive and binding for all purposes of this Article Six; provided, however, the Board may designate a sub-committee of the Board or an officer of the Corporation to make any determination or approval required by this Article Six.

D. Each certificate representing Capital Stock issued prior to the Restriction Release Date will contain the legend that refers to the restrictions set forth in this Article Six as follows:

“THE TRANSFER OF THE SECURITIES REPRESENTED HEREBY IS SUBJECT TO RESTRICTIONS PURSUANT TO ARTICLE SIX OF THE SECOND AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF BALLY TOTAL FITNESS HOLDING CORPORATION. BALLY TOTAL FITNESS HOLDING CORPORATION WILL FURNISH A COPY OF ITS SECOND AMENDED AND RESTATED CERTIFICATE OF INCORPORATION TO THE HOLDER OF RECORD OF THIS CERTIFICATE WITHOUT CHARGE UPON WRITTEN REQUEST ADDRESSED TO THE CORPORATION AT ITS PRINCIPAL PLACE OF BUSINESS.”

ARTICLE SEVEN

Drag-Along Rights

A. Drag-Along Rights

1. Subject to Sections B and C of this Article Seven, if any Person (or group of Persons) that is not a Shareholder or an Affiliate thereof makes a *bona fide* offer to engage in any transaction or series of transactions that would result in a Change of Control, and such transaction or transactions are approved by Shareholders holding a majority of the issued and outstanding Common Stock, (such transaction or transactions, a “Drag-Along Sale” and the Shareholder(s) approving such Drag-Along Sale, a “Drag-Along Initiator”), the Drag-Along Initiator shall have the right (a “Drag-Along Right”), but not the obligation, to require each other Shareholder (a “Dragged Person”) to tender for purchase to the proposed Transferee, on the same terms and conditions as apply to the Drag-Along Initiator, the same proportionate share of Corporation Securities held by such Dragged Person being sold by the Drag-Along Initiator; provided, each Dragged Person, in its capacity as a Shareholder, shall also vote in favor of any Drag-Along Sale to the extent such transaction(s) requires the approval of the Shareholders, provided the terms of the Drag-Along Sale are consistent with this Article Seven.

2. If a Drag-Along Initiator elects to exercise its Drag-Along Right under this Article Seven, such Drag-Along Initiator shall give each Dragged Person, at least ten (10) Business Days prior to the proposed Drag-Along Sale, a written notice (a “Drag-Along Notice”) containing (i) the number of Corporation Securities proposed to be Transferred in such Drag-Along Sale (with warrants, options, convertible securities and other common equivalents counted on an as-converted or as-exercised basis) (the “Drag-Along Terms”), (ii) the name and address of the proposed Transferee and (iii) the consideration for which the Transfer is proposed to be made, and all other material terms and conditions of the Drag-Along Terms, including the form of the proposed agreement, if any. Upon the receipt of a Drag-Along Notice, the Dragged Person shall be obligated to sell the Corporation Securities held by such Dragged Person.

3. No later than five (5) Business Days prior to the proposed closing for the Drag-Along Sale, each Dragged Person shall deliver to the Corporation (or its designated agent) (i) the certificate or certificates, if any, representing the Corporation Securities of such Dragged Person to be included in the Drag-Along Sale, together with a limited power-of-attorney authorizing the Drag-Along Initiator to Transfer such Corporation Securities on the terms set forth in the Drag-Along Notice or, in the case of Corporation Securities held in book-entry form or through direct registration, shall make other delivery arrangements reasonably satisfactory to the Corporation and (ii) wire transfer instructions for payment of the purchase price for the Corporation Securities to be sold in such Drag-Along Sale.

4. If any Dragged Person fails to make the deliveries described in the previous paragraph within the prescribed time, the Corporation shall have the right, but

not the obligation, to redeem, immediately prior to the consummation of the Drag-Along Sale, the Corporation Securities of such Dragged Person at a redemption price equal to the consideration set forth in the Drag-Along Notice, payable upon the terms and subject to the conditions contained in the Drag-Along Notice. Such Dragged Person shall surrender the Corporation Securities, including the certificates, if any, for any shares to be redeemed, properly endorsed or assigned for transfer, if the Corporation shall so require, and such Corporation Securities shall be redeemed by the Corporation at the redemption price. Such Corporation Securities shall no longer be deemed to be outstanding and shall not have the status of shares of Corporation Securities, and all rights of the Dragged Persons thereof as Shareholders (except the right to receive from the Corporation the redemption price, without interest) shall cease; provided, that, regardless of whether the certificates for any shares so redeemed are surrendered to the Corporation, all rights of such Dragged Persons as Shareholders shall cease.

5. The Drag-Along Initiator shall Transfer, on behalf of itself and all Dragged Persons, the Corporation Securities subject to the Drag-Along Sale at the same time and on the same terms and conditions as set forth in the Drag-Along Notice. Concurrently with the consummation of the Drag-Along Sale, (i) the Drag-Along Initiator shall notify the Dragged Persons thereof (including identifying the manner of delivery for any non-cash consideration) and (ii) the total consideration due to each Dragged Person shall be remitted to such party, with the cash portion of the purchase price paid by wire transfer of immediately available funds in accordance with the wire transfer instructions of such Dragged Person. Promptly after the consummation of such Drag-Along Sale, the Drag-Along Initiator shall furnish such other evidence of the completion and the date of completion of such Transfer as may be reasonably requested by such Dragged Person.

6. If the Drag-Along Initiator has not completed the Transfer of all such Corporation Securities on the same terms and conditions as set forth in the Drag-Along Notice within 90 calendar days of the date of the Drag-Along Notice (which 90 calendar day period shall be extended if any of the transactions contemplated by the Drag-Along Sale are subject to regulatory approval until the expiration of five (5) Business Days after all such approvals have been received, but in no event later than 180 calendar days from the date of the Drag-Along Notice), (i) the Corporation (or its designated agent) shall return to each Dragged Person, to the extent previously provided, the limited power-of-attorney (and all copies thereof) together with all Corporation Securities, including the certificates representing the Corporation Securities, if any, that such Dragged Person delivered for Transfer pursuant to this Article Seven and any other documents executed by the Dragged Persons in connection with the proposed Drag-Along Sale and (ii) the Drag-Along Initiator shall not conduct any Transfer of Corporation Securities prior to the return to each Dragged Person of all documents referred to in clause (i) and without again complying with this Article Seven.

7. The Corporation shall, and shall cause its employees, accountants and other advisors, representatives and agents to, use its and their commercially reasonable efforts to take all reasonable and necessary action to assist a Drag-Along Initiator in its efforts to effect a Drag-Along Sale, including permitting *bona fide* prospective purchasers to conduct customary due diligence of the Corporation in a reasonable manner, during

regular business hours and upon reasonable advance notice, subject to (a) the execution and delivery of a customary confidentiality agreement with the Corporation and (b) the Corporation's and its board of director's compliance with applicable laws, rules, regulations and orders and any restrictions or commitments in any contracts or agreements to which the Corporation or any of its subsidiaries is a party or by which it or any of them is bound.

B. Additional Conditions to Drag-Along Sales. Notwithstanding anything contained in Section A of this Article Seven, the obligations of Shareholders to participate in a Drag-Along Sale are subject to the following conditions:

1. upon the consummation of such Drag-Along Sale, all of the Shareholders participating therein will receive the same form and amount of consideration per share as the Drag-Along Initiator, or, if any Shareholder is given an option as to the form and amount of consideration to be received, all Shareholders participating therein will be given the same option;

2. no Person shall be obligated, pursuant to this Certificate to pay any expenses incurred in connection with any unconsummated Drag-Along Sale and each Shareholder shall be obligated to pay only its *pro rata* share (based on the number of shares of Corporation Securities Transferred) of expenses incurred in connection with a consummated Drag-Along Sale; and

3. each Dragged Person shall (i) make such representations, warranties and covenants and enter into such definitive agreements as are customary for transactions of the nature of the proposed Transfer and as are the same as those applicable to the Drag-Along Initiator; provided that, if such Dragged Persons are required to provide any representations or indemnities in connection with such Transfer (other than representations and indemnities concerning each such Dragged Person's title to the Corporation Securities and authority, power and right to enter into and consummate the Transfer without contravention of any law or agreement), liability for misrepresentation or indemnity shall (as to such Dragged Persons) be expressly stated to be several but not joint and each such Dragged Person shall not be liable for more than the net proceeds received by such Shareholder in connection with such Transfer; provided, further that, no Dragged Person shall be required to provide any representations or warranties other than with respect to each such Dragged Person's title to the Corporation Securities and authority, power and right to enter into and consummate the Transfer without contravention of any law or agreement, but each Shareholder may be required to bear its proportionate share of any indemnity, escrow, holdback or adjustment in purchase price in connection with any such representations or warranties; provided, further that, no Shareholder will be required or deemed to have agreed to any noncompete, nonsolicitation or any other nonfinancial terms without its express written consent, (ii) be subject to and benefit from all of the same provisions of the definitive agreements as the Drag-Along Initiator, and (iii) be required to bear their proportionate share of any escrows, holdbacks or adjustments in purchase price.

C. Termination of Drag-Along Rights. The rights and obligations under this Article

Seven shall terminate upon the First Public Offering.

ARTICLE EIGHT

Shareholders' Agreement

Each Shareholder who (i) acquires Common Stock prior to the consummation of the First Public Offering, (ii) acquires, by Transfer, Common Stock that was issued prior to the consummation of the First Public Offering, regardless of whether such Transfer occurs before or after the First Public Offering (other than, and with respect to, any shares of Common Stock that are acquired in the open market following the First Public Offering) or (iii) acquires Common Stock pursuant to the exercise of any Management Options or Warrants or pursuant to a distribution with respect to any RSU, regardless of whether such exercise or distribution occurs before or after the First Public Offering, shall be deemed to be a party to, and each such share of Common Stock shall be subject to, the Shareholders' Agreement until such Agreement shall cease to be in effect according to its terms.

ARTICLE NINE

Shareholder Approvals

A. Shareholder Approvals. Without the prior written approval of holders of a majority of the issued and outstanding Common Stock, the Corporation shall not, and shall not permit any of its subsidiaries to:

1. enter into a new line of business or materially change its existing business;
2. incur, amend or waive or enter into any agreement providing for the incurrence, amendment or waiver of any (i) obligations for borrowed money, (ii) obligations representing the deferred purchase price of property or services other than accounts payable arising in the ordinary course of business, (iii) capitalized lease obligations, or (iv) obligations with respect to guarantees (direct or indirect and however named) of any obligations of any Person, in each case, greater than \$25 million individually or in the aggregate (other than in connection with the refinancing of the Corporation's Exit Term Loan Facility (as such term is defined in the Plan)), or accelerate or enter into any agreement providing for the acceleration of the repayment of any of the foregoing;
3. authorize, issue or sell or enter into any agreement providing for the issuance or sale (contingent or otherwise) of any equity securities or debt securities with equity features or any other security directly or indirectly convertible, exercisable or exchangeable for any of the foregoing;
4. authorize, declare or approve or enter into any agreement providing for the authorization, declaration or approval of any direct or indirect dividend on any class of equity securities or debt securities with equity features or any other security directly or indirectly convertible, exercisable or exchangeable for any of the foregoing, or any redemption or repurchase thereof (other than mandatory redemption obligations and/or repurchase rights with regard to terminated employees);

5. authorize, approve or enter into any agreement providing for any material transaction with an Affiliate or with an Affiliate of any member of management or a family member thereof, except for salary, benefits, advances and expense reimbursement to employees in the ordinary course of business;

6. amend or waive or enter into any agreement providing for the amendment or waiver of any provision of its certificate of incorporation (by merger or otherwise), bylaws or other organizational documents, including an adoption of or amendment to a certificate of designation;

7. authorize, approve or enter into any agreement providing for any acquisition of any interest in any other business or entity (whether such transaction is structured as an asset purchase, an equity purchase, a merger or otherwise), any entry into (or material amendment of the terms of) any joint venture, strategic alliance, partnership or similar arrangement involving consideration (including any contingent consideration and any consideration tied to subsequent related acquisitions or other transactions) in excess of \$5 million;

8. authorize, engage or enter into any sales, leases, spin-offs and other dispositions of businesses or assets involving consideration (including any contingent consideration and any consideration tied to subsequent related dispositions or other transactions) in excess of \$5 million, individually, and \$25 million, in the aggregate;

9. undertake the First Public Offering;

10. authorize, approve or enter into any agreement providing for a Change of Control or other recapitalization or reorganization;

11. authorize, approve or enter into any merger, consolidation or similar transaction; and

12. authorize, approve or enter into agreement or commitment to take any of the foregoing actions.

B. Termination of Shareholder Approvals. The rights and obligations under this Article Nine shall terminate upon the First Public Offering.

ARTICLE TEN

Bylaws

In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the Board is expressly authorized to make, alter, amend and repeal the Bylaws of the Corporation.

ARTICLE ELEVEN

Election of Directors

The business and affairs of the Corporation shall be managed by or under the direction of the Board. The number of directors of the Corporation shall be as from time to time fixed by, or in the manner provided in, the Bylaws of the Corporation. Unless and except to the extent that the Bylaws of the Corporation shall so require, the election of directors need not be by written ballot.

ARTICLE TWELVE

Business Combinations with Interested Stockholders

The Corporation shall not be governed by the provisions of Section 203 of the DGCL.

ARTICLE THIRTEEN

Indemnification of Directors and Officers

To the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, the Corporation shall indemnify and hold harmless any person serving as a director or officer of the Corporation on or after August [], 2009 (a “Covered Person”) who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative, at any time before, on or after August [], 2009, by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was, at any time before, on or after August [], 2009, a director or officer of the Corporation or, while a director or officer of the Corporation, is or was, at any time before, on or after August [], 2009, serving at the request of the Corporation as a director, officer, employee, agent, fiduciary or in any other capacity of another corporation or of a partnership, joint venture, limited liability company, trust, unincorporated organization, association, estate, nonprofit entity, or other entity or enterprise, governmental or otherwise, including service with respect to employee benefit plans maintained or sponsored by the Corporation (each, a “Covered Proceeding”), against all liability and loss suffered and expenses (including attorneys’ fees) reasonably incurred by such Covered Person in connection with such Covered Proceeding. Notwithstanding the preceding sentence, except as otherwise provided in the Bylaws (as the same may provide from time to time), the Corporation shall be required to indemnify a Covered Person in connection with a proceeding (or a part thereof) commenced by such Covered Person only if the commencement of such proceeding (or part thereof) by the Covered Person was authorized by the Bylaws, in any written agreement with the Corporation, or in the specific case by the Board. If a claim for indemnification (following the final disposition of an action, suit or proceeding) is not paid in full within 30 days after a written demand therefor by the Covered Person has been received by the Corporation, the Covered Person may file suit to recover the unpaid amount of such claim, and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. Nothing contained in this Article Thirteen shall affect any rights to indemnification to which directors, officers, employees or agents of the Corporation otherwise may be entitled under the Bylaws, any written agreement with the Corporation or otherwise. The Corporation may, to the extent authorized from time to time by the Board, grant rights to indemnification to any employee or agent of the Corporation to the fullest extent of the provisions of this Article Thirteen with respect to the indemnification of directors and officers of the Corporation. Any amendment, modification or repeal of this Article Thirteen shall be prospective only, and shall not adversely affect any right or protection of a Covered Person existing at the time of, or increase the liability of any Covered Person with

respect to any acts or omissions of such Covered Person occurring prior to, such amendment, modification or repeal. The rights provided hereunder shall inure to the benefit of any Covered Person and such person's heirs, executors and administrators.

ARTICLE FOURTEEN ***Advancement of Expenses***

To the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, the Corporation shall advance expenses reasonably incurred by any Covered Person (which shall include attorneys' fees) to such Covered Person who was or is made or is threatened to be made a party or is otherwise involved in any Covered Proceeding. Nothing contained in this Article Fourteen shall affect any rights to advancement of expenses to which directors or officers of the Corporation otherwise may be entitled under the Bylaws, any written agreement with the Corporation or otherwise. If a claim for advancement of expenses is not paid in full within 30 days after a written demand therefor by the Covered Person has been received by the Corporation, the Covered Person may file suit to recover the unpaid amount of such claim, and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. The Corporation may, to the extent authorized from time to time by the Board, grant rights to advancement of expenses to any employee or agent of the Corporation to the fullest extent of the provisions of this Article Fourteen with respect to the advancement of expenses to directors and officers of the Corporation. Any amendment, modification or repeal of this Article Fourteen shall be prospective only, and shall not adversely affect any right or protection of a Covered Person existing at the time of such amendment, modification or repeal. Expenses shall be advanced only upon delivery to the Corporation of an undertaking, by or on behalf of a Covered Person, to repay such expenses if it shall ultimately be determined that he or she is not entitled to be indemnified by the Corporation as set forth in Article Thirteen or otherwise. The rights provided hereunder shall inure to the benefit of any Covered Person and such person's heirs, executors and administrators.

ARTICLE FIFTEEN ***Limitation on Director Liability***

The personal liability of directors to the Corporation and its stockholders shall be eliminated to the fullest extent permitted by Section 102(b)(7) of the DGCL, as may be amended and supplemented from time to time. Any amendment, modification or repeal of this Article Fifteen shall be prospective only, and shall not adversely affect any limitation on the personal liability of a director of the Corporation existing at the time of such amendment, modification or repeal.

ARTICLE SIXTEEN ***Corporate Opportunities***

In recognition and anticipation that (i) certain holders of Common Stock, their Affiliates (as defined below), and their respective directors, principals, officers, members, partners, shareholders, employees and/or other representatives may now engage, may continue to engage,

or may, in the future, decide to engage, in the same or similar activities or related lines of business as those in which the Corporation, directly or indirectly, may, now or in the future, engage and/or other business activities that overlap with or compete with those in which the Corporation, directly or indirectly, may, now or in the future, engage, and (ii) members of the Board who are not officers or employees of the Corporation (“Non-Employee Directors,” and together with their Affiliates and the persons identified in clause (i) above, collectively, the “Identified Persons”) and their respective Affiliates may now engage, may continue to engage, or may, in the future, decide to engage, in the same or similar activities or related lines of business as those in which the Corporation, directly or indirectly, may, now or in the future, engage and/or other business activities that overlap with or compete with those in which the Corporation, directly or indirectly, may, now or in the future, engage, the provisions of this Article Sixteen are set forth to regulate and define the conduct of certain affairs of the Corporation with respect to certain classes or categories of business opportunities as they may involve the Identified Persons and the powers, rights, duties and liabilities of the Corporation and its directors, officers and stockholders in connection therewith.

A. None of the Identified Persons shall have any duty to refrain, directly or indirectly, from (x) engaging in a Corporate Opportunity or (y) otherwise competing with the Corporation, and, to the fullest extent permitted by the DGCL, no Identified Person shall be liable to the Corporation or its stockholders for breach of any fiduciary duty solely by reason of the fact that such Identified Person engages in any such activities. The Corporation hereby renounces any interest or expectancy in, or in being offered an opportunity to participate in, any Corporate Opportunity for both an Identified Person and the Corporation or any of its Affiliates, except as specifically provided in Section C. A “Corporate Opportunity” is any matter, transaction or interest in the same or similar business activities or lines of business in which the Corporation or any of its Affiliates now engages or proposes to engage that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of any Identified Person, unless such matter, transaction or interest is presented to, or acquired, created or developed by, or otherwise comes into the possession of, an Identified Person expressly and solely in such Identified Person’s capacity as a director of the Corporation.

B. In the event that any Identified Person acquires knowledge of a potential transaction or other business opportunity which may be a Corporate Opportunity both for itself or himself and the Corporation or any of its Affiliates, such Identified Person shall have no duty to communicate or offer such transaction or other business opportunity to the Corporation or any of its Affiliates and, to the fullest extent permitted by the DGCL, shall not be liable to the Corporation or its stockholders for breach of any fiduciary duty as a stockholder, director or officer of the Corporation solely by reason of the fact that such Identified Person pursues or acquires such Corporate Opportunity for itself or himself, or offers or directs such Corporate Opportunity to another person.

C. The Corporation does not renounce its interest in any Corporate Opportunity offered to any Non-Employee Director if such Opportunity is expressly offered to such person expressly and solely in his or her capacity as a director of the Corporation and the provisions of Section A and Section B shall not apply to any such Corporate Opportunity.

D. In addition to and notwithstanding the foregoing provisions of this Article

Sixteen, a Corporate Opportunity shall be deemed not to be a potential Corporate Opportunity for the Corporation if it is a business opportunity that the Corporation is not financially able or contractually permitted or legally able to undertake, or that is, from its nature, not in the line of the Corporation's business or is of no practical advantage to it or that is one in which the Corporation has no interest or reasonable expectancy.

E. Solely for purposes of this Article Sixteen, "Affiliate" shall mean (A) in respect of any specified person (other than the Corporation), any other person that, directly or indirectly, is controlled by, controls or is under common control with such specified person and shall include any principal, member, director, partner, shareholder, officer, employee or other representative of any of the foregoing, (B) in respect of a Non-Employee Director, any person that, directly or indirectly, is controlled by such Non-Employee Director (other than the Corporation and any entity that is controlled by the Corporation) and (C) in respect of the Corporation, any person that, directly or indirectly, is controlled by the Corporation.

* * * * *

The UNDERSIGNED, being the Secretary of the Corporation, does hereby certify that the Corporation has restated its Certificate of Incorporation as set forth above, does hereby certify that this second amendment and restatement of the Certificate of Incorporation has been duly adopted in accordance with the applicable provisions of Sections 228, 242 and 245 of the General Corporation Law of the State of Delaware, as amended, and does hereby make and file this Certificate.

Dated: _____

[Name]
[Title]

AMENDED AND RESTATED BYLAWS
OF
BALLY TOTAL FITNESS HOLDING CORPORATION

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**AMENDED AND RESTATED BYLAWS
OF
BALLY TOTAL FITNESS HOLDING CORPORATION**

**ADOPTED ON
_____, 2009**

**ARTICLE I.
IDENTIFICATION; OFFICES**

Section 1. NAME. The name of the corporation is BALLY TOTAL FITNESS HOLDING CORPORATION (the “Corporation”).

Section 2. REGISTERED AGENT AND REGISTERED OFFICE. The registered office of the Corporation shall be 1209 Orange Street, in the City of Wilmington, County of New Castle, State of Delaware. The name of the Corporation’s registered agent is The Corporation Trust Company.

Section 3. OTHER OFFICES. The Corporation may also have offices at such other places, within or outside the State of Delaware, as the Board of Directors of the Corporation (the “Board”) may from time to time determine or the business of the Corporation may require.

Section 4. PLACE OF KEEPING CORPORATE RECORDS. The records and documents required by law to be kept by the Corporation permanently shall be kept at the Corporation’s principal office.

**ARTICLE II.
MEETINGS OF STOCKHOLDERS**

Section 1. PLACE OF MEETINGS. Meetings of stockholders shall be held at any place, within or outside the State of Delaware, designated by the Board. The Board may, in its sole discretion, determine that a meeting of stockholders shall not be held at any place, but may instead be held solely by means of remote communication as authorized by Section 211 (a)(2) of the General Corporation Law of the State of Delaware (as amended from time to time, the “DGCL”). In the absence of any such designation or determination, stockholders’ meetings shall be held at the principal executive office of the Corporation.

Section 2. ANNUAL MEETINGS OF STOCKHOLDERS. Unless directors are elected by written consent in lieu of an annual meeting as permitted by Section 10 of this Article II, an annual meeting of stockholders shall be held for the election of directors on a date and at a time designated by or in the manner provided in these Bylaws. Stockholders may, unless the

Corporation's Second Amended and Restated Certificate of Incorporation (as amended and/or restated from time to time, the "Certificate of Incorporation") provides otherwise, act by written consent to elect directors. Any other proper business may be transacted at the annual meeting.

Section 3. QUORUM; ADJOURNED MEETINGS AND NOTICE THEREOF. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, the holders of a majority in voting power of the shares of stock of the Corporation issued and outstanding and entitled to vote at the meeting, whether present in person, by means of remote communication or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of the stockholders. A quorum, once established, shall not be broken by the withdrawal of enough votes to leave less than a quorum and the votes present may continue to transact business until adjournment in accordance with Section 5 of this Article II. Any meeting of stockholders may be adjourned from time to time by the chairperson presiding over the meeting or by a majority in voting power of the stockholders present, and may be reconvened at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Corporation may transact any business that could have been transacted at the original meeting. If the adjournment is for more than thirty (30) days or, if after the adjournment, a new record date is fixed for the adjourned meeting, notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the adjourned meeting.

Section 4. CONDUCT OF BUSINESS. The Board may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations adopted by the Board, the chairperson presiding over any meeting of the stockholders shall have the right and authority to convene and to adjourn the meeting, to determine the order of business at the meeting, to prescribe such rules, regulations and procedures, including such regulation of the manner of voting and the conduct of business, and to do all such acts as, in the judgment of such chairperson, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board or prescribed by the chairperson of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the chairperson of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; (v) limitations on the time allotted to questions or comments by participants; (vi) the date and time of the opening and closing of the polls for each matter upon which the stockholders will vote; and (vii) a determination and declaration, if the facts warrant, that a matter or business was not properly brought before the meeting and if such chairperson should so determine, such chairperson shall so declare and any such matter or business not properly brought before the meeting shall not be transacted or considered. Unless and to the extent determined by the Board or the person presiding over the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

Section 5. VOTING. When a quorum is present at any meeting of stockholders, in all matters other than the election of directors, the vote of the holders of a majority in voting power of the shares of stock of the Corporation issued and outstanding and entitled to vote on the subject matter shall decide any question brought before such meeting, unless the question is one upon which a different vote is required by express provision of applicable law, the Certificate of Incorporation, these Bylaws or any regulation or law applicable to the Corporation or its securities, in which case such express provision shall govern and control the decision of such question. Unless otherwise provided in the Certificate of Incorporation, directors shall be elected by a plurality of the votes cast by shares present in person, by means of remote communication or represented by proxy at the meeting and entitled to vote on the election of directors. Unless otherwise provided in the Certificate of Incorporation, each stockholder shall have one vote for each share of stock having voting power, registered in such stockholder's name on the books of the Corporation on the record date set by the Board as provided in Article V, Section 4 hereof. Voting at meetings of stockholders need not be by written ballot.

Section 6. PROXIES. Except as otherwise provided by law or pursuant to the provisions of the Certificate of Incorporation, each stockholder entitled to vote at a meeting of stockholders or to express consent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy authorized by an instrument in writing or by an electronic transmission permitted by law that is filed in accordance with the procedure established for the meeting, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy that is not irrevocable by attending the meeting and voting in person or by delivering to the secretary of the Corporation a revocation of the proxy or a new proxy bearing a later date.

Section 7. SPECIAL MEETINGS. Unless otherwise provided by law or the Certificate of Incorporation, special meetings of the stockholders, for any purpose or purposes, may be called by (i) the chairperson of the Board, (ii) the chief executive officer of the Corporation, (iii) a majority of the Board, or (iv) stockholders holding a majority of the issued and outstanding common stock of the Corporation, and shall be held on such date and time as the Board determines. Such special meetings may not be called by any other person or persons. The request for special meetings shall state the purpose or purposes of the proposed meeting. Business transacted at any special meeting of stockholders shall be limited to the purpose or purposes stated in the notice.

Section 8. NOTICE OF STOCKHOLDERS' MEETINGS. Whenever stockholders are required or permitted to take any action at a meeting, a notice of the meeting shall be given stating the place, if any, date and hour of the meeting, the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by law, the Certificate of Incorporation or these Bylaws, the notice of any meeting shall be given to each stockholder entitled to vote at such meeting in accordance with Article VI, Section 4

hereof and not less than ten nor more than 60 days before the date of the meeting. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the Corporation. If electronically transmitted, notice is given as provided in Article VI, Section 4 of these Bylaws. An affidavit of the secretary or an assistant secretary of the Corporation or of the transfer agent or any other agent of the Corporation that the notice has been given by mail or by a form of electronic transmission, as applicable, shall, in the absence of fraud, be *prima facie* evidence of the facts stated therein. Notice of any meeting may be waived by any stockholder before or after such meeting.

Section 9. MAINTENANCE AND INSPECTION OF STOCKHOLDER LIST. The officer who has charge of the stock ledger of the Corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. The Corporation shall not be required to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to examination by any stockholder, for any purpose germane to the meeting, for a period of at least ten days prior to the meeting: (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours at the principal place of business of the Corporation. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. If the meeting is to be held at a place (instead of by remote communication), then the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. Except as otherwise provided by law, the stock ledger shall be the only evidence as to which of the stockholders are entitled to examine the stock ledger, the list of stockholders, the books of the Corporation or to vote in person or by proxy at any meeting of the stockholders.

Section 10. STOCKHOLDER ACTION BY WRITTEN CONSENT WITHOUT A MEETING. Unless otherwise restricted by the Certificate of Incorporation, any action required or permitted by the DGCL to be taken at any annual or special meeting of stockholders of the Corporation, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted, and shall be delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or to an officer or agent of the Corporation having custody of the book in which minutes of proceedings of stockholders are recorded. Every written consent shall bear the date of signature of each stockholder who signs the consent and no written consent shall be effective to take the corporate action referred to therein unless, within 60 days of the earliest

dated consent delivered to the Corporation in the manner required by this Article II, Section 10, written consents signed by a sufficient number of holders to take action are delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or to an officer or agent of the Corporation having custody of the book in which minutes of proceedings of stockholders are recorded. A telegram, cablegram or other electronic transmission consenting to an action to be taken and transmitted by a stockholder shall be deemed to be written, signed and dated for the purposes of this Article II, Section 10, provided that any such telegram, cablegram or other electronic transmission sets forth or is delivered with information from which the Corporation can determine (i) that the telegram, cablegram or other electronic transmission was transmitted by the stockholder or proxyholder or by a person or persons authorized to act for a stockholder or proxyholder and (ii) the date on which such stockholder or proxyholder or authorized person or persons transmitted such telegram, cablegram or electronic transmission. The date on which the telegram, cablegram or electronic transmission is transmitted shall be deemed to be the date on which such consent was signed. No consent given by telegram, cablegram or other electronic transmission shall be deemed to have been delivered until such consent is reproduced in paper form and until such paper form is delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which minutes of proceedings of stockholders are recorded. Delivery made to a Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. Any copy, facsimile or other reliable reproduction of a consent in writing may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used, provided that such copy, facsimile or other reproduction shall be a complete reproduction of the entire original writing. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall, to the extent required by law, be given to those stockholders who have not consented in writing and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for such meeting had been the date that written consents signed by a sufficient number of holders to take the action were delivered to the Corporation as provided above. In the event that the action which is consented to is such as would have required the filing of a certificate under any provision of the DGCL if such action had been voted on by stockholders at a meeting thereof, the certificate filed under such provision shall state, in lieu of any statement required by such provision concerning any vote of stockholders, that written consent has been given in accordance with Section 228 of the DGCL.

ARTICLE III. DIRECTORS

Section 1. THE NUMBER OF DIRECTORS. The number of directors which shall constitute the whole Board of Directors shall be not less than three or more than eleven, with the exact number of directors to be determined from time to time by resolution of the Board. The number of directors constituting the entire Board may be increased or decreased only pursuant to a resolution adopted by the affirmative vote of a majority of the directors then in office or a majority in voting power of the shares of stock of the Corporation issued and outstanding and entitled to vote thereon. The directors need not be

stockholders. Except as otherwise provided in Section 2 of this Article III, directors shall be elected at the annual meeting of the stockholders and each director elected shall hold office until such director's successor is elected and qualified or until the earlier of such director's resignation or removal. Any director may resign at any time upon notice given in writing or by electronic transmission to the Corporation as provided in Article VI, Section 4 of these Bylaws. When one or more directors so resigns, vacancies shall be filled as provided in Section 2 of this Article III.

Section 2. VACANCIES. Unless otherwise provided in the Certificate of Incorporation or these Bylaws, vacancies on the Board by reason of death, resignation, retirement, disqualification, removal from office or otherwise, and newly created directorships resulting from any increase in the authorized number of directors, may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director. Each director so chosen shall hold office until the next annual election of directors and until such director's successor is duly elected and qualified, or until such director's earlier resignation or removal.

Section 3. PLACE OF DIRECTORS' MEETINGS. The Board may hold meetings, both regular and special, either within or outside the State of Delaware. The chairperson of the Board shall preside over all meetings of the Board.

Section 4. REGULAR MEETINGS. Regular meetings of the Board may be held without notice at such time and place as shall from time to time be determined by the Board.

Section 5. SPECIAL MEETINGS. Special meetings of the Board shall be called, on not less than twenty-four (24) hours' prior notice to each director, either personally or by mail, by facsimile, by electronic transmission or by telegram, by the chairperson of the Board, the chief executive officer of the Corporation or two directors unless the Board consists of only one director, in which case special meetings of the Board shall be called by the sole director.

Section 6. QUORUM. At all meetings of the Board a majority of the directors then serving shall be necessary and sufficient to constitute a quorum for the transaction of business unless applicable law, the Certificate of Incorporation or these Bylaws require a greater number. The vote of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board, except as may be otherwise specifically provided by the DGCL, the Certificate of Incorporation or these Bylaws. If a quorum is not present at any meeting of the Board, then the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. If only one director is authorized, such sole director shall constitute a quorum. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

Section 7. ACTION WITHOUT MEETING. Any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting, without prior notice and without a vote, if all members of the Board or committee,

as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 8. TELEPHONIC MEETINGS. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, members of the Board, or any committee designated by the Board, may participate in a meeting of the Board, or any committee, by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at such meeting.

Section 9. COMMITTEES OF DIRECTORS. The Board may designate one or more committees, each such committee to consist of one or more of the directors of the Corporation. Each committee member shall serve a term on such committee coexistent with such member's term on the Board. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member. Notwithstanding the foregoing, the composition and duties of any committee shall comply with the rules and regulation or law applicable to the Corporation or its securities. The delegation of any decision to a committee of the Board, and the votes required for the making of such decision by such committee, shall have the same approval requirements as the taking of such action by the Board. Any such committee, to the extent permitted by law and to the extent provided in the resolution of the Board, any committee charter or in these Bylaws, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it.

Section 10. MINUTES OF COMMITTEE MEETINGS. Each committee shall keep regular minutes of its meetings and report the same to the Board when required.

Section 11. MEETINGS AND ACTION OF COMMITTEES. Unless the Board otherwise provides, each committee designated by the Board may make, alter and repeal rules for the conduct of its business. In the absence of such rules, each committee shall conduct its business in the same manner as the Board conducts its business pursuant to the applicable sections of Article III of these Bylaws.

Section 12. COMPENSATION OF DIRECTORS. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, the Board shall have the authority to fix the compensation of directors. The directors may be paid their expenses, if any, of attendance at each meeting of the Board and may be paid a fixed sum for attendance at each meeting of the Board or a stated salary as director. Except as required by the rules of any stock exchange or quotation system applicable to the Corporation or any regulation or law

applicable to the Corporation or its securities, no such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for service on such committee and/or for attending committee meetings.

Section 13. REMOVAL OF A DIRECTOR. Unless otherwise restricted by or provided in the DGCL or the Certificate of Incorporation, any director or the entire Board may be removed, either with or without cause, by the holders of a majority in voting power of the shares of stock of the Corporation then entitled to vote at an election of directors.

ARTICLE IV. OFFICERS

Section 1. OFFICERS. The officers of the Corporation shall be chosen by the Board and may include a chairperson of the Board, chief executive officer and/or a president, chief financial officer or any or all of the foregoing, and a secretary. The Corporation may also have at the discretion of the Board such other officers as are desired, including a treasurer, one or more vice chairpersons of the Board, one or more vice presidents, one or more assistant secretaries, one or more assistant treasurers and such other officers as may be appointed in accordance with the provisions of Section 3 of this Article IV. In the event there are two or more vice presidents, then one or more may be designated as executive vice president, senior vice president or other similar or dissimilar title. At the time of the election of officers, the directors may determine the order of their rank. Any number of offices may be held by the same person, unless the DGCL, the Certificate of Incorporation or these Bylaws otherwise provide.

Section 2. APPOINTMENT OF OFFICERS. The Board shall appoint the officers of the Corporation, except such officers as may be appointed in accordance with the provisions of Section 3 of this Article IV. The Corporation shall have such officers with such titles and duties as stated herein or as stated in a resolution of the Board that is not inconsistent with these Bylaws.

Section 3. SUBORDINATE OFFICERS. The Board and/or the chief executive officer of the Corporation, or in the absence of a chief executive officer, the president of the Corporation, may appoint such other “subordinate officers” as the business of the Corporation may require who shall hold their offices for such terms and shall exercise such powers and perform such duties as are provided in these Bylaws or as shall be determined from time to time by the Board and/or the chief executive officer, or in the absence of a chief executive officer, the president. For the avoidance of doubt, the term “subordinate officers” shall not include any officers of the Corporation with the title of vice president or above. The Board may appoint, or empower the chief executive officer or, in the absence of a chief executive officer, the president or a vice president, to appoint, such other officers and agents as the business of the Corporation may require who shall hold their offices for such terms and shall exercise such powers and perform such duties as are provided in these Bylaws or as shall be determined from time to time by the Board.

Section 4. TERM OF OFFICE; REMOVAL AND VACANCIES. Each officer of the Corporation shall hold office until such officer's successor is elected and qualified or until such officer's earlier resignation or removal. Any officer may resign at any time upon written notice to the Corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice. Unless otherwise specified in the notice of resignation, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party. Any officer may be removed at any time by the affirmative vote of the Board or, except in the case of an officer chosen by the Board, by any officer upon whom such power of removal may be conferred by the Board. If the office of any officer or officers becomes vacant for any reason, the vacancy shall be filled by the Board, or with respect to the office of any subordinate officers, by the Board or the chief executive officer of the Corporation, or in the absence of a chief executive officer, the president.

Section 5. CHAIRPERSON OF THE BOARD. The chairperson of the Board shall, if present, preside at all meetings of the stockholders and the Board, and, in general, shall exercise and perform such other powers and duties as may be from time to time assigned to him or her by the Board or prescribed by these Bylaws. The same individual may serve as both the chairperson of the Board and chief executive officer.

Section 6. VICE CHAIRPERSONS OF THE BOARD. In the absence or disability of the chairperson of the Board, any vice chairpersons designated by the Board, shall perform all the duties of the chairperson, and when so acting shall have all the powers of and be subject to all the restrictions upon the chairperson. Each vice chairperson shall have such other duties as from time to time may be prescribed for such vice chairperson by the Board.

Section 7. CHIEF EXECUTIVE OFFICER. The chief executive officer shall be the principal executive officer of the Corporation and, subject to the control and oversight of the Board, shall supervise the business and affairs of the Corporation. The chief executive officer shall, in the absence of the chairperson of the Board (or if the chief executive officer and chairperson of the Board be one and the same), preside at all meetings of the stockholders and the Board, and, in general, shall perform all duties incident to the office of chief executive officer and such other duties as may be prescribed by the Board from time to time. The chief executive officer may, from time to time, delegate such chief executive officer's powers and authority to such other officers, employees and other agents of the Corporation as the chief executive officer shall deem appropriate.

Section 8. PRESIDENT. Subject to the control of the Board and such supervisory powers, if any, as may be given by the Board to the chairperson of the Board and/or the chief executive officer, the president shall have general supervision, direction and control of the business and officers of the Corporation. In the absence of the chairperson of the Board and the chief executive officer, or if there be none, the president shall preside at all meetings of the stockholders and all meetings of the Board. The president shall have the general powers and duties of management usually vested in the office of president of

corporations and shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

Section 9. CHIEF FINANCIAL OFFICER. The chief financial officer shall keep or cause to be kept the books of account of the Corporation in a thorough and proper manner and shall render statements of the financial affairs of the Corporation in such form and as often as required by the Board or the chief executive officer. The books of account shall at all reasonable times be open to inspection by any director. The chief financial officer, subject to the order of the Board, shall have custody of all funds and securities of the Corporation. The chief financial officer shall disburse the funds of the Corporation as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the Board, at its regular meetings or when the Board so requires, an account of all transactions effected by the chief financial officer and of the financial condition of the Corporation. The chief financial officer shall perform other duties commonly incident to such office and shall also perform such other duties and have such other powers as the Board or the chief executive officer shall designate from time to time. If required by the Board, the chief financial officer shall give the Corporation a bond, in such sum and with such surety or sureties as shall be satisfactory to the Board, for the faithful performance of the duties of such office and for the restoration to the Corporation, in case of death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his/her possession or under his/her control belonging to the Corporation. The chief executive officer may direct the treasurer or assistant treasurer to assume and perform the duties of the chief financial officer in the absence or disability of the chief financial officer.

Section 10. VICE PRESIDENTS. In the absence or disability of the president, any vice president designated by the Board, shall perform all the duties of the president, and when so acting shall have all the powers of and be subject to all the restrictions upon the president. Each vice president shall have such other duties as from time to time may be prescribed for such vice president by the Board.

Section 11. SECRETARY. The secretary shall keep or cause to be kept, at the principal executive office of the Corporation or such other place as the Board may direct, a book of minutes of all meetings and actions of directors, committees of directors and stockholders. The secretary shall give, or cause to be given, notice of all meetings of the stockholders and the Board required to be given by law or by these Bylaws, and shall perform such other duties as may be prescribed by the Board or these Bylaws. The secretary shall keep in safe custody the seal of the Corporation, if one be adopted, and when authorized by the Board, affix the same to any instrument requiring it, and when so affixed it shall be attested by his/her signature or by the signature of an assistant secretary. The Board may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing by his/her signature.

Section 12. ASSISTANT SECRETARY. The assistant secretary, or if there be more than one, any assistant secretary designated by the Board, shall, in the absence or disability of the secretary, perform the duties and exercise the powers of the secretary and

shall perform such other duties and have such other powers as the Board may from time to time prescribe.

Section 13. TREASURER. The treasurer shall, in the absence of the chief financial officer, perform the duties and exercise the powers of the chief financial officer and shall perform such other duties and have such other powers as the Board may from time to time prescribe. If required by the Board, the treasurer shall give the Corporation a bond, in such sum and with such surety or sureties as shall be satisfactory to the Board, for the faithful performance of the duties of such office and for the restoration to the Corporation, in case of death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his/her possession or under his/her control belonging to the Corporation.

Section 14. ASSISTANT TREASURER. The assistant treasurer, or if there be more than one, any assistant treasurer designated by the Board, shall in the absence or disability of the chief financial officer and the treasurer, perform the duties and exercise the powers of the chief financial officer and the treasurer and shall perform such other duties and have such other powers as the Board may from time to time prescribe.

Section 15. REPRESENTATION OF SHARES OF OTHER CORPORATIONS. The chairperson of the Board, the chief executive officer or the president of this Corporation, the secretary of this Corporation, or any other person authorized by the Board or the chief executive officer, is authorized to vote, represent, and exercise on behalf of this Corporation all rights incident to any and all securities of any other corporation or corporations standing in the name of this Corporation. The authority granted herein may be exercised either by such person directly or by any other person authorized to do so by proxy or power of attorney duly executed by such person having the authority.

Section 16. AUTHORITY AND DUTIES OF OFFICERS. In addition to the foregoing authority and duties, all officers of the Corporation shall respectively have such authority and perform such duties in the management of the business of the Corporation as may be designated from time to time by the Board.

ARTICLE V. CERTIFICATES OF STOCK

Section 1. CERTIFICATES. The Corporation's shares shall be represented by certificates in the form approved by the Board or shall be uncertificated. In the case of shares represented by certificates, each certificate shall be signed by the Chairman, Chief Executive Officer, President or a Vice President, and by the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer, and shall be sealed with the Corporation's seal or a facsimile of the seal. Any or all of the signatures on the certificate may be a facsimile. In case any officer or transfer agent who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer or transfer agent before such certificate is issued, it may be issued by the Corporation with the same effect as if such person were such officer or transfer agent at the date of issue. If the Corporation shall be authorized to issue more than one class of stock or more than one series of any class, and if and to the extent that the stock is represented by

certificates, then the powers, designations, preferences and relative, participating, optional or other special rights of each such class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate which the Corporation shall issue to represent such class or series of stock, provided that, except as otherwise provided in Section 202 of the DGCL, in lieu of the foregoing requirements for such certificated shares, there may be set forth on the face or back of the certificate which the Corporation shall issue to represent such class or series of stock, a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

Section 2. **LOST, STOLEN OR DESTROYED STOCK CERTIFICATES; ISSUANCE OF NEW CERTIFICATES.** The Corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the owner thereof may file in the office of the Corporation an affidavit setting forth, to the best of its knowledge and belief, the time, place, and circumstance of such loss, destruction or theft and the Corporation may require the owner of the lost, stolen or destroyed certificate, or such owner's legal representative, to give the Corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

Section 3. **FIXING DATE FOR DETERMINATION OF STOCKHOLDERS OF RECORD.** In order that the Corporation may determine the stockholders (a) entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, (b) to express consent to corporate action in writing without a meeting, (c) to receive payment of any dividend or other distribution or allotment of any rights, (d) to exercise any rights in respect of any change, conversion or exchange of stock or (e) for the purpose of any other lawful action, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date: (i) in the case of determination of stockholders entitled to vote at any meeting of stockholders or adjournment thereof, shall, unless otherwise required by law, not be more than 60 nor less than ten days before the date of such meeting; (ii) in the case of determination of stockholders entitled to express consent to corporate action in writing without a meeting, shall not be more than ten days from the date upon which the resolution fixing the record date is adopted by the Board; and (iii) in the case of any other action, shall not be more than 60 days prior to such other action. If no record date is fixed: (1) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; (2) the record date for determining stockholders entitled to express consent to corporate action in writing without a meeting, when no prior action of the Board is required by law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation in accordance with applicable law, or, if prior action by the Board is required by law, shall be at the close of business on the day on which the Board adopts the resolution taking such prior action;

and (3) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for the adjourned meeting.

Section 4. REGISTERED STOCKHOLDERS. The Corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact thereof and accordingly shall not be bound to recognize any equitable or other claim or interest in such share on the part of any other person, whether or not it shall have express or other notice thereof, save as expressly provided by the DGCL.

ARTICLE VI. GENERAL PROVISIONS

Section 1. CHECKS. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers as the Board may from time to time designate.

Section 2. FISCAL YEAR. The fiscal year of the Corporation shall be from January 1 to December 31, or such other dates as shall be determined by resolution of the Board from time to time.

Section 3. CORPORATE SEAL. The corporate seal shall have the name of the Corporation inscribed thereon and shall be in such form as may be approved from time to time by the Board. The Corporation may use the corporate seal by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

Section 4. MANNER OF GIVING NOTICE. Whenever, under the provisions of applicable law, the Certificate of Incorporation or these Bylaws, notice is required to be given to any director or stockholder, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, addressed to such director or stockholder, at such director's or stockholder's address as it appears on the records of the Corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Notice to directors may also be given by facsimile, by electronic transmission, telephone, telegram, overnight courier or by other means of electronic transmission.

Except as otherwise provided by applicable law, notice to stockholders may also be given by a form of electronic transmission consented to by the stockholder to whom the notice is given. Any such consent shall be revocable by the stockholder by written notice to the Corporation. Notice given by a form of electronic transmission shall be deemed given (i) if by facsimile telecommunication, when directed to a number at which the stockholder has consented to receive notice, (ii) if by electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice, (iii) if by a posting on an electronic network together with separate notice to the stockholder of such specific posting, upon the later of (A) such posting and (B) the giving of such separate

notice, and (iv) if by any other form of electronic transmission, when directed to the stockholder. An affidavit of the secretary or an assistant secretary, the transfer agent or other agent of the Corporation that the notice has been given by a form of electronic transmission shall, in the absence of fraud, be *prima facie* evidence of the facts stated therein. “Electronic transmission” means any form of communication, not directly involving the physical transmission of paper, which creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

Section 5. WAIVER OF NOTICE. Whenever any notice is required to be given under the provisions of the DGCL, the Certificate of Incorporation or these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, or a waiver by electronic transmission by the person entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, which objection shall be made at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of any regular or special meeting of the stockholders, directors, or members of a committee of directors need be specified in any written waiver of notice or any waiver by electronic transmission unless so required by the Certificate of Incorporation or these Bylaws.

Section 6. INTERESTED DIRECTORS; QUORUM. No contract or transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any other corporation, partnership, association or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board or committee thereof which authorizes the contract or transaction, or solely because his or her or their votes are counted for such purpose, if: (1) the material facts as to his or her relationship or interest and as to the contract or transaction are disclosed or are known to the Board or the committee, and the Board or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (2) the material facts as to his or her relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (3) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified, by the Board, a committee thereof or the stockholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board or of a committee which authorizes the contract or transaction.

ARTICLE VII. AMENDMENTS

Section 1. AMENDMENT BY DIRECTORS OR STOCKHOLDERS. These Bylaws may be altered, amended or repealed or new Bylaws may be adopted by the Board, when such power is conferred upon the Board by the Certificate of Incorporation, or by the

stockholders upon the affirmative vote of at least a majority of all outstanding shares of stock of Corporation then entitled to vote, at any regular meeting of the Board or of the stockholders or at any special meeting of the Board or of the stockholders if notice of such alteration, amendment, repeal or adoption of new Bylaws is contained in the notice of such special meeting. If the power to alter, amend or repeal Bylaws is conferred upon the Board by the Certificate of Incorporation it shall not divest or limit the power of the stockholders to adopt, amend or repeal Bylaws.

EXHIBIT F
NEW BALLY WARRANT AGREEMENT

WARRANT AGREEMENT

dated as of _____, 2009

between

BALLY TOTAL FITNESS HOLDING CORPORATION

and

[NAME OF WARRANT AGENT], as Warrant Agent

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EXHIBIT A. Form of Warrant Certificate

WARRANT AGREEMENT

WARRANT AGREEMENT, dated as of _____, 2009 (as modified, amended or supplemented, this "Agreement"), between BALLY TOTAL FITNESS HOLDING CORPORATION, a Delaware corporation (the "Company"), and [NAME OF WARRANT AGENT], a _____, as Warrant Agent (the "Warrant Agent").

W I T N E S S E T H:

WHEREAS, the Company has duly authorized the issuance from time to time of warrants (the "Warrants") to purchase fully paid, validly issued and nonassessable shares of common stock, par value \$0.01 per share, of the Company (the "Common Stock"); and

WHEREAS, the Company desires the Warrant Agent to act on behalf of the Company, and the Warrant Agent is willing so to act, in connection with the issuance, transfer, exchange, exercise and cancellation of the Warrants, and the Company wishes to set forth in this Agreement, among other things, the provisions of the Warrants, the form of the Warrant Certificates evidencing the Warrants and the terms and conditions upon which the Warrants may be issued, transferred, exchanged, exercised and canceled.

NOW, THEREFORE, in consideration of the premises and of the mutual agreements herein contained, the parties hereto agree as follows:

ARTICLE I

ISSUANCE OF WARRANTS AND FORM, EXECUTION, DELIVERY AND REGISTRATION OF WARRANT CERTIFICATES

SECTION 1.01 Issuance of Warrants. Each Warrant shall represent the right, subject to the provisions contained herein and therein, to purchase one share of Common Stock (the Common Stock issuable on exercise of the Warrants being referred to herein as the "Warrant Shares"), subject to adjustment as provided herein, at the Exercise Price set forth in Section 2.01. The Warrants shall be issued as a separate security and shall be transferable from and after the date of issuance.

SECTION 1.02 Form, Execution and Delivery of Warrant Certificates.

(a) One or more warrant certificates evidencing Warrants (each a "Warrant Certificate" which, for the avoidance of doubt, shall include Global Warrant Certificates) to purchase not more than [__ Warrant Shares] in the aggregate (except as provided in Sections 1.03, 1.04, 1.05 and 2.03(e) and Article V) may be executed by the Company and delivered to the Warrant Agent upon the execution of this Warrant Agreement or from time to time thereafter.

(b) Each Warrant Certificate, whenever issued, shall be in registered form substantially in the form set forth in Exhibit A hereto, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Agreement. Each Global Warrant Certificate shall bear such legend or legends as may be required by the Depositary in order for it to accept the Warrants for its book-entry settlement system. Each Warrant Certificate shall be printed, lithographed, typewritten, mimeographed or engraved on steel engraved borders or otherwise reproduced in any other manner as may be approved by the persons executing the same on behalf of the Company (such execution to be conclusive evidence of such approval) and may have such letters, numbers or other marks of identification or designation and such legends or endorsements printed, lithographed or engraved thereon

as the persons executing the same on behalf of the Company may approve (such execution to be conclusive evidence of such approval) and as are not inconsistent with the provisions of this Agreement, or as may be required to comply with any law or with any rule or regulation made pursuant thereto, or with any regulation of any stock exchange on which the Warrants or the Warrant Shares may be listed, or to conform to usage. Each Warrant Certificate shall be signed on behalf of the Company by any executive officer of the Company or the secretary or any assistant secretary of the Company or any other person duly appointed by the Board of Directors. The signature of any such person on any Warrant Certificate may be manual or facsimile. Each Warrant Certificate, when so signed on behalf of the Company, shall be delivered to the Warrant Agent together with an order for the countersignature and delivery of such Warrants.

(c) The Warrant Agent shall, upon receipt of any Warrant Certificate duly executed on behalf of the Company, countersign such Warrant Certificate and deliver such Warrant Certificate to or upon the order of the Company. Each Warrant Certificate shall be dated the date of its countersignature.

(d) No Warrant Certificate shall be entitled to any benefit under this Agreement or be valid or obligatory for any purpose, and no Warrant evidenced thereby may be exercised, unless such Warrant Certificate has been countersigned by the manual signature of the Warrant Agent. Such signature by the Warrant Agent upon any Warrant Certificate executed by the Company shall be conclusive evidence that such Warrant Certificate has been duly issued under the terms of this Agreement.

(e) If any person who has signed any Warrant Certificate on behalf of the Company, either manually or by facsimile signature, shall cease to hold such title and status before such Warrant Certificate shall have been countersigned and delivered by the Warrant Agent, such Warrant Certificate nevertheless may be countersigned and delivered as though the person who signed such Warrant Certificate had not ceased to hold such title and status of the Company; and any Warrant Certificate may be signed on behalf of the Company by any such person as, at the actual date of the execution of such Warrant Certificate, shall be a proper executive officer (or other officer of similar title or status) or Secretary or Assistant Secretary or other person (with similar title and status) duly appointed by the Board of Directors, as specified in this Section 1.02, regardless of whether at the date of the execution of this Agreement any such person ceased to hold such title and status.

SECTION 1.03 Global Certificates.

(a) Except to the extent determined by the Company as necessary or appropriate to comply with applicable securities laws, all the Warrants shall initially be represented by one or more global warrant certificates (each, a “Global Warrant Certificate”) deposited with the Depository Trust Company, (together with any successor depository, the “Depository”) and registered in the name of Cede & Co. or any other nominee of the Depository (any Warrants so represented being referred to as “Book-Entry Warrants”). The Depository, or such other entity designated by the Depository as its custodian, shall hold each Global Warrant Certificate. Except as provided for in Section 1.03(b) hereof, no person acquiring Book-Entry Warrants shall receive or be entitled to receive physical delivery of definitive Warrant Certificates evidencing such Book-Entry Warrants. Ownership of beneficial interests in the Book-Entry Warrants shall be shown on, and the transfer of such ownership shall be effected through, records maintained by institutions that have accounts with the Depository (each such institution, with respect to a Warrant in its account, a “Participant”).

(b) If for any reason the Depository ceases to make its book-entry settlement system available for the Warrants and there is no suitable entity willing to act as successor depository, or the Company by notice to the Warrant Agent otherwise determines to discontinue Book-Entry Warrants, the

Warrant Agent shall provide written instructions to the Depositary to deliver to the Warrant Agent for cancellation each Global Warrant Certificate, and the Company shall instruct the Warrant Agent to deliver to the Depositary definitive Warrant Certificates in physical form evidencing such Warrants.

(c) Following exercise of any Book-Entry Warrants and the issuance and delivery of Warrant Shares pursuant thereto in accordance with the procedures of the Depositary, the Global Warrant Certificate shall represent the remaining unexercised Book-Entry Warrants originally represented thereby, notwithstanding the absence of any notation to that effect on the Global Warrant Certificate. Upon notice of the Depositary to the Warrant Agent of the exercise of Book-Entry Warrants, the Warrant Agent shall make appropriate notation with respect thereto upon the books maintained by the Warrant Agent for this purpose.

SECTION 1.04 Transfer of Warrants

(a) A Warrant Certificate may be transferred at the option of the Holder thereof upon surrender of such Warrant Certificate at the corporate trust office of the Warrant Agent, properly endorsed or accompanied by appropriate instruments of transfer and written instructions for transfer, all in form satisfactory to the Company and the Warrant Agent; provided, however, that except as otherwise provided herein or required by the Depositary, each Global Warrant Certificate may be transferred only in whole and only to the Depositary, to a nominee of the Depositary, to a successor depositary, or to a nominee of a successor depositary. Upon any such registration of transfer, the Company shall execute, and the Warrant Agent shall countersign and deliver, as provided in Section 1.02, in the name of the designated transferee a new Warrant Certificate or Warrant Certificates of any authorized denomination evidencing in the aggregate a like number of unexercised Warrants.

(b) The Warrant Agent shall keep, at its corporate trust office, books in which, subject to such reasonable regulations as it may prescribe, it shall register Warrant Certificates in accordance with Section 1.02 and transfers, exchanges, exercises and cancellations of outstanding Warrant Certificates. Whenever any Warrant Certificates are surrendered for transfer or exchange in accordance with this Section 1.04, an authorized officer of the Warrant Agent shall manually countersign and deliver the Warrant Certificates which the Holder making the transfer or exchange is entitled to receive.

(c) No service charge shall be made for any transfer or exchange of Warrant Certificates, but the Company may require payment of a sum sufficient to cover any stamp or other tax or other governmental charge that may be imposed in connection with any such transfer or exchange.

(d) Notwithstanding anything to the contrary set forth in this Agreement, unless otherwise expressly approved in writing by the Company, no Warrants shall be transferred, and the Warrant Agent shall not register any transfer of Warrants on the books maintained by the Warrant Agent for that purpose, if such transfer would (i) constitute a violation of applicable laws, (ii) result in there being more than 450 holders of record of Warrants as determined pursuant to Section 12(g) of the Securities and Exchange Act of 1934, as amended (the "Exchange Act") and the rules and regulations of the Securities and Exchange Commission promulgated pursuant thereto, with each Participant being a single holder of record for these purposes, or (iii) otherwise require the Company to register the Warrants under the Exchange Act or any other applicable federal or state securities laws. If the Warrant Agent is uncertain whether the transfer of Warrants is permitted under this Section 1.04(d), the Warrant Agent may consult with the Company and shall be entitled to rely conclusively on any determination made by the Company with respect thereto. If the Warrant Agent declines to register the transfer of Warrants pursuant to this Section 1.04(d), it shall so inform the Holder requesting the transfer, but the Holder shall look solely to the Company to resolve any disagreement with respect to the compliance of any proposed

transfer with this Section 1.04(d). Any transfer in violation of this Section 1.04(d) shall be void and of no effect.

SECTION 1.05 Lost, Stolen, Mutilated or Destroyed Warrant Certificates. Upon receipt by the Company and the Warrant Agent of evidence satisfactory to them of the ownership of and the loss, theft, destruction or mutilation of any Warrant Certificate and of indemnity satisfactory to them and, in the case of mutilation, upon surrender of such Warrant Certificate to the Warrant Agent for cancellation, then, in the absence of notice to the Company or the Warrant Agent that such Warrant Certificate has been acquired by a bona fide purchaser, the Company shall execute, and an authorized officer of the Warrant Agent shall manually countersign and deliver, in exchange for or in lieu of the lost, stolen, destroyed or mutilated Warrant Certificate, a new Warrant Certificate of the same tenor and for a like number of Warrants. No service charge shall be made for any replacement of Warrant Certificates, but the Company may require the payment of a sum sufficient to cover any stamp or other tax or other governmental charge that may be imposed in connection with any such exchange. To the extent permitted under applicable law, the provisions of this Section 1.05 are exclusive with respect to the replacement of mutilated, lost, stolen or destroyed Warrant Certificates and shall preclude any and all other rights or remedies.

SECTION 1.06 Cancellation of Warrant Certificates. Any Warrant Certificate surrendered to the Warrant Agent for transfer, exchange or exercise of the Warrants evidenced thereby shall be promptly canceled by the Warrant Agent and shall not be reissued and, except as expressly permitted by this Agreement, no Warrant Certificate shall be issued hereunder in lieu thereof. The Warrant Agent shall deliver to the Company from time to time or otherwise dispose of canceled Warrant Certificates in a manner satisfactory to the Company. Any Warrant Certificate surrendered to the Company for transfer, exchange or exercise of the Warrants evidenced thereby shall be promptly delivered to the Warrant Agent and such transfer, exchange or exercise shall not be effective until such Warrant Certificate has been received by the Warrant Agent.

SECTION 1.07 Treatment of Holders and Beneficial Owners of Warrant Certificates.

(a) The term “Holder”, as used herein, shall mean any person in whose name at the time any Warrant Certificate shall be registered upon the books to be maintained by the Warrant Agent for that purpose. The Holder of each Global Warrant Certificate shall initially be Cede & Co., a nominee of the Depositary.

(b) The term “Beneficial Owner” as used herein shall mean any person in whose name ownership of beneficial interests in Book-Entry Warrants is recorded in the records maintained by a Participant.

(c) Subject to Sections 3.02 and 7.11, every Holder and every Beneficial Owner consents and agrees with the Company, the Warrant Agent and with every subsequent Holder and Beneficial Owner that until the Warrant Certificate is transferred on the books of the Warrant Agent, the Company and the Warrant Agent may treat the registered Holder of such Warrant Certificate as the absolute owner of the Warrants evidenced thereby for any purpose and as the person entitled to exercise the rights attaching to the Warrants evidenced thereby, any notice to the contrary notwithstanding.

ARTICLE II

EXERCISE PRICE, DURATION AND EXERCISE OF WARRANTS

SECTION 2.01 Exercise Price. The exercise price of each Warrant (the “Exercise Price”) shall be \$20 per share, subject to adjustment as provided in Article V.

SECTION 2.02 Duration of Warrants. Subject to the limitations set forth herein, each Warrant may be exercised in whole but not in part on any Business Day (as defined below) occurring during the period (the “Exercise Period”) commencing on _____, 2009 and ending at 5:00 P.M., New York time, on _____, 2014 (the “Expiration Date”). Each Warrant remaining unexercised after 5:00 P.M., New York time, on the Expiration Date shall become void, and all rights of the Holder under this Agreement shall cease.

As used herein, the term “Business Day” means any day which is not a Saturday or Sunday and is not a legal holiday or a day on which banking institutions generally are authorized or obligated by law or regulation to close in New York.

SECTION 2.03 Exercise of Warrants.

(a) A Holder (other than the Depositary) may exercise a Warrant by delivering, not later than 5:00 P.M., New York time, on any Business Day during the Exercise Period (the “Exercise Date”) to the Warrant Agent pursuant to the notice provisions set forth herein (i) the Warrant Certificate evidencing the Warrants to be exercised, (ii) the election to purchase the Warrant Shares (“Election to Purchase”) on the reverse of the Warrant Certificate properly completed and executed by the Holder and (iii) the Exercise Price for each Warrant to be exercised in lawful money of the United States of America by certified or official bank check or by bank wire transfer in immediately available funds. If any of (a) the Warrant Certificate, (b) the Election to Purchase, or (c) the Exercise Price therefor, is received by the Warrant Agent after 5:00 P.M., New York time, on the specified Exercise Date, the Warrants will be deemed to be received and exercised on the Business Day next succeeding the Exercise Date. If the date specified as the Exercise Date is not a Business Day, the Warrants will be deemed to be received and exercised on the next succeeding day which is a Business Day. If any of the requirements for the exercise of the Warrants shall not have occurred prior to the Expiration Date, the exercise thereof will be null and void and any funds delivered to the Warrant Agent will be returned to the Holder as soon as practicable. In no event will interest accrue on funds deposited with the Warrant Agent in respect of an exercise or attempted exercise of Warrants. The validity of any exercise of Warrants will be determined solely by the Warrant Agent, in accordance with the provisions of this Agreement, and such determination will be final and binding upon the Holder and the Company, subject to the terms set forth herein. Neither the Company nor the Warrant Agent shall have any obligation to inform a Holder of the invalidity of any exercise of Warrants; provided, however, any amount of the exercise price paid in connection with an invalid exercise shall be returned to the exercising Holder as promptly as practicable. The Warrant Agent shall deposit all funds received by it in payment of the Exercise Price in the account of the Company maintained with the Warrant Agent for such purpose and shall advise the Company by telephone at the end of each day on which funds for the exercise of the Warrants are received of the amount so deposited to its account. The Warrant Agent shall promptly confirm such telephonic advice to the Company in writing.

(b) The Warrant Agent shall, by 11:00 A.M. on the Business Day following the Exercise Date of any Warrant, advise the Company and the transfer agent and registrar (the “Transfer Agent”) in respect of the Warrant Shares as to the number of Warrants exercised, if the Warrant Shares at the time are issuable in registered form, the issuance and delivery instructions of the Holder exercising the

Warrants, the instructions of each Holder and such other information as the Company or the Transfer Agent shall reasonably require.

(c) If the Warrant Shares are at the time issuable in registered form, then the Company shall, by 5:00 P.M., New York time, on the third Business Day next succeeding the Exercise Date of any Warrant, either (I) cause to be delivered to the Warrant Agent the Warrant Shares to which the exercising Holder is entitled, in fully registered form, registered in such name or names as may be directed by such Holder, and the Warrant Agent shall, by 5:00 P.M., New York time, on the fifth Business Day next succeeding such Exercise Date, transmit such Warrant Shares, to or upon the order of the Holder; or (II) cause the Warrant Shares to be registered to, or to the order of, the exercising Holder in a direct registration system maintained by or on behalf of the Company. The Company agrees that it will provide such information and documents to the Warrant Agent as may be necessary for the Warrant Agent to fulfill its obligations hereunder in the time periods set forth herein.

(d) From and after the Exercise Date, the exercising Holder of the Warrants exercised will be entitled to the benefits of the Warrant Shares.

(e) Warrants may be exercised only in whole numbers of Warrants. Except as provided in Section 1.03 with respect to Global Warrant Certificates, if fewer than all of the Warrants evidenced by a Warrant Certificate are exercised, a new Warrant Certificate for the number of Warrants remaining unexercised shall be executed by the Company and countersigned by the Warrant Agent as provided in Section 1.02 hereof, and delivered to the Holder at the address specified on the books of the Warrant Agent or as otherwise specified in writing by such Holder.

(f) The Company shall not be required to pay any stamp or other tax or other governmental charge required to be paid in connection with any transfer involved in any issue or delivery of the Warrant Shares; and if any such transfer is involved, the Company shall not be required to issue or deliver any Warrant Shares until such tax or other charge shall have been paid or it has been established to the Company's satisfaction that no such tax or other charge is due.

(g) Anything to the contrary in this Section 2.03 notwithstanding, the exercise of Book-Entry Warrants, including the delivery by Participants of an Election to Purchase or the electronic equivalent thereof and the payment of the Exercise Price with respect thereto, notification to the Warrant Agent, the Transfer Agent and the Company, and the delivery in book-entry form of the Warrant Shares issuable upon such exercise, shall be governed by the practices and procedures of the Depositary; provided, however, that if any of the conditions for the exercise of the Book-Entry Warrants thereunder shall occur after the Expiration Date, the exercise thereof will be null and void.

(h) For so long as the Common Stock is held through the Depositary, upon exercise of a Book-Entry Warrant, Warrant Shares will be issued in book-entry form and held through the Depositary.

(i) Upon the exercise of a Warrant to purchase one or more shares of Common Stock, and pursuant to the terms of the Second Amended and Restated Certificate of Incorporation of the Company, the exercising Holder shall be deemed to be a party to, and each share of Common Stock shall be subject to, the Shareholders' Agreement, dated _____, 2009, by and among the Company and the shareholders of the Company, including, without limitation, the Drag-Along provision contained therein, until such Shareholders' Agreement shall cease to be in effect according to its terms.

ARTICLE III

OTHER PROVISIONS RELATING TO RIGHTS OF HOLDERS AND BENEFICIAL OWNERS OF WARRANTS

SECTION 3.01 No Rights as Holders of Warrant Shares Conferred by Warrants or Warrant Certificates. No Warrant Certificate or Warrant evidenced thereby shall entitle the Holder thereof to any of the rights of a holder of any Warrant Shares, including, without limitation, the right to receive dividends, if any, or payments upon the liquidation, dissolution or winding up of the issuer of the Warrant Shares or to exercise voting rights, if any.

SECTION 3.02 Holder and Beneficial Owner of Warrant May Enforce Rights. Notwithstanding any provisions of this Agreement to the contrary, the Holder of any Warrant without the consent of the Warrant Agent, or any Beneficial Owner of any Warrant without the consent of the Holder or the Warrant Agent, may, for its own benefit, enforce, and may institute and maintain any suit, action or proceeding against the Company to enforce, or otherwise in respect of, such Holder's or Beneficial Owner's right to exercise the Warrants evidenced by any Warrant Certificate in the manner provided in this Agreement and such Warrant Certificate.

ARTICLE IV

CERTAIN COVENANTS AND AGREEMENTS

SECTION 4.01 Certain Information.

(a) Prior to the First Public Offering, the Company agrees to furnish or make available to the Holders: (i) on a quarterly basis within forty-five (45) calendar days of each quarter-end, consolidated unaudited financial statements of the Company, including the balance sheet, income statement, and statement of cash flow detailing the quarter-to-date and year-to-date results, together with the footnotes thereto; and (ii) on an annual basis within 120 calendar days of each year-end, audited consolidated financial statements of the Company, including the balance sheet, income statement, and cash flow detailing year-to-date results, together with the footnotes thereto, in each case in reasonable detail and prepared in accordance with GAAP, except as otherwise noted therein.

(b) Notwithstanding anything herein to the contrary, any transferee or Holder who is a direct or indirect competitor of the Company shall not be entitled to receive any of the information described in this Section 4.01.

(c) "First Public Offering" means consummation of the first public offering of Common Stock, after the date hereof, pursuant to an effective registration statement under the Securities Act of 1933, as amended, other than pursuant to a registration statement on Form S-4 or Form S-8 or any similar or successor form.

SECTION 4.02 Confidentiality.

(a) Each Holder acknowledges that the information to be furnished pursuant to Section 4.01 (the "Confidential Information") is confidential and competitively sensitive. Each Holder agrees that it shall use, and that it shall cause any person to whom Confidential Information is disclosed pursuant to clause (i) below to use, the Confidential Information only in connection with its investment in the Warrants or shares of Common Stock issuable upon exercise of the Warrants and not for any other purpose (including to disadvantage competitively the Company or any other Holder). Each Holder

further acknowledges and agrees that it shall not disclose any Confidential Information to any person, except that Confidential Information may be disclosed:

(i) to such Holder's Representatives in the normal course of the performance of their duties for such Holder or to any financial institution providing credit to such Holder (it being understood that such Representatives shall be informed by the Holder of the confidential nature of such information and shall be directed to treat such information in accordance with this Agreement);

(ii) to the extent required by applicable law, rule or regulation (including complying with any oral or written questions, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process to which a Holder is subject; provided, that such Holder shall give the Company prompt written notice of such request(s), to the extent practicable, so that the Company may seek an appropriate protective order or similar relief (and the Holder shall cooperate with such efforts by the Company, and shall in any event make only the minimum disclosure required by such law, rule or regulation and shall use best efforts to obtain an order or other reliable assurance that confidential treatment will be accorded to such information));

(iii) to any person to whom such Holder is contemplating a transfer of its Warrants; provided, that such person shall be entitled to receive such information pursuant to Section 4.01(b) and, prior to such disclosure, such potential transferee is advised of the confidential nature of such information and agrees in a writing to be bound by the confidentiality provisions hereof and which agreement is independently enforceable by the Company;

(iv) to any regulatory authority or rating agency to which the Holder or any of its affiliates is subject or with which it has regular dealings, as long as such authority or agency is advised of the confidential nature of such information;

(v) in connection with such Holder's or such Holder's affiliates' normal fund raising, marketing, informational or reporting activities or to any *bona fide* prospective purchaser of the equity or assets of such Holder or such Holder's affiliates, or prospective merger partner of such Holder or such Holder's affiliates; provided, that prior to such disclosure the persons to whom such information is disclosed are advised of the confidential nature of such information and agree in a writing to be bound by the confidentiality provisions hereof and which agreement is independently enforceable by the Company; or

(vi) if the prior written consent of the Company shall have been obtained.

Nothing contained herein shall prevent the use (subject, to the extent possible, to a protective order) of Confidential Information in connection with the assertion or defense of any claim by or against the Company or any Holder. The restrictions contained in this Section 4.01(a) shall terminate as to any Holder one (1) year following the date on which such Holder ceases to own any Warrants.

(b) Confidential Information does not include information that

(i) is or becomes generally available to the public other than as a result of a disclosure by a Holder or its Representatives in violation of any confidentiality provision of this Agreement or any other applicable agreement,

(ii) is or was available to such Holder on a non-confidential basis prior to its disclosure to such Holder or its Representatives by the Company, or

(iii) was or becomes available to such Holder on a non-confidential basis from a source other than the Company, which source is or was (at the time of receipt of the relevant information) not, to the best of such Holder's knowledge, bound by a confidentiality agreement with (or other confidentiality obligation to) the Company or another person.

(c) "Representatives" of a Holder means its partners, shareholders, members, directors, officers, employees, agents, counsel, accountants, consultants, investment advisers or other professionals or representatives, or by its affiliates or wholly owned subsidiaries.

ARTICLE V

ADJUSTMENT; RESERVATION OF SHARES; NOTICES

SECTION 5.01 Adjustment of Exercise Price and Number of Warrant Shares.

(a) In the event the Company shall issue shares of Common Stock as a stock dividend to the holders of Common Stock, or subdivide or combine the outstanding shares of Common Stock into a greater or lesser number of shares (any such issuance, subdivision or combination being herein called a "Change of Shares"), then, and thereafter upon each further Change of Shares, the Exercise Price in effect immediately prior to such Change of Shares shall be changed to a price (including any applicable fraction of a cent) determined by multiplying (x) the Exercise Price in effect immediately prior thereto by (y) a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such Change of Shares and the denominator of which shall be the number of shares of Common Stock outstanding immediately after giving effect to such Change of Shares. Such adjustment shall be made successively whenever such an issuance is made.

(b) If the Company distributes to all holders of its Common Stock any of its assets (including cash other than in payment of regular cash dividends), debt securities or any rights to purchase debt securities, preferred stock or other securities of the Company, the Exercise Price shall be adjusted in accordance with the following formula:

$$E = E_o \times \frac{M-F}{M}$$

where:

E = the adjusted Exercise Price.

E_o = the Exercise Price prior to such adjustment.

M = the Current Market Price on the record date for the distribution.

F = the fair market value on the record date of the assets, debt securities, rights to purchase debt securities, preferred stock or other securities applicable to one share of Common Stock, as determined by the Board of Directors of the Company reasonably and in good faith.

"Current Market Price" as of any date shall be determined as follows:

1. if the Common Stock is not registered under the Exchange Act, the value of one share of Common Stock as determined reasonably and in good faith by the Board of Directors of the Company; or
2. if the Common Stock is registered under the Exchange Act, the average of the daily market prices of the Common Stock for the ten (10) consecutive trading days immediately preceding the day on which “Current Market Price” is being determined or, if the Common Stock has been registered under the Exchange Act for less than ten (10) consecutive trading days before such date, then the average of the daily market prices for all of the trading days before such date for which daily market prices are available. The market price for each such trading day shall be: (A) if the Common Stock is listed or admitted to trading on any securities exchange, the closing price, regular way, on such day, or if no sale takes place on such day, the average of the closing bid and asked price on such day; (B) if the Common Stock is not then listed or admitted to trading on any securities exchange, the average of the reported high bid and low asked prices on such day, as reported by a reputable quotation service designated by the Company, or if there shall be no bid and asked prices on such day, the average of the high bid and low asked prices, as so reported, on the most recent day (not more than ten (10) days prior to the date in question) for which prices have been so reported; and (C) if there are no bid and asked prices reported during the ten (10) days prior to the date in question, the Current Market Price shall be determined as if the Common Stock were not registered under the Exchange Act.

(c) Upon each adjustment of the Exercise Price pursuant to Section 5.01(a) or 4.01(b) hereof, the total number of shares of Common Stock purchasable upon the exercise of a Warrant shall be such number of shares (calculated to the nearest tenth) purchasable at the Exercise Price in effect immediately prior to such adjustment multiplied by a fraction, the numerator of which shall be the Exercise Price in effect immediately prior to such adjustment and the denominator of which shall be the Exercise Price in effect immediately after giving effect to such adjustment.

(d) In case of any reclassification or capital reorganization, or in case of any consolidation or merger of the Company with or into another corporation (other than a consolidation or merger in which the Company is the continuing corporation or other entity and which does not result in any reclassification, capital reorganization or other change of outstanding shares of Common Stock), or in case of any sale or conveyance to another corporation or other entity of the property of the Company as, or substantially as, an entirety (other than a sale/leaseback, mortgage or other financing transaction), the Company shall cause effective provision to be made so that the Holder of a Warrant shall have the right thereafter, by exercising the Warrant, to purchase the kind and number of shares of stock or other securities or property (including cash) receivable upon such reclassification, capital reorganization, consolidation, merger, sale or conveyance by a holder of the number of shares of Common Stock that would have been purchased upon exercise of the Warrant immediately prior to such reclassification, capital reorganization, consolidation, merger, sale or conveyance. Any such provision shall include provision for adjustments that shall be as nearly equivalent as may be practicable to the adjustments provided for in this Section 5.01. The Company shall not effect any such consolidation, merger or sale unless prior to or simultaneously with the consummation thereof the successor (if other than the Company) resulting from such consolidation or merger or the corporation or other entity purchasing such assets or other appropriate corporation or entity shall assume, by written instrument executed and delivered to the Company, the obligation to deliver to the Holder of the Warrants such shares of stock, securities or property (including cash) as, in accordance with the foregoing provisions, the Holder may be entitled to purchase and the other obligations of the Company under the Warrants. The foregoing

provisions shall similarly apply to successive reclassifications, capital reorganizations, consolidations, mergers, sales or conveyances.

(e) Irrespective of any adjustments or changes in the Exercise Price or the number of shares of Common Stock purchasable upon exercise of a Warrant, the Warrant Certificates representing the Warrants shall continue to express the Exercise Price per share and the number of shares of Common Stock purchasable thereunder as the Exercise Price per share and the number of shares of Common stock purchasable as were expressed in such Warrant Certificate when the same was originally issued.

(f) After each adjustment of the Exercise Price pursuant to this Section 5.01, the Company will prepare a certificate signed by the Chairman, the President or the Chief Financial Officer of the Company setting forth: (1) the Exercise Price as so adjusted, (2) the number of shares of Common Stock purchasable upon exercise of the Warrants after such adjustment, and (3) a brief statement of the facts accounting for such adjustment. The Company will promptly cause a copy of such certificate to be sent by ordinary first class mail to the Holders of the Warrants at such Holder's last address as it shall appear on the registry books of the Company. No failure to mail such notice nor any defect therein or in the mailing thereof shall affect the validity of any such adjustment.

SECTION 5.02 Reservation of Shares. The Company shall at all times reserve for issuance and/or delivery upon exercise of the Warrants such number of shares of its Common Stock as shall be required for issuance and delivery upon exercise of the Warrants.

SECTION 5.03 Certain Notices. In case at any time the Company shall propose to:

(a) pay any dividend or make any distribution on shares of Common Stock in shares of Common Stock or make any other distribution (other than regularly scheduled cash dividends) to all holders of Common Stock; or

(b) issue any rights, warrants or other securities to all holders of Common Stock entitling them to purchase any additional shares of Common Stock or any other rights, warrants or other securities; or

(c) effect any reclassification or change of outstanding shares of Common Stock, or any consolidation or merger with or into any corporation or other entity in which the Company is not the surviving corporation or any sale, lease or conveyance of all or substantially all of its assets; or

(d) effect any liquidation, dissolution or winding-up of the Company (whether voluntary or involuntary);

then, and in any one or more of such cases, the Company shall give written notice thereof, by certified mail, postage prepaid, to the Holder at the Holder's address as it shall appear on the books of the Company, mailed at least fifteen (15) Business Days prior to (i) the date as of which the holders of record of shares of Common Stock to be entitled to receive any such dividend, distribution, rights, warrants or other securities are to be determined, or (ii) the date on which any such reclassification, change of outstanding shares of Common Stock, consolidation, merger, sale, lease, conveyance, liquidation, dissolution or winding-up is expected to become effective.

ARTICLE VI

CONCERNING THE WARRANT AGENT

SECTION 6.01 Warrant Agent. The Company hereby appoints [Name of Warrant Agent] as Warrant Agent of the Company in respect of the Warrants upon the terms and subject to the conditions herein set forth, and [Name of Warrant Agent] hereby accepts such appointment. The Warrant Agent shall have the powers and authority granted to and conferred upon it hereby and such further powers and authority to act on behalf of the Company as the Company may hereafter grant to or confer upon it.

SECTION 6.02 Limitations on Warrant Agent's Obligations. The Warrant Agent accepts its obligations herein set forth upon the terms and conditions hereof, including the following, to all of which the Company agrees and to all of which the rights hereunder of the Holders from time to time shall be subject:

(a) Compensation and Indemnification. The Company agrees to pay the Warrant Agent compensation to be agreed upon with the Company for all services rendered by the Warrant Agent and to reimburse the Warrant Agent for all reasonable out-of-pocket expenses (including reasonable counsel fees) incurred by the Warrant Agent in connection with the services rendered by it hereunder. The Company also agrees to indemnify the Warrant Agent for, and to hold it harmless against, any loss, liability or expense incurred without negligence, bad faith or breach of this Agreement on the part of the Warrant Agent, arising out of or in connection with its acting as Warrant Agent hereunder.

(b) Agent for the Company. In acting in the capacity of Warrant Agent under this Agreement, the Warrant Agent is acting solely as agent of the Company and does not assume any obligation or relationship of agency or trust with any of the Holders or Beneficial Owners of the Warrants except as expressly set forth herein.

(c) Counsel. The Warrant Agent may consult with counsel satisfactory to it (which may be counsel to the Company), and the advice of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with the advice of such counsel.

(d) Documents. The Warrant Agent shall be protected and shall incur no liability for or in respect of any action taken or thing suffered by it in reliance upon any notice, direction, consent, certificate, affidavit, statement or other paper or document reasonably believed by it to be genuine and to have been presented or signed by the proper parties.

(e) Certain Transactions. The Warrant Agent, and its officers, directors and employees, may become the owner of, or acquire any interest in, any Warrant, with the same rights that it or they would have were it not the Warrant Agent hereunder, and, to the extent permitted by applicable law, it or they may engage or be interested in any financial or other transaction with the Company and may act on, or as a depository, trustee or agent for, any committee or body of holders of Warrants or Warrant Shares, or other securities or obligations of the Company as freely as if it were not the Warrant Agent hereunder.

(f) No Liability for Interest. The Warrant Agent shall not be under any liability for interest on any monies at any time received by it pursuant to any of the provisions of this Agreement.

(g) No Liability for Invalidity. The Warrant Agent shall not be under any responsibility with respect to the validity or sufficiency of this Agreement or the execution and delivery

hereof (except the due execution and delivery hereof by the Warrant Agent) or with respect to the validity or execution of the Warrant Certificates (except its countersignature thereon).

(h) No Responsibility for Recitals. The recitals contained herein and in the Warrant Certificates (except as to the Warrant Agent's countersignature thereon) shall be taken as the statements of the Company and the Warrant Agent assumes no responsibility hereby for the correctness of the same.

(i) No Implied Obligations. The Warrant Agent shall be obligated to perform such duties as are specifically set forth herein, and no implied duties or obligations shall be read into this Agreement against the Warrant Agent. The Warrant Agent shall not be under any obligation to take any action hereunder which may tend to involve it in any expense or liability, the payment of which within a reasonable time is not, in its opinion, assured to it. The Warrant Agent shall not be accountable or under any duty or responsibility for the use by the Company of any Warrant Certificate authenticated by the Warrant Agent and delivered by it to the Company pursuant to this Agreement or for the application by the Company of the proceeds of the issue and sale, or exercise, of the Warrants. The Warrant Agent shall have no duty or responsibility in case of any default by the Company in the performance of its covenants or agreements contained herein or in any Warrant Certificate or in the case of the receipt of any written demand from a Holder with respect to such default, including, without limiting the generality of the foregoing, any duty or responsibility to initiate or attempt to initiate any proceedings at law or otherwise or, except as provided in Section 7.03 hereof, to make any demand upon the Company.

SECTION 6.03 Compliance with Applicable Laws. The Warrant Agent shall comply with all applicable federal and state laws imposing obligations on it in respect of the services rendered by it under this Agreement and in connection with the Warrants, including (but not limited to) the provisions of United States federal income tax laws regarding information reporting and backup withholding.

SECTION 6.04 Resignation and Appointment of Successor. (a) The Company agrees, for the benefit of the Holders from time to time, to use its commercially reasonable efforts to, at all times, cause there to be a Warrant Agent hereunder until all the Warrants issued hereunder have been exercised or have expired in accordance with their terms, which Warrant Agent shall be a bank or trust company organized under the laws of the United States of America or one of the states thereof, which is authorized under the laws of the jurisdiction of its organization to exercise corporate trust powers, has a combined capital and surplus of at least \$100,000,000 and has an office or an agent's office in the United States of America. Notwithstanding the foregoing, the Company may act as the Warrant Agent.

(b) The Warrant Agent may at any time resign as such agent by giving written notice to the Company of such intention on its part, specifying the date on which it desires such resignation to become effective; provided that such date shall not be less than one month after the date on which such notice is given, unless the Company agrees to accept such notice less than one month prior to such date of effectiveness. The Company may remove the Warrant Agent at any time by giving written notice to the Warrant Agent of such removal, specifying the date on which it desires such removal to become effective. Such resignation or removal shall take effect upon the appointment by the Company, as hereinafter provided, of a successor Warrant Agent (which shall be a bank or trust company qualified as set forth in Section 6.04(a) or the Company) and the acceptance of such appointment by such successor Warrant Agent. The obligation of the Company under Section 6.02(a) shall continue to the extent set forth therein notwithstanding the resignation or removal of the Warrant Agent.

(c) If at any time the Warrant Agent shall resign, or shall cease to be qualified as set forth in Section 6.04(a), or shall be removed, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or shall file a petition seeking relief under any applicable Federal or State bankruptcy or insolvency law or similar law, or make an assignment for the benefit of its creditors or

consent to the appointment of a receiver, conservator or custodian of all or any substantial part of its property, or shall admit in writing its inability to pay or to meet its debts as they mature, or if a receiver or custodian of it or of all or any substantial part of its property shall be appointed, or if an order of any court shall be entered for relief against it under the provisions of any applicable Federal or State bankruptcy or similar law, or if any public officer shall have taken charge or control of the Warrant Agent or of its property or affairs, for the purpose of rehabilitation, conservation or liquidation, a successor Warrant Agent, qualified as set forth in Section 6.04(a), shall be appointed by the Company within sixty (60) days by an instrument in writing, filed with the successor Warrant Agent. Upon the appointment as herein provided of a successor Warrant Agent and acceptance by the latter of such appointment, the Warrant Agent so superseded shall cease to be Warrant Agent under this Agreement.

(d) Any successor Warrant Agent appointed under this Agreement shall execute, acknowledge and deliver to its predecessor and to the Company an instrument accepting such appointment, and thereupon such successor Warrant Agent, without any further act, deed or conveyance, shall become vested with all the authority, rights, powers, trusts, immunities, duties and obligations of such predecessor with like effect as if originally named as Warrant Agent under this Agreement, and such predecessor, upon payment of its charges and disbursements then unpaid, shall thereupon become obligated to transfer, deliver and pay over, and such successor Warrant Agent shall be entitled to receive, all monies, securities and other property on deposit with or held by such predecessor, as Warrant Agent under this Agreement.

(e) Any corporation into which the Warrant Agent may be merged or converted or any corporation with which the Warrant Agent may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Warrant Agent shall be a party, or any corporation to which the Warrant Agent shall sell or otherwise transfer all or substantially all the assets and business of the Warrant Agent, in each case provided that it shall be qualified as set forth in Section 6.04(a), shall be the successor Warrant Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties to this Agreement, including, without limitation, any successor to the Warrant Agent first named above.

ARTICLE VII

MISCELLANEOUS

SECTION 7.01 Amendments.

(a) This Agreement and any Warrant Certificate may be amended by the parties hereto by executing a supplemental warrant agreement (a "Supplemental Agreement"), without the consent of the Holder of any Warrant, for the purpose of (i) curing any ambiguity; or curing, correcting or supplementing any defective provision contained herein; or making any other provisions with respect to matters or questions arising under this Agreement that is not inconsistent with the provisions of this Agreement or the Warrant Certificates, provided, however that none of the actions contemplated by this clause (i) adversely affect the interests of the Holders in any material respect, (ii) evidencing the succession of another corporation to the Company and the assumption by any such successor of the covenants of the Company contained in this Warrant Agreement and the Warrants, (iii) evidencing and providing for the acceptance of appointment by a successor Warrant Agent with respect to the Warrants, (iv) evidencing and providing for the acceptance of appointment by a successor depository with respect to each Global Warrant Certificate, (v) issuing definitive Warrant Certificates in accordance with Section 1.03(b), (vi) adding to the covenants of the Company for the benefit of the Holders or surrendering any right or power conferred upon the Company under this Agreement, or (vii) amending this Agreement and

the Warrants in any manner that the Company may deem to be necessary or desirable and that will not adversely affect the interests of the Holders.

(b) The Company and the Warrant Agent may amend this Agreement and the Warrants by executing a Supplemental Agreement with the prior consent of the Holders of not fewer than a majority of the unexercised Warrants affected by such amendment, for the purpose of cancelling or replacing this Agreement, adding any provisions to or changing in any manner or eliminating any of the provisions of this Agreement or modifying in any manner the rights of the Holders under this Agreement; provided, however, that, without the consent of each Holder of Warrants affected thereby, no such amendment may be made that (i) changes the Warrants so as to reduce the number of Warrant Shares purchasable upon exercise of the Warrants or so as to increase the Exercise Price, (ii) shortens the period of time during which the Warrants may be exercised, or (iii) reduces the number of unexercised Warrants the consent of the Holders of which is required for amendment of this Agreement or the Warrants.

SECTION 7.02 Merger, Consolidation, Sale, Transfer or Conveyance. The Company may consolidate or merge with or into any other corporation or sell, lease, transfer or convey all or substantially all of its assets to any other corporation, provided that (i) either (x) the Company is the continuing corporation or (y) the corporation (if other than the Company) that is formed by or results from any such consolidation or merger or that receives such assets is organized and validly existing under the laws of the United States of America, or one of the states thereof, and such corporation assumes the obligations of the Company with respect to the performance and observance of all of the covenants and conditions of this Agreement to be performed or observed by the Company and (ii) the Company or such successor corporation, as the case may be, must not immediately be in default under this Agreement after giving effect to any of the foregoing transactions. If at any time there shall be any consolidation or merger or any sale, lease, transfer, conveyance or other disposition of all or substantially all of the assets of the Company, then in any such event the successor or assuming corporation shall succeed to and be substituted for the Company, with the same effect as if it had been named herein and in the Warrant Certificates as the Company; the Company shall thereupon be relieved of any further obligation hereunder or under the Warrants; and, in the event of any such sale, lease, transfer, conveyance or other disposition, the Company as the predecessor corporation may thereupon or at any time thereafter be dissolved, wound up or liquidated. Such successor or assuming corporation thereupon shall cause to be signed, and shall issue either in its own name or in the name of the Company, Warrant Certificates evidencing the Warrants not theretofore exercised, in exchange and substitution for the Warrant Certificates theretofore issued. Such Warrant Certificates shall in all respects have the same legal rank and benefit under this Agreement as the Warrant Certificates evidencing the Warrants theretofore issued in accordance with the terms of this Agreement as though such new Warrant Certificates had been issued at the date of the execution hereof. In any case of any such merger or consolidation or sale, lease, transfer, conveyance or other disposition of all or substantially all of the assets of the Company, such changes in phraseology and form (but not in substance) may be made in the new Warrant Certificates, as may be appropriate.

SECTION 7.03 Notices and Demands to the Company and Warrant Agent. If the Warrant Agent shall receive any notice or demand addressed to the Company by a Holder or a Beneficial Owner, as the case may be, the Warrant Agent shall promptly forward such notice or demand to the Company.

SECTION 7.04 Addresses. Any communications from the Company to the Warrant Agent with respect to this Agreement shall be addressed to _____, Attention: _____, and any communications from the Warrant Agent to the Company with respect to this Agreement shall be addressed to Bally Total Fitness Holding Corporation, 8700 W. Bryn Mawr Ave., Third Floor, Chicago, IL 60631-3507, Attention: General Counsel (or such other address as shall be specified in writing by the Warrant Agent or by the Company, as the case may be). The Company or the Warrant Agent shall give

notice to the Holders of Warrants by mailing written notice by first class mail, postage prepaid, to such Holders as their names and addresses appear in the books and records of the Warrant Agent

SECTION 7.05 GOVERNING LAW. THIS AGREEMENT AND EACH WARRANT CERTIFICATE AND ALL RIGHTS HEREUNDER AND THEREUNDER AND PROVISIONS HEREOF AND THEREOF SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 7.06 Payment of Taxes. The Company will pay all stamp and other duties, if any, to which, under the laws of the United States of America, this Agreement or the original issuance of the Warrants may be subject.

SECTION 7.07 Benefits of Warrant Agreement. Nothing in this Agreement or any Warrant Certificate expressed or implied and nothing that may be inferred from any of the provisions hereof or thereof is intended, or shall be construed, to confer upon, or give to, any person or corporation other than the Company, the Warrant Agent and their respective successors and assigns, the Beneficial Owners and the Holders any right, remedy or claim under or by reason of this Agreement or any Warrant Certificate or of any covenant, condition, stipulation, promise or agreement hereof or thereof; and all covenants, conditions, stipulations, promises and agreements contained in this Agreement or any Warrant Certificate shall be for the sole and exclusive benefit of the Company and the Warrant Agent and their respective successors and assigns and of the Beneficial Owners and Holders.

SECTION 7.08 Headings. The descriptive headings of the several Articles and Sections of this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

SECTION 7.09 Severability. If any provision in this Agreement or in any Warrant Certificate shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions, or of such provisions in any other jurisdiction, shall not in any way be affected or impaired thereby.

SECTION 7.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original; but such counterparts shall together constitute but one and the same instrument.

SECTION 7.11 Inspection of Agreement. A copy of this Agreement shall be available at all reasonable times at the principal corporate trust department/office of the Warrant Agent as identified in, or pursuant to the terms of, the notice provisions hereunder and at the office of the Company at 8700 W. Bryn Mawr Ave., Third Floor, Chicago, IL 60631-3507, for inspection by any Holder or any Beneficial Owner. The Warrant Agent may require any such Holder to submit satisfactory proof of ownership for inspection by it.

SECTION 7.12 Defined Terms. As used in this Agreement, the following defined terms have the meanings indicated below:

- (a) “Agreement” means this Warrant Agreement together with the Exhibits hereto, as the same may be amended from time to time.
- (b) “Beneficial Owner” has the meaning ascribed to it in Section 1.07(b).
- (c) “Book-Entry Warrants” has the meaning ascribed to it in Section 1.03(a).

- (d) “Business Day” has the meaning ascribed to it in Section 2.02.
- (e) “Change of Shares” has the meaning ascribed to it in Section 5.01(a).
- (f) “Common Stock” has the meaning ascribed to it in the recitals of this Agreement.
- (g) “Company” has the meaning ascribed to it in the preamble of this Agreement.
- (h) “Confidential Information” has the meaning ascribed to it in Section 4.02(a).
- (i) “Current Market Price” has the meaning ascribed to it in Section 5.01(b).
- (j) “Depository” has the meaning ascribed to it in Section 1.03(a).
- (k) “Election to Purchase” has the meaning ascribed to it in Section 2.03(a).
- (l) “Exchange Act” has the meaning ascribed to it in Section 1.04(d).
- (m) “Exercise Date” has the meaning ascribed to it in Section 2.03(a).
- (n) “Exercise Period” has the meaning ascribed to it in Section 2.02.
- (o) “Exercise Price” has the meaning ascribed to it in Section 2.01.
- (p) “Expiration Date” has the meaning ascribed to it in Section 2.02.
- (q) “First Public Offering” has the meaning ascribed to it in Section 4.01(c).
- (r) “Global Warrant Certificate” has the meaning ascribed to it in Section 1.03(a).
- (s) “Holder” has the meaning ascribed to it in Section 1.07(a).
- (t) “Participant” has the meaning ascribed to it in Section 1.03(a).
- (u) “Representatives” has the meaning ascribed to it in Section 4.02(c).
- (v) “Supplemental Agreement” has the meaning ascribed to it in Section 7.01(a).
- (w) “Transfer Agent” has the meaning ascribed to it in Section 2.03(b).
- (x) “Warrant Agent” has the meaning ascribed to it in the preamble of this Agreement.
- (y) “Warrant Certificate” has the meaning ascribed to it in Section 1.02(a).
- (z) “Warrants” has the meaning ascribed to it in the recitals of this Agreement.
- (aa) “Warrant Shares” has the meaning ascribed to it in Section 1.01.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

BALLY TOTAL FITNESS HOLDING
CORPORATION

By: _____
Name: _____
Title: _____

[WARRANT AGENT]

By: _____
Name: _____
Title: _____

EXHIBIT A

[Global Warrant Certificate Legend]

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), NEW YORK, NEW YORK, TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR EXERCISE, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO., OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC) ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL WARRANT CERTIFICATE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL WARRANT CERTIFICATE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE WARRANT AGREEMENT REFERRED TO HEREIN.

[FORM OF WARRANT CERTIFICATE]

EXERCISABLE ONLY IF COUNTERSIGNED BY THE WARRANT
AGENT AS PROVIDED HEREIN

Warrant Certificate evidencing
Warrants to Purchase

shares of common stock, par value \$0.01 per share, of

BALLY TOTAL FITNESS HOLDING CORPORATION, as described herein.

No. _____

CUSIP No. _____

Number of Warrants _____

VOID AFTER 5:00 P.M., NEW YORK TIME, ON _____, _____,

This certifies that _____ or registered assigns is the registered holder of the number of warrants to purchase certain securities (the "Warrants") indicated above. Each Warrant entitles the holder thereof, subject to the provisions contained herein and in the Warrant Agreement referred to below, to purchase from Bally Total Fitness Holding Corporation, a Delaware corporation (the "Company"), one (1) fully paid, validly issued and nonassessable share of common stock, par value \$0.01 per share of the Company, (each a "Warrant Share" and collectively, the "Warrant Shares"), at the Exercise Price set forth below. The exercise price of each Warrant (the "Exercise Price") shall initially be \$_____ per share.

This Warrant Certificate is issued under and in accordance with the Warrant Agreement, dated as of _____, 2009 (as amended and/or restated from time to time, the "Warrant Agreement"), between the Company and the Warrant Agent and is subject to the terms and provisions contained in the Warrant Agreement, to all of which terms and provisions the holder of this Warrant Certificate and if this Warrant Certificate is a Global Warrant Certificate, the beneficial owners of the Warrants represented by this Warrant Certificate, consent by acceptance hereof. Capitalized terms used herein without definition have the meanings assigned in the Warrant Agreement. Copies of the Warrant Agreement are on file and can be inspected at the office of the Warrant Agent at _____ and at the office of the Company at 8700 W. Bryn Mawr Ave., Third Floor, Chicago, IL 60631-3507.

The number of Warrant Shares issuable upon exercise of the Warrants and the Exercise Price shall be subject to adjustment as provided in the Warrant Agreement.

Subject to the terms of the Warrant Agreement, each Warrant evidenced hereby may be exercised in whole but not in part at any time, as specified herein, on any Business Day (as defined below) occurring during the period (the "Exercise Period") commencing on _____, 2009 and ending at 5:00 P.M., New York time, on _____, 2014 (the "Expiration Date"). Each Warrant remaining unexercised after 5:00 P.M., New York time, on the Expiration Date shall become void, and all rights of the holder of this Warrant Certificate evidencing such Warrant shall cease.

The registered holder of the Warrants represented by this Warrant Certificate may exercise any Warrant evidenced hereby by delivering, not later than 5:00 P.M., New York time, on any Business Day

during the Exercise Period (the “Exercise Date”) to [name of Warrant Agent] (the “Warrant Agent”, which term includes any successor warrant agent under the Warrant Agreement described below) at its [corporate trust department/office at _____,] (i) this Warrant Certificate, (ii) the election to purchase (“Election to Purchase”), on the reverse side of this Warrant Certificate, properly executed and completed by the holder of the Warrants represented by this Warrant Certificate and (iii) the Exercise Price for each Warrant to be exercised in lawful money of the United States of America by certified or official bank check or by bank wire transfer in immediately available funds. If any of (a) this Warrant Certificate, (b) the Election to Purchase or (c) the Exercise Price therefor, is received by the Warrant Agent after 5:00 P.M., New York time, on the specified Exercise Date, the Warrants will be deemed to be received and exercised on the Business Day next succeeding the Exercise Date. If the date specified as the Exercise Date is not a Business Day, the Warrants will be deemed to be received and exercised on the next succeeding day which is a Business Day. If any of the requirements for the exercise of the Warrants shall not have occurred prior to the Expiration Date or the exercise thereof is not otherwise in compliance with the Warrant Agreement, the exercise thereof will be null and void and any funds delivered to the Warrant Agent will be returned to the holder as soon as practicable. In no event will interest accrue on funds deposited with the Warrant Agent in respect of an exercise or attempted exercise of Warrants. The validity of any exercise of Warrants will be determined by the Warrant Agent in its sole discretion, in accordance with the provisions of the Warrant Agreement, and such determination will be final and binding upon the holder of the Warrants and the Company, subject to the terms set forth herein. Neither the Company nor the Warrant Agent shall have any obligation to inform a holder of Warrants of the invalidity of any exercise of Warrants; provided, however, any amount of the exercise price paid in connection with an invalid exercise shall be returned to the exercising holder of Warrants as promptly as practicable. As used herein, the term “Business Day” means any day which is not a Saturday or Sunday and is not a legal holiday or a day on which banking institutions generally are authorized or obligated by law or regulation to close in New York.

Anything to the contrary herein notwithstanding, the exercise of Book-Entry Warrants, including the delivery by Participants of an Election to Purchase or the electronic equivalent thereof and the payment of the Exercise Price with respect thereto, the notification to the Warrant Agent, the Transfer Agent and the Company, and the delivery of Warrant Shares in book-entry form pursuant to such exercise shall be governed by the practices and procedures of the Depository; provided, however, that if any of the conditions for the exercise of the Book-Entry Warrants thereunder shall occur after the Expiration Date, the exercise thereof will be null and void.

If fewer than all of the Warrants evidenced by this Warrant Certificate are exercised, a new Warrant Certificate for the number of Warrants remaining unexercised shall be executed by the Company and countersigned by the Warrant Agent as provided in Section 1.02 of the Warrant Agreement, and delivered to the registered holder of this Warrant Certificate at the address specified on the books of the Warrant Agent or as otherwise specified by such registered holder.

From and after the Exercise Date, the exercising registered holder of the Warrants exercised will be entitled to the benefits of such Warrant Shares.

Subject to the limitations contained in the Warrant Agreement, upon due presentment for registration of transfer or exchange of this Warrant Certificate at the corporate trust office of the Warrant Agent, the Company shall execute, and the Warrant Agent shall countersign and deliver, as provided in Section 1.02 of the Warrant Agreement, in the name of the designated transferee one or more new Warrant Certificates of any authorized denomination evidencing in the aggregate a like number of unexercised Warrants.

Neither this Warrant Certificate nor the Warrants evidenced hereby shall entitle the holder hereof or thereof to any of the rights of a holder of the Warrant Shares, including, without limitation, the right to receive dividends, if any, or payments upon the liquidation, dissolution or winding up of the issuer of the Warrant Shares or to exercise voting rights, if any.

The Warrant Agreement and this Warrant Certificate may be amended as provided in the Warrant Agreement including, under certain circumstances described therein, without the consent of the holder of this Warrant Certificate or the Warrants evidenced thereby.

THIS WARRANT CERTIFICATE AND ALL RIGHTS HEREUNDER AND UNDER THE WARRANT AGREEMENT AND PROVISIONS HEREOF AND THEREOF SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

This Warrant Certificate shall not be entitled to any benefit under the Warrant Agreement or be valid or obligatory for any purpose, and no Warrant evidenced hereby may be exercised, unless this Warrant Certificate has been countersigned by the manual signature of the Warrant Agent.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

Dated as of _____, _____

BALLY TOTAL FITNESS HOLDING
CORPORATION

By: _____
Name: _____
Title: _____

[NAME OF WARRANT AGENT],
as Warrant Agent

By: _____
Name: _____
Title: _____

[REVERSE]

Instructions for Exercise of Warrant

To exercise the Warrants evidenced hereby, the holder must, by 5:00 P.M., New York time, on the specified Exercise Date, deliver to the Warrant Agent at its corporate trust department/office, a certified or official bank check or a wire transfer in immediately available funds, in each case payable to the Warrant Agent at Account No. _____, in an amount equal to the Exercise Price in full for the Warrants exercised. In addition, the registered Warrant holder must provide the information required below and deliver this Warrant Certificate to the Warrant Agent at the address set forth below. This Warrant Certificate and the Election to Purchase must be received by the Warrant Agent by 5:00 P.M., New York time, on the specified Exercise Date.

ELECTION TO PURCHASE
TO BE EXECUTED IF WARRANT HOLDER DESIRES
TO EXERCISE THE WARRANTS EVIDENCED HEREBY

The undersigned hereby irrevocably elects to exercise, on _____, _____ (the "Exercise Date"), _____ Warrants, evidenced by this Warrant Certificate, to purchase, _____ fully paid, validly issued and nonassessable shares of common stock, par value \$0.01 per share (the "Warrant Shares") of the Company, and represents that on or before the Exercise Date such holder has tendered payment for such Warrant Shares by certified or official bank check or bank wire transfer in immediately available funds to the order of Bally Total Fitness Holding Corporation, a Delaware corporation (the "Company") c/o [Name and address of Warrant Agent], in the amount of \$[_____] in accordance with the terms hereof. The undersigned requests that said Warrant Shares be in fully registered form, in the authorized denominations, registered in such names and delivered, all as specified in accordance with the instructions set forth below.

If said Warrant Shares are less than all of the Warrant Shares purchasable hereunder, the undersigned requests that a new Warrant Certificate evidencing the remaining balance of the Warrants evidenced hereby be issued and delivered to the holder of the Warrant Certificate unless otherwise specified in the instructions below.

Dated: _____, _____

Name _____
(Please Print)

(Insert Social Security or Other Identifying
Number of Holder)

Address _____

Signature _____

This Warrant may only be exercised by presentation to the Warrant Agent at one of the following locations:

By hand at

By mail at

The method of delivery of this Warrant Certificate is at the option and risk of the exercising holder and the delivery of this Warrant Certificate will be deemed to be made only when actually received by the Warrant Agent. If delivery is by mail, registered mail with return receipt requested, properly insured, is recommended. In all cases, sufficient time should be allowed to assure timely delivery.

(Instructions as to form and delivery of Warrant Shares and/or Warrant Certificates)

Name in which Warrant Shares to be registered if other than in the name of the registered holder of this Warrant Certificate:

Address to which Warrant Shares are to be mailed if other than to the address of the registered holder of this Warrant Certificate as shown on the books of the Warrant Agent:

(Street Address)

(City and State) (Zip Code)

Address to which certificate representing unexercised Warrants, if any, are to be mailed if other than to the address of the registered holder of this Warrant Certificate as shown on the books of the Warrant Agent:

(Street Address)

(City and State) (Zip Code)

Dated: _____, _____

Signature

(If Warrant Shares, or a Warrant Certificate evidencing unexercised Warrants, are to be delivered to an account under a name other than that of the registered holder hereof or are to be delivered to an address other than the address of such holder as shown on the books of the Warrant Agent, the above signature must be guaranteed by a member firm of a registered national stock exchange, a member of the Financial Industry Regulatory Authority, a participant in the Security Transfer Agents Medallion Program or the Stock Exchange Medallion Program, or by a commercial bank or trust company having an office or correspondent in the United States.)

SIGNATURE GUARANTEE

Name of Firm _____

Address _____

Area Code
and Number _____

Authorized
Signature _____

Name _____

Title _____

Dated, _____

ASSIGNMENT

(FORM OF ASSIGNMENT TO BE EXECUTED IF WARRANT HOLDER
DESIRES TO TRANSFER WARRANTS EVIDENCED HEREBY)

FOR VALUE RECEIVED _____ hereby sells, assigns and transfers unto _____

(Please print name and address
including zip code)

(Please insert social security
or other identifying number)

the rights represented by the within Warrant Certificate and does hereby irrevocably constitute and appoint _____ Attorney, to transfer said Warrant Certificate on the books of the Warrant Agent with full power of substitution in the premises.

Dated: _____, _____

Signature

(Signature must conform in all respects to the name of the holder as specified on the face of this Warrant Certificate and must bear a signature guarantee by a member firm of a registered national securities exchange, a member of the Financial Industry Regulatory Authority, a participant in the Security Transfer Agents Medallion Program or the Stock Exchange Medallion Program, or by a commercial bank or trust company having an office or correspondent in the United States.)

SIGNATURE GUARANTEE

Name of Firm _____

Address _____

Area Code
and Number _____

Authorized
Signature _____

Name _____

Title _____

Dated: _____, _____

EXHIBIT G
INITIAL DIRECTORS OF REORGANIZED BALLY

INITIAL DIRECTORS OF REORGANIZED BALLY TOTAL FITNESS HOLDING CORPORATION

1. Gene Davis, Chairman of the Board. Mr. Davis was appointed Chairman of the Board prior to Bally's bankruptcy filing. Pursuant to the Plan, Mr. Davis will continue as Chairman of the Board of Reorganized Bally. Mr. Davis is Chairman and CEO of PIRINATE Consulting Group, LLC, which provides consultancy services to public and private businesses that are undergoing transition. Services include crisis and turn-around management; merger and acquisition consulting; hostile and friendly takeovers; proxy contests; and strategic planning advisory services.

2. Michael Sheehan. Mr. Sheehan has served as Chief Executive Officer of the Company since July 2008. Prior to joining Bally, Mr. Sheehan served as the Chief Operating Officer of 24 Hour Fitness since 2005. Before serving as Chief Operating Officer, Mr. Sheehan served as Executive Vice President, Operations of 24 Hour Fitness. In addition to his comprehensive experience in the fitness industry, Mr. Sheehan has played key operational, finance and sales roles with multi-unit consumer retailers, including management roles with Pepsico, Nestle and Yum Brands, a food service holding company with well-known brands including Taco Bell, Kentucky Fried Chicken and Pizza Hut.

3. Kevin Corgan. Mr. Corgan is a Managing Director at JPMorgan Chase & Co. and is currently the head of North American Distressed and High Yield Credit Trading, a position he has held since 2006. Mr. Corgan's business unit trades and makes proprietary investments in high yield and distressed securities, bank loans and credit derivatives. Mr. Corgan previously served in a similar roll at Morgan Stanley from 2003 to 2006. Prior to his role at Morgan Stanley, Mr. Corgan worked at Goldman Sachs as a trader in the High Yield and High Grade bond division. He graduated from MIT with a BS in economics.

4. Michael Kerrane. Mr. Kerrane is an Executive Director at JPMorgan Chase & Co. where he has worked since 2000 as a financial analyst, specializing in High Yield and Distressed investments. Prior to joining JPMorgan, Mr. Kerrane was an investment analyst at Lehman Brothers, specializing in the retail industry. He previously served in a similar role at Standard & Poor's. Mr. Kerrane is a Chartered Financial Analyst and member of the New York Society of Security Analysts. He earned an MBA from Cornell University, and graduated from UCLA with a BA in economics.

5. Daniel Allen. Mr. Allen is a Partner and Senior Portfolio Manager at Anchorage Advisors L.L.C., a New York-based registered investment adviser. Prior to joining Anchorage in 2008, Mr. Allen spent the previous six years with Morgan Stanley and in his most recent role was responsible for North American Credit Trading with a primary focus on bank debt, high yield bonds and distressed securities. Earlier in his career at Morgan Stanley, he oversaw the par loan and distressed loan trading desks and later managed the leveraged credit trading and high yield operations. Prior to joining Morgan Stanley in 2002, Mr. Allen was a Loan Trader at Goldman Sachs and a Corporate Bond Trader at Fidelity Investments. Mr. Allen received his B.S. from Skidmore College and his M.B.A. from Duke University's Fuqua School of Business.

[CONTINUED ON NEXT PAGE]

6. Aaron N. Rosenstein. Mr. Rosenstein is a senior member of the investment team and Co-Head of Restructuring at Anchorage Advisors, L.L.C., a New York-based registered investment adviser. Prior to joining Anchorage in 2003, he was a principal at a private real estate investment and finance company. Earlier in his career, Mr. Rosenstein worked at Goldman Sachs, where he evaluated and executed proprietary investments in distressed bank debt and bonds. Mr. Rosenstein received a B.S. from The Wharton School and serves on the Board of Trustees of The Abraham Joshua Heschel School.

7. Independent appointee to chair audit committee. TBD

8. Independent appointee to chair compensation committee. TBD

**OFFICERS OF REORGANIZED
BALLY TOTAL FITNESS HOLDING CORPORATION¹**

(as of 8-1-09)

<u>Name</u>	<u>Title</u>
Michael W. Sheehan	Chief Executive Officer
Kathleen M. Boege	Senior Vice President, General Counsel and Secretary
William G. Fanelli	Senior Vice President, Acting Chief Financial Officer
Thomas S. Massimino	Senior Vice President, Operations
Guy Thier	Senior Vice President, Information Technology and Chief Information Officer
Steve Butler	Zone Vice President
Michael A. LaManna	Zone Vice President
John H. Wildman	Zone Vice President
Teresa R. Willows	Zone Vice President
Mike Feinman	National Vice President, Fitness Services
Earl J. Acquaviva, Jr.	Vice President, Associate General Counsel and Assistant Secretary
Rebecca A. Gall	Vice President, Advertising
William C. Midwig	Vice President, Customer Care
Ralph O'Hara	Vice President, Corporate Controller and Financial Reporting
Susan R. Rehorst	Vice President, Treasurer
James W. Shannahan	Vice President, Facilities
Steven J. Tucker	Vice President, Finance
Ronald E. Siegel	Assistant Secretary

¹ Compensation of the Officers disclosed herein shall remain unchanged from the amounts disclosed on the Debtors' consolidated monthly operating reports, except as provided for in the Reorganized Debtors' Management Incentive Plan and the Debtors' Corporate Personnel Incentive Plan, as described in Exhibit H and Exhibit I to the Plan. Officers of the Reorganized Subsidiaries shall remain substantially the same as the Officers of the Reorganized Subsidiaries on the Effective Date of the Plan.

EXHIBIT H
SUMMARY OF MANAGEMENT INCENTIVE PLAN

EXHIBIT H

SUMMARY OF MANAGEMENT INCENTIVE PLAN OF BALLY TOTAL FITNESS HOLDING CORPORATION

The Management Incentive Program of Bally Total Fitness Corporation (the “Company”) consists of two programs: (1) the Short-Term Management Incentive Plan and (2) the Long-Term Management Incentive Plan. The two programs are summarized below:

1. Short-Term Management Incentive Plan (the “ST Plan”)

Type of Awards:

The ST Plan provides for cash bonuses (“Restructuring Bonuses”) to be paid to selected senior executives who have made direct and substantial contributions to the Company’s restructuring.

Purpose:

The purpose of the ST Plan is to provide key personnel with appropriate incentives to timely implement the Company’s initiatives and facilitate the Company’s restructuring.

Bonus Pool:

The maximum aggregate amount available for the payment of Restructuring Bonuses under the ST Plan (the “Bonus Pool”) is \$965,000.

Eligibility:

Senior executives will be eligible for Restructuring Bonuses under the ST Plan.

Determination of Individual Restructuring Bonuses:

The amount of each individual’s Restructuring Bonus is to be determined by the Company’s CEO based on parameters previously approved by the Compensation Committee of the Company’s Board of Directors.

The Restructuring Bonus for the CEO cannot exceed 46% of the Bonus Pool. The Restructuring Bonus for any other individual cannot exceed 20% of the Bonus Pool.

Time of Restructuring Bonus Payments:

Payment of Restructuring Bonuses is to be made upon the earlier of the effective date of (i) a plan of reorganization or (ii) the closing of a sale of the Company’s assets pursuant to Section 363 of the

Bankruptcy Code (the “Effective Date”).

Termination of Employment:

Generally, an executive will not be eligible for payment under the ST Plan if the executive’s employment is terminated prior to the Effective Date. If the executive’s employment is terminated by the Company without “cause” or as a result of death or disability, the executive would remain eligible for payment under the ST Plan.

2. Short-Term Management Incentive Plan (the “ST Plan”)

Official Name of Plan

2009 Equity Incentive Plan of Bally Fitness Holding Corporation

Type of Awards:

The LT Plan provides for the grant of restricted stock units (“RSUs”), incentive stock options and/or non-qualified stock options to selected senior executives.

Purpose:

The purpose of the LT Plan is to attract and retain key executives and provide additional incentives to such executives.

Administrator:

The LT Plan will be administered by the Compensation Committee of the Company’s Board of Directors (the “Compensation Committee”).

Eligibility:

Selected senior executives of the Company will be eligible for grants of RSUs and options.

Maximum Shares Subject to LT Plan:

The maximum number of shares of the Company’s common stock (“Common Stock”) available for grants (including shares subject to grants of options) under the LT Plan is 1,215,332. If any RSUs or options are for any reason forfeited, canceled or otherwise terminated, the shares subject to such RSUs or options are to be available again under the LT Plan (“Subsequent Available Shares”).

RSU Grants:

RSUs with respect to [300,000] shares of Common Stock will be granted on the effective date of the plan of reorganization (the “Effective Date”).

Vesting of RSUs: RSUs will vest monthly over 36 months. Upon a Change in Control of the Company, all unvested RSUs will immediately vest. A “Change in Control” means (i) the acquisition by any person or group of persons (as such term is defined in Rule 13d-5(b)(1) promulgated under the Securities Exchange Act of 1934, as amended to date) of shares carrying more than 49% of the voting rights at general meetings of the Company, (ii) the consummation of a merger or consolidation of the Company with any other company, other than (x) a merger or consolidation which actually results in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 66⅔% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation, or (y) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no person or group of persons acquires more than 49% of the combined voting power of the Company's then outstanding securities, (iii) the stockholders of the Company approve a plan of complete liquidation of the Company, or the consummation of the sale or (iv) disposition of the Company or all or substantially all of the Company's overall assets or any transaction having a similar effect.

Distributions with respect to RSUs: A share of Common Stock (each an “RSU Share”) will be delivered to the holder of a vested RSU (a “Holder”) on the Holder's RSU Distribution Date. The “RSU Distribution Date” means with respect to a Holder the earlier of (i) the date on which the Holder's employment with the Company is terminated or (ii) the occurrence of an event qualifying as a change in ownership or effective control of the Company or a change in ownership of a substantial portion of the assets of the Company, in each case within the meaning of Treasury Regulation Section 1.409A-3(i)(5). (For purposes of determining whether an event qualifying as a change in effective control of the Company has occurred, 50% (rather than 30%) shall be the applicable threshold

percentage of stock necessary to be acquired.)

The payment of any required tax withholdings may be satisfied by the withholding of RSU Shares on the RSU Distribution Date.

Put Option: If, at the time of a Holder's RSU Distribution Date, there is not a readily available buyer willing to purchase RSU Shares at fair market value from the Holder, the Holder shall have the have the right to "put" the Tax Shares to the Company for an amount equal to the fair market value of such shares. "Tax Shares" mean the number of RSU Shares having an aggregate fair market value equal to the excess of the Holder's taxes incurred (based on a calculation using the highest marginal rates) as a result to the delivery of the RSU Shares, minus the amount of taxes withheld (through withholding of RSU Shares) by the Company with respect to such shares.

Termination of Employment: Unless otherwise provided in the applicable RSU agreement:

(i) If the termination of the employment of a Holder is by the Company for "cause", all outstanding RSUs (both vested and unvested) held by the Holder under the Plan will be immediately forfeited.

(ii) If the termination of the employment of a Holder is by the Company not for "cause" or by the Holder for any reason (including death and disability), all outstanding unvested RSUs held by the Holder at the time of termination will be immediately forfeited. Distributions with respect to vested RSUs held by the Holder the time of termination will occur on the Holder's RSU.

Tag-Along Rights: If a shareholder or a group of shareholders acting together intend to transfer more than 10% of the outstanding shares of Common Stock (a "Tag-Along Sale") to an unrelated third party, then the Holder of RSUs (or of the Common Stock received with respect to RSUs) shall have the right, but not the obligation, to participate proportionately in such Tag-Along Sale. The selling shareholder or shareholders shall provide the Holder written notice

setting forth the appropriate information and terms of the Tag-Along Sale and the Holder shall have 10 days from the receipt of such notice in which to provide written notice to the selling shareholder or shareholders of his or her wish to participate in the Tag-Along Sale and to what extent.

RSU Shares that vest upon a Change in Control of the Company will be treated as vested immediately prior to the Change in Control for purposes of a Tag-Along Sale. Vest and unvested RSU Shares may be sold in a Tag-Along Sale, but the cash or property received in the exchange will not be distributed until the Holder's RSU Distribution Date.

Option Grants:

Options to acquire a certain number of shares of Common Stock will be granted on the Effective Date.

Option Exercise Price: Options granted with respect to 457,666 shares of Common Stock ("Class A Options") will have a per share exercise price equal to \$18.21.

Options granted with respect to 228,833 shares of Common Stock ("Class B Options") will have a per share exercise price equal to \$26.76.

Options granted with respect to 228,833 shares of Common Stock ("Class C Options") will have a per share exercise price equal to \$34.96.

Notwithstanding the foregoing, the per share exercise price of an option may not be less than the fair market value of a share of Common Stock on the date of the option grant.

Shares subject to the foregoing option grants that become Subsequent Available Shares because an option is forfeited, canceled or otherwise terminated may be subject to future grants of options. However, any such future option will have an exercise price equal to the greater of (i) the exercise price of the forfeited, canceled or otherwise terminated option that resulted in the availability of such Subsequent Available Shares, or (ii) the fair market value of the Subsequent Available Shares as

of the date the subsequent option is granted.

The payment of the exercise price of an option and any required tax withholdings may be satisfied by the withholding of shares upon exercise of the option.

Future Grants: Options not granted on the Effective Date will be granted at such later dates as may be decided by the Compensation Committee.

Vesting of Options: Unless otherwise provided in the applicable option agreement, an option will vest as follows:

<u>% Vesting</u>	<u>Vesting Date</u>
33⅓%	2nd anniversary of grant date
33⅓%	3rd anniversary of grant date
33⅓%	4th anniversary of grant date

Upon a Change in Control of the Company, all outstanding unvested options will immediately vest.

Termination of Employment: Unless otherwise provided in the applicable option agreement:

(i) If the termination of the employment of an optionee is by the Company for “cause”, all outstanding options held by the optionee under the Plan will be immediately forfeited.

(ii) If the termination of the employment of an optionee is by the Company not for “cause” or by the optionee for any reason (including death and disability), all outstanding unvested options held by the optionee at the time of termination will be immediately forfeited. Options held by the optionee that are vested at the time of termination will remain exercisable for 3 months.

Tag-Along Rights: Unless otherwise provided in the applicable option agreement, if a shareholder or a group of shareholders acting together intend to transfer more than 50% of the outstanding shares of Common Stock (an “Option Tag-Along Sale”) to an unrelated

third party, then a holder of vested options (or of the Common Stock received upon exercise of the options) shall have the right, but not the obligation, to participate proportionately in such Option Tag-Along Sale. The selling shareholder or shareholders shall provide the holder written notice setting forth the appropriate information and terms of the Option Tag-Along Sale and the holder shall have 10 days from the receipt of such notice in which to provide written notice to the selling shareholder or shareholders of his wish to participate in the Option Tag-Along Sale and to what extent. For this purpose, options that vest upon a Change in Control of the Company will be treated as vested immediately prior to the Change in Control.

EXHIBIT I
SUMMARY OF CORPORATE PERSONNEL INCENTIVE PLAN

EXHIBIT I
SUMMARY OF CORPORATE PERSONNEL INCENTIVE PLAN

Bally Total Fitness Holding Corporation
2009 Corporate Personnel Incentive Plan

Purpose

Provide designated corporate personnel with incentives to achieve professional performance goals and to take actions to facilitate corporate operational and financial performance, including without limitation, achievement of budgeted 2009 EBITDA.

Eligible Individuals

Senior personnel who render services at Club Support Centers (Chicago, Towson) or Member Service Centers. Approximately 80 individuals, each with one of the following titles, are eligible for the 2009 Corporate Personnel Incentive Plan (“Incentive Plan”).

- Director
- Senior Director/Assistant Vice President
- Vice President
- Senior Vice President
- Chief Executive Officer

Individuals hired during 2009 are eligible for the Incentive Plan on a pro rated basis. Eligible individuals must be employed at the time bonus is payable (March, 2010). The Incentive Plan is subject to change or variance, in the sole discretion of Bally.

Bonus Incentives – Components and Calculation

Potential bonuses are calculated as a percentage of the individual’s base salary. Potential bonuses are comprised of (a) achievement of specified management based objectives (“MBOs”), which must be approved by management; (b) achievement of 2009 budgeted corporate operating EBITDA; and (c) achievements exceeding expectations. The maximum aggregate potential bonus under the 2009 Corporate Personnel Incentive Plan is \$4.1 million. Potential bonuses range from \$11,200 to \$75,000, based on the individual’s base salary and the percentage of their base salary that constitutes a maximum potential bonus. The Plan also provides for potential “stretch” bonuses, payable to eligible individuals if the company exceeds its budgeted 2009 EBITDA by at least 10% up to 20%. If the company achieves 120% of budgeted 2009 operating EBITDA, the Plan provides for additional potential bonuses payable to all eligible individuals, in the aggregate amount of approximately \$1.5 million.

EXHIBIT J
SHAREHOLDER AGREEMENT

BALLY TOTAL FITNESS HOLDING CORPORATION

SHAREHOLDERS' AGREEMENT

Dated as of the Effective Date

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Exhibit A List of Certain Shareholders Subject to Shareholders' Agreement

Exhibit B Joinder Agreement

SHAREHOLDERS' AGREEMENT

This SHAREHOLDERS' AGREEMENT (this "Agreement"), dated as of the Effective Date, is made by and among BALLY TOTAL FITNESS HOLDING CORPORATION, a Delaware corporation (the "Company"), and the Shareholders of the Company, including the Persons listed on Exhibit A attached hereto, as the same may be updated from time to time.

W I T N E S S E T H

WHEREAS, the Company filed the Amended Joint Plan of Reorganization of the Debtors under Chapter 11 of the Bankruptcy Code on July 7, 2009 (as amended, the "Plan");

WHEREAS, the Plan has become effective in accordance with its terms;

WHEREAS, the Company has distributed the Shares to the Shareholders as of the Effective Date pursuant to the Plan;

WHEREAS, in accordance with the Plan, such Shareholders are deemed to have executed, and shall be bound by, this Agreement; and

WHEREAS, this Agreement sets forth certain rights, duties and obligations of the Shareholders and the Company.

NOW, THEREFORE, in consideration of the covenants and agreements contained herein, the parties hereto agree as follows:

ARTICLE 1.

DEFINITIONS

Section 1.1. Definitions.

(a) The following terms, as used herein, have the following meanings:

"Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such Person; provided that no Shareholder shall be deemed an Affiliate of any other Shareholder solely by reason of any investment in the Company. For the purpose of this definition, the term "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"Anchorage" means Anchorage Capital Master Offshore, Ltd.

"Board" means the board of directors of the Company.

“Business Day” means any day except a Saturday, Sunday or other day on which commercial banks in New York, New York are authorized by law to close.

“Certificate” means the Second Amended and Restated Certificate of Incorporation of the Company, as amended.

“Change of Control” shall mean (a) the sale, exclusive license or other disposition of all or substantially all of the assets of the Company in any single transaction or series of related transactions, other than to an Affiliate, (b) the sale of all of the Shares held by the Drag-Along Initiator(s) pursuant to a Drag-Along Sale (as such term is defined in the Certificate), or (c) any merger, reorganization, consolidation or other transaction or series of transactions (other than with an Affiliate) involving the Company which results in the holders of Common Stock outstanding immediately prior to such transaction(s) failing to continue to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than fifty percent (50%) of the combined voting power of the voting securities of the Company or the surviving entity outstanding immediately after such transaction(s).

“Common Stock” means the common stock, par value \$0.01 per share, of the Company, and any shares into which such common shares may thereafter be converted or changed.

“Company Securities” means (i) the Common Stock, (ii) securities convertible into or exchangeable for Common Stock and (iii) options (including the Management Options and RSUs), warrants (including the Warrants) or other rights to acquire Common Stock.

“Effective Date” shall mean the date on which the Plan becomes effective in accordance with its terms.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“Excluded Registration” means (i) a registration on Form S-8 or S-4, or any successor forms, relating to Shares issuable upon exercise of employee share options or in connection with any employee benefit, incentive or similar plan of the Company; or (ii) a registration relating to an SEC Rule 145 transaction.

“FINRA” means the Financial Industry Regulatory Authority and/or, as applicable, the National Association of Securities Dealers, Inc., its predecessor organization, or any successor thereof.

“First Public Offering” means the first Public Offering after the date hereof.

“JPMorgan” means, collectively, JPMorgan Chase Bank, N.A. and J.P. Morgan Securities, Inc.

“Major Investor” means each of (i) Anchorage and/or any Affiliate thereof and (ii) JPMorgan and/or any Affiliate thereof.

“Management Incentive Plan” shall have the meaning given to such term in the Plan.

“Management Options” shall have the meaning given to such term in the Plan.

“Participating Shareholders” means the Shareholders that participate in any registration of Registrable Securities pursuant to Section 3.1 or Section 3.2 hereto, including any Requesting Shareholder.

“Permitted Transferee” means, with respect to any Shareholder, (i) such Shareholder’s parent, spouse, brother or sister, natural or adopted lineal descendant or spouse of such descendant including pursuant to a will or under the laws of intestacy, descent and distribution; (ii) the trustee of a trust, whether *inter vivos* or testamentary, a corporation, a limited liability company or a partnership, of which only such Shareholder and/or any person or persons named in clause (i) is the beneficiary, shareholder, member or partner, respectively; or (iii) any Affiliate of such Shareholder.

“Person” means an individual, corporation, limited liability company, partnership, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof, and shall include any successor of such entity.

“Public Offering” means a public offering of Common Stock pursuant to an effective registration statement under the Securities Act, other than pursuant to a registration statement on Form S-4 or Form S-8 or any similar or successor form.

“Qualified Shareholder” means any Shareholder that, together with its Affiliates, holds five percent (5%) or more of the issued and outstanding Common Stock.

“Registrable Securities” means, at any time, any Shares, including, for the avoidance of doubt, any securities issued or issuable in respect of such Shares, or by way of conversion, exchange, exercise (including Shares issued upon exercise of the Management Options or Warrants), distribution (including Shares issued with respect to the RSUs), stock dividend, split or combination, recapitalization, merger, consolidation, other reorganization or otherwise until (i) a registration statement covering such Shares has been declared effective by the SEC and such Shares have been disposed of pursuant to such effective registration statement, (ii) such Shares are sold under circumstances in which all of the applicable conditions of Rule 144 are met, or (iii) such Shares as were previously represented by certificates bearing a legend with respect to transfer restrictions under the Securities Act and state securities laws are otherwise Transferred, the Company has delivered a new certificate or other evidence of ownership for such Shares not bearing such legend and such Shares may be resold without subsequent registration under the Securities Act.

“Registration Expenses” means any and all expenses incident to the performance of or compliance with any registration or marketing of securities, including all (i) registration and filing fees, and all other fees and expenses payable in connection with the listing of securities on any securities exchange or automated interdealer quotation system, (ii) fees and expenses of compliance with any securities or “blue sky” laws (including fees and disbursements of counsel in connection with “blue sky” qualifications of the securities registered), (iii) expenses in connection with the preparation, printing, mailing and delivery of any registration statements, prospectuses and other documents in connection therewith and any amendments or supplements

thereto, (iv) security engraving and printing expenses, (v) internal expenses of the Company (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), (vi) fees and disbursements of counsel for the Company and customary fees and expenses for independent certified public accountants retained by the Company (including the expenses relating to any required audits of the financial statements of the Company or any comfort letters or costs associated with the delivery by independent certified public accountants of any comfort letters requested pursuant to Section 3.4(h) hereto), (vii) fees and expenses of any special experts retained by the Company in connection with such registration, (viii) reasonable fees and expenses of one (1) counsel for all of the Shareholders participating in the offering which counsel shall be selected by the Requesting Shareholder if such registration is pursuant to a Demand Registration and otherwise shall be selected by the Shareholders holding the majority of the Registrable Securities to be sold for the account of all Shareholders in the offering, (ix) fees and expenses in connection with any review by FINRA of the underwriting arrangements or other terms of the offering, and all fees and expenses of any “qualified independent underwriter,” including the fees and expenses of any counsel thereto, (x) fees and disbursements of underwriters customarily paid by issuers or sellers of securities, but excluding any underwriting fees, discounts and commissions attributable to the sale of Registrable Securities, (xi) costs of printing and producing any agreements among underwriters, underwriting agreements, any “blue sky” or legal investment memoranda and any selling agreements and other documents in connection with the offering, sale or delivery of the Registrable Securities, (xii) transfer agents’ and registrars’ fees and expenses and the fees and expenses of any other agent or trustee appointed in connection with such offering, (xiii) expenses relating to any analyst or investor presentations or any “road shows” undertaken in connection with the registration, marketing or selling of the Registrable Securities, (xiv) fees and expenses payable in connection with any ratings of the Registrable Securities, including expenses relating to any presentations to rating agencies and (xv) all out-of-pocket costs and expenses incurred by the Company or its appropriate officers in connection with their compliance with Section 3.4(m) hereto. For the avoidance of doubt, “Registration Expenses” shall include expenses of the type described in clauses (i) – (xv) to the extent incurred in connection with the “take down” of Shares by a Shareholder pursuant to a registration statement previously declared effective. Except as set forth in clause (viii) above, Registration Expenses shall not include any out-of-pocket expenses of the Shareholders (or the agents who manage their accounts).

“RSUs” means the restricted stock units to be granted under the Management Incentive Plan.

“Rule 144” means Rule 144 and Rule 144A (or any successor provisions) under the Securities Act.

“Rule 415” means Rule 415 (or any successor provisions) under the Securities Act.

“SEC” means the United States Securities and Exchange Commission.

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“Shareholder” means each Person (other than the Company) who shall be a party to or bound by this Agreement, whether in connection with the execution and delivery hereof as of the date hereof, pursuant to Section 6.1 hereto or otherwise, so long as such Person shall “beneficially own” (as such term is defined in Rule 13d-3 of the Exchange Act) any Shares.

“Shares” means shares of Common Stock.

“Subsidiary” means, with respect to any Person, any entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other Persons performing similar functions are, at the time, directly or indirectly owned by such Person.

“Transfer” means, with respect to any Company Securities, (i) when used as a verb, to sell, assign, dispose of, exchange, pledge, encumber, hypothecate or otherwise transfer such Company Securities or any participation or interest therein, whether directly or indirectly, or agree or commit to do any of the foregoing and (ii) when used as a noun, a direct or indirect sale, assignment, disposition, exchange, pledge, encumbrance, hypothecation or other transfer of such Company Securities or any participation or interest therein or any agreement or commitment to do any of the foregoing.

“Transferee” means the recipient of a Transfer.

“Venor” means Venor Capital Master Fund Ltd.

“Warrants” means the New Bally Warrants (as such term is defined in the Plan).

(b) In addition, each of the following terms is defined in the Section set forth opposite such term:

<u>Term</u>	<u>Section</u>
Agreement	Preamble
Company	Preamble
Confidential Information	5.1(b)
Damages	3.5
Demand Registration	3.1(a)
Drag-Along Initiator	2.3(a)
Drag-Along Notice	2.3(b)
Drag-Along Right	2.3(a)
Drag-Along Sale	2.3(a)
Drag-Along Terms	2.3(b)
Dragged Person	2.3(a)
Form S-3 Registration Statement	3.1(a)
Indemnified Party	3.7
Indemnifying Party	3.7
Inspectors	3.4(g)
Issue Notice	2.5(a)
Maximum Offering Size	3.1(e)
Non-Title Representations	2.2(c)

<u>Term</u>	<u>Section</u>
Piggyback Registration Plan	3.2(a) Recitals
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ARTICLE 2.

PUT RIGHTS; DRAG-ALONG RIGHTS; PREEMPTIVE RIGHTS; RESTRICTIONS ON TRANSFER

Section 2.1. Put Rights.

(a) Subject to Section 2.1(k) and Section 2.2 hereto, if any Person (or group of Persons) proposes to directly or indirectly acquire, and a Shareholder(s) proposes to directly or indirectly Transfer, a number of Shares that, together with any Shares then held by such Person or group of Persons (or Affiliates thereof), exceed 49.9% of the issued and outstanding Common Stock in one or more transactions (a “Put Sale” and the Shareholder(s) proposing such Transfer, a “Put Seller”), as a condition to the Put Seller effecting such Transfer:

(i) the Put Seller shall provide each other Shareholder notice of the terms and conditions of such proposed Transfer (“Put Notice”) and offer each other Shareholder the opportunity to participate in such Transfer in accordance with this Section 2.1, and

(ii) each other Shareholder may elect, at its option, to participate in the proposed Transfer in accordance with this Section 2.1 (each such electing other Shareholder, a “Put Participant”);

provided, that the Put Rights contained in this Section 2.1 shall not apply to (1) any Transfer to a Permitted Transferee, (2) any Transfer pursuant to an effective registration statement (including, without limitation, a registration statement on Form S-3 (or any successor thereto)) under the Securities Act, (3) a Drag-Along Sale, (4) increases in holdings by JPMorgan or its Affiliates in connection with Transfers coordinated or effected by them, solely in their capacities as market makers for the Shares, solely for the accounts of third parties, or (5) increases in the ownership

percentages of any Shareholder and any of its Affiliates as a result of any non- *pro rata* repurchase or redemption of Shares by the Company in one or more transactions.

(b) The Put Notice shall identify the number of Shares proposed to be Transferred in such Put Sale including the number of Shares proposed to be sold by the Put Seller (“Put Offer”), the consideration for which the Transfer is proposed to be made, and all other material terms and conditions of the Put Offer, including the form of the proposed agreement, if any, and a firm offer by the proposed Transferee to purchase Shares from the Shareholders in accordance with this Section 2.1.

(c) From the date of its receipt of the Put Notice, each Put Participant shall have the right (a “Put Right”), but not the obligation, exercisable by written notice (“Put Response Notice”) given to the Put Seller and the Company within ten (10) Business Days after its receipt of the Put Notice (the “Put Notice Period”), to require, as a condition to the proposed Transfer by the Put Seller, that the Put Seller include in the proposed Transfer the number of Shares held by such Put Participant as is specified in the Put Response Notice.

(d) Each Put Response Notice shall include wire transfer instructions for payment of the purchase price for the Shares to be sold in such Put Sale. Each Put Participant that exercises its Put Rights hereunder shall deliver to the Company (or its designated agent), no later than five (5) Business Days prior to the proposed closing date for the Put Sale, the certificate or certificates, if any, representing the Shares of such Put Participant to be included in the Put Sale, together with a limited power-of-attorney authorizing the Put Seller to Transfer such Shares on the terms set forth in the Put Notice or, in the case of Shares held in book-entry form or through direct registration, shall make other delivery arrangements reasonably satisfactory to the Company. Delivery of the Put Response Notice shall constitute an irrevocable acceptance of the Put Offer by such Put Participants; provided that in the event that there is a material change of the Put Offer, the Put Seller shall give written notice of such change to each Put Participant, and each Put Participant shall have the right to revoke its election to participate in the Put Sale by providing written notice to the Company within five (5) Business Days of receiving the notice of the change in terms.

(e) If, at the termination of the Put Notice Period, a Shareholder shall not have elected to participate in the Put Sale, such Shareholder shall be deemed to have waived its rights under this Section 2.1 with respect to the Transfer of its Shares pursuant to such Put Sale; provided that in the event that there is a material change to the terms of the Put Offer, the Put Seller shall give written notice of such change to each such Shareholder and each such Shareholder shall have the right to participate in the Put Sale by providing written notice to the Put Seller within ten (10) Business Days after its receipt of the notice of change of terms.

(f) The Put Seller shall Transfer, on behalf of itself and any Put Participant, the Shares subject to the Put Offer and elected to be Transferred at the same time and on the same terms and conditions as set forth in the Put Notice within 90 calendar days after the last day of the Put Notice Period (which 90 calendar day period shall be extended if any of the transactions contemplated by the Put Offer are subject to regulatory approval until the expiration of five (5) Business Days after all such approvals have been received, but in no event later than 180 calendar days after the last day of the Put Notice Period).

(g) Concurrently with the consummation of the Put Sale, (i) the Put Seller shall notify the Put Participants thereof (including identifying the manner of delivery for any non-cash consideration) and (ii) the total consideration due to each Put Participant shall be remitted to such party, with the cash portion of the purchase price paid by wire transfer of immediately available funds in accordance with the wire transfer instructions in the applicable Put Response Notices. Promptly after the consummation of such Put Sale, the Put Seller shall furnish such other evidence of the completion and the date of completion of such Transfer and the terms thereof as may be reasonably requested by the Company for the benefit of the Put Participants.

(h) If, at the end of the 90 calendar day period immediately following the last day of the Put Notice Period (or such longer period as extended under Section 2.1(f) hereto), the Put Seller has not completed the Transfer of all such Shares at the same time and on the same terms and conditions as set forth in the Put Notice, or such earlier time as the Put Seller has determined not to consummate the Put Sale, (i) the Company (or its designated agent) shall return to each Put Participant, to the extent previously provided, the limited power-of-attorney (and all copies thereof) together with all Shares, including the certificates representing the Shares, if any, that such Put Participant delivered for Transfer pursuant to this Section 2.1 and any other documents executed by the Put Participants in connection with the proposed Put Sale and (ii) the Put Seller shall not conduct any such Transfer of Shares prior to the return to each Put Participant of all documents referred to in clause (i) and without again complying with this Section 2.1.

(i) Notwithstanding anything contained in this Section 2.1, there shall be no liability on the part of the Put Seller to the Put Participants if the Transfer of Shares pursuant to this Section 2.1 is not consummated for any reason. Whether to effect a Transfer of Shares pursuant to this Section 2.1 by the Put Seller, or to terminate any such transaction prior to consummation, is in the sole and absolute discretion of the Put Seller.

(j) For purposes of this Article 2, (i) any increase to the price payable in connection with any Put Offer shall be deemed to be a material change only if such increase is more than five percent (5%) and (ii) any decrease to the price payable in connection with any Put Offer shall be deemed to be a material change.

(k) The rights and obligations of the parties hereto under this Section 2.1 and Section 2.2 below (i) shall not be applicable if a Drag-Along Right is exercised and consummated in accordance with Section 2.3 and Section 2.4 below and (ii) shall terminate upon the First Public Offering. For the avoidance of doubt, the rights and obligations of the parties hereto under this Section 2.1 and Section 2.2 below shall apply if a Drag-Along Right is exercisable but is not exercised or is withdrawn, or a Drag-Along Sale is otherwise not consummated for any reason.

Section 2.2. Additional Conditions to Put Sales. Notwithstanding anything contained in Section 2.1 hereto, the rights and obligations of Shareholders to participate in a Put Sale are subject to the following conditions:

(a) upon the consummation of such Put Sale, all of the Shareholders participating therein will receive the same form and amount of consideration per share, or, if any Shareholders are given an option as to the form and amount of consideration to be received, all Shareholders participating therein will be given the same option; provided that the value of the consideration per Share to be received by the Put Participants shall not be less than the greater of (i) the per Share amount to be received by the Put Seller in connection with such Put Sale and (ii) an amount equal to the weighted average price per Share paid by the proposed Transferee and its Affiliates with respect to all Shares purchased by the proposed Transferee and its Affiliates during the ninety (90) calendar day period immediately preceding the date of the Put Notice (including, for purposes of calculating such weighted average price, the Shares to be purchased in connection with the proposed Put Sale); provided, further, the value of the consideration per Share to be received by the Put Participants shall be increased to any higher amount that the proposed transferee or any of its Affiliates has agreed to pay per Share to any Shareholder at any time following the Put Notice and prior to the closing of the Put Sale; provided, further, that for purposes of the foregoing calculation the value of any non-cash consideration paid (or to be paid) by the proposed Transferee or its Affiliates shall be equal to the fair market value of such consideration when paid (or to be paid) as reasonably determined in good faith by the Board, whose determination shall be conclusive;

(b) no Person shall be obligated pursuant to this Agreement to pay any expenses incurred in connection with any unconsummated Put Sale and each Put Participant shall be obligated to pay only its *pro rata* share (based on the number of Shares Transferred) of expenses incurred in connection with a consummated Put Sale; and

(c) each Put Participant (i) shall make such representations, warranties and covenants and enter into such definitive agreements as are customary for transactions of the nature of the proposed Transfer and as are the same as those applicable to Put Seller; provided that, if the Put Participants are required to provide any representations or indemnities in connection with such Transfer (other than representations and indemnities concerning each such Shareholder's title to the Shares and authority, power and right to enter into and consummate the Transfer without contravention of any law or agreement), liability for misrepresentation or indemnity shall (as to the Put Participants) be expressly stated to be several but not joint, and each such Put Participant shall not be liable for more than the net proceeds received by such Shareholder in connection with such Transfer; provided, further that, no Put Participant shall be required to provide any representations or warranties other than with respect to each such Shareholder's title to the Shares and authority, power and right to enter into and consummate the Transfer without contravention of any law or agreement (the "Non-Title Representations"), but each Put Participant may be required to bear its proportionate share of any indemnity, escrow, holdback or adjustment in purchase price in connection with any Non-Title Representations; provided, further that, no Put Participant shall be required or deemed to have agreed to any noncompete, nonsolicitation or any other nonfinancial terms without its express written consent; (ii) shall be subject to and benefit from all of the same provisions of the definitive agreements as the Put Seller and (iii) shall be required to bear their proportionate share of any indemnities, escrows, holdbacks or adjustments in purchase price.

Section 2.3. Drag-Along Rights.

(a) Subject to Section 2.3(g) and Section 2.4 hereto, if any Person (or group of Persons) that is not a Shareholder or an Affiliate thereof makes a *bona fide* offer to engage in any transaction or series of transactions that would result in a Change of Control, and such transaction or transactions are approved by Shareholders holding a majority of the issued and outstanding Common Stock, (such transaction or transactions, a “Drag-Along Sale” and the Shareholder(s) approving such Drag-Along Sale, a “Drag-Along Initiator”), the Drag-Along Initiator shall have the right (a “Drag-Along Right”), but not the obligation, to require each other Shareholder (a “Dragged Person”) to tender for purchase to the proposed Transferee, on the same terms and conditions as apply to the Drag-Along Initiator, the same proportionate share of Company Securities held by such Dragged Person being sold by the Drag-Along Initiator; provided, each Dragged Person, in its capacity as a Shareholder, shall also vote in favor of any Drag-Along Sale to the extent such transaction(s) requires the approval of the Shareholders, provided the terms of the Drag-Along Sale are consistent with this Section 2.3 and Section 2.4 below.

(b) If a Drag-Along Initiator elects to exercise its Drag-Along Right under this Section 2.3, such Drag-Along Initiator shall give each Dragged Person, at least ten (10) Business Days prior to the proposed Drag-Along Sale, a written notice (a “Drag-Along Notice”) containing (i) the number of Company Securities proposed to be Transferred in such Drag-Along Sale (with warrants, options, convertible securities and other common equivalents counted on an as-converted or as-exercised basis) (the “Drag-Along Terms”), (ii) the name and address of the proposed Transferee and (iii) the consideration for which the Transfer is proposed to be made, and all other material terms and conditions of the Drag-Along Terms, including the form of the proposed agreement, if any. Upon the receipt of a Drag-Along Notice, the Dragged Person shall be obligated to sell the Company Securities held by such Dragged Person.

(c) No later than five (5) Business Days prior to the proposed closing for the Drag-Along Sale, each Dragged Person shall deliver to the Company (or its designated agent) (i) the certificate or certificates, if any, representing the Company Securities of such Dragged Person to be included in the Drag-Along Sale, together with a limited power-of-attorney authorizing the Drag-Along Initiator to Transfer such Company Securities on the terms set forth in the Drag-Along Notice or, in the case of Company Securities held in book-entry form or through direct registration, shall make other delivery arrangements reasonably satisfactory to the Company and (ii) wire transfer instructions for payment of the purchase price for the Company Securities to be sold in such Drag-Along Sale. If any Dragged Person fails to make the deliveries described in this paragraph within the prescribed time, the Company shall have the right, but not the obligation, to redeem, immediately prior to the consummation of the Drag-Along Sale, the Company Securities of such Dragged Person at a redemption price equal to the consideration set forth in the Drag-Along Notice, payable upon the terms and subject to the conditions contained in the Drag-Along Notice, all in accordance with Certificate.

(d) The Drag-Along Initiator shall Transfer, on behalf of itself and all Dragged Persons, the Company Securities subject to the Drag-Along Sale at the same time and on the same terms and conditions as set forth in the Drag-Along Notice. Concurrently with the consummation of the Drag-Along Sale, (i) the Drag-Along Initiator shall notify the Dragged

Persons thereof (including identifying the manner of delivery for any non-cash consideration) and (ii) the total consideration due to each Dragged Person shall be remitted to such party, with the cash portion of the purchase price paid by wire transfer of immediately available funds in accordance with the wire transfer instructions of such Dragged Person. Promptly after the consummation of such Drag-Along Sale, the Drag-Along Initiator shall furnish such other evidence of the completion and the date of completion of such Transfer as may be reasonably requested by such Dragged Person.

(e) If the Drag-Along Initiator has not completed the Transfer of all such Company Securities on the same terms and conditions as set forth in the Drag-Along Notice within 90 calendar days of the date of the Drag-Along Notice (which 90 calendar day period shall be extended if any of the transactions contemplated by the Drag-Along Sale are subject to regulatory approval until the expiration of five (5) Business Days after all such approvals have been received, but in no event later than 180 calendar days from the date of the Drag-Along Notice), (i) the Company (or its designated agent) shall return to each Dragged Person, to the extent previously provided, the limited power-of-attorney (and all copies thereof) together with all Company Securities, including the certificates representing the Company Securities, if any, that such Dragged Person delivered for Transfer pursuant to this Section 2.3 and any other documents executed by the Dragged Persons in connection with the proposed Drag-Along Sale and (ii) the Drag-Along Initiator shall not conduct any Transfer of Company Securities prior to the return to each Dragged Person of all documents referred to in clause (i) and without again complying with this Section 2.3.

(f) The Company shall, and shall cause its employees, accountants and other advisors, representatives and agents to, use its and their commercially reasonable efforts to take all reasonable and necessary action to assist a Drag-Along Initiator in its efforts to effect a Drag-Along Sale, including permitting *bona fide* prospective purchasers to conduct customary due diligence of the Company in a reasonable manner, during regular business hours and upon reasonable advance notice, subject to (a) the execution and delivery of a customary confidentiality agreement with the Company and (b) the Company's and the Board's compliance with applicable laws, rules, regulations and orders and any restrictions or commitments in any contracts or agreements to which the Company or any of its subsidiaries is a party or by which it or any of them is bound.

(g) The rights and obligations of the parties hereto under this Section 2.3 and Section 2.4 below shall terminate upon the First Public Offering.

(h) For the avoidance of doubt, in the event a Drag-Along Initiator does not elect to exercise its Drag-Along Right under this Section 2.3, the provisions of Section 2.1 and Section 2.2 hereto shall apply.

Section 2.4. Additional Conditions to Drag-Along Sales. Notwithstanding anything contained in Section 2.3 hereto, the obligations of Shareholders to participate in a Drag-Along Sale are subject to the following conditions:

(a) upon the consummation of such Drag-Along Sale, all of the Shareholders participating therein will receive the same form and amount of consideration per share as the

Drag-Along Initiator, or, if any Shareholder is given an option as to the form and amount of consideration to be received, all Shareholders participating therein will be given the same option;

(b) no Person shall be obligated pursuant to this Agreement to pay any expenses incurred in connection with any unconsummated Drag-Along Sale and each Shareholder shall be obligated to pay only its *pro rata* share (based on the number of Company Securities Transferred) of expenses incurred in connection with a consummated Drag-Along Sale; and

(c) each Dragged Person shall (i) make such representations, warranties and covenants and enter into such definitive agreements as are customary for transactions of the nature of the proposed Transfer and as are the same as those applicable to the Drag-Along Initiator; provided that, if such Dragged Persons are required to provide any representations or indemnities in connection with such Transfer (other than representations and indemnities concerning each such Dragged Person's title to the Company Securities and authority, power and right to enter into and consummate the Transfer without contravention of any law or agreement), liability for misrepresentation or indemnity shall (as to such Dragged Persons) be expressly stated to be several but not joint and each such Dragged Person shall not be liable for more than the net proceeds received by such Shareholder in connection with such Transfer; provided, further that, no Dragged Person shall be required to provide any Non-Title Representations, but each Shareholder may be required to bear its proportionate share of any indemnity, escrow, holdback or adjustment in purchase price in connection with any Non-Title Representations; provided, further that, no Shareholder will be required or deemed to have agreed to any noncompete, nonsolicitation or any other nonfinancial terms without its express written consent, (ii) be subject to and benefit from all of the same provisions of the definitive agreements as the Drag-Along Initiator, and (iii) be required to bear their proportionate share of any escrows, holdbacks or adjustments in purchase price.

Section 2.5. Preemptive Rights.

(a) Subject to Section 2.5(e) hereto, the Company shall give each Shareholder that, together with its Affiliates, holds one-half of one percent (0.5%) or more of the issued and outstanding Common Stock notice (an "Issue Notice") of any proposed issue by the Company or any of its Subsidiaries (other than issues by a Subsidiary to another Subsidiary or its parent company) of any equity securities or any securities convertible or exchangeable for equity securities at least ten (10) Business Days prior to the proposed issue date. The Issue Notice shall specify the price at which such securities are to be issued and the other material terms of the issue. Subject to Section 2.5(d) hereto, each Shareholder (other than any Shareholder that, together with its Affiliates, holds five percent (5%) or more of the issued and outstanding Common Stock, with respect to issuances pursuant to Section 2.5(e) below) shall be entitled to purchase such Shareholder's *pro rata* share of such securities proposed to be issued based on the relative number of Shares owned by such Shareholder, at the price and on the other terms specified in the Issue Notice.

(b) A Shareholder may exercise its rights under this Section 2.5 by delivering notice of its election to purchase such securities to the Company within five (5) Business Days of receipt of the Issue Notice. A delivery of such notice (which notice shall specify the number (or

amount) of such securities to be purchased by the Shareholder submitting such notice) by such Shareholder shall constitute a binding agreement of such Shareholder to purchase, at the price and on the terms specified in the Issue Notice, the number of shares (or amount) of such securities specified in such Shareholder's notice. If, at the termination of such five (5) Business Day period, any Shareholder shall not have exercised its rights to purchase any of such Shareholder's *pro rata* share of such securities, such Shareholder shall be deemed to have waived all of its rights under this Section 2.5 with respect to the purchase of such securities.

(c) The Company shall have 120 calendar days from the date of the Issue Notice to consummate the proposed issue of any or all of such securities that the Shareholders have elected not to purchase at the price and upon terms that are not materially less favorable to the Company than those specified in the Issue Notice; provided that, if such issue is subject to regulatory approval, such 120 calendar day period shall be extended until the expiration of five (5) Business Days after all such approvals have been received, but in no event later than 180 calendar days from the date of the Issue Notice. At the consummation of such issue, the Company shall issue certificates representing such securities to be purchased by each Shareholder exercising preemptive rights pursuant to this Section 2.5 registered in the name of such Shareholder, against payment by such Shareholder of the purchase price for such securities or shall make arrangements for such securities to be issued in book-entry form or through direct registration. If the Company proposes to issue any class of such securities after such 120 calendar day period (or such longer period as extended under this Section 2.5(c)) or proposes to issue any class of such securities on materially different terms during such 120 calendar day period (or such longer period as extended under this Section 2.5(c)), it shall again comply with the procedures set forth in this Section 2.5.

(d) Notwithstanding the foregoing, no Shareholder shall be entitled to purchase equity or securities convertible or exchangeable for equity securities as contemplated by this Section 2.5 (x) unless such Shareholder is an "accredited investor" as such term is defined in Regulation D of the Securities Act or (y) in connection with issues of such securities (i) to directors, employees or consultants of the Company or any Subsidiary pursuant to any plan, arrangement or agreement approved by the Board or the Management Incentive Plan (including upon the exercise of stock options), (ii) in connection with a Change of Control transaction, (iii) by reason of a dividend, stock split, split-up, reclassification, reorganization or similar event, (iv) to banks, equipment lessors or other financial institutions, or to real property lessors, pursuant to a debt financing, equipment leasing or real property leasing transaction approved by the Board, (v) to suppliers or third party service providers in connection with the provision of goods or services pursuant to a transaction(s) approved by the Board, (vi) pursuant to the acquisition of any business by the Company (whether through the purchase of assets or capital stock or by merger, consolidation, reorganization or otherwise) or to a joint venture, strategic alliance, partnership or similar arrangement, provided, that such issuance(s) is approved by the Board, (vii) pursuant to a Public Offering, (viii) pursuant to the exercise of any Management Option or Warrant, or pursuant to a distribution with respect to any RSU, or (ix) in a settlement of litigation. The Company shall not be under any obligation to consummate any proposed issue of such securities, nor shall there be any liability on the part of the Company to any Shareholder if the Company has not consummated any proposed issue of such securities pursuant to this Section 2.5 for whatever reason, regardless of whether it shall have delivered an Issue Notice in respect of such proposed issue.

(e) Notwithstanding any provision hereof to the contrary, in lieu of complying with the provisions of Section 2.5(a), the Company may elect to give the Issue Notice to each Shareholder that, together with its Affiliates, holds less than 5% of the issued and outstanding Common Stock within thirty (30) days after the issuance of securities; provided, that the Company shall:

(i) provide the same information contained in the Issue Notice to each such Shareholder who would have been eligible to participate in such issuance of securities pursuant to Section 2.5(a) hereto;

(ii) offer to issue to each such Shareholder such number of securities of the type specified in the Issue Notice as may be requested by such Shareholder (not in any event to exceed the *pro rata* percentage of securities such Shareholder would have been entitled to pursuant to Section 2.5(a) multiplied by the sum of (x) the aggregate number of securities issued pursuant to Section 2.5(a) with respect to such issuance and (y) the aggregate number of securities issued or to be issued pursuant to this Section 2.5(e) with respect to such issuance of securities);

(iii) keep such offer open for a period of fifteen (15) Business Days, during which period, each such Shareholder may accept such offer by sending a written acceptance to the Company committing to purchase an amount of such securities (not in any event to exceed the *pro rata* percentage of securities such Shareholder would have been entitled to pursuant to Section 2.5(a) multiplied by the sum of (x) the aggregate number of securities issued pursuant to Section 2.5(a) with respect to such issuance and (y) the aggregate number of securities issued or to be issued pursuant to this Section 2.5(e) with respect to such issuance of securities); and

(iv) close such sale within sixty (60) days of the date notice is given to such Shareholders pursuant to Section 2.5(e)(i) hereto.

(f) The rights and obligations of the parties hereto under this Section 2.5 shall terminate upon the First Public Offering.

Section 2.6. Restrictions on Transfer of Shares. No Shareholder may Transfer any Company Securities or any right, title or interest therein or thereto to any Person unless and until (i) such Shareholder has complied with this Article 2, as applicable, and (ii) if such Shareholder is listed in Exhibit A or otherwise, together with its Affiliates, owns 10% or more of the issued and outstanding Shares, either (A) a registration statement with respect to such Transfer is effective under the Securities Act and any applicable state securities or “blue sky” laws and such Transfer is made in accordance with such registration statement, or (B) the Company receives an opinion of counsel to such Shareholder, which counsel and opinion shall be reasonably satisfactory to counsel to the Company, that such securities may be Transferred in the manner contemplated without an effective registration statement under the Securities Act and applicable state securities or “blue sky” laws; provided that no such registration statement or opinion of counsel shall be necessary for a Transfer by a Shareholder to (i) the Company, (ii) such Shareholder’s Permitted Transferees, or (iii) a Person in compliance with Rule 144; provided further, that in each case the proposed Transferee, if such Transferee, together with its

Affiliates, owns as a result of such Transfer in excess of 5% of the issued and outstanding Shares, executes and delivers to the Company a counterpart to this Agreement in the form of Exhibit B attached hereto, pursuant to which such Transferee shall become bound by all of the terms and conditions of this Agreement.

Section 2.7. Restricted Transfers. No Transfer, even if otherwise permitted or required by this Agreement, shall be permitted or deemed effective if the Company determines, reasonably and in good faith, that: (i) the proposed Transfer is not permitted pursuant to the Certificate; (ii) the proposed Transfer will result in a material violation of applicable federal or state securities laws; or (iii) the proposed Transfer would subject the Company to additional reporting requirements under Sections 12 or 15(d) of the Exchange Act to which the Company would not otherwise be subject at the time such proposed Transfer is to be consummated.

Section 2.8. Transfers in Violation of this Agreement. Any Transfer of Company Securities shall be made in strict compliance with all applicable terms of this Agreement, and any purported Transfer of Company Securities that does not so comply with all applicable provisions of this Agreement shall be void and ineffective, and the Company shall not recognize or be bound by any such purported Transfer and shall not effect any such purported Transfer on the stock transfer books of the Company.

ARTICLE 3.

REGISTRATION RIGHTS

Section 3.1. Demand Registration.

(a) If, at any time following the earlier of 180 calendar days after the effective date of the registration statement for the First Public Offering and the expiration of the period during which the managing underwriters for the First Public Offering shall prohibit the Company from effecting any other public sale or distribution of Company Securities, the Company shall receive a request from a Major Investor (the “Requesting Shareholder”) that the Company effect the registration under the Securities Act of all or any portion of such Requesting Shareholder’s Registrable Securities, and specifying the intended method of disposition thereof, then the Company shall promptly give notice of such requested registration (each such request, a “Demand Registration”) prior to the effective date of the registration statement relating to such Demand Registration to the other Shareholders holding Registrable Securities and thereupon shall use all commercially reasonable efforts to effect, as expeditiously as possible but in any event within sixty (60) calendar days, subject to Section 3.1(e) hereto, the registration under the Securities Act of:

(i) all Registrable Securities for which the Requesting Shareholder has requested registration under this Section 3.1; and

(ii) all other Registrable Securities that any Shareholder has requested the Company to register by written request received by the Company within ten (10) Business Days after such Shareholder receives the Company’s notice of the Demand Registration,

all to the extent necessary to permit the disposition (in accordance with the intended methods thereof as aforesaid) of the Registrable Securities so to be registered; provided that, other than any Demand Registration to be effected pursuant to a Registration Statement on Form S-3 (or any successor thereto), for which an unlimited number of Demand Registrations shall be permitted, and subject to Section 3.1(d) hereto, the Company shall not be obligated to effect more than two (2) Demand Registrations for each Major Investor and its Affiliates in the aggregate.

In no event shall the Company be required to effect more than one (1) Demand Registration hereunder within any four (4) month period.

At such time as the Company is eligible to register the resale of Registrable Securities on Form S-3, a Requesting Shareholder may request in its Demand Registration that the Company prepare and file with the SEC a registration statement covering the resale of all, but not less than all, of its Registrable Securities for an offering to be made on a continuous basis pursuant to Rule 415 (a “Shelf Offering Request”). If a Requesting Shareholder makes a Shelf Offering Request, the Company shall prepare and file with the SEC a registration statement on Form S-3 (the “Form S-3 Registration Statement”) for an offering to be made on a continuous basis pursuant to Rule 415. The Company shall use commercially reasonable efforts to cause the Form S-3 Registration Statement to become effective and remain effective; provided that the Company shall not be obligated to effect any such Form S-3 Registration Statement if the Company furnishes to the Shareholders a certificate signed by the Chairman of the Board of Directors of the Company stating that, in the good faith judgment of the Board of Directors of the Company, it would be detrimental to the Company and its stockholders for such Form S-3 Registration Statement to be effected at such time, in which event the Company shall have the right to defer the filing of the Form S-3 Registration Statement for a period of not more than thirty (30) calendar days after receipt the Requesting Shareholder’s Shelf Offering Request. The Company shall use all commercially reasonable efforts to cause the Form S-3 Registration Statement to be declared effective under the Securities Act as promptly as possible after the filing thereof and shall use all commercially reasonable efforts to keep the Form S-3 Registration Statement continuously effective under the Securities Act until the earlier of (x) the date when all Registrable Securities covered by the Form S-3 Registration Statement have been sold and (y) the date on which all of the Registrable Securities covered by such Form S-3 Registration Statement have been eligible for sale by the Shareholders holding such Registrable Securities pursuant to the last sentence of Rule 144(b)(1)(i).

If the Company receives from a Requesting Shareholder a Demand Registration containing a Shelf Offering Request, then the Company shall promptly, and in any event at least eleven (11) Business Days prior to the effective date of the Form S-3 Registration Statement relating to such Shelf Offering Request, give notice of such Demand Registration containing a Shelf Offering Request to other Shareholders holding Registrable Securities and thereupon shall use all commercially reasonable efforts to effect, as expeditiously as possible but in any event within forty-five (45) calendar days, the registration pursuant to the Form S-3 Registration Statement of: (x) all Registrable Securities for which the Requesting Shareholder has requested registration pursuant to the Form S-3 Registration Statement and (y) all other Registrable Securities that any Shareholder has requested the Company to register by written request received by the Company

within ten (10) Business Days after such Shareholder receives the Company's notice of the Shelf Offering Request.

(b) Promptly after the expiration of the ten (10) Business Day period referred to in Section 3.1(a) hereto, the Company will notify all Participating Shareholders of the identities of the other Participating Shareholders and the number of shares of Registrable Securities requested to be included therein. At any time prior to the effective date of the registration statement relating to such registration, the Requesting Shareholder may revoke such request, without liability to any of the other Participating Shareholders, by providing a notice to the Company revoking such request. A request, so revoked, shall be considered to be a Demand Registration unless (i) such revocation arose out of the fault of the Company (in which case the Company shall be obligated to pay all Registration Expenses in connection with such revoked request) or (ii) the Requesting Shareholder reimburses the Company for all Registration Expenses of such revoked request. The Company agrees to use commercially reasonable efforts to notify the Participating Shareholders if the price for any Company Securities to be registered for sale for the account of the Company is expected to occur outside of any expected pricing range previously disclosed to the Participating Shareholders; provided that the Company shall not have any such obligation with respect to any registration involving the registration of Company Securities only for the account of parties other than the Company.

(c) The Company shall be liable for and pay all Registration Expenses in connection with any Demand Registration, regardless of whether such Registration is effected, except as set forth in Section 3.1(b)(ii) hereto.

(d) A Demand Registration shall not be deemed to have occurred:

(i) unless the registration statement relating thereto (i) has become effective under the Securities Act and (ii) has remained effective for a period of at least 180 calendar days (or such shorter period in which all Registrable Securities of the Participating Shareholders included in such registration have actually been sold thereunder); provided that such registration statement shall not be considered a Demand Registration if, after such registration statement becomes effective, such registration statement is interfered with by any stop order, injunction or other order or requirement of the SEC or other governmental agency or court; or

(ii) if the Maximum Offering Size is reduced in accordance with Section 3.1(e) hereto such that less than all of the Registrable Securities of the Requesting Shareholder sought to be included in such registration are included.

(e) If a Demand Registration involves an underwritten Public Offering and the managing underwriter advises the Company and the Requesting Shareholder that, in its view, the number of shares of Registrable Securities requested to be included in such registration (including any securities that the Company proposes to be included that are not Registrable Securities) exceeds the largest number of shares that can be sold without having an adverse effect on such offering, including the price at which such shares can be sold (the "Maximum Offering Size"), the Company shall include in such registration, in the priority listed below, up to the Maximum Offering Size:

(i) first, all Registrable Securities requested to be registered by the Participating Shareholders (allocated, if necessary for the offering not to exceed the Maximum Offering Size, *pro rata* among such entities on the basis of the relative number of Registrable Securities owned by the Participating Shareholders); and

(ii) second, any securities proposed to be registered by the Company or any securities proposed to be registered for the account of any other Persons (including the Company), with such priorities among them as the Company shall determine.

(f) Upon notice to the Requesting Shareholder, the Company may postpone effecting a registration pursuant to this Section 3.1 on one (1) occasion during any period of twelve (12) consecutive months for a reasonable time specified in the notice but not exceeding sixty (60) calendar days (which period may not be extended or renewed), if it would be materially detrimental to the Company and its Shareholders for such registration statement to either become effective or remain effective for as long as such registration statement otherwise would be required to remain effective, because such action would (i) interfere with a significant acquisition, merger, corporate reorganization, recapitalization or other similar transaction involving the Company; (ii) require premature disclosure of material information that the Company has a *bona fide* business purpose for preserving as confidential; or (iii) render the Company unable to comply with requirements under the Securities Act or Exchange Act; provided, however, that the Company shall not register any securities for its own account or that of any other stockholder during such sixty (60) calendar day period other than an Excluded Registration.

(g) At any time following the date of this Agreement if a First Public Offering has not then occurred, Shareholders who then hold a majority of the issued and outstanding Shares may request in writing that the Company register Registrable Securities in a First Public Offering under the Securities Act.

(h) Notwithstanding anything herein to the contrary, the Company shall not be required to effect more than four (4) underwritten offerings for each Major Investor and its Affiliates and Transferees in the aggregate, whether pursuant to a Demand Registration or a Form S-3 Registration Statement; provided that no Transferee(s) of a Major Investor shall be entitled to request an underwritten offering unless such offering includes at least ten percent (10%) of the issued and outstanding Shares. For purposes of this Section 3.1(h), any offering that includes a “road show” shall be deemed to be an underwritten offering. For the avoidance of doubt, only (i) Major Investors and their Affiliates and (ii) the Transferee(s) of a Major Investor shall be entitled to request an underwritten offering.

Section 3.2. Piggyback Registration.

(a) Except in connection with any Demand Registration pursuant to Section 3.1 hereto or in connection with a First Public Offering; provided that the Company may in its sole discretion decide to make available the rights contemplated in this Section 3.2 in connection with a First Public Offering, if the Company proposes to register any Company Securities under the Securities Act (other than a registration on Form S-8 or S-4, or any successor forms, relating to Shares issuable upon exercise of employee share options or in

connection with any employee benefit or similar plan of the Company or any Subsidiary or in connection with a direct or indirect acquisition by the Company of another Person) or the Company proposes to conduct an underwritten offering of Shares registered pursuant to a shelf registration statement, whether or not for sale for its own account, the Company shall each such time give prompt notice prior to the effective date of the registration statement relating to such registration to each Shareholder, which notice shall set forth such Shareholder's rights under this Section 3.2 and shall offer such Shareholder the opportunity to include in such registration statement the number of Registrable Securities of the same class or series as those proposed to be registered as each such Shareholder may request (a "Piggyback Registration"), subject to the provisions of Section 3.2(b) hereto. Upon the request of any such Shareholder made within ten (10) Business Days after the receipt of notice from the Company (which request shall specify the number of Registrable Securities intended to be registered by such Shareholder), the Company shall use all commercially reasonable efforts to effect the registration under the Securities Act of all Registrable Securities that the Company has been so requested to register by all such Shareholders, to the extent required to permit the disposition of the Registrable Securities so to be registered;

provided that (i) if such registration involves an underwritten Public Offering, all such Shareholders requesting to be included in the Company's registration must sell their Registrable Securities to the underwriters selected as provided in Section 3.4(f) hereto on the same terms and conditions as apply to the Company or the Shareholder requesting such registration, as applicable, and (ii) if, at any time after giving notice of its intention to register any Company Securities pursuant to this Section 3.2(a) and prior to the effective date of the registration statement filed in connection with such registration, the Company shall determine for any reason not to register such securities, the Company shall give notice to all such Shareholders and, thereupon, shall be relieved of its obligation to register any Registrable Securities in connection with such registration. The Company agrees to use commercially reasonable efforts to notify the Participating Shareholders if the price for any Company Securities to be registered for sale for the account of the Company is expected to occur outside of any previously publicly announced range; provided that the Company shall not have any such obligation with respect to any registration involving the registration of Company Securities only for the account of parties other than the Company.

If, and only if, a Shareholder whose Shares are registered pursuant to a Form S-3 Registration Statement sells its Shares pursuant to an underwritten public offering marketed via a "road show," then all other Shareholders having Shares registered pursuant to such Form S-3 Registration Statement shall have the right to sell their respective Shares registered pursuant to such Form S-3 Registration Statement; provided, that only (i) a Major Investor, and (ii) a Transferee(s) of a Major Investor selling at least twenty percent (20%) of the issued and outstanding Common Stock in connection with an underwritten offering, may require a "road show" in connection with the marketing of such Shares.

No registration effected under this Section 3.2 shall relieve the Company of its obligations to effect a Demand Registration to the extent required by Section 3.1 hereto. The Company shall pay all Registration Expenses in connection with each Piggyback Registration.

(b) If a Piggyback Registration involves an underwritten Public Offering (other than any Demand Registration, in which case the provisions with respect to priority of inclusion in such offering set forth in Section 3.1(e) hereto shall apply) and the managing underwriter advises the Company that, in its view, the number of Shares that the Company and such Shareholders intend to include in such registration exceeds the Maximum Offering Size, the Company shall include in such registration, in the following priority, up to the Maximum Offering Size:

(i) first, so much of the Company Securities proposed to be registered for the account of the Company or the holder of Company Securities for whose account such registration or offering is made (to the extent so provided pursuant to any agreement entered into pursuant to Section 5.2 below), as the case may be, as would not cause the offering to exceed the Maximum Offering Size,

(ii) second, all Registrable Securities requested to be included in such registration by any Shareholders pursuant to this Section 3.2 (allocated, if necessary for the offering not to exceed the Maximum Offering Size, *pro rata* among such Shareholders on the basis of the relative number of shares of Registrable Securities owned by such Shareholders), and

(iii) third, any securities proposed to be registered for the account of any other Persons with such priorities among them as the Company shall determine.

Section 3.3. Lock-Up Agreements.

(a) In connection with the First Public Offering, no Shareholder shall effect any public sale or distribution of any Company Securities or other security of the Company (except as part of such Public Offering) during the period beginning on the date that is estimated by the Company, in good faith and in writing to such Shareholder, to be the fourteenth (14th) calendar day prior to the effective date of the applicable registration statement until the earlier to occur of (i) such time as the Company and the lead managing underwriter shall agree in writing and (ii) the 180th calendar day after the effective date of the applicable registration statement; provided, that such period may be extended upon the request of the managing underwriter, to the extent required by any FINRA rules, for an additional period of up to fifteen (15) calendar days if the Company issues or proposes to issue an earnings or other public release within fifteen (15) calendar days of the expiration of the 180 calendar day lock-up period.

(b) In connection with each other Public Offering, neither the Company nor any Shareholder shall effect any public sale or distribution of any Company Securities or other security of the Company (except as part of such Public Offering) during the period beginning on the date that is estimated by the Company, in good faith and in writing to such Shareholder, to be the fourteenth (14th) calendar day prior to the effective date of the applicable registration statement until the earlier of (i) such time as the Company and the lead managing underwriter shall agree in writing and (ii) ninety (90) calendar days after the effective date of the applicable registration statement; provided, that such period may be extended upon the request of the managing underwriter, to the extent required by any FINRA rules, for an additional period of up to fifteen (15) calendar days if the Company issues or proposes to issue an earnings or other

public release within fifteen (15) calendar days of the expiration of the ninety (90) calendar day lock-up period.

(c) Notwithstanding anything herein to the contrary, Shareholders that, together with their Affiliates, hold less than one percent (1%) of the issued and outstanding Shares shall not be subject to the lock-up periods set forth in this Section 3.3; provided, that the executive officers and directors of the Company shall be subject to such lock-up periods, regardless of their percentage ownership of issued and outstanding Shares.

Section 3.4. Registration Procedures. Whenever Shareholders request that any Registrable Securities be registered pursuant to Section 3.1 or Section 3.2 hereto, subject to the provisions of such Sections, the Company shall use all commercially reasonable efforts to effect the registration and the sale of such Registrable Securities in accordance with the intended method of disposition thereof as quickly as practicable, and, in connection with any such request:

(a) The Company shall as expeditiously as possible prepare and file with the SEC a registration statement on any form for which the Company then qualifies or that counsel for the Company shall deem appropriate and which form shall be available for the sale of the Registrable Securities to be registered thereunder in accordance with the intended method of distribution thereof, and use all commercially reasonable efforts to cause such filed registration statement to become and remain effective for a period of not less than 180 calendar days, or in the case of a shelf registration statement, one year (or such shorter period as set forth in Section 3.1(a) hereto).

(b) Prior to filing a registration statement or prospectus or any amendment or supplement thereto, the Company shall, if requested, furnish to each Participating Shareholder and each underwriter, if any, of the Registrable Securities covered by such registration statement copies of such registration statement as proposed to be filed, and thereafter the Company shall furnish to such Shareholder and underwriter, if any, such number of copies of such registration statement, each amendment and supplement thereto (in each case including all exhibits thereto and documents incorporated by reference therein), the prospectus included in such registration statement (including each preliminary prospectus and any summary prospectus) and any other prospectus filed under Rule 424 or Rule 430A under the Securities Act and such other documents as such Shareholder or underwriter may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such Shareholder. Each Participating Shareholder shall have the right to request that the Company modify any information contained in such registration statement, amendment and supplement thereto pertaining to such Shareholder and the Company shall use all commercially reasonable efforts to comply with such request; provided that the Company shall not have any obligation to so modify any information if the Company reasonably expects that so doing would cause the prospectus to contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading.

(c) After the filing of the registration statement, the Company shall (i) cause the related prospectus to be supplemented by any required prospectus supplement, and, as so supplemented, to be filed pursuant to Rule 424 under the Securities Act, (ii) comply with the provisions of the Securities Act with respect to the disposition of all Registrable Securities

covered by such registration statement during the applicable period in accordance with the intended methods of disposition by the Participating Shareholders set forth in such registration statement or supplement to such prospectus, and (iii) promptly notify each Participating Shareholder holding Registrable Securities covered by such registration statement of any stop order issued or threatened by the SEC or any state securities commission and use all commercially reasonable efforts to prevent the entry of such stop order or to remove it if entered.

(d) The Company shall use all commercially reasonable efforts to (i) register or qualify the Registrable Securities covered by such registration statement under such other securities or “blue sky” laws of such jurisdictions in the United States as any Participating Shareholder holding such Registrable Securities reasonably (in light of such Shareholder’s intended plan of distribution) requests and (ii) cause such Registrable Securities to be registered with or approved by such other governmental agencies or authorities as may be necessary by virtue of the business and operations of the Company and do any and all other acts and things that may be reasonably necessary or advisable to enable such Shareholder to consummate the disposition of the Registrable Securities owned by such Shareholder; provided that the Company shall not be required to (A) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 3.4(d), (B) subject itself to taxation in any such jurisdiction, or (C) consent to general service of process in any such jurisdiction.

(e) The Company shall immediately notify each Participating Shareholder holding such Registrable Securities covered by such registration statement, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of the occurrence of an event requiring the preparation of a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading and promptly prepare and make available to each such Shareholder and file with the SEC any such supplement or amendment.

(f) In connection with any Demand Registration or an underwritten offering of Shares registered pursuant to a Shelf Offering Request, the Major Investor requesting such Demand Registration or underwritten offering in connection with a Shelf Offering Request shall have the right to select an underwriter or underwriters, including the lead underwriter, reasonably acceptable to the Company; provided, that the Company shall have the right to select a co-manager reasonably acceptable to the Major Investor. The Company shall have the right to select an underwriter or underwriters in connection with any other underwritten Public Offering. In connection with any Public Offering, the Company shall enter into customary agreements (including an underwriting agreement in customary form) and take all other actions as are reasonably required in order to expedite or facilitate the disposition of such Registrable Securities in any such Public Offering, including the engagement of a “qualified independent underwriter” in connection with the qualification of the underwriting arrangements with FINRA.

(g) Upon execution of confidentiality agreements in form and substance reasonably satisfactory to the Company, the Company shall make available for inspection by any Participating Shareholder and any underwriter participating in any disposition pursuant to a registration statement being filed by the Company pursuant to this Section 3.4 and any attorney,

accountant or other professional retained by any such Shareholder or underwriter (collectively, the “Inspectors”), all financial and other records, pertinent corporate documents and properties of the Company (collectively, the “Records”) as shall be reasonably necessary or desirable to enable them to exercise their due diligence responsibility, and cause the Company’s officers, directors and employees to supply all information reasonably requested by any Inspectors in connection with such registration statement. Records that the Company determines, in good faith, to be confidential and that it notifies the Inspectors are confidential shall not be disclosed by the Inspectors unless (i) the disclosure of such Records is necessary to avoid or correct a misstatement or omission in such registration statement or (ii) the release of such Records is required pursuant to applicable law or regulation or judicial process. Each Participating Shareholder agrees that information obtained by it as a result of such inspections shall be deemed confidential and shall not be used by it or its Affiliates as the basis for any market transactions in the Company Securities unless and until such information is made generally available to the public. Each Participating Shareholder further agrees that, upon learning that disclosure of such Records is sought in a court of competent jurisdiction, it shall give notice to the Company and allow the Company, at its expense, to undertake appropriate action to prevent disclosure of the Records deemed confidential.

(h) In connection with an underwritten offering, and if required in writing by a Participating Shareholder, the Company shall furnish to such Participating Shareholder and to each such underwriter, if any, a signed counterpart, addressed to such Shareholder or underwriter, of (i) an opinion or opinions of counsel to the Company and (ii) a comfort letter or comfort letters from the Company’s independent public accountants, each in customary form and covering such matters of the kind customarily covered by opinions or comfort letters, as the case may be, as a majority-in-interest of such Shareholders or the managing underwriter therefor reasonably requests.

(i) The Company shall otherwise use all commercially reasonable efforts to comply with all applicable rules and regulations of the SEC, and make available to the Shareholders, as soon as reasonably practicable, an earnings statement or such other document that shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder.

(j) The Company may require each such Participating Shareholder promptly to furnish in writing to the Company such information regarding the distribution of the Registrable Securities as the Company may from time to time reasonably request and such other information as may be legally required in connection with such registration.

(k) Each such Participating Shareholder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 3.4(e) hereto, such Shareholder shall forthwith discontinue disposition of Registrable Securities pursuant to the registration statement covering such Registrable Securities until such Shareholder’s receipt of the copies of the supplemented or amended prospectus contemplated by Section 3.4(e) hereto, and, if so directed by the Company, such Shareholder shall deliver to the Company all copies, other than any permanent file copies then in such Shareholder’s possession, of the most recent prospectus covering such Registrable Securities at the time of receipt of such notice. If the Company shall give such notice, the Company shall extend the period during which such registration statement shall be maintained effective (including the period referred to

in Section 3.4(a) hereto) by the number of days during the period from and including the date of the giving of notice pursuant to Section 3.4(e) hereto to the date when the Company shall make available to such Shareholder a prospectus supplemented or amended to conform with the requirements of Section 3.4(e) hereto.

(l) The Company shall use all commercially reasonable efforts to list all Registrable Securities covered by such registration statement on any securities exchange or quotation system on which any of the Registrable Securities are then listed or traded.

(m) The Company shall have appropriate officers of the Company (i) prepare and make presentations at any “road shows” and before analysts and rating agencies, as the case may be provided, that only (i) a Major Investor, and (ii) a Transferee(s) of a Major Investor selling at least twenty percent (20%) of the issued and outstanding Common Stock in connection with an underwritten offering, may require a “road show,” (ii) take other actions to obtain ratings for any Registrable Securities, (iii) otherwise use all commercially reasonable efforts to cooperate as reasonably requested by the underwriters in the offering, marketing or selling of the Registrable Securities, including, without limitation, by executing customary underwriting agreements, and (iv) otherwise use all commercially reasonable efforts to cooperate as reasonably requested by the Shareholders in the marketing of the Registrable Securities.

(n) The Company shall notify each Participating Shareholder, promptly after the Company receives notice thereof, of the time when such registration statement has been declared effective or a supplement to any prospectus forming a part of such registration statement has been filed.

(o) After such registration statement becomes effective, the Company shall notify each Participating Shareholder of any request by the SEC that the Company amend or supplement such registration statement or prospectus.

Section 3.5. Indemnification by the Company. The Company agrees to indemnify and hold harmless each Participating Shareholder holding Registrable Securities covered by a registration statement, its officers, directors, employees, partners, legal counsel, accountants and agents, and each Person, if any, who controls such Shareholder within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act from and against any and all losses, claims, damages, liabilities and expenses (including reasonable expenses of investigation and reasonable attorneys’ fees and expenses) (“Damages”) that are (i) caused by or relating to any untrue statement or alleged untrue statement of a material fact contained in any registration statement or prospectus relating to the Registrable Securities (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto), any preliminary prospectus or any “issuer free writing prospectus” (as defined in Rule 433 of the Securities Act); (ii) caused by or relating to any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading; or (iii) caused by any violation or alleged violation by the Company (or any of its agents or Affiliates) of the Securities Act, Exchange Act, any state securities law, or any rule or regulation promulgated under the Securities Act, the Exchange Act, or any state securities law; except insofar as such Damages are caused by or related to any such untrue statement or omission or alleged untrue statement or omission so made based upon information furnished in

writing to the Company by such Shareholder or on such Shareholder's behalf expressly for use therein.

The Company also agrees to indemnify any underwriters of the Registrable Securities, their officers and directors and each Person who controls such underwriters within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act on substantially the same basis as that of the indemnification of the Shareholders provided in this Section 3.5 or otherwise on commercially reasonable terms negotiated on an arm's length basis with such underwriters.

Section 3.6. Indemnification by Participating Shareholders. Each Participating Shareholder holding Registrable Securities included in any registration statement agrees, severally but not jointly, to indemnify and hold harmless the Company, its officers who have signed the registration statement, directors and agents and each Person, if any, who controls the Company within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the foregoing indemnity from the Company to such Shareholder, but only with respect to information furnished in writing by such Shareholder or on such Shareholder's behalf expressly for use in any registration statement or prospectus relating to the Registrable Securities, or any amendment or supplement thereto, any preliminary prospectus or any "issuer free writing prospectus." Each such Shareholder also agrees to indemnify and hold harmless underwriters of the Registrable Securities, their officers and directors and each Person who controls such underwriters within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act on substantially the same basis as that of the indemnification of the Company provided in this Section 3.6. In no event shall the aggregate liability of any Participating Shareholder under this Section 3.6 or Section 3.8 below for any Damages exceed the net proceeds received by such Shareholder in the sale of Registrable Securities of such Shareholder to which such Damages relate, except in the case of fraud or willful misconduct by such Participating Shareholder.

Section 3.7. Conduct of Indemnification Proceedings. If any proceeding (including any governmental investigation) shall be instituted involving any Person in respect of which indemnity may be sought pursuant to this Article 3, such Person (an "Indemnified Party") shall promptly notify the Person against whom such indemnity may be sought (the "Indemnifying Party") in writing and the Indemnifying Party shall have the right to participate in such proceeding and, to the extent the Indemnifying Party so desires, participate jointly with any other Indemnifying Party to which notice has been given, and to assume the defense thereof, including with counsel mutually reasonably satisfactory to such Indemnified Party, and the Indemnifying Party shall assume the payment of all fees and expenses; provided that the failure of any Indemnified Party so to notify the Indemnifying Party shall not relieve the Indemnifying Party of its obligations hereunder except to the extent and only to the extent that the Indemnifying Party is materially prejudiced by such failure to notify. In any such proceeding, any Indemnified Party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (i) the Indemnifying Party and the Indemnified Party shall have mutually agreed to the retention of such counsel or (ii) in the reasonable judgment of such Indemnified Party representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them.

It is understood that, in connection with any proceeding or related proceedings in the same jurisdiction, the Indemnifying Party shall not be liable for the reasonable fees and expenses of more than one separate firm of attorneys (in addition to one local counsel in each relevant jurisdiction) at any time for all such Indemnified Parties, and that all such fees and expenses shall be reimbursed as they are incurred. In the case of any such separate firm for the Indemnified Parties, such firm shall be designated in writing by the Indemnified Parties. The Indemnifying Party shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent, or if there be a final judgment for the plaintiff, the Indemnifying Party shall indemnify and hold harmless such Indemnified Parties from and against any loss or liability (to the extent stated above) by reason of such settlement or judgment. Without the prior written consent of the Indemnified Party, no Indemnifying Party shall effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party, unless such settlement includes an unconditional release of such Indemnified Party from all liability arising out of such proceeding.

Section 3.8. Contribution. If the indemnification provided for in this Article 3 is unavailable to the Indemnified Parties in respect of any Damages, then each such Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Damages (a) as between the Company and the Participating Shareholders holding Registrable Securities covered by a registration statement on the one hand and the underwriters on the other, in such proportion as is appropriate to reflect the relative benefits received by the Company and such Shareholders on the one hand and the underwriters on the other, from the offering of the Registrable Securities, or if such allocation is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits but also the relative fault of the Company and such Shareholders on the one hand and of such underwriters on the other in connection with the statements or omissions that resulted in such Damages, as well as any other relevant equitable considerations and (b) as between the Company on the one hand and each such Shareholder on the other, in such proportion as is appropriate to reflect the relative fault of the Company and of each such Shareholder in connection with such statements or omissions, as well as any other relevant equitable considerations. The relative benefits received by the Company and such Shareholders on the one hand and such underwriters on the other shall be deemed to be in the same proportion as the total proceeds from the offering (net of underwriting discounts and commissions but before deducting expenses) received by the Company and such Shareholders bear to the total underwriting discounts and commissions received by such underwriters, in each case as set forth in the table on the cover page of the prospectus. The relative fault of the Company and such Shareholders on the one hand and of such underwriters on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company and such Shareholders or by such underwriters. The relative fault of the Company on the one hand and of each such Shareholder on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by such party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company and the Participating Shareholders agree that it would not be just and equitable if contribution pursuant to this Section 3.8 were determined by *pro rata* allocation (even if the underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an Indemnified Party as a result of the Damages referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such action or claim. In no event shall the aggregate liability of any Participating Shareholder under Section 3.6 hereto or this Section 3.8 for any Damages exceed the net proceeds realized by such Shareholder in the sale of Registrable Securities of such Shareholder to which such Damages relate, except in the case of fraud or willful misconduct by such Participating Shareholder. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. Each Participating Shareholder's obligation to contribute pursuant to this Section 3.8 is several in the proportion that the net proceeds of the offering received by such Shareholder bears to the total net proceeds of the offering received by all such Participating Shareholders and not joint.

The obligations of the Company and Shareholders under this Section 3.8 shall survive the completion of any offering of Registrable Securities in a registration under this Article 3, and otherwise shall survive the termination of this Agreement.

Section 3.9. Participation in Public Offering. No Person may participate in any Public Offering hereunder unless such Person (a) agrees to sell such Person's securities on the basis provided in any underwriting arrangements approved by the Persons entitled hereunder to approve such arrangements and (b) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements and the provisions of this Agreement in respect of registration rights.

Section 3.10. Other Indemnification. Indemnification similar to that specified herein (with appropriate modifications) shall be given by the Company and each Participating Shareholder with respect to any required registration or other qualification of securities under any federal or state law or regulation or governmental authority other than the Securities Act.

Section 3.11. Reports Under Exchange Act. With a view to making available to the Shareholders the benefits of Rule 144 and any other rule or regulation of the SEC that may at any time permit a Shareholder to sell securities of the Company to the public without registration or pursuant to a registration on Form S-3, the Company shall:

(a) make and keep available adequate current public information, as those terms are understood and defined in Rule 144, at all times after the effective date of the registration statement filed by the Company for the First Public Offering;

(b) use commercially reasonable efforts to file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act

and the Exchange Act (at any time after the Company has become subject to such reporting requirements); and

(c) furnish to any Shareholder, so long as the Shareholder owns any Registrable Securities, forthwith upon request (i) to the extent accurate, a written statement by the Company that it has complied with the reporting requirements of Rule 144 (at any time after ninety (90) calendar days after the effective date of the registration statement filed by the Company for the First Public Offering), the Securities Act, and the Exchange Act (at any time after the Company has become subject to such reporting requirements), or that it qualifies as a registrant whose securities may be resold pursuant to Form S-3 (at any time after the Company so qualifies); (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company; and (iii) such other information as may be reasonably requested in availing any Shareholder of any rule or regulation of the SEC that permits the selling of any such securities without registration (at any time after the Company has become subject to the reporting requirements under the Exchange Act) or pursuant to Form S-3 (at any time after the Company so qualifies to use such form).

ARTICLE 4.

BOARD OF DIRECTORS

Section 4.1. Board of Directors.

(a) The Company will be governed by its Board, which will initially consist of eight (8) members. The members of the Board will initially consist of the individuals identified in the Plan and, thereafter, will be elected (and subject to removal) by Shareholders holding a majority of the issued and outstanding Common Stock. Subject to any requirements of law, any member of the Board or the entire Board may be removed, with or without cause, by Shareholders holding a majority of the issued and outstanding Common Stock. Each Shareholder agrees to promptly take all actions necessary including, but not limited to, the voting of their Company Securities, the execution of written consents, the calling of special meetings, the removal of directors and the filling of vacancies on the Board, (i) to elect as a member of the Board the person then serving as the Chief Executive Officer of the Company, (ii) to elect as a member of the Board any designee or designees selected by Shareholders holding a majority of the issued and outstanding Common Stock, and (iii) if the removal of any director(s) is requested by Shareholders holding a majority of the issued and outstanding Common Stock, to remove such director(s), with such vote to occur before the transaction of any other business by the Shareholders or the Board.

(b) If any Shareholder fails or refuses to vote that Shareholder's Common Stock in accordance with this Agreement, then, without further action by such Shareholder, the Shareholders holding a majority of the issued and outstanding Common Stock shall have an irrevocable proxy coupled with an interest to vote such Shareholder's Common Stock in accordance with this Agreement, and each Shareholder hereby agrees to such irrevocable proxy coupled with an interest.

(c) The provisions of this Section 4.1 shall terminate upon consummation of the First Public Offering.

ARTICLE 5.

CERTAIN COVENANTS AND AGREEMENTS

Section 5.1. Confidentiality.

(a) Each Shareholder acknowledges that Confidential Information to be furnished to it shall be made available in connection with such Shareholder's investment in the Company. Each Shareholder agrees that it shall use, and that it shall cause any Person to whom Confidential Information is disclosed pursuant to clause (i) below to use, the Confidential Information only in connection with its investment in the Company and not for any other purpose (including to disadvantage competitively the Company or any other Shareholder). Each Shareholder further acknowledges and agrees that it shall not disclose any Confidential Information to any Person, except that Confidential Information may be disclosed:

(i) to such Shareholder's Representatives in the normal course of the performance of their duties for such Shareholder or to any financial institution providing credit to such Shareholder (it being understood that such Representatives shall be informed by the Shareholder of the confidential nature of such information and shall be directed to treat such information in accordance with this Agreement);

(ii) to the extent required by applicable law, rule or regulation (including complying with any oral or written questions, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process to which a Shareholder is subject; provided, that such Shareholder shall give the Company prompt written notice of such request(s), to the extent practicable, so that the Company may seek an appropriate protective order or similar relief (and the Shareholder shall cooperate with such efforts by the Company, and shall in any event make only the minimum disclosure required by such law, rule or regulation and shall use best efforts to obtain an order or other reliable assurance that confidential treatment will be accorded to such information));

(iii) to any Person to whom such Shareholder is contemplating a Transfer of its Company Securities; provided, that such Transfer would not be completed in violation of the provisions of this Agreement and prior to such disclosure such potential Transferee is advised of the confidential nature of such information and agrees in a writing to be bound by the confidentiality provisions hereof and which agreement is independently enforceable by the Company; provided further, that such Transferee is entitled to receive such information pursuant to Section 5.3(d);

(iv) to any regulatory authority or rating agency to which the Shareholder or any of its Affiliates is subject or with which it has regular dealings, as long as such authority or agency is advised of the confidential nature of such information;

(v) in connection with such Shareholder's or such Shareholder's Affiliates' normal fund raising, marketing, informational or reporting activities or to any *bona fide* prospective purchaser of the equity or assets of such Shareholder or such Shareholder's Affiliates, or prospective merger partner of such Shareholder or such Shareholder's Affiliates; provided, that prior to such disclosure the Persons to whom such information is disclosed are advised of the confidential nature of such information and agree in a writing to be bound by the confidentiality provisions hereof and which agreement is independently enforceable by the Company; or

(vi) if the prior written consent of the Company shall have been obtained.

Nothing contained herein shall prevent the use (subject, to the extent possible, to a protective order) of Confidential Information in connection with the assertion or defense of any claim by or against the Company or any Shareholder. The restrictions contained in this Section 5.1(a) shall terminate as to any Shareholder one (1) year following the date on which such Shareholder ceases to own any Company Securities.

(b) "Confidential Information" means any confidential information concerning the Company or any Persons that are or become its Subsidiaries or the financial condition, business, operations or prospects of the Company or any such Persons in the possession of or furnished to any Shareholder; provided that the term "Confidential Information" does not include information that (i) is or becomes generally available to the public other than as a result of a disclosure by a Shareholder or its partners, shareholders, members, directors, officers, employees, agents, counsel, accountants, consultants, investment advisers or other professionals or representatives, or by its Affiliates or wholly owned subsidiaries (all such persons being collectively referred to as "Representatives") in violation of this Agreement or any other applicable agreement, (ii) is or was available to such Shareholder on a non-confidential basis prior to its disclosure to such Shareholder or its Representatives by the Company, or (iii) was or becomes available to such Shareholder on a non-confidential basis from a source other than the Company, which source is or was (at the time of receipt of the relevant information) not, to the best of such Shareholder's knowledge, bound by a confidentiality agreement with (or other confidentiality obligation to) the Company or another Person.

Section 5.2. Limitations on Subsequent Registration Rights. The Company agrees that it shall not, without the prior written consent of Shareholders holding a majority of the issued and outstanding Common Stock, enter into any registration agreement with any holder or prospective holder of any securities of the Company (i) that would allow such holder or prospective holder to include such securities in any Demand Registration or Piggyback Registration unless, under the terms of such agreement, such holder or prospective holder may include such securities in any such registration only to the extent that their inclusion would not reduce the amount of the Registrable Securities of the Shareholders included therein or (ii) on terms more favorable than the registration rights set forth in this Agreement.

Section 5.3. Certain Information.

(a) Prior to the consummation of the First Public Offering, the Company agrees to furnish or make available to the Shareholders: (i) on a quarterly basis within forty-five (45) calendar days of each quarter-end, consolidated unaudited financial statements of the Company, including the balance sheet, income statement, and statement of cash flow detailing the quarter-to-date and year-to-date results, together with the footnotes thereto; and (ii) on an annual basis within 120 calendar days of each year-end, audited consolidated financial statements of the Company, including the balance sheet, income statement, and cash flow detailing year-to-date results, together with the footnotes thereto, in each case in reasonable detail and prepared in accordance with GAAP, except as otherwise noted therein.

(b) Prior to the consummation of the First Public Offering, the Company agrees to furnish or make available to each Qualified Shareholder copies of all financial reports and other information relating to the Company and its Subsidiaries that is delivered to the Exit Term Loan Lenders under the Company's Exit Term Loan Facility (as such terms are defined in the Plan), or any modification, extension or refinancing thereof, promptly following delivery thereof to such lenders.

(c) Prior to the consummation of the First Public Offering, for so long as Venor and its Affiliates hold, in the aggregate, eight and one-half percent (8.5%) or more of the issued and outstanding Common Stock, the Company shall permit Venor and its Affiliates, at their expense, to visit and inspect the Company's properties; examine its books of account and records; and discuss the Company's affairs, finances, and accounts with its officers, in a reasonable manner, during regular business hours of the Company and upon reasonable advance notice by Venor and its Affiliates; provided, however, that the Company shall not be obligated pursuant to this Section 5.3(c) to provide access to any information that it reasonably and in good faith considers to be a trade secret or otherwise to be competitively sensitive information (unless covered by an enforceable confidentiality agreement, in form acceptable to the Company) or the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel. For purposes of calculating the percentage ownership thresholds set forth in this Section 5.3(c), such calculations shall (i) exclude any issuance of Company Securities unless each Shareholder was entitled to exercise preemptive rights under Section 2.5 hereto and (ii) exclude any Shares issued in connection with the exercise of the Warrants.

(d) Notwithstanding anything herein to the contrary, any Transferee (or proposed Transferee) who is a direct or indirect competitor of the Company shall not be entitled to receive any of the information described in Section 5.1 hereto or this Section 5.3.

Section 5.4. Restrictive Legends. The certificates representing the Shares, other than any global certificate representing Shares deposited with a depository for transfer in book-entry form, shall include an endorsement typed conspicuously thereon of the following restrictive legends:

“THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY APPLICABLE STATE SECURITIES LAWS. THESE

SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND CANNOT BE OFFERED, PLEDGED, HYPOTHECATED, TRANSFERRED OR SOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE ALSO SUBJECT TO CERTAIN ADDITIONAL RESTRICTIONS ON TRANSFER, VOTING AND OTHER MATTERS AS SET FORTH IN THAT CERTAIN SHAREHOLDERS' AGREEMENT, DATED AS OF THE EFFECTIVE DATE, AS THE SAME MAY BE AMENDED FROM TIME TO TIME, COPIES OF WHICH ARE ON FILE AT THE PRINCIPAL EXECUTIVE OFFICES OF THE COMPANY, AND MAY NOT BE TRANSFERRED EXCEPT IN ACCORDANCE THEREWITH."

In the event that any Shares shall cease (as reasonably determined by the Company) to be subject to any or all of the restrictions described in the restrictive legends required by this Section 5.4, the Company shall, upon the written request of the Shareholder thereof, issue to such Shareholder a new certificate representing such Shares without the inapplicable restrictive legend or legends.

Section 5.5. Insurance. The Company hereby agrees to maintain directors' and officers' liability insurance for directors and officers of the Company or of any other enterprise that such person serves at the request of the Company, provided and to the extent that such insurance is available on a commercially reasonable basis. If, at the time of the receipt of a notice of a claim, the Company has directors' and officers' liability insurance in effect, the Company shall give prompt notice of the commencement of such proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary and/or desirable action to cause such insurers to pay, on behalf of the indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such policies. The policy shall not be cancelable by the Company without prior approval by the Board.

Section 5.6. Squeeze-Out Merger. Other than in connection with a Drag-Along Sale, in the event that (i) Anchorage and JPMorgan (individually or collectively), or any of their respective Affiliates, hold ten percent (10%) or more of the issued and outstanding Common Stock and agree to effect any "squeeze-out" merger (or similar transaction) of the Company, and (ii) Venor and its Affiliates hold, in the aggregate, eight and one-half percent (8.5%) or more of the issued and outstanding Common Stock, then prior to engaging in such a transaction, the Company shall require the prior written consent of Venor. For purposes of calculating the percentage ownership thresholds set forth in this Section 5.6, such calculations shall exclude (i) any issuance of Company Securities unless each Shareholder was entitled to exercise preemptive rights under Section 2.5 hereto and (ii) any Shares issued in connection with the exercise of the Warrants.

ARTICLE 6.

MISCELLANEOUS

Section 6.1. Binding Effect; Assignability; Benefit.

(a) This Agreement shall become effective as of the Effective Date and shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, successors, legal representatives and permitted assigns; provided, that this Agreement shall not inure to the benefit of or be binding on any Person acquiring Company Securities in the open market following the First Public Offering; provided, further, that this Agreement may not be assigned by the Company. Any Shareholder that ceases to own beneficially any Company Securities shall cease to be bound by the terms hereof (a “Termination Event”) (other than (i) the provisions of Section 3.5 (*Indemnification by the Company*), Section 3.6 (*Indemnification by Participating Shareholders*), Section 3.7 (*Conduct of Indemnification Proceedings*) and Section 3.8 (*Contribution*) hereto applicable to such Shareholder with respect to any offering of Registrable Securities completed before the date such Shareholder ceased to own any Company Securities and such Shareholder participates in the registration, and (ii) Section 5.1 (*Confidentiality*) and this Article 6); provided, that such Shareholder shall remain liable for any breaches of this Agreement, including without limitation breaches occurring in connection with the Transfer of Shares, occurring prior to a Termination Event. Notwithstanding the foregoing sentence, this Agreement shall inure to the benefit of and be binding upon any Shareholder in the event such Shareholder or any of its Affiliates re-acquires any Company Securities after a Termination Event.

(b) Except as set forth in Section 3.5 and Section 6.15 hereto, nothing in this Agreement, expressed or implied, is intended to confer on any Person other than the parties hereto, and their respective heirs, successors, legal representatives and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

Section 6.2. Notices. All notices, requests and other communications to any party shall be in writing and shall be delivered in person, mailed by certified or registered mail, return receipt requested, or sent by facsimile transmission (with confirmation of receipt),

(a) If to the Company, to:

Bally Total Fitness Corporation
8700 W. Bryn Mawr Ave., Third Floor
Chicago, IL 60631-3507
Attention: General Counsel
Facsimile: (773) 399-0126

with a copy to:

Kramer Levin Naftalis & Frankel LLP
1177 Avenue of the Americas
New York, NY 10036

Attention: Shari K. Krouner, Esq.
Facsimile: (212) 715-8000

(b) If to a Shareholder, at such Shareholder's address as set forth in the books and records of the Company.

Any Person that becomes a Shareholder shall promptly provide its address and facsimile number to the Company. All notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5:00 p.m. in the place of receipt and such day is a Business Day in the place of receipt. Otherwise, any such notice, request or communication shall be deemed not to have been received until the next succeeding Business Day in the place of receipt. Any notice, request or other written communication sent by facsimile transmission shall be confirmed by certified or registered mail, return receipt requested, posted within one (1) Business Day, or by personal delivery, whether courier or otherwise, made within two (2) Business Days after the date of such facsimile transmission.

Section 6.3. Waiver; Amendment. Except as provided below, no provision of this Agreement may be waived except by an instrument in writing executed by the party against whom the waiver is to be effective. No provision of this Agreement may be amended or otherwise modified except by an instrument in writing executed by Shareholders holding two-thirds (2/3) or more of the issued and outstanding Common Stock; provided that (i) any amendment, waiver or other modification imposing Transfer restrictions in addition to those set forth herein or limiting or waiving, or otherwise modifying in any material and adverse respect, the rights of Shareholders set forth in Articles 2, 3 and 4 or Section 5.3 or Section 5.6 hereto will require the prior written consent of Shareholders holding ninety percent (90%) or more of the issued and outstanding Common Stock, and (ii) any amendment or modification that would subject any Shareholder to materially adverse differential treatment relative to all of the other Shareholders will require the prior written consent of such Shareholder; provided further, that, in the event that Venor and its Affiliates hold, in the aggregate, eight and one-half percent (8.5%) or more of the issued and outstanding Common Stock, and Anchorage and JPMorgan (and/or their respective Affiliates) hold all of the remaining issued and outstanding Common Stock, then any amendment, waiver or other modification imposing Transfer restrictions in addition to those set forth herein or limiting or waiving, or otherwise modifying in any material and adverse respect, the rights of such Shareholders set forth in Articles 2, 3 and 4 or Section 5.3 or Section 5.6 hereto will require the prior written consent of Venor. Any amendment, waiver or other modification effected in accordance with this Section 6.3 shall be binding on all parties hereto, regardless of whether any such party has consented thereto. For purposes of calculating the percentage ownership thresholds set forth in this Section 6.3, such calculations shall exclude (i) any issuance of Company Securities unless each Shareholder was entitled to exercise preemptive rights under Section 2.5 hereto and (ii) any Shares issued in connection with the exercise of the Warrants.

Notwithstanding the foregoing, subject to any limitations set forth in its amended and restated certificate of incorporation or bylaws or this Agreement, the Company shall have the right, in the sole discretion of the Board, to issue shares of common stock or preferred stock, or options or warrants to purchase, or securities convertible or exchangeable for such shares, to any Person (whether or not such Person is already party to this Agreement) and to cause such

securities and such Persons (to the extent not already subject to this Agreement) to become subject to the rights and obligations of this Agreement.

Section 6.4. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of New York applicable to contracts made and to be performed therein.

Section 6.5. Jurisdiction. The parties hereto hereby agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby shall be brought in the United States District Court for the Southern District of New York or any New York State court sitting in New York City, so long as one of such courts shall have subject matter jurisdiction over such suit, action or proceeding, and that any cause of action arising out of this Agreement shall be deemed to have arisen from a transaction of business in the State of New York, and each of the parties hereby irrevocably consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which is brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 6.2 hereto shall be deemed effective service of process on such party; provided that, in lieu of being subject to service of process by the methods provided in Section 6.2 hereto, each Shareholder, by providing written notice to the Company, may designate an agent with an office in New York City (or other location approved by the Company) to receive service of process on behalf of such Shareholder.

Section 6.6. Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 6.7. Specific Enforcement. Each party hereto acknowledges that the remedies at law of the other parties hereto for a breach or threatened breach of this Agreement would be inadequate and, in recognition of this fact, any party to this Agreement, without posting any bond, and in addition to all other remedies that may be available, shall be entitled to obtain equitable relief in the form of specific performance, a temporary restraining order, a temporary or permanent injunction or any other equitable remedy that may then be available.

Section 6.8. Counterparts; Effectiveness. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective as of the date first set forth above.

Section 6.9. Entire Agreement. This Agreement constitutes the entire agreement among the parties hereto with respect to the subject matter hereof and supersedes all

prior and contemporaneous agreements and understandings, both oral and written, among the parties hereto with respect to the subject matter hereof.

Section 6.10. Captions. The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof.

Section 6.11. Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated. Upon such a determination, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties hereto as closely as possible in an acceptable manner so that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

Section 6.12. Public Announcements. None of the Shareholders nor the Company shall (and none of them shall permit any of their respective Subsidiaries or Affiliates to) disclose any Shareholder's name or identity as an investor in or Shareholder of the Company in any press release or other public announcement or in any document or material filed with any governmental or regulatory authority or otherwise, without the prior written consent of such Shareholder, unless such disclosure is required by applicable law, rule, regulation or order, a governmental or regulatory authority or a court or administrative order, in which case prior to making such disclosure the disclosing party shall, to the extent permitted by applicable law, rule, regulation or order, a governmental, administrative or regulatory body or a court or administrative order, give written notice to each non-disclosing party describing in reasonable detail the proposed content of such disclosure and shall permit each non-disclosing party to review and comment upon the form and substance of such disclosure.

Section 6.13. Further Assurances; No Circumvention of Agreement. Each of the Shareholders agrees to use its commercially reasonable efforts to take or cause to be taken, all actions and to do, or cause to be done, and to assist and cooperate with the other parties in doing, all things necessary, proper or advisable to give effect to the transactions contemplated by this Agreement, and not to take, or cause to be taken, any actions to circumvent its obligations under this Agreement (including, without limitation, the rights of Shareholders set forth in Articles 2, 3 and 4, Section 5.3, and Section 5.6 hereto).

Section 6.14. Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, shall impair any such right, power, or remedy of such nonbreaching or nondefaulting party, nor shall it be construed to be a waiver of or acquiescence to any such breach or default, or to any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. All remedies, whether under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

Section 6.15. Third Party Beneficiaries. Persons who “beneficially own” (as such term is defined in Rule 13d-3 of the Exchange Act) any Shares and who (i) acquired such Shares prior to the consummation of the First Public Offering, (ii) who acquire, by Transfer, Shares that were issued prior to the consummation of the First Public Offering, regardless of whether such Transfer occurs before or after the First Public Offering (other than, and with respect to, any Shares that are acquired in the open market following the First Public Offering) or (iii) acquire Shares pursuant to the exercise of any Management Options or Warrants or pursuant to a distribution with respect to any RSU, regardless of whether such exercise or distribution occurs before or after the First Public Offering, are express third party beneficiaries of this Agreement and shall be entitled to enforce, and shall be subject to, the provisions of this Agreement as if each such person was a Shareholder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized representatives as of the Effective Date.

BALLY TOTAL FITNESS HOLDING
CORPORATION

By: _____
Name:
Title:

ANCHORAGE CAPITAL MASTER OFFSHORE,
LTD.

By: _____
Name:
Title:

Address for Notices:

JPMORGAN CHASE BANK, N.A.

By: _____
Name:
Title:

Address for Notices:

J.P. MORGAN SECURITIES INC.

By: _____
Name:
Title:

Address for Notices:

VENOR CAPITAL MASTER FUND LTD.

By: _____

Name:

Title:

Address for Notices:

[OTHER SHAREHOLDERS]

By: _____

Name:

Title:

Address for Notices:

EXHIBIT A

List of Certain Shareholders Subject to Shareholders' Agreement

EXHIBIT B

JOINDER TO SHAREHOLDERS' AGREEMENT

This JOINDER AGREEMENT (this "Joinder Agreement") is made as of the date written below by the undersigned (the "Joining Party") in accordance with the Shareholders' Agreement, dated as of the Effective Date (the "Shareholders' Agreement") by and among Bally Total Fitness Holding Corporation and the Shareholders thereof, as the same may be amended from time to time. Capitalized terms used but not defined herein shall have the meanings respectively ascribed to such terms in the Shareholders' Agreement.

The Joining Party hereby acknowledges, agrees and confirms that, by its execution of this Joinder Agreement, the Joining Party shall be deemed to be a party to the Shareholders' Agreement as of the date hereof and shall have all of the rights and obligations of a "Shareholder" thereunder as if it had executed the Shareholders' Agreement. The Joining Party hereby ratifies, as of the date hereof, and agrees to be bound by, all of the terms, provisions and conditions contained in the Shareholders' Agreement.

IN WITNESS WHEREOF, the undersigned has executed this Joinder Agreement as of the date written below.

Date: _____, _____

[NAME OF JOINING PARTY]

By: _____

Name:

Title:

Address for Notices: